POLICY BRIEF

COVID-19 and Food Export Restrictions:

Comparing today's situation to the 2007/08 price spikes

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Introduction

Twenty-two countries have responded to COVID-19 by announcing or imposing food export restrictions.[1] This has sparked concern that access to food for consumers in low-income, food-importing countries could be harmed, as happened when food prices spiked in 2007/08 and 2010/11. There are important differences between today's situation and the previous price spike episodes, as well as some similarities. This note draws on the International Food Policy Research Institute's (IFPRI's) COVID-19 Food Trade Policy Tracker[2] to compare how governments have reacted to the current crisis with how they did so in the past.

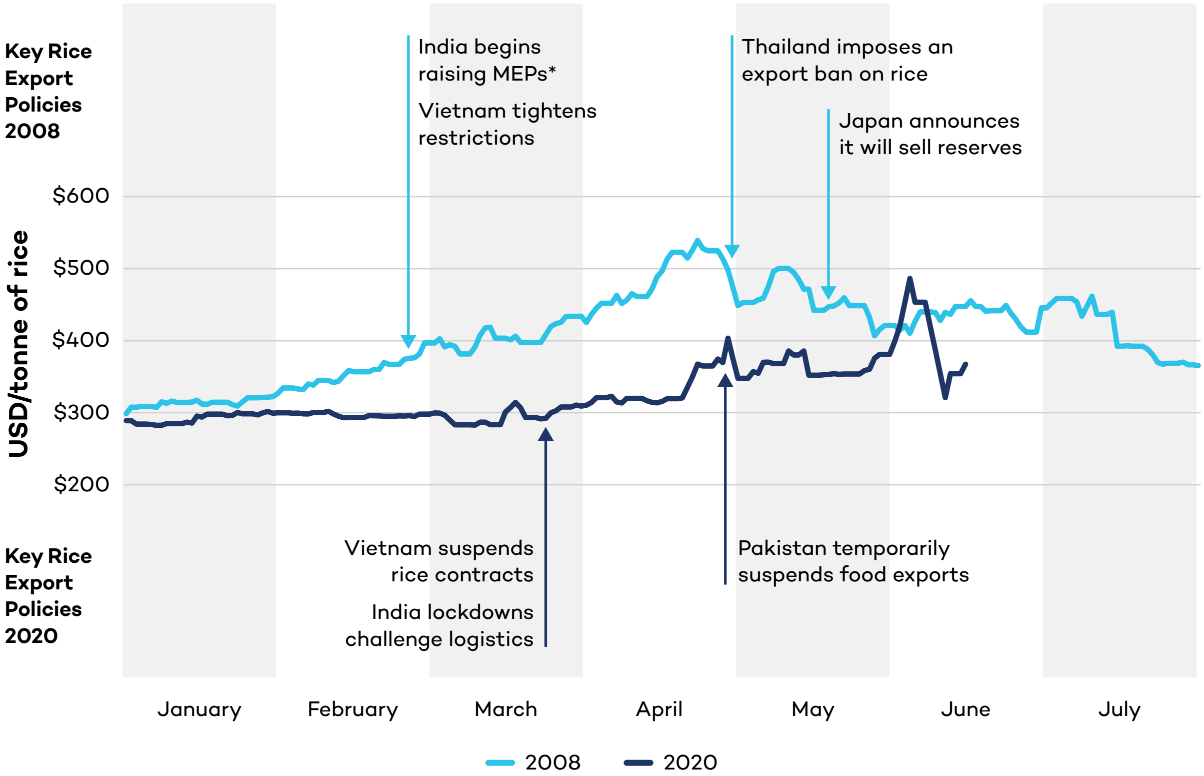
A different economic policy context

Global food supplies and stocks today are ample to meet demand, with agricultural commodity and oil prices at relatively low and declining levels. In contrast, in 2007/08, export restrictions exacerbated shortages on global markets, as high energy prices, biofuel blending mandates, and harvest failures in major producing countries contributed to tight markets for several staple foods. Recently, difficulties in ensuring food availability have related more to logistical challenges in ensuring smooth functioning of food supply chains as governments impose health-related restrictions reaching beyond the food sector.

