

## **Negative consequences of sanctions against Belarusian potash fertilizers for global food security**

The Republic of Belarus has repeatedly raised the issue that sanctions against Belarusian potash fertilizers, including the Lithuania's illegal ban on the transit of Belarusian potash, provoke world hunger and pose a threat to global food security. The aide-memoires of Belarus on this issue have been published as official documents of the UN General Assembly (A/76/513, A/76/677, A/77/809).

However, Lithuania continues to claim Belarus' allegedly insignificant contribution to global food security, despite **Belarus' 20% share of global potash trade until 2022**.

The shortage of potash fertilizers as a result of the restrictive measures against Belarusian potash has led to their deficit at world markets and to increasing in price and, accordingly, to a reduction of consumption, lower yields and higher food prices. A particularly dangerous situation, capable to provoke a large-scale famine, is emerging in the least developed countries of the world.

These conclusions are made by respected international organizations and agencies.

1. In the analytical notes of the **UN Global Crisis Response Group on Food, Energy and Finance**, created by the UN Secretary-General A.Guterres, which were published on April 13, 2022, and June 8, 2022, it is noted that **Belarus** and the Russian Federation export approximately one fifth of the **world's fertilizers** altogether. The loss of **fertilizer supplies from** the Russian Federation and **Belarus** caused fertilizer prices to rise faster than food prices. Many farmers, especially smallholders, are forced to cut production as the **fertilizers** they need **become more expensive than the grain** they sell. Because of this key problem, global food production in 2023 may not be able to meet rising demand. At the same time, it is noted that **every second person around the world depends on agricultural products that use fertilizers**.

2. The **FAO-WTO** Joint Recommendations for the G20 countries “Global Fertilizer Markets and Policies” dated November 14, 2022<sup>1</sup>:

- the world prices for fertilizers have risen significantly;
- a reduction of fertilizers supplies to world markets contributes to price growth. Exports of potash fertilizers from Belarus fell dramatically from 3.62 million tons in the first quarter of 2021 to 1.95 million tons in the first quarter

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<sup>1</sup> [https://www.wto.org/english/news\\_e/news22\\_e/igo\\_14nov22\\_e.pdf](https://www.wto.org/english/news_e/news22_e/igo_14nov22_e.pdf)

of 2022. Import statistics for recent months indicate that reducing supplies from Belarus has accelerated;

- 3-4% of global fertilizer consumption accounts for Africa. Approximately 50% of the fertilizer supplies feed Africa's important cash crops. Consequently, reducing the consumption of fertilizers will have serious consequences, including undermining the food security of some agricultural communities;

- every effort must be made to keep international trade in fertilizers open to meet domestic and global demand.

3. **International Food Policy Research Institute (IFPRI)** article dated November 9, 2022<sup>2</sup>:

- as a result of sanctions, the export of Belarusian potash fertilizers decreased from 9.1 million tons (December 1, 2021) to 3.9 million tons (December 1, 2022); – potash importers may refuse to purchase from Russia and Belarus due to additional costs and risks associated with doing business with sanctioned countries.

4. **World Bank** Article dated January 5, 2023<sup>3</sup>:

- global prices for potash were **\$562 per ton as of December 1, 2022**, compared to **\$221 per ton as of January 1, 2022**;

- exports of potash fertilizers from Belarus decreased by more than 50% due to restrictions on the transit through the EU territory. In particular, **Lithuania stopped using its railway network to transport Belarusian potash to the port of Klaipeda, which normally handles 90% of Belarusian exports.**

5. Recommendations of the **UN Committee on Economic, Social and Cultural Rights** on the third report of **Lithuania to this Committee** dated March 3, 2023<sup>4</sup>:

- the Committee remains concerned about the recent measures taken by the State party that prevented the transport of potash from Belarus destined for third countries in Africa and Latin America, resulting in shortages of fertilizers and negatively affecting food security in those countries;

- the Committee recommends that the State party review these recent measures, which affect fertilizer prices and food security in third countries.

This is a far from exhaustive list of such publications.

In 2021, Belarus and Russia almost equally provided more than 40% of potash supply, 35.9% was covered by Canada and 5.8% by the USA.

