



THE FOOD CRISIS: BY NO MEANS OVER

Just one year ago food prices were soaring. The world's poorest countries were facing hefty increases in the prices for cereal imports at the same time that fuel and freight costs were skyrocketing. A year later, food prices remain higher than 2006 levels and continue to cause hardship for the poor, especially those in developing countries. According to the UN Food and Agriculture Organization's food price index, while food prices have fallen internationally, in developing countries they have not fallen so fast, or at all.

"Food prices may have come down for the time being," UN Secretary-General Ban Ki-moon told a summit in Madrid earlier this year. "But the number of hungry people is set to rise again. And the prospects for smallholders remain grim."

According to Sha Zukang, UN Under-Secretary-General for Economic and Social Affairs, these multi-dimensional challenges do not have purely economic solutions, nor purely social or environmental ones. "They require integrated solutions that combine economic, social, and environmental elements. Such solutions can come only from the framework of sustainable development.

There are many factors contributing to the strain on the world's food supply, ranging from insufficient investment in the agricultural sector, a lack of access to markets, climate change and climate variability, water shortages and drought, to simple increased demand for food and changes in diet. Looking forward, there are three commonly proposed solutions to the problem—using more land, increasing the frequency of cropping and improving yields.

It is not, however, simply a matter of growing more food. It is generally agreed that there is sufficient food in the world for everyone, but that economic and political obstacles prevent universal access. In addition, unsustainable agricultural practices, where resources like water, soil and crop residues are wasted, are jeopardizing future agro-productivity. Overuse of chemical fertilizers and pesticides, notably in higher income countries, poses a threat to water quality and biodiversity. Meanwhile, changing diets and unsustainable consumption patterns continue to increase demand for feed relative to food. The issue then, is one of ensuring that agriculture is managed in a way that provides for all today and into the future. To guide countries toward better policies in this regard, the Commission on Sustainable Development will meet this 4-15 May to reach a consensus on how countries, communities and individuals should move forward.

Food Prices Still High

Grain prices, though lower than last year, are currently 25 per cent higher than 2005 levels and global rice prices for 2008 ended the year on average 80 percent higher than in 2007 despite the steady decline since their peak levels last May. According to FAO, the price of a tonne of the benchmark Thai white 100 percent second grade rice was \$611 in January 2009, compared to \$385 in January 2008, having peaked at \$963 in May 2008.

The cost of food and its production in many places, according to the World Food Programme, has either remained static, or is continuing to rise. Farm input prices remain high, especially in Africa, having doubled or tripled in some countries. In Afghanistan, the price of wheat is 75 per cent higher than this time last year and in Sudan, food price inflation remains high at 18 per cent.

The early indications for 2009 show there are still significant reasons for concern. Smaller plantings and adverse weather conditions in 2009 will cause a reduction in cereal output in most of the world's major producers. This, according to food experts, signals that the re-emergence of the food crisis this year is

a real possibility.

In fact, many of the forces that pushed food prices to record levels last year have weakened. Speculation, demand for feed grains, and energy prices and biofuels demand have all eased, in good part due to the financial crisis.

But while the global financial crisis may have helped lower prices at the moment, it is expected to present long-term challenges. It may be hurting new planting by farmers who rely on loans to finance seed, fertilizer and acreage rental. And agro-food processors which have often extended credit against future crop production have ceased this practice in many countries. Limited credit is also curtailing the ability to purchase imported food, and some fear that adverse effects of the credit crunch could outweigh the positive impact from stimulus packages currently being implemented in certain countries.

One billion hungry people

By the end of last year, the total number of hungry people in the world approached what the Secretary-General called an "intolerable one billion," up from 923 million in 2007. But the world's population is expected to grow to 9 billion by 2050 and FAO says the global demand for food will double by that time.

Population is only one factor that is expected to drive demand. Rising incomes and changing lifestyles—half the people in the world now live in cities and that number is expected to rise to 70 per cent by 2050—are causing diets to change, particularly in developing countries. Demand for meat, dairy products and oilseed is rising, along with other higher-value commodities that include fresh fruits and vegetables.

The majority of undernourished people live in developing countries, with about 65 per cent living in India, China, Democratic Republic of Congo, Bangladesh, Indonesia, Pakistan, and Ethiopia, according to the FAO. Higher food prices are starting to reverse critical gains made toward reducing poverty and hunger as outlined in the Millennium Development Goals and risk pushing 100 million more people below the US\$1.25 a day poverty line.

The food crisis raises fundamental questions about whether the current global food system can ensure world food security, and whether current production and distribution systems are sustainable in the long-term. In addition, the world's food supply is facing additional challenges posed by climate change and variability, and the emerging market for biofuels from edible crops, which has added to the urgency to efforts to ensure that the world can continue to provide adequate food and vital ecosystem services for its growing and more urban population.

A Neglect of Agriculture

Over the past quarter century, agriculture has declined steadily as a focus of both development and investment. Many developing countries themselves made agriculture a low priority and consequently, a decrease in domestic public expenditures by countries on their agricultural sectors has exacerbated already difficult situations in most vulnerable developing countries.

Agriculture-based developing countries—typically the poorest of all developing countries—spent an average of only 4 per cent of total budgetary resources on supporting agriculture in 2004. Yet this sector represented the single largest economic activity for close to 70 per cent of the population and contributed 29 per cent of gross domestic product.

Agricultural assistance from developed countries has also suffered. The amount of official development assistance to agriculture fell in nominal terms from US\$ 8 billion to around US\$ 3 billion between 1984 and 2006, while the proportion of total official development assistance to agriculture declined from a high of about 18 per cent in 1979 to less than 3 per cent in 2006.

Mr. Ban called the need for increased investment in agriculture, agribusiness and rural development from both public and private sources "urgent," and said the international community should build on the initial response to the crisis, scaling up the level of financing going to feed the hungry and support

small holder agriculture, even in the face of the competing priorities brought to the fore by the ongoing financial crisis.

“We must continue to meet urgent hunger and humanitarian needs by providing food and nutrition assistance and safety nets, while focusing on improving food production and smallholder agriculture.” He added that there should be an additional element – the right to food – as a basis for analysis, action and accountability.

A search for solutions

Only a third of the Earth’s land surface that is considered suitable for growing crops is under cultivation, with much of the land not used for agriculture in sub-Saharan Africa and Latin America, where infrastructure is lacking and the environmental impacts of land conversion remain a primary concern. At the same time, the world’s population continues to grow, with about 90 million people added annually, also mostly in developing countries. With such statistics at hand, the food crisis requires a response that not only reverses the current trend of hunger, but assures food security for future generations promising to be more numerous and potentially even more demanding of global natural resources.

If much of the increase in food production must occur in developing countries, a sustainable solution will include an agricultural system accompanied by the sound management of ecological systems as well as measures to improve the socio-economic development of rural communities.

Treating the symptoms of the food crisis, but more importantly the underlying causes of hunger, means addressing the issues of poverty, hunger and environmental degradation in tandem, and propelling the world toward effective and durable solutions rooted in the sustainable development framework.

These issues, and many others, will all be under consideration by the Commission on Sustainable Development.

More information on CSD-17, including the full press kit, can be found at

http://www.un.org/esa/dsd/csd/csd_csd17.shtml

CSD-17 will be webcast live at www.un.org/webcast.

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