

U.S. DEPARTMENT OF THE TREASURY

Remarks by Secretary of the Treasury Janet L. Yellen at Treasury's "Tackling Food Insecurity: The Challenge and Call to Action" Event

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As prepared for delivery

Good morning. Welcome, Honorable Finance Ministers of Germany and Indonesia, Christian Lindner and Sri Mulyani Indrawati, who are joining us as this year's finance chairs of the G7 and G20, respectively.

I am also pleased to have President Gilbert Houngbo, President David Malpass, and Managing Director Kristalina Georgieva here today, as the International Fund for Agricultural Development (IFAD), the World Bank, and the International Monetary Fund (IMF) are actively responding to the global impacts of the war in Ukraine.

I wish we were meeting under different circumstances. But the reality is that we are facing rising global food insecurity. This threat touches the most vulnerable people the hardest – families that are already spending disproportionate amounts of their income on food. Moreover, the interconnectedness of the global food system means that people on every continent are impacted.

Even before the war, over 800 million people were suffering from chronic food insecurity. That's 10 percent of global population, and more than the populations of our panelists' five home countries combined. Poor nutrition and food insecurity have serious implications for economic well-being, and social and political stability.

The war has made an already dire situation worse. Price and supply shocks are already materializing, adding to global inflationary pressures, creating risks to external balances, and undermining the recovery from the pandemic.

I want to be clear: Russia's actions are responsible for this. But the United States is urgently working with our partners and allies to help mitigate the effects of Russia's reckless war on the world's most vulnerable.

Let there be no doubt – even as we continue escalating our sanctions and other economic measures against Russia, we reiterate our commitment to authorizing essential humanitarian and related activities that benefit people around the world – ensuring the availability of basic foodstuffs and agricultural commodities.

We planned today's session with three objectives in mind. Let me introduce each in turn.

First, let's better understand the drivers of rising global food insecurity, including underlying vulnerabilities that pre-dated this war. Recent increases in food insecurity have been driven by conflict, climate change, and economic downturns, such as those associated with the pandemic. In 2020, the number of people experiencing chronic food insecurity increased by a devastating 160 million.

Today, Russia's destruction of the Ukrainian economy and its infrastructure is a key factor affecting global commodity prices. The war further exacerbates pre-existing price and food supply pressures. Some countries and regions, which were already food insecure and facing emergencies, are now confronting additional price increases and supply disruptions for imported food, fuel, and fertilizers. Early estimates suggest that at least 10 million more people could be pushed into poverty in Sub-Saharan Africa due to higher food prices alone.

Second, we should focus on how we can apply valuable lessons learned from past global food price crises to the current context. We know that we must avoid export restrictions that could further increase prices. We must quickly support the most vulnerable populations with social safety nets and provide targeted support for smallholder farmers so they can continue to produce. And we must not lose sight of the need to strengthen longer-term resilience, because this latest shock will unfortunately not be the last.

In response to the 2008 crisis, the G20 launched the Global Agriculture and Food Security Program to increase investment in the world's poorest countries and an agricultural market information system. We must consider how these tools can be used – and reinvigorated, if needed – to meet the needs of this moment.

And finally, let's get concrete about the actions the international financial institutions can take to deliver an effective response. The IFIs are well-placed to work with affected countries and partners to develop solutions. They can use their analytical tools to assess the specific needs of affected countries while also evaluating the macroeconomic impacts of the war. They can help mitigate the global fertilizer shortage and smooth supply chain disruptions for food and critical supplies. They can increase investments in agricultural capacity and resilience

to boost domestic food production. And they can provide targeted assistance and strengthen social safety nets to protect vulnerable people in the short term and build their resilience over the longer term.

We have a strong international system, and we need to work together now. I know that my colleagues on this panel will set high expectations for what the system must deliver.

After this panel, my colleague Alexia Latortue, Assistant Secretary for International Trade and Development, will convene technical experts from the international financial institutions, including the multilateral development banks, IFAD, and the IMF, to develop an action plan for an effective and coordinated response.

Thank you, and I will now turn to my colleague, Alexia, to facilitate our conversation.

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