

Global food import bill set to increase at a slower pace in 2022, nevertheless to another record level

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Higher international food prices set to lift the global food import bill (FIB) to a record USD 1.94 trillion in 2022, but growth foreseen to slowdown from the previous year.

The world food import bill is forecast to reach another all-time high in 2022, surpassing USD 1.9 trillion. While this represents another increase by 10 percent, or USD 180 billion, over last year's record level, the expansion is foreseen to slow significantly compared to the 18-percent increase registered in 2021 relative to 2020 (Table 1). The anticipated slowdown in growth in 2022 reflects higher world food prices and depreciating currencies against the United States dollar, all of which are expected to weigh on the purchasing power of importers and subsequently on the quantity of imported foods.

Overall, in 2022, high-income countries (HICs) and upper-middle-income countries (UMICs) are expected to account for 85 percent of world expenditures on imported food and over 80 percent of the growth in these expenditures. The bulk of the increase in the food import bill is expected to be cost-driven, reflecting record international food prices that come on the back of surging input prices as well as disrupted food supply chains. Imports by low-income countries (LICs) are expected to become increasingly responsive to higher prices; their volumes are forecast to come to a standstill in 2022.

Higher import bills do not translate into higher inflows for vulnerable countries.

Decomposing food import bills to ascertain the extent to which changes in prices and volumes drive changes in expenditures at the global level, the anticipated increase in the 2022 import bill is almost entirely on account of higher prices, with USD 157 billion due to higher international prices and merely USD 27 billion reflect higher volumes¹ (Table 2). The upshot is that higher import bills mainly reflect higher unit costs rather than higher volumes, with many regions or country groups set to face higher bills in return for

lower or the same volumes. Worryingly, this development is much more pronounced for some economically vulnerable country groups. Sub-Saharan Africa, for instance, is expected to spend USD 4.8 billion more on food imports but to see a decline in volumes worth USD 0.7 billion. Similarly, least developed countries (LDCs) are expected to see an expansion in their food import bill by USD 4.9 billion fully on account of higher prices. As for net food-importing developing countries (NFIDCs), they are forecast to face USD 21.7 billion in extra costs for merely USD 4 billion of extra imported food volumes. The aggregate food import bill for LICs is expected to remain unchanged in value terms but could shrink by as much as 10 percent in volume terms, highlighting growing accessibility issues for such countries. These are alarming signs from a food security perspective, indicating importers are finding it difficult to finance rising international costs, potentially heralding an end of their resilience to higher international prices.

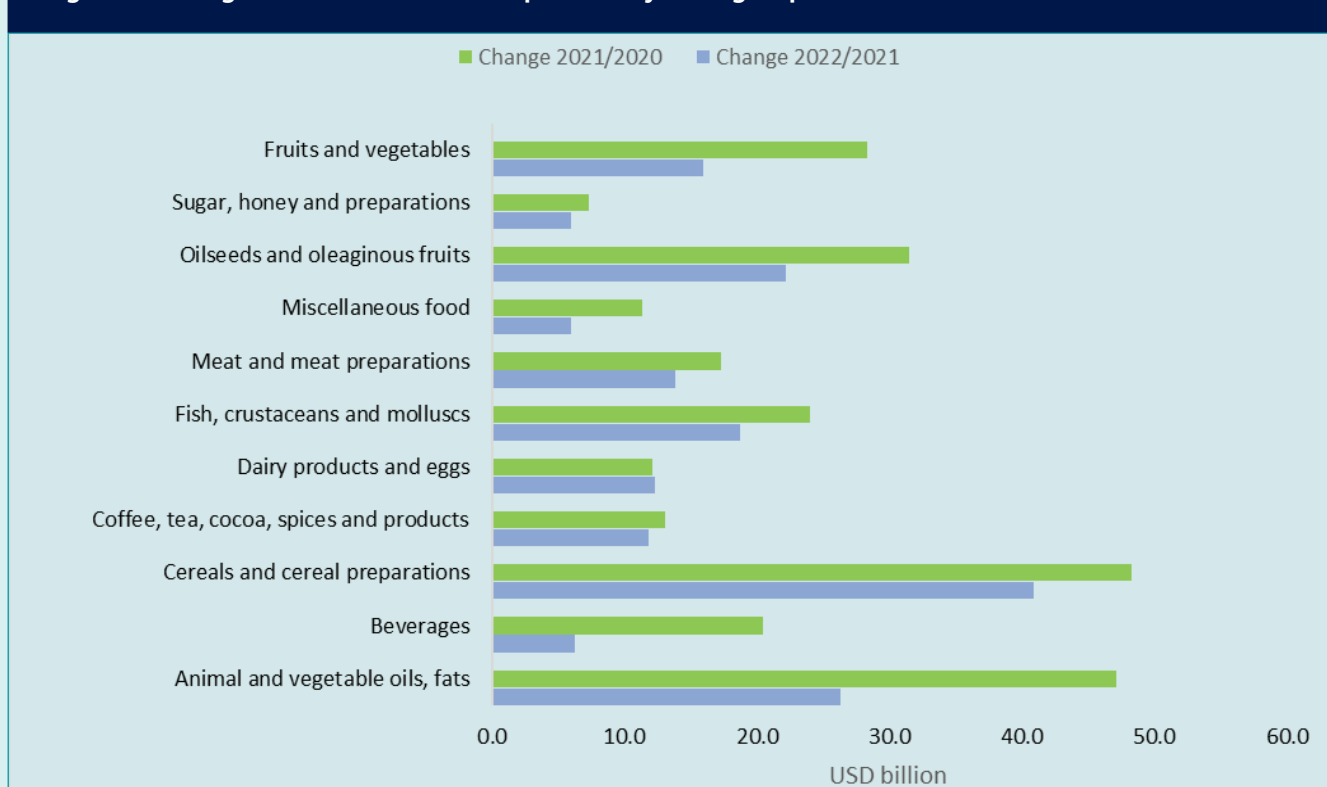
High-income regions account for most of the growth in the world import bill for all foodstuffs, while low-income countries focus on imports of staple food items

