

AUGUST 2025

G20 FACTSHEET #4: FOOD SECURITY

Food on the dinner table or corporate profits?

Introduction

Imagine a world where rising food prices force a parent to skip a meal so their children can eat. A world where farm workers grow food they can't afford while other communities watch their crops perish due to extreme weather conditions. This is our current reality: we are living through a food crisis. Today, nearly 800 million people face chronic hunger.¹ However, hunger is not caused by scarcity but rather by corporate greed and a system that prioritises profit over people and the planet. The world produces enough food to feed everyone, but rising food prices make nutritious food unaffordable for many people. In March 2022, just after the Russia-Ukraine war began, food prices peaked, and we saw the cost of food reach its highest point since the early 1970s.²

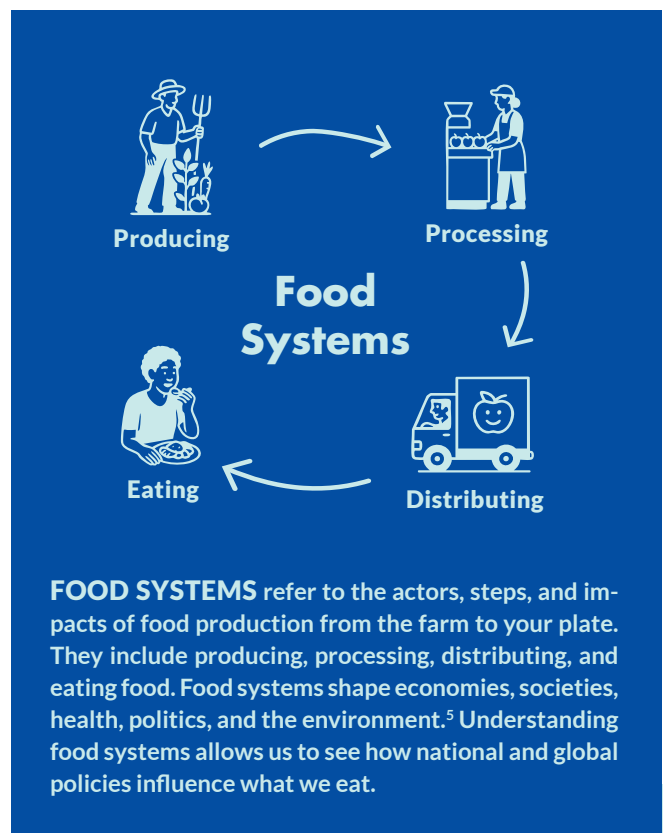
A few corporations controlling food systems and food traders (people who bet on the future price of food) artificially drive up prices. Moreover, corporations involved in food systems are often inadequately regulated.

Today, food systems account for 34% of global greenhouse gas emissions, contributing to droughts, floods, and other natural disasters that, in turn, threaten food security. This makes the decarbonisation of food systems a critical goal for a just transition.

Given this reality, will G20 leaders address the systemic challenges that cause hunger, or will they let hunger persist and deepen?

What caused the current food crisis?

A global food crisis is not a new phenomenon. In the past 50 years, we have had three: the 1970s (sparked by high energy prices), 2008-2012 (triggered by the 2007 Financial Crisis), as well as the current one.³ While geopolitical issues like war fuel these crises, deeper flaws in the global food systems create vulnerabilities to rapid price changes.⁴



THIS FACTSHEET IS PART OF OUR SERIES ON THE 2025 G20

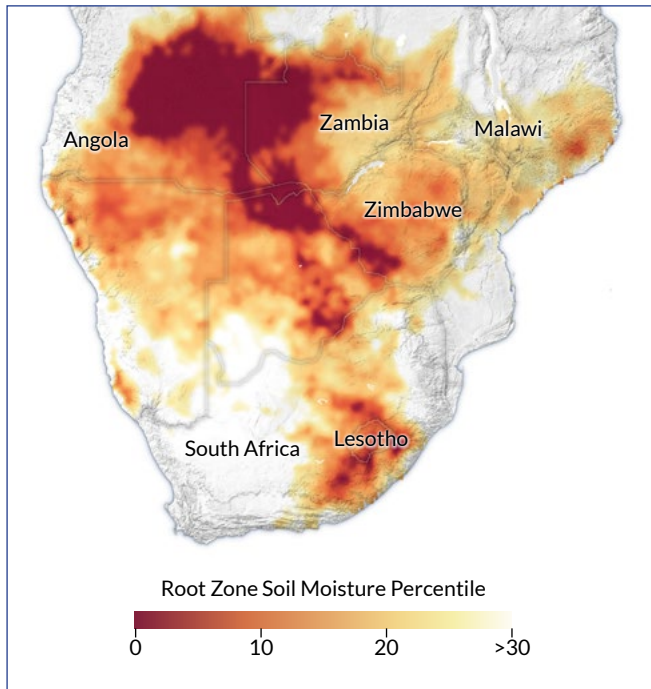
1. What is the G20?
2. International taxation
3. African debt crisis
4. Food security
5. Fossil fuel phase-out
6. Climate financing
7. Green industrialisation
8. Universal social floors
9. Women empowerment

