



DOUBLY DEVASTATING:

Local communities disproportionately affected by food, fuel and fertiliser price rises

The fallout from Russia's invasion of Ukraine is being felt globally as disruption to supply from two of the world's major exporters of wheat, maize, fuel and fertiliser is causing prices to soar.

New research by ActionAid finds that local communities in Africa, Asia, Latin America and the Middle East are being disproportionately affected by price rises caused by the war in Ukraine.

Many local communities are paying double, triple, or in some cases nearly four times what they were paying for food, fuel and fertiliser before the war began.

Some communities are facing price increases as high as 163% for bread, 275% for pasta, 253% for fuel, and 196% for fertilisers¹.

People living on the poverty line are already struggling with the consequences of climate change, Covid-19 and conflict, especially in countries in the Global South. Rapidly escalating prices are now putting the world on course for a global food crisis that threatens to be even more devastating, deadly and longer-lasting than the food crisis of 2007-08, or the Covid-19 pandemic. The World Food Programme predicts that up to 323 million people will face acute food insecurity this year if the war continues². However, the reality may end up even higher than WFP's figures if the coming planting season is affected by global fertiliser prices, and food systems are forced to go "cold turkey" on a global scale.

ActionAid's research in 13 countries spotlights the hard choices and extreme suffering that people are already facing, just over two months on from Russia's invasion of Ukraine. Communities living in poverty that are forced to spend a major portion of their incomes on food are disproportionately vulnerable to price fluctuations at a time when the pandemic, job losses and market closures have already stretched their spending.

Families – especially women - are missing meals and are taking their children – especially girls - out of school. Many are unable to cultivate their crops or earn a living, are selling off their assets required for future income such as livestock, and are getting deeper into debt. In regions already dealing with pre-existing acute food insecurity and climate-induced humanitarian crises, the situation for communities is especially severe, as resources are insufficient to meet the rising cost of basic needs.

Transport and marketing costs for key items can be far higher in remote rural areas than in capital cities. Meanwhile, high levels of joblessness in urban areas due to accelerating rural-urban migration means that people with no income or ability to grow food are at the mercy of rising prices.

ActionAid's research in 40 local communities across 13 countries³ comparing current prices with those on the 23rd February (the day before Russia invaded Ukraine) highlights **a perfect storm of intersecting trends** that are already leading to escalating hunger, and which are likely to get much worse for the foreseeable future unless urgent action is taken.

- 1. Rising grain prices:** The whole world has been affected by the recent conflict as
 - Russia and Ukraine are major global exporters of wheat, maize and sunflower oil. Global scarcity and market instability are leading to sharp price increases.

Several countries (Lebanon, Malawi, Somaliland and Zimbabwe) report average increases of more than 70% for bread prices. One community in **Somaliland** reports a 163% increase since the start of the war. Average prices for pasta have increased by around 50%, but one community in **Lebanon** reports price increases of 275%. Average prices for cooking oil have increased by over 60%, but communities in Somaliland are experiencing increases of as much as 260%.



The Horn of Africa is already experiencing one of the worst droughts on record, with 20 million people facing severe hunger. Maryan Muhumed Hudhun, 48, a mother of six and smallholder farmer from Somaliland, spoke to ActionAid about the impact of the war: *"We don't produce anything in Somaliland. Whatever food we consume here in Somaliland is made outside, such as rice, pasta or oil. Nothing that we consume is made in our country, and everything has changed. Whatever impacts the world will impact us as well. I am worried about not being able to get water, or even food."*

- 2. Rising fuel prices:** The war in Ukraine and sanctions on Russia, a major producer of the world's oil and gas, have sent shockwaves through global fuel prices. The cost of petrol and cooking gas has gone up by around 60% on average. However, one community in **Myanmar** reports that the cost of petrol has soared by 253%, and communities in **Zimbabwe** report petrol increases as high as 227% and cooking gas increases as high as 175%.

3. Rising fertiliser prices: Synthetic nitrogen fertilisers, a key component of industrialised farming systems, require large amounts of fossil fuels for their production. Rising global fuel prices, in addition to the suspension of fertiliser exports by Russia and Ukraine - both major global producers - have thus had an immediate effect on fertiliser prices. Farming communities that have become dependent on fertiliser to boost yields are particularly vulnerable to these effects. This vulnerability is widespread as a result of agricultural policies that have encouraged dependence on fertiliser use, instead of agroecological methods that naturally cultivate soil fertility. With the planting season about to begin or already underway in many parts of the world, crop yields and farming incomes are set to be hit hard in 2022.