From a food group perspective, existing differences across importing regions are likely to become more pronounced in 2022. While high-income countries continue purchasing across the entire spectrum of food products, the expenditures of developing regions will be increasingly concentrated on importing staple foods. Unsurprisingly, the share of imported staple foods in the total FIB rises with lower income levels; staple foods account for 19, 37, 43 and 46 percent of the total FIBs for HICs, UMICs, lower-middle-income countries (LMICs) and LICs, respectively.

Overall, 2022 may usher in an era of less resilience to higher food prices, notably in poorer regions. In response to these developments, FAO has proposed a Food Import Financing Facility (FIFF), which would provide balance-of-payments support to low-income, highly food import-dependent countries to ease their access to international food markets. The approval of a "Food Shock Window" by the International Monetary Fund (IMF) presents an important and welcome step towards easing the burden of higher imported food expenditures among LICs.

¹ There is a negative "mixed effect" of USD 4 billion in the decomposition of the overall change in the global food import bill (FIB). This explains the difference between the overall increase in the global FIB of USD 180 billion and the sum of the price and quantity effect of USD 157 billion plus USD 27 billion.

Figure 1. Changes in the world food import bill by food group



Source: FAO and Trade Data Monitor (TDM), authors' calculations

* Forecasts are based on data from January 2022 to July 2022

Table 1. Import bills of total food and food products by region (USD billion)