iej.org.za

FACTSHEET #4



Scan to read the online version



The map above shows soil moisture conditions at the root zone – an estimate of how much water is available for crops – in southern Africa for March 2024. (Map: [nasa.gov](https://www.nasa.gov))

Climate change

Climate change drives the global food crisis. Food systems are both responsible for and vulnerable to climate change. Activities in food systems contribute 34% of global greenhouse gas emissions, primarily from energy use, deforestation, and methane gas produced during the digestion of food by cows, sheep, and goats. Moreover, the agricultural sector often uses fertilisers that damage the soil, pollute our waters, and kill off animals, plants, fungi, and microbes at a rate faster than is natural. To avoid this, people must commit to agricultural practices that reduce fertiliser use and prioritise growing diverse crops.

The vulnerability of food systems to climate change is also evident in the impact on weather conditions, which affect agricultural workers and their harvests. Given the long hours spent in farm fields, workers are more likely to experience heat-related health issues, such as heat stroke. The Intergovernmental Panel on Climate Change (IPCC) assessed patterns from 2021 to 2023 and warned that global warming exceeding 1.5°C will cause severe, frequent droughts.⁶ This is already happening. The

El Niño drought in 2024 destroyed 70% of crops in Zambia, Malawi, and Zimbabwe, leaving 21 million children malnourished.⁷

Such droughts harm crops, livestock, soil, and water while negatively affecting workers and rural communities. In addition to droughts, other climate impacts on the food system include changes in agricultural pests, changes in rainfall patterns, and, in some places, floods. While total food shortages are not yet imminent, we must address emissions to mitigate climate impacts. If we get this right, we will adapt food systems for long-term sustainability. Governments must act to prevent hotter temperatures and less rain in farming regions, which will trigger water crises and crop failures, risking long-term food security.⁸

Covid-19 and global conflicts

In 2020, we faced an unexpected Covid-19 pandemic, which triggered a global recession, the closure of small businesses, and a surge in unemployment. Covid-19-related lockdowns disrupted supply chains, sparking panic buying, lowering productivity, and leading to food shortages. Prices surged by 20% in some parts of Africa, Asia, Latin America, and Europe, causing a cost-of-living crisis.⁹ As we recovered from the Covid-19 pandemic, the Russia-Ukraine conflict (both wheat, maize, and oilseed exporters), drove up food prices.¹⁰ However, financial speculators on Wall Street, not shortages, fueled this spike.¹¹

Market concentration and financialisation of global food systems

Global food systems are complex, involving millions of buyers and sellers. Like everything else in the economy, prices are typically determined by demand and supply - the less supply you have of a product, such as corn, the more expensive it will become. This supply and demand is constantly changing due to factors such as weather conditions, transportation costs, and conflicts. The specific price of any of these types of goods on any given day, known as the 'spot' price, is highly unpredictable and uncertain. This makes it hard to plan.

Therefore, financial institutions developed a concept known as futures contracts. In such a contract, two parties can agree that they will buy or sell to each other a certain amount of food (for example, one ton of maize) at a predetermined price (for example, R4,000) at a specific date (for example, 31 July) in the

future - regardless of what the 'spot' price of maize is on that day. We refer to individuals who engage in this practice as food traders. While such contracts may serve a legitimate purpose, a whole industry of food traders has arisen that doesn't want to buy food but wants to make money by betting on future food prices; these are speculators. Such speculative practices can destabilise and drive up food prices.