[1] Export restrictions on food and agricultural products have nonetheless been less widespread than those on personal protective equipment for health sector workers.

[2] IFPRI's COVID-19 Food Trade Policy Tracker project is at: ifpri.org/project/covid-19-food-trade-policy-tracker.

Figure 1. Rice prices and policies, 2008–2020[3]



Notes: USD are current USD. * Minimum export prices.

A smaller share of globally traded calories affected

At the time of writing, IFPRI data shows that 22 countries have announced or imposed export restrictions on food in response to the COVID-19 crisis, compared to 33 in 2007/08. Looking at all announced restrictions, it is clear that a far smaller share of globally traded calories[4] has been affected by recent measures: at around 5%, this is just over a quarter of the level affected in 2007/08. Products targeted by measures today represent nearly 227,000 billion Kcal, compared to almost 493,000 billion Kcal in 2008. Similarly, the monetary value of food and farm goods affected today represents about half that in 2007/08, at USD 21 billion rather than USD 43 billion.[5] While in 2008 as many as nine countries decided to apply export taxes

[3] Rice price data: *Rough Rice Futures, Continuous Contract #1 (RR1) (Front Month): Last Price [dataset].* (2020, June 16). Quandl.com. https://www.quandl.com/data/CHRIS/CME_RR1. Policy data source: Laborde, D., Mamun, A. & Parent, M. (2020). *COVID-19 Food Trade Policy Tracker [dataset].* International Food Policy Research Institute (IFPRI). https://www.ifpri.org/project/covid-19-food-trade-policy-tracker; Hall, K. (2008, 22 May). How Japan helped ease the rice price crisis. *Bloomberg.* https://www.bloomberg.com/news/articles/2008-05-22/how-japan-helped-ease-the-rice-crisisbusinessweek-business-news-stock-market-and-financial-advice; Timmer, C. P. (2008, July 2). Japan and a solution to the world rice crisis. *Asia-Pacific Journal, 6*(7), Article ID 2819. https://apjjf.org/-C.-Peter-Timmer/2819/article.html.

[4] Alternative metrics would show a greater share of calories are affected by export restrictions, as IFPRI's definition of globally traded calories is broad (including, for example, calories from alcohol) and also includes intra-European Union trade.

[5] Value in current USD, calculated using values from 2014 to 2016.

to food products (rather than an outright ban), no country has yet done so in 2020. Taxes tend to have more manageable impacts on domestic and global markets than bans do.[6]

The changing geography of response measures

Twelve countries imposed export restrictions both in 2007/08 and 2020 (Figure 2). Another 20 imposed restrictions during the 2008 price spikes, but not more recently. Finally, nine countries that did not previously impose export restrictions have done so in response to the COVID-19 pandemic.

Table 1. Countries imposing food export restrictions in 2008 and in 2020

Imposed restrictions in **2008 and 2020**		Imposed restrictions **only in 2008**		Imposed restrictions **only in 2020**
Belarus	Pakistan	Argentina	Iran	Algeria
Cambodia	Russia	Bangladesh	Jordan	Armenia
Egypt	Serbia	Bolivia	Kenya	Honduras
Kazakhstan	Syria	Brazil	Madagascar	Moldova
Kyrgyzstan	Thailand	China	Malaysia	North Macedonia
Myanmar	Ukraine	Ecuador	Nepal	Romania
		Ethiopia	Niger	South Africa
		Guinea	Sri Lanka	Turkey
		India	Tanzania	Vietnam
		Indonesia	Zambia	

Which products have been affected?

Both in 2007/08 and more recently, staple foods such as wheat and rice figure prominently among the list of products on which food export restrictions have been imposed. However, other products, such as lemons, eggs, turnips, beer, and spirits, have also been targeted. Other affected products include pulses, flour, other grains, onions, garlic, beans, milk powder, vegetable oil, cheese, and yogurt.

[6] See, for example, Anania, G. (2013). *Agricultural export restrictions and the WTO: What options do policy-makers have for promoting food security?* ICTSD. https://www.files.ethz.ch/isn/173336/agricultural-export-restrictions-and-the-wto-what-options-do-policy-makers.pdf

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