On average, the price of fertiliser has already increased by more than 80%. However, in one district of **Ethiopia** prices have gone up by as much as 196%.

"I grow maize and soya beans to support my five children. But this season the high fertiliser prices meant I was unable to grow maize. As of now, I don't know how I am going to feed my children."

Matricia Mateche, a single mother of five in Mchinji district, Malawi.

Even before the war in Ukraine started, prices were rising due to a combination of Covid-19, climate change and conflict. But the situation in Ukraine and its impact on these three intersecting trends have turbo-charged the crisis as never before. Families around the world have less money with which to purchase food, while the food itself becomes more expensive.

Recommendations

ActionAid has four key recommendations for governments, to alleviate the crisis in the short and medium term.

Universal social protection and public services: Governments must roll out systems of social protection, to distribute support for all those in need. Measures such as cash transfers, food transfers, free school meals and other social protection tools are essential for supporting communities to bridge these crises and avoid falling deeper into spiralling poverty and desperation. During the Covid-19 pandemic, almost every country in the world implemented social protection schemes to protect people from the consequences of lockdown and sickness. Key lessons must be learned, and schemes put in place that can scale up in response to shocks such as climate disasters and food crises⁴. Wealthy countries must contribute through increased debt relief, unconditional transfer of Special Drawing Rights, action on unfair tax rules and aggressive tax avoidance, and through direct international funding. The IMF must remove or refrain from imposing austerity conditions, instead encouraging countries to expand tax revenues in fair ways, increase investments in public services and take the urgent measures necessary to save lives. When people face a cost-of-living crisis it is crucial to ensure that access to good quality education and health are genuinely free.

Agroecology: With fertiliser becoming scarce and unaffordable, farms around the world may experience a collective “cold turkey” and widespread drops in yields, with significant local and global consequences. Governments must urgently scale up training and support for agroecological farming approaches, which use natural and locally available materials to build soil fertility and soil organic matter. Agroecology can offer real benefits to farmers and food systems – particularly in times of climate change and rising prices. Not only do these approaches allow farmers to reduce their reliance on expensive chemical fertilisers, but they also strengthen the resilience of crops and soils to erratic weather patterns caused by climate change, while also significantly reducing the greenhouse gas emissions associated with agriculture⁵. With climate science urging need to shift away from fertiliser-dependent industrialised agriculture⁶, the pressure to undertake this transition is more vital than ever. It is important to note that simply halting fertiliser application without planning for alternative strategies can lead to catastrophic yield declines⁷. Training and support for farmers to take a careful and planned transition using agroecological approaches will therefore be essential for safeguarding food security as fertilisers become increasingly unaffordable.

“Fertiliser prices are so high that we farmers can no longer afford to buy it. This year farmers urgently need training on agroecology techniques. This is the only way that we will be able to defeat hunger.”

Sarah Kanthiti, chair of Mchinji district Coalition of Women Farmers (COWFA), Malawi

Food reserves: Governments reliant on net food imports must invest in long-term measures to build national and regional food reserves to act as buffers and reduce vulnerability to food shortages and price rises, and intervene to fix prices where required. During the 2007-2008 global food crisis, many countries effectively used national food reserves to release public stocks and protect millions of people living in poverty. A new generation of well-governed and democratically accountable national food reserves can stabilise and smooth out volatile food prices and ensure emergency food supplies, while also fostering small-scale agricultural production and longer-term rural development. These must ensure efficient and accountable systems of distribution, and involve the participation and oversight of smallholder farmers and civil society organisations. Integration of national reserves into regional food reserves can also foster cooperative arrangements during food price crises, and ensure more reliable access to food supplies during emergencies.

Shift public and private finance from industrial agriculture and fossil fuels: To avert a looming global food crisis and build resilience against future shocks and stresses such as climate change, shifts in the use of public and private finance are urgently needed. Global financing for fossil fuels and fertilisers vastly outweighs investments in renewable energy and agroecology, leaving the world’s energy and food systems highly vulnerable to conflict, global price fluctuations and climate change. 87% of agricultural subsidies are environmentally and socially harmful⁸, and must be urgently redirected towards the agroecological transition. Public and private funds in food and energy must be redistributed in order to bring about the change that will protect the rights of local communities around the world.

1. Note that price increases of e.g. 275% mean that the total cost comes to 375%, i.e. nearly four times the original price.