<sup>2</sup> <https://www.ifpri.org/blog/how-sanctions-russia-and-belarus-are-impacting-exports-agricultural-products-and-fertilizer>

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<sup>4</sup> [https://tbinternet.ohchr.org/\\_layouts/15/treatybodyexternal/Download.aspx?symbolno=E%2FC.12%2FLTU%2FCO%2F3&Lang=en](https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=E%2FC.12%2FLTU%2FCO%2F3&Lang=en)

**The share of Belarus in world trade in potash fertilizers in 2022 decreased to about 9%.** The share of Russia is up to 16.4%. As a result of the drop in volumes from Belarus and Russia, there was a simultaneous increase in prices for potash fertilizers.

Thus, the **sanctions** imposed against the potash industry in Belarus became one of the **main reasons for the significant increase in fertilizer prices in 2022**, and, as a result, provoked a sharp rise in the price for ready-to-use foods.

Thus, the price of potassium chloride in Brazil in 2022 reached a historic high of \$1,200 per ton. The effects of this shock were felt for a long time by international buyers of Brazilian agricultural products, when the price of certain types of prepared foods increased by up to 5 times.

In 2023, on average, according to the April forecast of the World Bank, the world price of potash fertilizers will roll back to \$475 per ton, in 2024 – to \$425. However, **prices for potash fertilizers in both 2023 and 2024 will be higher than in 2021 year (the period of introduction of restrictive measures against Belarusian potassium).**

It should be noted that according to the World Bank, the world prices for potash fertilizers as of **January 1, 2022**, amounted to **\$221 per ton**. Despite some price decline, availability for farmers is still low.

Vulnerable countries suffer the most from sanctions.

**The share of Belarus in the African potash markets decreased in 2022 from 41.7% to 2.8%.** If in 2021 Belarus supplied about 632 thousand tons of potassium to 30 countries of Africa, then in 2022 about 30 thousand tons were delivered to 6 countries. Zambia, Zimbabwe, Cameroon, Kenya, Reunion, Tanzania were supplied exclusively with Belarusian fertilizers. A number of countries, including Gabon, Côte d'Ivoire, Madagascar, Malawi, Senegal, Sierra Leone, covered 50% of their need for fertilizers at the expense of Belarusian potassium.

According to estimates based on FAO data, the almost complete disappearance of Belarus from the list of potassium suppliers in 2022 led to a **drop in the grain harvest in Africa by 16.1%.**

**In 2023, our supplies to Africa are completely paralyzed due to Lithuania's actions.**

The widespread uncertainty among potash market participants and related industries regarding the supply of potash fertilizers from Belarus creates risks of **disruptive consequences for agricultural supply chains and food security around the world.**

The shortage of potassium at the international market cannot be filled in the short term: it is difficult to quickly increase the current production volume of existing producers, the entry of “new players” requires significant financial

and time costs. The construction of a new mine takes at least 5-7 years from the moment the decision is made until the first ton of product is received.

Thus, if the food crisis of the current period is associated with a lack of access to fertilizers, then in subsequent years it may be associated with a lack of food. This was repeatedly stated by the UN Secretary General A.Guterres.

It should be noted that **the world population is projected to grow**. According to UN experts, in the next 30 years the world population is expected to grow by almost 2 billion people – from the current 8 billion to 9.7 billion people in 2050, and in the mid-2080s it can reach a peak of almost 10.4 billion people.

With the growth of the world population, there will be a further increase in potassium consumption due to the reduction and impoverishment of arable land and the growth of disposable incomes in developing countries. At the same time, this will cause a shortage of the world supply of potash fertilizers.

Belarus has always made a significant contribution to ensuring global food security, but illegal unilateral coercive measures against Belarus put the population in vulnerable countries on the brink of starvation and lead to food insecurity in the countries that initiated such measures.

**Belarus once again urges to use the UN potential towards Lithuania so it stops using political manipulations, abusing of its transit position and it resumes fulfilling its international obligations.**

We call for abandoning the use of unilateral coercive measures that not only contradict international obligations, including within the framework of the implementation of the 2030 Agenda for Sustainable Development, but also run counter to the provisions of the UN Charter and relevant resolutions of the UN General Assembly.