Global food trade: reaping the rewards and managing the risks

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Global food security increasingly relies on international trade

52% in 1965

3% in 2005

Share of global population with insufficient food supply

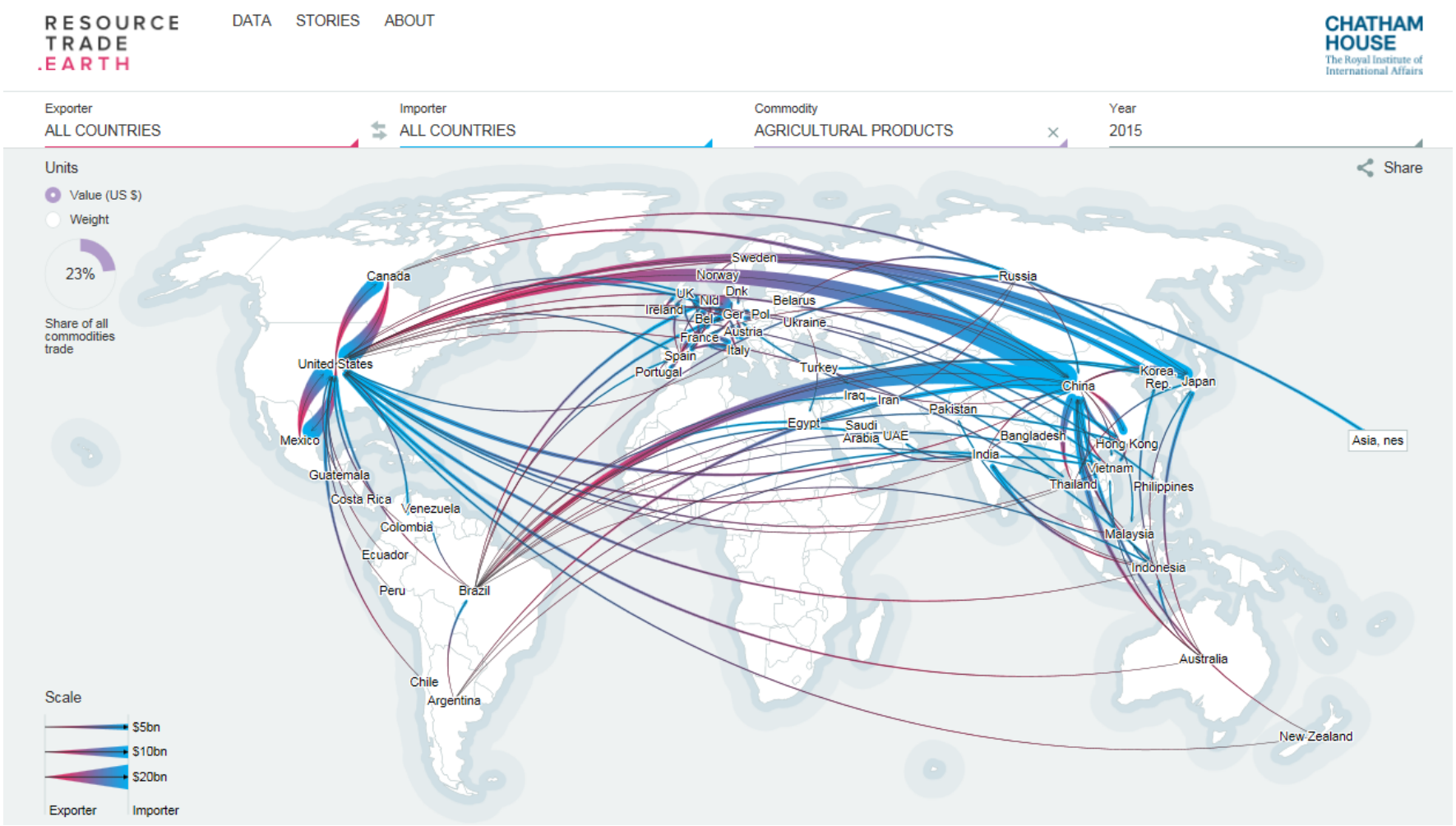
1 bn

Number of people worldwide dependent on trade for their food supply

1/4

Share of global wheat, maize and soy production traded internationally

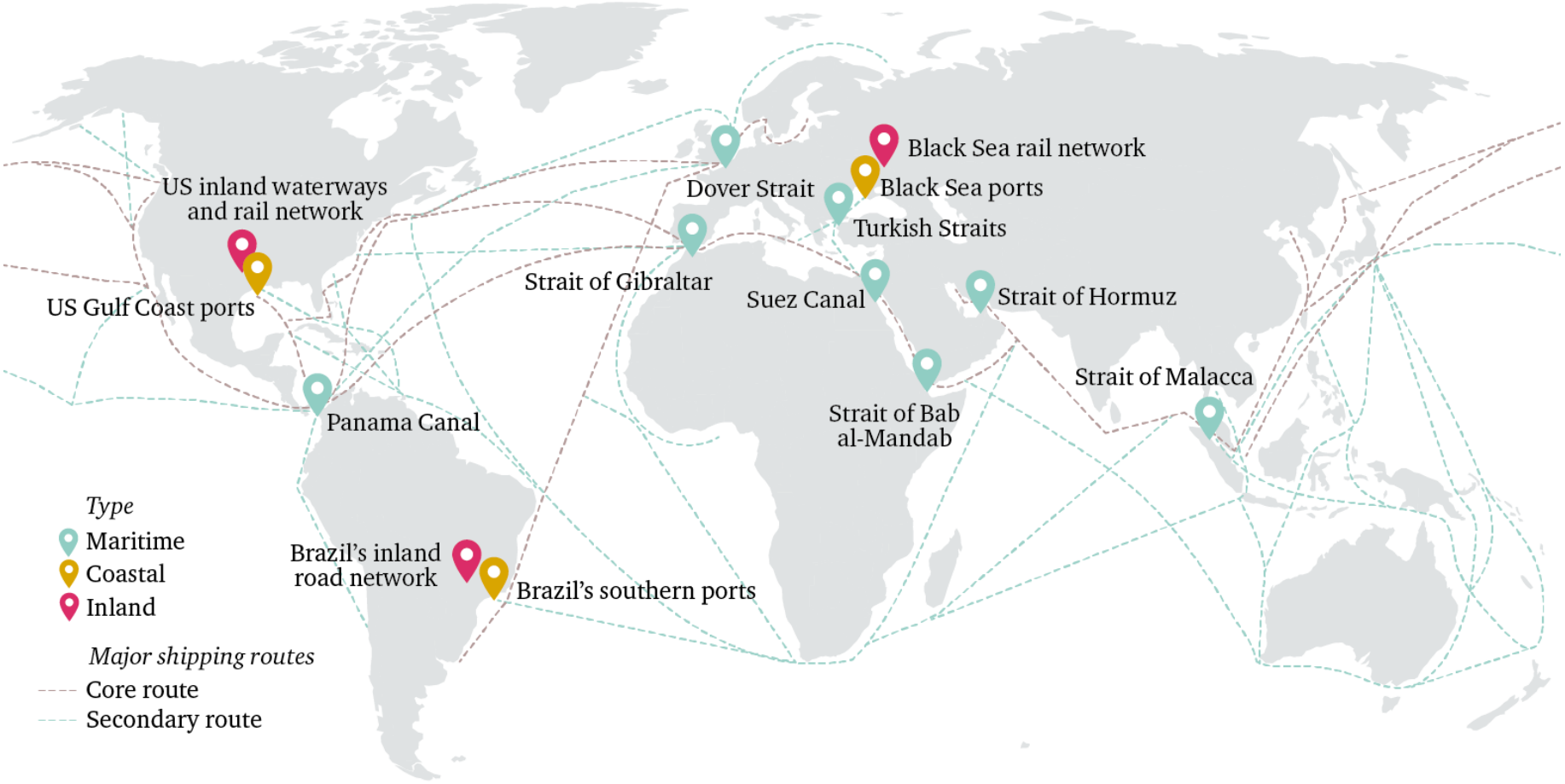
Today's food system is a complex network of trade flows



