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Eurasian Center for Food Security

## Contents

- **2021 Global Food Policy Report: Transforming Food Systems after COVID-19.....1**
- **Prospects of Russian Agri-Food Exports to the Countries of the Eurasian Economic Union .... 2**
- **Event Calendar 2021 ..... 3**



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In the April Newsletter we publish key messages of the *2021 Global Food Policy Report* prepared by International Food Policy Research Institute (IFPRI). The topic of this year's report is Transforming Food Systems after COVID-19. The report includes a separate chapter on Central Asia highlighting weaknesses and strengths in food systems in the region.

The prospects of Russian agri-food exports to the Eurasian Economic Union (EAEU) are discussed in the second article. The study shows that products with identified comparative advantages—such as margarine, sunflower oil, and chocolate—have the greatest potential for growth in Russian supplies to the EAEU. In terms of countries, the markets of Kazakhstan and the Kyrgyz Republic are the most capacious for increasing Russian exports.

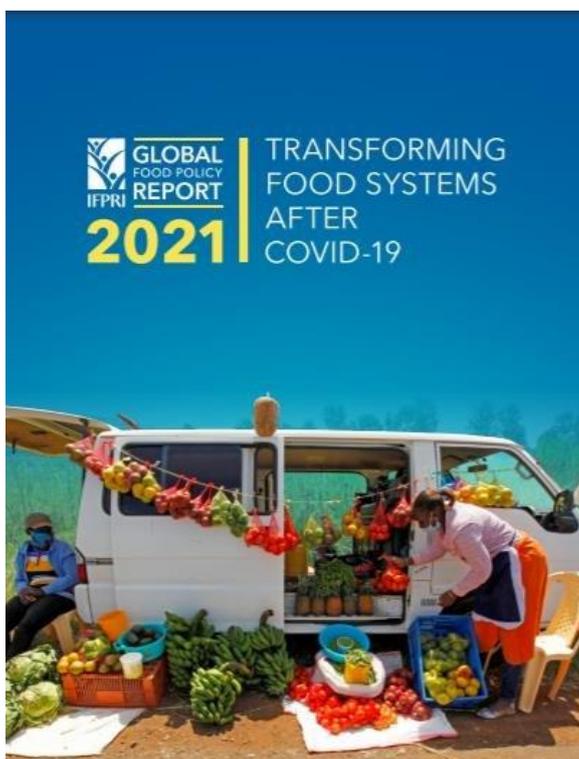
See the updates to the Event Calendar 2021 at the end of the Newsletter.

## **2021 Global Food Policy Report: Transforming Food Systems after COVID-19**

The International Food Policy Research Institute (IFPRI) launched the 10th flagship *Global Food Policy Report* on April 13 during a virtual global launch event. The topic of this year's report is Transforming Food Systems after COVID-19. Below we highlight the key messages of the report, focusing on the Central Asia outcomes. The regional launch event discussing the report's relevance to the Eurasian region is planned for May 27 during the joint ECFS/IFPRI/World Bank/ Westminster International University event in Tashkent.

This year the event will be virtual, as it was last year.

The *2021 Global Food Policy Report* raises awareness about food system transformation after COVID-19. COVID-19 has upended local, national, and global food systems and put the Sustainable Development Goals further out of reach. But lessons and momentum from the world's response to the pandemic can contribute to food system change. We invite everyone to take part in the event. Details will be available on the ECFS website shortly.



The *2021 Global Food Policy Report* explores the impacts of the pandemic and the public and private sector policy responses to date, particularly for the poor and disadvantaged. It also considers what this means for transforming our food systems so that they are healthy, resilient, efficient, sustainable, and inclusive. The year 2021 offers a unique opportunity to fundamentally transform food systems, and the *2021 Global Food Policy Report* lays out an evidence-based framework for successfully doing so.

The report has 12 chapters. The first six chapters explore key requisites for after-pandemic transformation in light of the current shock—balancing health and economic policies, promoting healthy diets and nutrition, strengthening social protection policies and inclusion, integrating natural resource protection into food sector policies, and enhancing the contribution of the private sector—and how best to achieve them. The report also has six regional chapters: one each on Africa, the Middle East and North Africa, Central Asia, South Asia, East and Southeast Asia, and Latin America and the Caribbean. COVID-19 impacts and responses differed around the world, affecting people and food chains in diverse ways and highlighting

weaknesses and strengths in different food systems. Regional sections examine the diverse experiences of the pandemic worldwide as well as the impact of varied response measures. Below we present the main findings and recommendations of the report.

