



CCP76



SIDE EVENT

What happened in the world of shipping and what could the future look like?

Side event at the 76th Session of the FAO Committee on Commodity Problems (CCP)

Wednesday, 11 September 2024 | 12:30-13:45 CEST

Hybrid Event

Sheikh Zayed Centre, FAO Headquarters & Virtual conferencing platform Zoom

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Background

Agricultural trade plays a key role in improving food security and nutritional outcomes and can contribute to both climate change adaptation and mitigation provided that shipping and logistical systems are reliable and efficient. Therefore, shipping is fundamental for the seamless operation and running of the global trading system, connecting markets and moving goods between regions and countries.

In recent years, the global economy has experienced several events that resulted in elevated freight and insurance premiums, alteration of trade routes and additional voyage days, ultimately increasing average marine transportation costs and disrupting shipping activities around the globe.

Early in 2020, the outbreak of the COVID-19 pandemic disrupted shipping globally and caused delays as well as the cancellation of many shipments. The outbreak of the war in Ukraine, in late February 2022, interrupted shipping from the Ukrainian Black Sea ports which was only reinstated after July 2022 when the (now discontinued) Black Sea Grain Initiative was implemented. In 2023, low water levels resulting from extreme drought exacerbated by the ongoing El Niño event, capped the size and the number of vessels passing through the Panama Canal. In January 2024, the reduction in the number of vessels passing reached almost 40 percent. However, the situation has improved since then, as up to 32 vessels were allotted passage through the Panama Canal as of June 2024, compared to 35 to 38 vessels under normal conditions. Disruptions between Yemen and the Horn of Africa caused by attacks on commercial vessels along the shipping route connecting the Indian Ocean with the Mediterranean Sea via the Red Sea and the Suez Canal, have constrained maritime traffic since late 2023. Internal waterways have also been affected. In 2023, low water levels on inland waterways transporting agricultural commodities and inputs, including the Rhine in Germany, the Mississippi River in the United States of America and the Tapajos River in Brazil, constrained volumes and challenged internal transportation and logistics systems in major exporting countries. Although the situation has improved recently, extreme weather events and conflicts could result in more occurrences of shipping disruptions in the future.

Objective

The event will discuss the main shipping disruptions experienced since 2022 and their impact on global agricultural supply chains and trade costs, and consequently on the food security of net-food-importing countries. The event will also discuss ongoing initiatives aimed at obtaining a better understanding of the export trade logistics as well as solutions to current and possible future disruptions.

PROVISIONAL AGENDA

Moderator: Monika Tothova, Senior Economist, FAO Markets and Trade Division (EST), and Agricultural Market Information System (AMIS) Secretariat

12:30–12:35 OPENING OF THE EVENT

- *CCP Chairperson: H.E. Yaya Adisa Olaitan Olaniran*, Ambassador, Permanent Representative of the Federal Republic of Nigeria to FAO

12:35–13:15 TECHNICAL DISCUSSION

- *Arnaud Petit*, Executive Director, International Grains Council (IGC)
- *Shawn Arita*, Senior Economist, Office of the Chief Economist, U.S. Department of Agriculture (USDA)
- *A representative of UN Trade and Development (UNCTAD)*
- *A representative from an impacted country/region*

13:15–13:25 INITIATIVES ON FOOD TRADE LOGISTICS

Examples from AMIS, IGC, WTO/IGC

13:25–13:40 Q&A SESSION

13:40–13:45 CONCLUSIONS AND WRAP-UP

- *Donald Boucher*, Chairperson, AMIS