Global trade is increasingly critical to food security

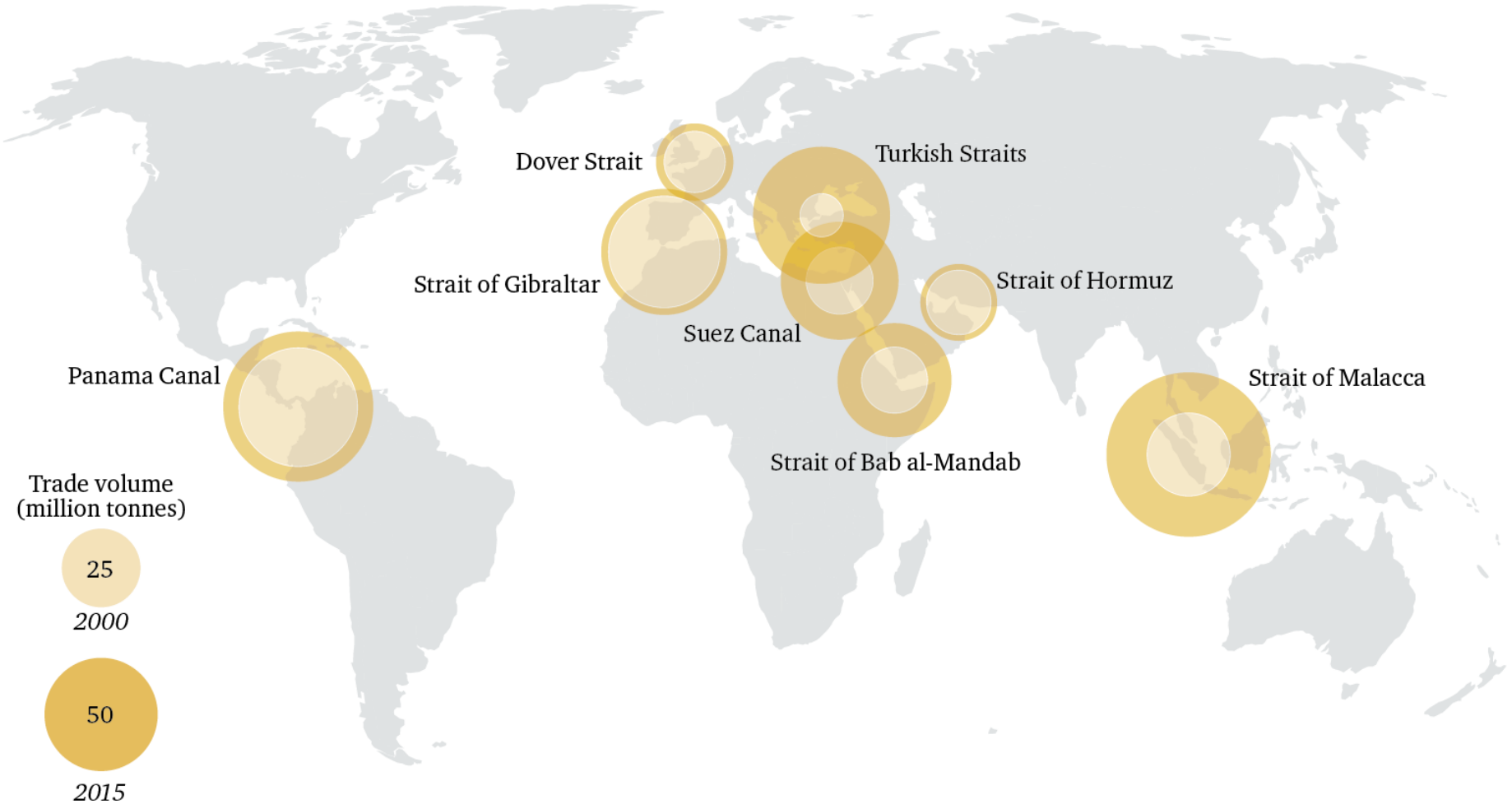
Bailey and Wellesley (2017), *Chokepoints and Vulnerabilities in Global Food Trade*, Chatham House.

The infrastructural backbone of trade is punctuated by chokepoints



Bailey and Wellesley (2017), *Chokepoints and Vulnerabilities in Global Food Trade*, Chatham House.