	World				LDCs				NFIDCs				SSA			
	2019	2020	2021	2022*	2019	2020	2021	2022*	2019	2020	2021	2022*	2019	2020	2021	2022*
Animal and vegetable oils, fats	91.5	103.0	150.1	176.5	5.0	5.8	8.1	8.4	10.8	12.6	18.8	21.3	4.9	6.1	8.0	9.7
Beverages	119.7	113.3	133.8	140.1	1.6	1.7	1.7	2.0	3.3	3.1	4.0	4.8	3.0	2.1	2.8	3.0
Cereals and cereal preparations	195.1	207.2	255.5	296.4	12.1	13.1	16.8	20.0	32.2	35.0	41.2	53.7	16.1	17.0	19.5	21.7
Coffee tea cocoa spices and products	109.9	112.5	125.5	137.4	1.4	1.2	1.5	1.8	5.4	4.8	5.4	6.1	1.5	1.5	1.7	1.8
Dairy products and eggs	94.9	95.7	107.9	120.2	1.5	1.6	1.9	2.0	5.5	5.6	6.1	7.1	2.4	2.3	2.6	2.7
Fish, crustaceans, and molluscs	164.5	151.9	175.9	194.7	1.4	1.1	1.4	1.5	5.4	5.0	5.2	5.6	4.3	3.7	4.5	4.6
Meat and meat preparations	154.7	159.7	177.0	190.9	1.5	1.6	2.3	2.7	7.6	6.6	6.6	8.3	3.2	2.7	3.2	3.4
Miscellaneous food	98.5	103.9	115.3	121.3	3.0	3.5	4.0	4.0	7.2	7.7	8.8	9.2	4.2	4.2	4.9	4.8
Oilseeds and oleaginous fruits	92.4	102.5	134.0	156.1	0.7	0.6	1.8	2.3	7.0	7.5	10.2	10.8	0.2	0.2	0.3	0.3
Sugar, honey and preparations	45.3	49.5	56.8	62.7	3.2	3.6	4.3	4.0	6.2	6.5	8.0	8.9	4.2	3.7	4.3	4.2
Fruits and vegetables	284.0	294.9	323.2	339.1	4.3	4.0	4.4	4.5	10.3	11.0	11.9	12.3	2.9	2.9	3.1	3.4
Total	1 450.6	1 494.1	1 755.0	1 935.6	35.7	37.9	48.3	53.2	100.9	105.4	126.4	148.1	47.0	46.4	54.9	59.6
	HICs				UMICs				LMICs				LICs			
	2019	2020	2021	2022*	2019	2020	2021	2022*	2019	2020	2021	2022*	2019	2020	2021	2022*
Animal and vegetable oils, fats	45.1	50.8	69.7	89.0	21.2	24.8	35.6	36.4	23.3	25.2	41.3	47.6	2.0	2.2	3.5	3.6
Beverages	94.4	91.7	106.6	110.8	18.8	16.2	20.3	21.5	5.6	4.7	6.0	6.7	0.9	0.6	0.9	1.1
Cereals and cereal preparations	99.7	104.0	118.9	142.2	40.0	45.6	67.0	68.1	49.1	51.0	60.9	77.0	6.3	6.7	8.7	9.1
Coffee, tea, cocoa, spices and products	84.0	86.4	95.0	106.0	15.4	16.0	18.8	18.7	9.6	9.4	10.9	11.9	0.9	0.6	0.8	0.8
Dairy products and eggs	65.4	65.3	72.2	82.2	19.5	20.4	24.2	24.9	9.1	9.2	10.5	12.2	0.8	0.8	1.0	1.0
Fish, crustaceans and molluscs	123.1	115.9	134.6	146.1	31.7	27.2	31.0	37.8	8.8	8.0	9.3	9.7	1.0	0.8	1.0	1.1
Meat and meat preparations	110.5	106.4	117.2	129.1	33.7	44.4	49.0	48.9	9.7	8.1	9.6	11.7	0.8	0.9	1.1	1.2
Miscellaneous food	62.4	65.4	72.4	76.5	24.1	25.8	27.9	29.4	10.5	10.9	12.6	13.3	1.6	1.9	2.4	2.1
Oilseeds and oleaginous fruits	28.4	31.0	38.9	49.5	51.2	58.0	77.1	86.7	12.8	13.4	17.8	19.7	0.0	0.0	0.2	0.2
Sugar, honey and preparations	26.3	27.0	30.6	34.2	7.7	9.2	10.6	11.9	9.5	11.7	13.1	15.2	1.8	1.6	2.4	1.5
Fruits and vegetables	208.6	217.3	232.7	237.2	48.3	49.7	58.3	66.9	25.3	26.2	30.3	33.0	1.9	1.6	1.9	2.0
Total	947.8	961.2	1 088.9	1 202.6	311.7	337.4	420.0	451.1	173.1	177.9	222.3	258.1	18.0	17.6	23.9	23.7

Source: FAO and Trade Data Monitor (TDM), authors' calculations

* Forecasts are based on data from January 2022 to July 2022

Table 2. Decomposition of changes in food product bills for global aggregates, 2022 over 2021