### ***Key findings of the report***

**Policy responses.** Pandemic policy responses have followed a similar course across diverse countries—beginning with lockdowns and health measures, then shifting toward fiscal, monetary, and social protection interventions. In the face of crisis, policy makers must balance critical trade-offs among priorities and policy actions for health, food systems, and economies, and be prepared to act rapidly.

**Nutrition.** Diet quality deteriorated during the pandemic because of disruptions in food supply; drops in demand for fresh, healthy foods; and increased consumption of cheaper, less nutritious sources of calories. The deterioration in diet quality could have devastating consequences for the health and nutrition of vulnerable women and children and cause irreversible development, health, and nutritional setbacks.

**Environment.** Food systems contribute to environmental degradation and climate change and will likely contribute to future pandemics and natural disasters that will, in turn, disrupt food, health, and economic systems. This vicious cycle of unsustainable resource use and degradation must be replaced with a virtuous cycle of healthier food and ecosystems and greater sustainability.

**Vulnerable people.** Vulnerable groups—including the urban poor, informal and migrant workers, and women—have borne the brunt of food system disruptions, such as lockdowns, as well as loss of employment and incomes. Expansion of social protection programs was unprecedented during the pandemic and was critical for many vulnerable groups. But many people were still left without coverage, and few programs were gender sensitive.

**Food supply chains.** The pandemic disrupted food supply chains through government-

imposed lockdowns and restrictions that affected labor and input supply, logistics, and distribution as well as by shifting consumer demand for food. “Transitioning” supply chains—which are long but poorly integrated—were the most vulnerable. Modern integrated supply chains were better positioned to adapt, innovate, and take advantage of digitalization.

### **Primary recommendations of the report**

**Increase understanding of the interplay** of health, economic, and social policy actions; gather data; and review experiences to aid decision-making and improve processes for policy coordination. Develop robust public systems for vulnerable populations, such as social protection, nutrition, and education programs that can be quickly scaled up and adapted when a shock occurs.

**Strengthen and expand coverage** of targeted social protection programs, such as cash and food transfers, with measures to support demand for healthy diets, such as behavior change communication and vouchers for healthy foods. Harness the influence of food environments to redirect food systems toward healthier food provision that supports optimal health and nutrition—for example, through taxes on unhealthy food products or regulation of advertising.

**Strive to build nature-positive systems**, which maintain or even restore ecosystem services, by rethinking food systems in terms of “eco-agri-food systems.” Identify and implement effective institutions and incentives for nature-positive food systems, such as multisector platforms, landscape management, and payment for environmental services.

**Build evidence on policies and innovations** to strengthen food system resilience as a way to protect vulnerable groups from food and income insecurity during food system shocks. Distill lessons and innovations from pandemic responses so that social programs and policies can be redesigned to reduce gender, ethnic, and other inequalities over the long term. Test and document local, context-specific innovations.

**Create an enabling business environment** to promote investment by private sector firms of all sizes in food system resilience and transformation. Promote food system modernization—driven by the private sector but enabled by the public sector—that enhances resilience and helps generate better employment and livelihoods along food supply chains.

### **Summary of Central Asia chapter**

The global pandemic compounded existing problems facing the region. These include the growing effects of climate change, unstable commodity markets, and a heavy reliance on remittances and undiversified trade flows.

The pandemic policy responses implemented by Central Asian governments appear to have been timely and appropriate. These policy responses included (1) measures to contain the spread of the virus, such as strict limits on population movement and public gatherings, restrictions on domestic and foreign travel, and lockdowns; (2) measures to mitigate impacts on household welfare and food security, such as wage and unemployment support, tax waivers for individuals, and social protection measures; and (3) fiscal measures to revive the economy, including economic and financial stimulus and tax waivers for businesses.

Despite swift policy responses to the pandemic, Central Asian countries suffered substantial impacts on their economies, household welfare, and food and nutrition security. The pattern of impacts followed a similar course across the region. Initially, government-mandated lockdowns and other restrictions caused a contraction of economic and business activities, especially in tourism, hospitality, wholesale and retail trade, passenger and freight transportation, and other services. This reduced incomes, weakened consumer demand, and reduced household welfare and food security.

Intraregional trade has contributed to the mitigation of the pandemic’s adverse effects on food and nutrition security in the region.

The pandemic also exacerbated structural vulnerabilities in the region’s economies,

especially exposure to commodity price volatility (most notably in energy prices) and heavy dependence on a few commodities and trading partners.