The strategic importance of these chokepoints is rising



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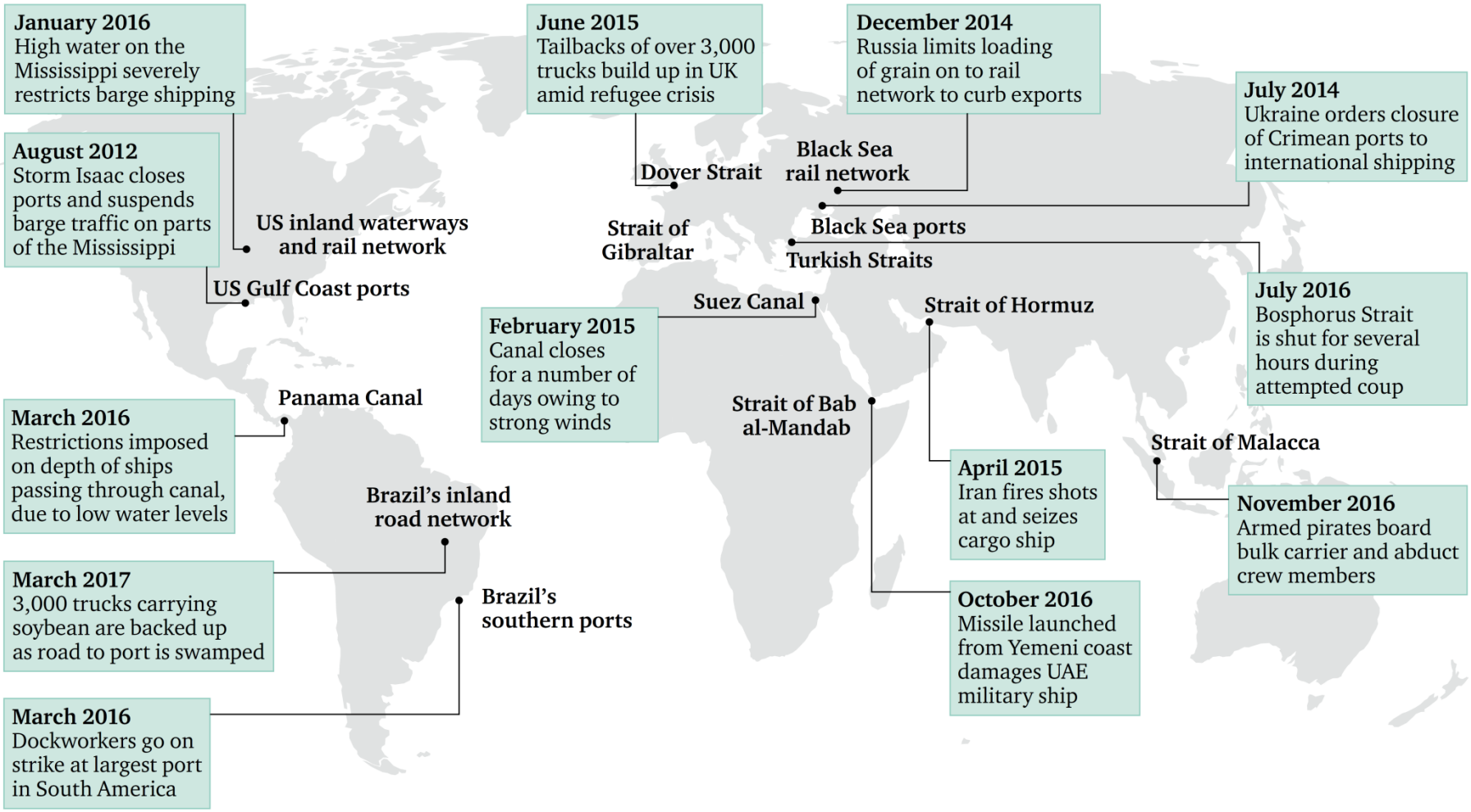
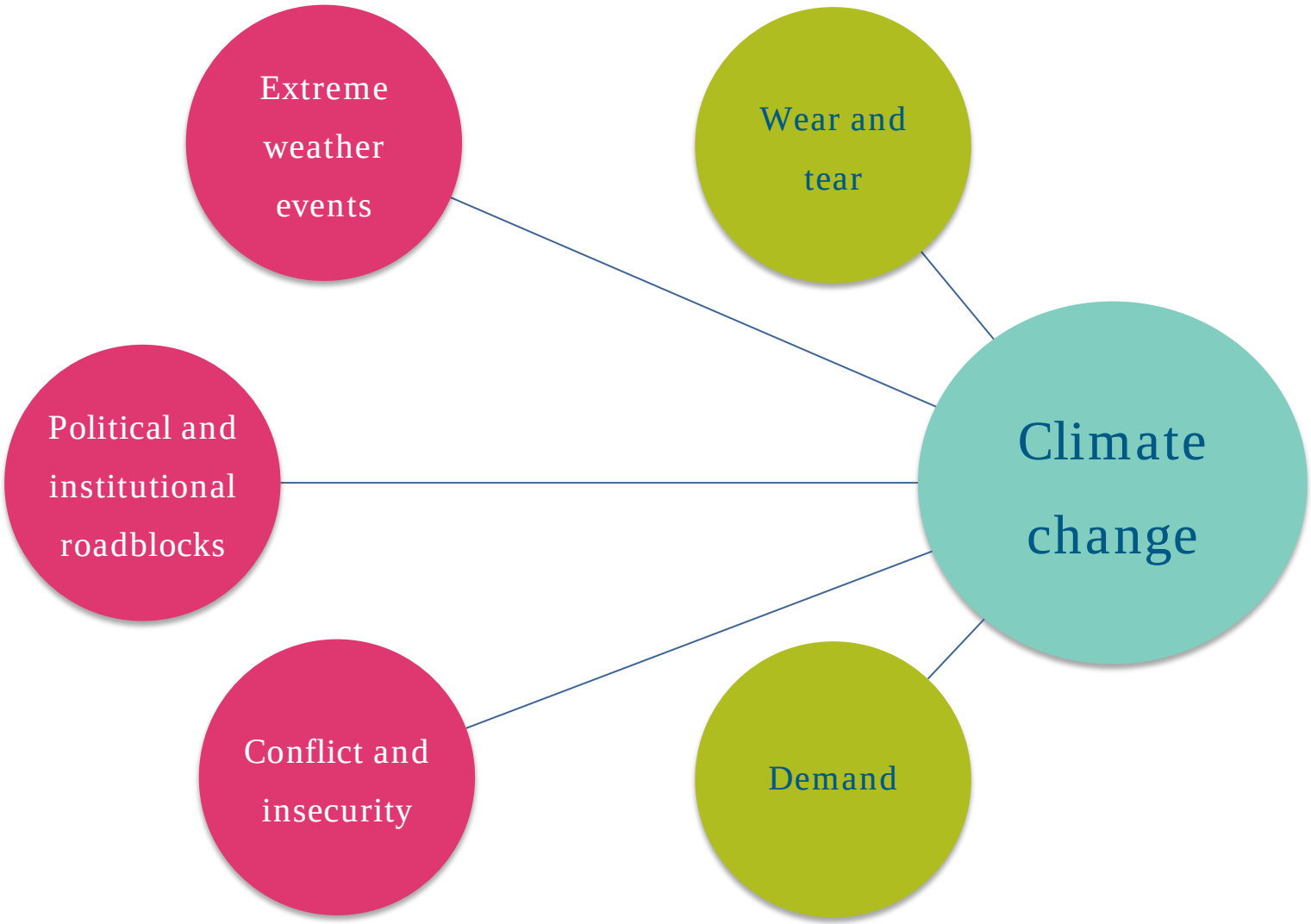
Major chokepoint disruptions are rare, but not unprecedented