2. https://www.wfp.org/publications/projected-increase-acute-food-insecurity-due-war-ukraine?utm_source=twitter&utm_medium=organicpost&utm_campaign=projectedincreaseinacutefoodinsecurityduetowarinukraine&utm_content=squarevideo

3. Democratic Republic of the Congo (DRC), Ethiopia, Haiti, Kenya, Lebanon, Malawi, Mozambique, Myanmar, Nigeria, Palestine, Somaliland, Zambia, Zimbabwe

4. <https://actionaid.org/publications/2021/avoiding-climate-poverty-spiral-social-protection-avoid-climate-induced-loss>

5. <https://actionaid.org/publications/2019/principles-just-transition-agriculture>

6. <https://www.ipcc.ch/srccl/>

7. <https://www.theguardian.com/world/2022/apr/20/sri-lanka-fertiliser-ban-president-rajapaksa-farmers-harvests-collapse>

8. <https://www.unep.org/news-and-stories/press-release/un-report-calls-repurposing-usd-470-billion-agricultural-support>

Headline findings from the survey

ActionAid programme staff carried out a survey to find the impact of the war on Ukraine on everyday costs in 13 countries.

Everyday item	Average price increase across 13 countries surveyed:	MALAWI	ZIMBABWE 1	ZIMBABWE 2	SOMALILAND	ETHIOPIA
		Average price increase per country				
		79%	78%	70%	71%	46%
		Findings from specific communities				
Wheat bread	48%	In rural areas of the Mchinji district, prices of wheat bread have increased by up to 83%.	Makoni district - Nyazura Area. A 100g loaf of bread is now up to 84% more expensive. In the local market, the price of a loaf has increased up to 94%.	Basilwizi Trust Binga District. The price of a loaf has increased up to 133%. In the local market, the price of a wheat loaf has increased by up to 77%.	In the district Gebiley villages of Ceelginiseed and Teysa, the price of wheat bread has risen up to 150%. In the local market, wheat bread prices have increased by up to 163%.	In the Guna area, the price of wheat bread has increased up to 71%, whereas in the local market the price has increased by just 20%. In Ameya area wheat flour prices have increased up to 62%; in the local market its price has increased up to 58%.
Pasta	53%	In rural areas of the Mchinji district, pasta prices have increased by up to 53%.	The price of a 100g pack of pasta is 55% higher. In the local market, the price of pasta has increased by up to 55%.	The price of a 2kg pack of pasta has increased by up to 157%. In local markets, the price of a 2kg pack of pasta has increased by up to 153%.	The price of pasta has increased by up to 86%. In local markets, the pasta price has increased by up to 83%.	In Ameya, pasta prices have increased by up to 71%. In local markets the price has increased by up to 46%.
Cooking oil	64%	In the Mchinji district, the price of sunflower cooking oil has risen by 52%.	The price of sunflower cooking oil has increased by up to 106%. In local markets, the price of sunflower cooking oil has increased up to 100%.	The price of sunflower cooking oil has increased by up to 140%. In local markets, the price of sunflower cooking oil has increased by up to 97%.	In the Googeysa and Xidhinta villages, the price of sunflower cooking oil has increased by up to 260%. In the Googeysa and Xidhinta local markets, the price of sunflower cooking oil has increased by up to 192%.	In Ameya, the price of sunflower cooking oil has increased by up to 120%, including in the local markets.
Petrol	63%	In rural areas of the Nkhulambe district, prices of petroleum have increased by up to 66%.	Petroleum prices have increased by up to 227%. In local markets, prices of petroleum increased by up to 124%.	The price of petrol increased by up to 153%. In local markets, the price of petrol increased by up to 113%.	In the Googeysa and Xidhinta villages, petrol prices have increased by up to 75%. In the local market, petrol prices have increased by up to 35%.	In Guna, petrol prices have increased by up to 90%.
Cooking gas	60%	NA	NA	The price of cooking gas has increased by up to 175%. In local markets, the price of cooking gas has increased by up to 128%.	In the Googeysa and Xidhinta Villages, cooking gas prices have increased by up to 167%. In the local market, prices have increased by up to 157%.	In some parts of Guna, cooking gas prices have increased by up to 50%.
Fertiliser	83%	In rural areas of the Nkhulambe district, the price of fertiliser has increased by up to 33%.	Fertiliser prices have increased by up to 72%. In local markets, the price of fertilisers has increased by up to 73%.	NA	In the Googeysa and Xidhinta villages, fertiliser prices have increased by up to 100%. In the local markets of Ceelginiseed and Teysa prices rose by up to 116%.	Fertiliser prices in Elfeta have increased by up to 196%.

