



Background

The FAO's Europe and Central Asia Regional Initiative for Transforming food systems and facilitating market access and integration supports FAO member countries in improving agricultural trade policies for small and medium-sized enterprises, taking into account the development of more inclusive and efficient agricultural and food systems. Ensuring more favourable trade policies for modern agri-food markets requires developing the capacity to implement trade agreements and comply with national, regional and international sanitary and phytosanitary regulations. Knowing the requirements of trading partners is important.

As part of the regional initiative "Transforming food systems and facilitating market access and integration", the Ninth Annual Meeting of the Agricultural Trade Expert Network took place on 23 November 2023. The meeting addressed current issues in agricultural trade, focusing on trade policies adopted by countries in the EECCA region to counter the negative impacts on agrifood trade and food security stemming from the growing uncertainty in global and regional markets. The analysis and recommendations presented primarily focused on the countries of Central Asia and the South Caucasus.

Session 1

The meeting started with an opening address and a presentation by Iryna Kobuta, FAO Economist from the Markets and Trade Division (EST). The presentation discussed critical trends in agrifood trade flows in Central Asia and 2022 developments amid global food market uncertainty. Emphasizing the importance of intra-regional agrifood trade for Central Asian food needs. The Central Asian region heavily relies on imported food products and agricultural inputs. Tajikistan is the most import-dependent for caloric intake. Trade with Ukraine declined, and by 2022, Ukraine's exports to Central Asia accounted for 3 percent of total agrifood imports.

To maintain adequate levels of supplies of key staples for domestic consumption, minimize food market disruptions and protect vulnerable population groups in Central Asia, policy recommendations include:

- pursuing certainty and consistency in trade policy measures;
- maintaining public food stocks, expanding storage capacity, and investing in privately-owned food processing industries and government-owned facilities for short-term food security;
- limited-duration cash transfers to vulnerable households proportional to increased basic food basket costs, along with improving social protection programs for food consumption, particularly for vulnerable groups;
- Strengthening the dialogue between public and private to promote intra-regional trade and minimize disruptions;
- Diversify sources of food imports to reduce supply risks, while facilitating the agrifood exports to diversify and the sources of the income;
- Expedite the accession process of Uzbekistan and Tajikistan to the World Trade Organization (WTO) that would enhance transparency, encourage the adoption of international standards, attract investment in these Central Asian countries.

Next presentation, by Alfinura Sharafeyeva (EST consultant), focused on the trade flows and policy responses in the South Caucasus countries. As reported, the South Caucasus nations — Armenia, Azerbaijan, and Georgia - rely significantly on imports for domestic food supplies, forming a substantial portion of total calorie availability. Wheat is a critical import, contributing considerably to calorie supply, with import dependency ratios of 41 percent, 68 percent, and 85 percent in Azerbaijan, Armenia, and Georgia, respectively. Sunflower seed oil and poultry also emerge as notable net-imported products in the region. The presenter highlighted Russia and Ukraine's pivotal roles as primary suppliers of critical commodities for food security, especially wheat, wheat flour, sunflower oil, and cereals. Global and domestic food markets responded to the war in Ukraine with increased prices, impacting milling industries and contributing to food price inflation in South Caucasus countries. Governments responded with export bans, diversification of import sources, and support for domestic food production, including import quotas and subsidies. Recommendations, as highlighted in the presentation, include diversifying import sources, avoiding large-scale public procurement and trade restrictions, collaborating on alternative transportation routes, and supporting sustainable domestic food production.

Discussion

Presentations followed by the discussion, where ATEN experts shared agrifood trade and policy situations in their countries. Shalva Pipia, the expert from Georgia, discussed the impact of Russia's export duty on wheat grain on the country's milling industry. The measure was noted to have adversely affected the milling industry, leading to an increased preference for purchasing wheat flour over wheat grain. To support local wheat producers, the Georgian government implemented an import tariff on wheat. Moving to Ukraine, expert Tamara Ostashko provided insights into agricultural trade and policy changes since the beginning of the war. Notable adjustments in export and import regimes, particularly for agricultural products, were highlighted. For instance, import policies were liberalized between March and May 2022, and export licenses for wheat were introduced between March and July 2022. Mavzuna Karimova, the expert from Tajikistan, shared that food prices experienced a sharp increase in 2022, but as of 2023, the situation has stabilized. The country is actively exploring avenues to diversify its import sources, with a focus on increasing imports from neighbouring Uzbekistan. Elchin Atabayev, the expert from Azerbaijan, reported on the country's efforts to enhance collaboration with Turkic world countries, the Islamic Organization, and the SPECA¹ program, along with a focus on improving the Trans-Caspian route.

Renata Yanbykh, the expert from the Russian Federation, stated that there have been no significant changes to agricultural policies since 2022. She also noted a potential challenge concerning agricultural labour shortages due to the outflow of migrants from Central Asian countries, particularly Tajikistan. Concurrently, this situation might result in reduced remittances, potentially exacerbating the economic conditions in Tajikistan, given that households in the country often heavily depend on remittances from family members working abroad.

Session 2

The second session of the meeting focused on the discussion of the ongoing or prospective work of ATEN experts in three key thematic areas:

- Development of gender policies and their connection with agricultural trade.
- Impacts of climate change on the agri-food system and trade.
- Country experiences in the implementation of digital technologies for international trade.

¹ United Nations Special Programme for the Economies of Central Asia, SPECA

Zalina Enikeeva, the expert from the University of Central Asia (Bishkek, Kyrgyzstan) shared her research on the role of women in agriculture since the onset of COVID-19. The findings indicate that an increased number of online trainings has played a significant role in enhancing women's education by utilizing various social media platforms, leading to increased active participation in agricultural production and in selling their produce online.

Experts shared that their countries were actively developing digital tools in agrifood trade and expressed their interest in and emphasized the need for timely research on the digitalization of agriculture in their respective countries. Meanwhile, a consensus among most experts emerged, highlighting a deficiency in research and studies on the impact of climate change on agrifood trade within their nations.