Bailey and Wellesley (2017), *Chokepoints and Vulnerabilities in Global Food Trade*, Chatham House.

Climate change is multiplying the risk of chokepoint disruption



As yet, little effort has been taken to manage chokepoint risk

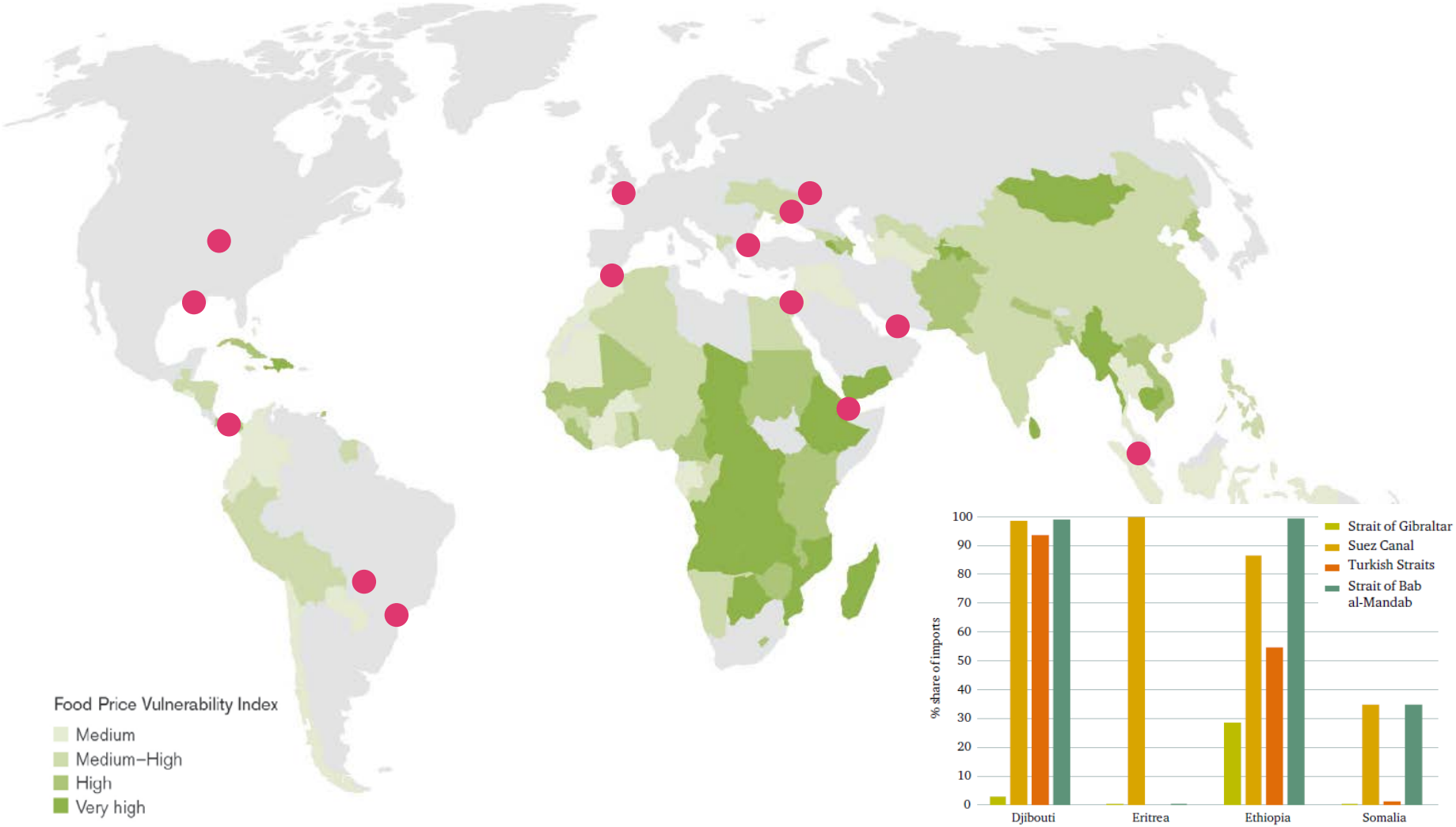
Lack of awareness

Limited resources and political will

Weak governance and institutional arrangements

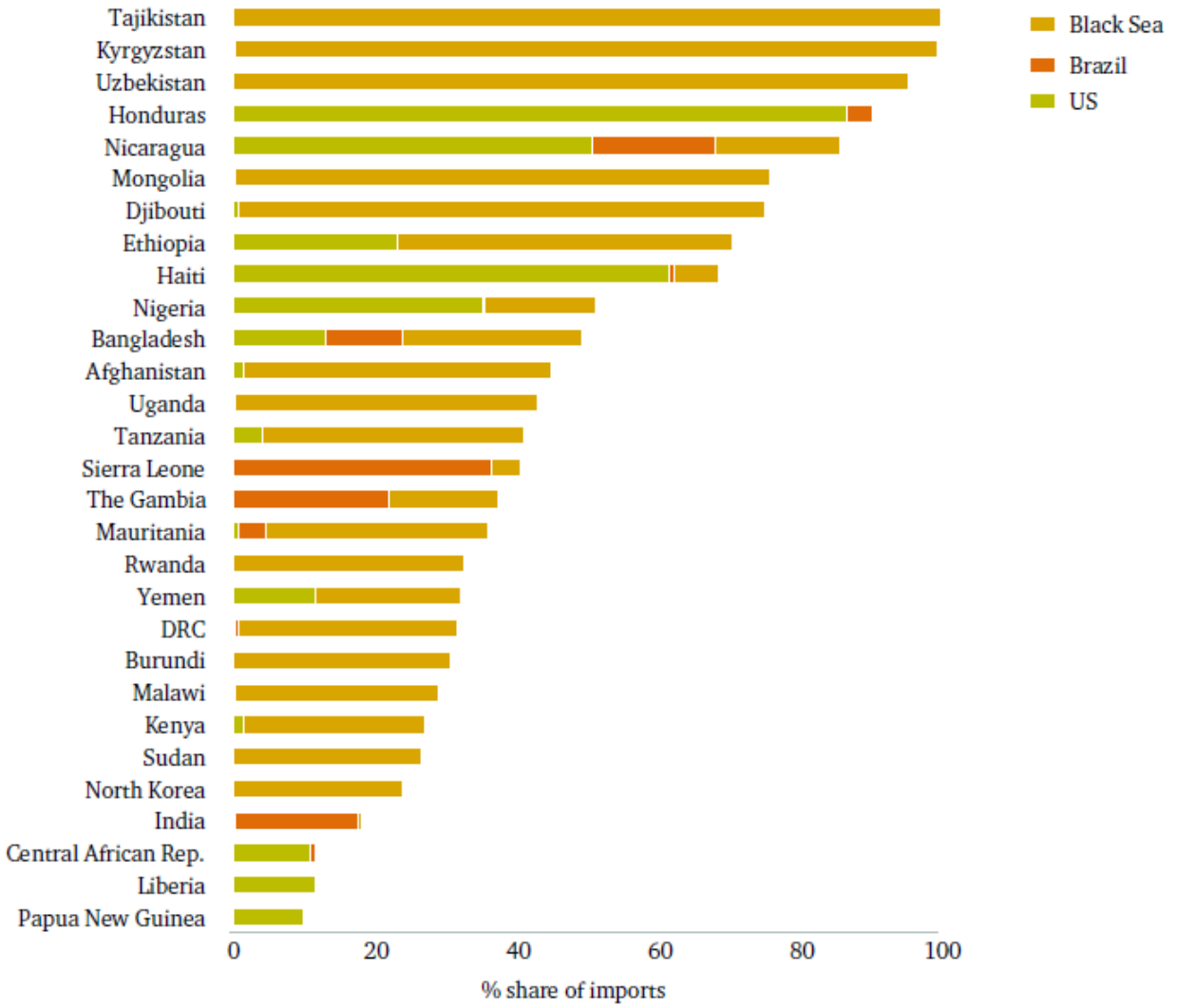
Bailey and Wellesley (2017), *Chokepoints and Vulnerabilities in Global Food Trade*, Chatham House.

Food-insecure, low-income countries are among the most at-risk



Lee, Preston, Kooroshy, Bailey and Lahn (2012), *Resources Futures*, Chatham House.

Many LIFDCs are highly exposed to breadbasket disruptions



Bailey and Wellesley (2017), *Chokepoints and Vulnerabilities in Global Food Trade*, Chatham House.

Effective risk management will involve action on multiple fronts

Integrate chokepoint analysis into mainstream risk management.

Invest in infrastructure to ensure future food security.

Enhance confidence and predictability in global food trade.