The pandemic-related disruption of remittance flows initially put additional pressure on Central Asian economies. The Kyrgyz Republic and Tajikistan, in particular, were hit by declining remittances from the Russian Federation. When the Russian economy suffered the double blow of the pandemic and falling oil prices, deterioration of its labor market and depreciation of the Russian ruble reduced opportunities and wages for migrant labor from Central Asia.

Digital connectivity in Central Asian countries is generally poor, especially in rural areas. This isolation restricted economic and social opportunities during the lockdown. As a result,

many households and individuals in the region missed out on employment opportunities and could not access quality education, health care, or other public services. Investments in information and communications infrastructure and digital technologies will be integral to long-term recovery in the region and will help it to expand its digital economy and accelerate the implementation of modern technologies, such as precision agriculture and unified digital market platforms.

Incomes have fallen for more than 40 percent of households, including both the poor and nonpoor. Job losses have affected almost 20 percent of households, and even those who still have jobs face numerous workplace challenges.

The IFPRI report is available at the [following link](#). The report synopsis is available [here](#).

## Prospects of Russian Agri-Food Exports to the Countries of the Eurasian Economic Union

By Roman Romashkin

The second issue of the journal *Problems of Forecasting* for 2021 published an article on the prospects of Russian agri-food exports to the countries of the Eurasian Economic Union (EAEU) authored by the ECFS Deputy Director **Roman Romashkin** and Professor, Head of the Department of Agroecomics of Lomonosov Moscow State University **Sergey Kiselev**.

The article examines the features and main directions of development of Russian agri-food product exports to the countries of the EAEU. An assessment of the complementarity of Russian agri-food trade with EAEU partners was carried out, and products with comparative advantages were identified. The article indicates potential value and analyzes the prospects of Russian export supplies to the common agri-food market of the EAEU. Key messages of the report are presented below.

- The EAEU countries continue to be important partners of Russia in agri-food trade. The structure of Russian supplies to the common EAEU market is dominated by highly processed products. The outlined positive dynamics of trade complementarity indicators testifies to the improved conditions that allow Russia to realize its export potential in the EAEU.
- More than two-thirds of the supplies of Russian agri-food products to EAEU countries fall on goods for which comparative advantages have not been identified. In this regard, the revealed comparative advantage index as applied to Russia's EAEU partners, given the low capacity of their markets, does not allow an accurate assessment of the prospects for export development. The peculiarities of mutual trade with EAEU countries are the result of specific socioeconomic characteristics and advantages within the

framework of regional economic integration.

- Products with identified comparative advantages—such as margarine, sunflower oil, and chocolate—have the greatest potential for growth in Russian supplies to the common EAEU market. In terms of country, the markets of Kazakhstan and the Kyrgyz Republic are the most capacious for increasing Russian exports.

- The imbalance of export-import operations with Belarus necessitates the development of trade ties based on the building of joint production chains by partners for exporting products to third countries, including China and countries of the European Union. This approach will reduce the tension in bilateral trade relations

and will contribute to the sustainable development of the national agro-industrial complex.

- Russia’s export potential for agri-food products in EAEU countries is characterized by a high degree of implementation. Restraining factors are the negative dynamics of demand in the member states and the need to ensure the long-term competitiveness of domestic products in the face of a fall in the exchange rate of the ruble.

The article was prepared based on the results of a study carried out with the support of the Russian Foundation for Basic Research within the framework of scientific project No. 20-010-00639A.

## Event Calendar 2021

Date	City, Country	Event
January 12– June 17	ONLINE	<a href="#">Agricultural and Resource Economics Seminar, hosted by Marc Bellemare or Jeffrey Bloem</a>
May 4	ONLINE	<a href="#">CGIAR COVID-19 Hub Seminar: COVID-19 and Implications for One Health Research</a>
May 27	ONLINE	Virtual Event on Transforming Food Systems after COVID-19: Implications of the 2021 Global Food Policy Report for Eurasia (website and event registration are not available yet)φ
June 21–23	ONLINE	<a href="#">8th World Congress on Conservation Agriculture (8WCCA)</a>

Date	City, Country	Event
August 23–27	ONLINE	<a href="#">EUROSOIL 2021</a>
October 27–29	Tashkent, Uzbekistan	<a href="#">FAO Global Symposium on Salt-Affected Soils</a>
November 1–12	Glasgow, United Kingdom of Great Britain and Northern Ireland	<a href="#">Glasgow Climate Change Conference (COP26 UN climate change conference)</a>
December	Tokyo, Japan	<a href="#">Nutrition for Growth Summit</a>