This occurs on top of global food trade being dominated by the four ABCD firms (Archer Daniels Midland, Bunge, Cargill, and Louis Dreyfus), who control 70% of the total grain market.¹² These firms not only have enormous market power in determining what farmers are paid and what consumers pay for their food, but also have found it profitable to use their vast pools of wealth to speculate on food prices. These firms are not adequately regulated because they are typically classified as consumer, rather than financial, companies. This allows the ABCD firms to evade regulations set by countries and global institutions aimed at protecting consumers from various forms of abuse, including price-setting practices, lack of transparency, and speculation. For these reasons, policy advocates have advocated for treating the financial arms of grain traders as financial institutions; they also suggest that regulation will ensure transparency and enable countries to tax excessive profits¹³

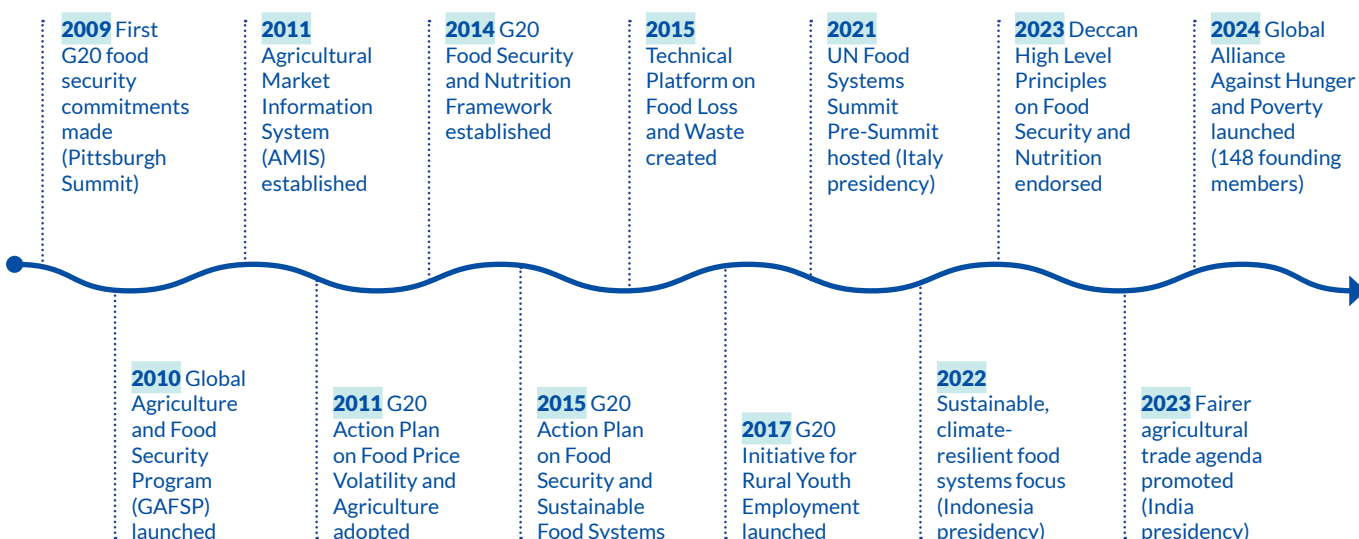
How has the G20 addressed food systems in the recent past

Food systems have long been a key feature of the G20 agenda. Indonesia's 2022 Presidency focused on sustainable, climate-resilient food systems,¹⁴ and India pushed for fairer agricultural trade.¹⁵ In 2024, Brazil focused on tackling hunger through the Global Alliance Against Hunger and Poverty (GAAHP).¹⁶

Despite previous G20 declarations and commitments, food price volatility and crises have persisted, corporate concentration remains, and profiteering through speculation during crises continues because countries have often failed to implement solutions that address these systemic issues.

The G20 has acknowledged existing problems without addressing systemic flaws or implementing reforms, such as better regulating food speculation or introducing food buffer stocks. Buffer stocks are country-, regionally-, or internationally-coordinated reserves of essential commodities such as food staples, which are held to stabilise prices and ensure that food is available during supply shocks.¹⁷ By preventing price spikes, food buffer stocks limit the possibility of inflation, ensure food security during times of crisis and counter speculation.

G20 Food Systems Initiatives Timeline



What is on the G20 Agenda in South Africa?

UN FOOD AND AGRICULTURE ORGANISATION (FAO) is an organisation which gathers experts to collect information and determine international standards which will promote agricultural development and food security.¹⁸

South Africa has prioritised food security through a dedicated Task Force.¹⁹ This Task Force will supplement the work of the G20 Agriculture Working Group (AWG) and build on existing global initiatives, such as the UN Food and Agriculture Organisation's (FAO) High-Level Task Force on Global Food and Nutrition Security and Brazil's GAAHP.