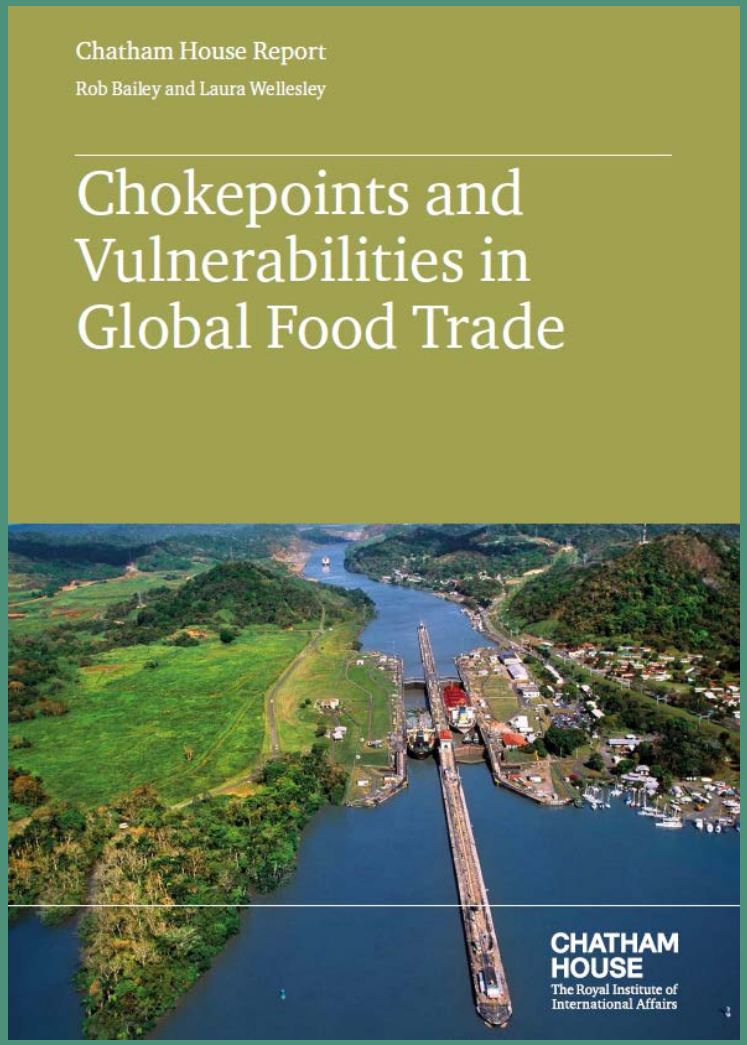
Develop emergency sharing arrangements and smarter strategic storage.

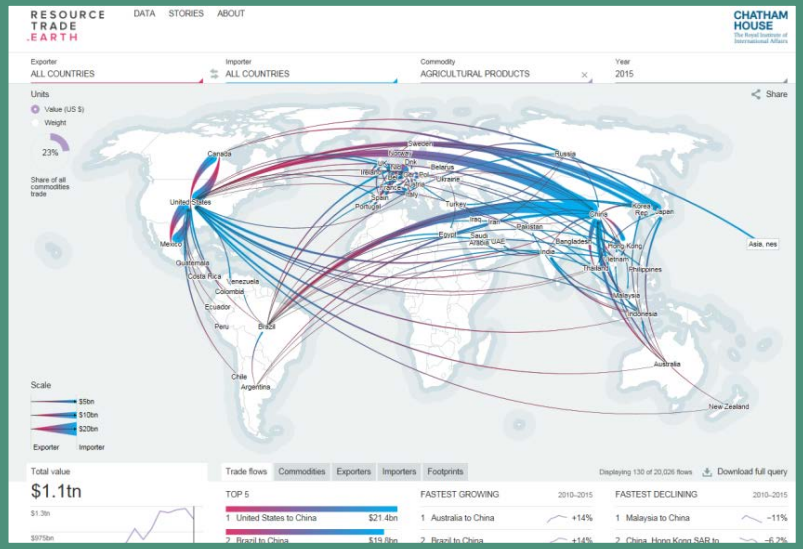
Build the evidence base around chokepoint risk.

Bailey and Wellesley (2017), *Chokepoints and Vulnerabilities in Global Food Trade*, Chatham House.

Chokepoint risk matters to the SDGs in a number of ways

Thank you





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Chokepoints in global food trade: Assessing the risk

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ABSTRACT

The global disaggregation of food supply chains and just-in-time business models with low inventories mean that governments, traders, producers and consumers are increasingly exposed to unforeseen interruptions to supply and associated volatility in food prices. While considerable research has examined the risk of disturbance in global energy markets resulting from a disruption to physical chokepoints along major trade routes, no comparable analysis has been undertaken for agricultural commodities. Here we present the Chatham House Maritime Analysis Tool (CH-MAT), which estimates the volume and value of staple foods passing through maritime chokepoints. The CH-MAT permits analysis of flows through chokepoints arising from bilateral trade in commodities over the period 2000 to 2015. The value of the CH-MAT is illustrated by a first assessment of global flows via maritime chokepoints. We discuss how such data can be combined with information on inland and overland transport networks, strategic reserves and environmental change, to enhance understanding of the risks associated with disruption to critical infrastructure – owing to weather events, trade restrictions, conflict, congestion, or institutional failures. We consider the applications within risk management frameworks, and