Food group	World				LDCs				NFIDCs				SSA			
	Price effect	Volume effect	Mixed effect	Observed change	Price effect	Volume effect	Mixed effect	Observed change	Price effect	Volume effect	Mixed effect	Observed change	Price effect	Volume effect	Mixed effect	Observed change
	<----- USD billion ----->															
Animal and vegetable oils, fats	40.9	-11.5	-3.1	26.3	1.5	-1.2	-0.1	0.2	4.9	-1.8	-0.5	2.6	2.1	-0.4	0.0	1.7
Beverages	-0.4	6.9	-0.2	6.3	0.0	0.3	0.0	0.3	-0.1	0.9	0.0	0.8	-0.1	0.3	0.0	0.2
Cereals and cereal preparations	36.1	4.1	0.8	40.9	2.2	0.9	0.2	3.2	8.4	3.4	0.7	12.5	2.6	-0.4	0.0	2.2
Coffee, tea, cocoa, spices and products	9.2	2.6	0.1	11.9	0.0	0.3	0.0	0.3	0.3	0.4	0.0	0.7	0.1	0.1	0.0	0.1
Dairy products and eggs	12.0	0.4	-0.1	12.3	0.1	0.0	0.0	0.1	0.8	0.1	0.0	1.0	0.3	-0.1	0.0	0.1
Fish, crustaceans and molluscs	12.6	5.6	0.6	18.8	0.0	0.1	0.0	0.1	0.2	0.1	0.0	0.4	0.2	-0.1	0.0	0.1
Meat and meat preparations	18.4	-3.6	-0.8	13.9	0.3	0.1	0.0	0.5	0.8	0.7	0.1	1.6	0.3	-0.1	0.0	0.2
Miscellaneous food	-2.9	9.2	-0.3	6.0	0.0	0.0	0.0	0.0	-0.2	0.6	0.0	0.4	-0.1	0.0	0.0	-0.1
Oilseeds and oleaginous fruits	23.3	-0.5	-0.6	22.2	0.1	0.1	0.2	0.4	1.9	-0.8	-0.5	0.6	0.0	-0.1	0.0	-0.1
Sugar, honey and preparations	2.9	3.0	0.0	6.0	0.3	-0.6	0.0	-0.3	0.4	0.4	0.0	0.9	0.2	-0.2	0.0	0.0
Fruits and vegetables	4.6	11.1	0.2	16.0	0.0	0.1	0.0	0.1	0.6	-0.2	0.0	0.4	0.0	0.3	0.0	0.3
Total	156.7	27.3	-3.4	180.6	4.6	0.0	0.3	4.9	18.0	3.9	-0.2	21.7	5.7	-0.7	-0.2	4.8
	HICs				UMICs				LMICs				LICs			
Food group	Price effect	Volume effect	Mixed effect	Observed change	Price effect	Volume effect	Mixed effect	Observed change	Price effect	Volume effect	Mixed effect	Observed change	Price effect	Volume effect	Mixed effect	Observed change
	<----- USD billion ----->															
Animal and vegetable oils, fats	19.9	-0.6	0.0	19.2	10.2	-7.2	-2.3	0.8	10.2	-3.2	-0.8	6.3	0.6	-0.5	0.0	0.1
Beverages	-0.2	4.4	-0.1	4.2	0.0	1.2	-0.1	1.1	-0.2	1.1	0.0	0.8	0.0	0.2	0.0	0.2
Cereals and cereal preparations	14.0	8.2	1.0	23.2	9.6	-7.5	-1.1	1.1	11.4	3.9	0.8	16.1	1.0	-0.6	0.0	0.5
Coffee, tea, cocoa, spices and products	7.7	3.1	0.2	11.0	1.0	-1.1	-0.1	-0.1	0.5	0.5	0.0	1.0	0.0	0.0	0.0	0.0
Dairy products and eggs	7.0	2.7	0.3	9.9	3.5	-2.4	-0.4	0.7	1.4	0.3	0.1	1.7	0.1	-0.1	0.0	0.0
Fish, crustaceans and molluscs	9.0	2.1	0.4	11.5	2.9	3.6	0.3	6.8	0.7	-0.2	0.0	0.4	0.0	0.1	0.0	0.1
Meat and meat preparations	8.8	2.7	0.3	11.9	8.2	-7.1	-1.3	-0.1	1.2	0.7	0.1	2.1	0.2	0.0	0.0	0.1
Miscellaneous food	-2.1	6.5	-0.3	4.1	-0.4	2.1	0.0	1.6	-0.3	1.0	0.0	0.7	0.0	-0.3	0.0	-0.3
Oilseeds and oleaginous fruits	8.0	2.1	0.5	10.6	12.5	-2.2	-0.7	9.6	2.8	-0.5	-0.5	1.9	0.0	0.1	0.0	0.1
Sugar, honey and preparations	1.3	2.2	0.1	3.5	0.6	0.6	0.0	1.2	0.9	1.2	0.0	2.1	0.2	-1.0	-0.1	-0.9
Fruits and vegetables	1.1	3.5	0.0	4.5	2.9	5.4	0.2	8.6	0.5	2.2	0.0	2.8	0.0	0.0	0.0	0.1
Total	74.4	36.9	2.3	113.7	51.1	-14.6	-5.4	31.2	29.1	7.0	-0.3	35.8	2.0	-2.1	-0.1	-0.1

Source: FAO and Trade Data Monitor (TDM), authors' calculations

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