Everyday item	Average price increase across 13 countries surveyed:	MOZAMBIQUE	NIGERIA	KENYA	ZAMBIA	DRC
		Average price increase per country				
		25%	37%	10%	28%	62%
Wheat bread	48%	In rural areas of district Alto Molocue and district Namarrion prices of wheat bread have increased by 25%.	In the Kwara state semi-urban community of Sanra area, the prices of wheat bread have increased up to 59%. In the Yobe state urban community of Nasarawa the price of wheat bread has increased up to 67%. In Lagos the price increase has been reported at up to 127%.	In the Kathonzweni community of Makueni county, prices of wheat bread have risen up to 18%.	The price of bread in the Mpik area has increased up to 80%. The price of wheat flour in Lukulu has increased up to 78%.	The price of bread in Idjwi area of South-Kivu province has increased up to 50%.
Pasta	53%	In rural areas of district Alto Molocue and district Namarrion, pasta prices have increased by 17%.	In Lagos, pasta prices have risen by up to 80%.	In the Kathonzweni community of Makueni county, the price of pasta has increased by up to 19%.	NA	The price of pasta in the Idjwi area of South-Kivu province has increased by up to 50%.
Cooking oil	64%	In rural areas of district Alto Molocue, the price of sunflower cooking oil has risen by 20%.	A few areas of Lagos have had up to a 111% increase in the price of sunflower cooking oil.	In rural areas of Kajiado county of district Kajiado West, prices of sunflower cooking oil have risen by up to 100%.	The price of sunflower cooking oil in Sesheke has increased up to 57%.	Prices of sunflower cooking oil in Idjwi area of South-Kivu province have increased by up to 80%.
Petrol	63%	In rural areas of the Namarrion district, prices of petroleum have increased by up to 27%.	Many local areas have seen petroleum prices rise by up to 43%.	In the Kathonzweni community of Makueni county, the price of petrol has increased by up to 85%.	The price of petrol in the Sesheke area has increased by up to 90%.	The price of petrol in the Idjwi area of South-Kivu province has increased by up to 100%.
Cooking gas	60%	In rural areas of district Alto Molocue, prices of cooking gas have increased by up to 25%.	The price of cooking gas has risen by up to 142% in the semi-urban area of Sanrab in Kwara state.	NA	NA	The price of cooking gas in the Idjwi area of South-Kivu province has increased by up to 100%.
Fertiliser	83%	In rural areas of district Alto Molocue, the price of fertiliser has increased by 14%.	In rural areas of Kaduna state, fertiliser prices have increased by up to 111%.	NA	NA	The price of fertiliser in the Idjwi area of South-Kivu province has increased by up to 100%.

Everyday item	Average price increase across 13 countries surveyed:	HAITI MYANMAR LEBANON PALESTINE			
		54%	33%	70%	7%
Wheat bread	48%	In Petit Goave, prices of bread have increased by up to 36%.	In Myanmar, prices of bread have risen up to 49%.	In Jeb Janine area of the Bekaa district, bread prices have increased by up to 133%.	In many of the local areas of South West Hebron and Old city Hebron, prices of bread have increased by up to 14%.
Pasta	53%	57% In Petit Goave the price of pasta has increased by up to 87.5%.	NA	162% In the Baalbek area of Bekaa district, pasta prices have increased by up to 275%.	13% Prices of pasta in South West Hebron have increased up to 27%.
Cooking oil	64%	90% In Petit Goave, prices of sunflower cooking oil have increased by up to 120%.	72% In Myanmar, prices of sunflower cooking oil have risen by up to 185%.	140% In the Baalbek area of Bekaa district, prices have increased by up to 152% in the community and up to 168% in local markets.	37% Prices of sunflower cooking oil in Gaza have increased by up to 80%.
Petrol	63%	115% In the Petit Goave, the price of petrol has increased by up to 120%.	121% In Myanmar, the price of petrol has risen by up to 253%.	51% In the Jeb Janine area of Bekaa district, petrol prices have increased by up to 76%. In the Baalbek area, the price of diesel has increased by up to 100%. (Average percentage change for Diesel is 55%.)	19% The price of petrol in Old city Hebron has increased by up to 34%.
Cooking gas	60%	73% Prices of cooking gas have increased by up to 79% in the Petit Goave area.	NA	54% In the Baalbek area, the price of cooking gas has risen by up to 133%.	12% The price of cooking gas in Gaza has increased by up to 21%.
Fertiliser	83%	NA	128% In Myanmar, fertiliser prices have increased by up to 179%.	NA	160% The price of fertiliser in Hebron and Gaza has increased by up to 166%.