Through the Food Security Task Force, South Africa has commissioned three studies, which include:

- Analysing macroeconomic factors and key drivers impacting global commodity price volatility, domestic food prices, affordability, and accessibility of food.
- Exploring the feasibility of various commodity price stabilisation techniques at regional and global levels.
- Mapping policies for global food system transformation through a comprehensive review of existing policies.

Tackling the food crisis needs action beyond the G20

The G20 is an agenda-setting space, but real change may require global or regional bodies, such as the FAO, to address existing issues related to food systems in a constructive manner. Collectively, we, as citizens, civil society, and social movements, need to build international coalitions to ensure that food prices feature in global economic discussions. We can participate in FAO's **Committee on World Food Security (CFS)**, which is a rare inclusive space where governments, civil society, and indigenous groups shape fairer food policies.²⁰ The CFS also serves as a valuable platform to hold G20 members accountable for their pledges.

SUSTAINABLE DEVELOPMENT GOALS refer to goals set by all countries in the United Nations for global development.

While food security discussions occur at an international level, we must all hold our governments accountable for efforts to combat food insecurity. The UN has provided effective metrics for holding governments responsible by establishing the **Sustainable Development Goals (SDGs)**, through which world leaders committed to ending poverty (SDG 1) and hunger (SDG 2), as well as reducing inequalities (SDG 10) by 2030. When seeking accountability, it is essential to track the progress made so far.

The debate does not end here

- Do you think the G20 has done enough to address hunger and food insecurity?
- Do you think your government has done enough to address hunger and food insecurity?
- Besides what is currently on the G20 agenda, what else do you think is essential for governments to consider?
- How can civil society and the public consolidate their efforts to hold governments accountable for their policy commitments?

Endnotes

- 1 Jenifer Clapp. Food Crisis in the Age of Catastrophe in "Seed of Sovereignty Contesting the Politics of Food"
- 2 Patel, J. Food Sovereignty in the 2020s in "Seed of Sovereignty Contesting the Politics of Food" in "Seed of Sovereignty Contesting the Politics of Food". Dossier pp 12-21
- 3 Clapp, J. 2023. Concentration and crisis: exploring the deep roots of vulnerability in the global industrial food system. The Journal of Peasant Studies Vol 50 No 1. Pp 1-25
- 4 Clapp, J. 2023. Concentration and crisis: exploring the deep roots of vulnerability in the global industrial food system. The Journal of Peasant Studies Vol 50 No 1. Pp 1-25
- 5 HLPE (High Level Panel of Experts). 2017. Nutrition and Food Systems: A Report by the High Level Panel of Experts on Food Security and Nutrition. Committee on World Food Security.
- 6 Amnesty International. 2023. Climate Change: IPCC Report warning will exceed 1.5°C limit must accelerate the phasing out of fossil fuels.
- 7 Al Jazeera. 2024. Worst drought in century devastates South Africa, millions at risk.
- 8 MacKellar N. et al. 2014. Observed and modelled trends in rainfall and temperature for South Africa: 1960-2010
- 9 Urhahn J and Fogel B. 2024. "Introduction: Toward A New International Strategy for Food Security" in "Seed of Sovereignty Contesting the Politics of Food". Dossier pp 8-11
- 10 Urhahn J and Fogel B. 2024. "Introduction: Toward A New International Strategy for Food Security" in "Seed of Sovereignty Contesting the Politics of Food". Dossier pp 8-11
- 11 Ghosh J. 2023. The Myth of Global Grain Shortages 11 August 2023
- 12 Ghosh J. 2023. The Myth of Global Grain Shortages 11 August 2023
- 13 Weber, I. and Schilken, M. 2024. Towards a Post-neoliberal Stabilisation Paradigm: Revisiting International Buffer Stocks in an age of Overlapping Emergencies Based on the Case of Food. Political Economy Research Institute. University of Massachusetts Amherst
- 14 G20 Indonesia. 2022. Leaders' Declaration
- 15 G20 India. 2023. Leaders' Declaration
- 16 G20 Brazil. 2024. Leaders' Declaration
- 17 Weber, I. and Schilken, M. 2024. Towards a Post-neoliberal Stabilisation Paradigm: Revisiting International Buffer Stocks in an age of Overlapping Emergencies Based on the Case of Food. Political Economy Research Institute. University of Massachusetts Amherst
- 18 Food and Agriculture Organisation of the United Nations. 2023. FAO's Role in Food Security.
- 19 G20 South Africa. 2024. Concept Note and Calendar
- 20 Committee on World Food Security (CFS). 2025. About CFS.