

CTA Policy Brief

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Moving from food crisis to food security in ACP countries

World food prices have risen dramatically during the past year. Poor harvests caused by droughts and floods, escalating oil prices and protectionist policies have led to large increases in the prices of staple crops such as maize and wheat. African, Caribbean and Pacific (ACP) countries must not only cope with the current food crisis, but devise policies to ensure food security for future generations. Global food production will have to rise by at least 70% by 2050 to keep pace with population growth.

At the Brussels Development Briefing on the *Geopolitics of Food*¹, experts agreed that there is no miracle solution to the world's food crisis.

The international community, national governments and the private sector all have an important role to play. This policy brief describes some of the measures which could be taken to increase food security in ACP countries. These include: increasing investments in agriculture and rural development; encouraging intensive forms of green agriculture; strengthening smallholder farmers and their organisations; and improving food governance. Immediate action is required to tackle the current food crisis and lay the foundations for long-term food security.

A TIME OF CRISIS

During 2010, the food import bill for low-income food-deficit countries, a group which includes many ACP states, rose by 20%. The poorest households, who spend up to 70% of their income on food, were often the hardest hit in countries where the poor consume significant quantities of imported food. The increase in food prices added tens of millions of people to the billion or so already suffering from hunger in the developing world. When food prices spiked in 2007/08, there were riots in over 30 countries. The latest surge threatens further unrest.

A variety of factors have contributed to the price crisis. Poor harvests, caused by droughts, floods and unpredictable weather in Russia, Canada and other grain-exporting countries reduced supply. The surge in oil prices increased the cost of agricultural inputs, and this might have contributed to higher food prices. At times, matters were made worse by governments adopting protectionist policies. For example, in 2007/08, world rice prices doubled in just six months after major rice-producing countries introduced export bans to protect domestic supplies.

To meet the Millennium Development Goal 1 of halving poverty and hunger by

POLICY POINTERS

- ↘ Increasing investment in agricultural and rural development significantly
- ↘ Promoting intensive forms of green agriculture
- ↘ Strengthening smallholder farmers and farmers organisations
- ↘ Improving food governance at the international, regional and national levels.



Technical Centre for Agricultural and Rural Cooperation (ACP-EU)

¹ Organised by CTA, the Secretariat of the ACP Group of States and Concord, the European NGO Confederation for Relief and Development. Brussels. February 2011. <http://brusselsbriefings.net>



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2015, the number of malnourished people must fall from around one billion to 600 million. With rising food prices, this looks an increasingly tall order. The long-term challenges are even greater. To keep pace with population growth, urbanisation and the changing diets which come with greater prosperity, food production will have to increase by at least 70% by 2050. This will require dramatic shifts in policy, in ACP countries and beyond.

POLICIES TO TRANSFORM ACP AGRICULTURE

Investing for the future

Over recent decades, there has been a significant decline in investment in agricultural and rural development in many countries. The proportion of official development assistance devoted to agriculture decreased from 17% to 3% between 1980 and 2006; during the same period, many ACP governments reduced public spending on agriculture. However, many countries are beginning to buck the trend, with encouraging results.

Investing in agricultural Research and Development (R&D) should be a priority for international donors and national governments. Unless there is a significant increase,

crop yields and food production are unlikely to keep pace with population growth.

According to *The Economist*, «Basic farm research helps the whole world – and is a bargain. US\$1 billion would provide many billions of benefits in terms of people fed and food riots forestalled.»

Donors and ACP States should consider increasing their investments in agricultural education, rural infrastructure and the use and dissemination of information and communication technologies (ICTs). Research by the International Food Policy Research Institute (IFPRI) found that investments in rural infrastructure can yield even greater benefits than investments in agricultural R&D.

Governments also have a key role to play in creating the conditions which enable the private sector to prosper, and hence contribute to greater food security. Of particular importance are businesses which deal with rural credit and activities which help to develop agricultural value chains in ACP countries.

Promoting greener forms of farming

In many ACP countries, agricultural activities are causing serious environmental damage. In much of sub-Saharan Africa, continuous cropping without nutrient replenishment is exhausting the soils. Partly as a result, cereal yields have scarcely risen over the past three decades. Agriculture is also a major cause of deforestation, especially in South America and Africa, and it has become increasingly intensive in terms of its use of water and energy.

International, national and regional policies should support and promote intensive forms of green agriculture. Farming systems need to become less dependent on fossil fuels, both for energy and fertiliser, and less profligate in their use of water. Some systems already achieve this. For example, conservation agriculture, which relies on minimum

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tillage, the use of nitrogen-fixing trees and the retention of crop residues, has helped tens of thousands of smallholders to significantly increase crop yields in Africa.

They should also recognise agriculture's multi-functionality. Farming is about much more than growing food. It provides employment as well as environmental services. Sustainable land-use practices could also help to reduce agriculture's heavy carbon footprint. Policy-makers in both the developed and the developing world should devote much greater attention to reducing waste - currently estimated at 30% of the harvest - along the food chain.

Supporting smallholder farmers and farmers' organisations

Smallholders in developing countries are often poorly organised and lack the skills and information they require to make the most of their land and market opportunities. When farmers are well-organised, they tend to increase their bargaining power and incomes. Governments in ACP

countries should recognise the importance of supporting and empowering farmers' organisations.

Farmers are more likely to invest in their land when they have security of tenure, which may require changes in the legal system in some countries. Better access to credit would enable smallholder farmers to invest in more efficient farming methods and increase their yields and incomes. Policy-makers should also consider introducing measures which enable farmers to play a greater role in activities which add value to their produce.

In sub-Saharan Africa, women provide much of the farm labour, yet they are 30% less productive than men, largely because they do not have the same access to credit, technology and extension services. Introducing policies which empower women would do much to improve their productivity and enhance local food security.

Creating a fairer and more transparent trading system

Smallholders in ACP countries often suffer from unfair competition in the global marketplace. At present, over 60% of agricultural subsidies go to farmers in the developed world, and some of these have the effect of distorting trade to the detriment of developing world farmers.

The Doha Development Round of trade negotiations could reduce agricultural subsidies from US\$450 billion to US\$220 billion, and the developed world's share of subsidies from 60% to 25%. This is a step in the right direction. Consideration should also be given to acquiring or improving the management of food stocks and providing help to low-income food-importing countries during times of food crisis.

Furthermore, Governments should resist the urge to introduce protectionist measures, such as export controls, which drive up global

Peak

The Economist commodity-price index, food*



Source: The Economist

*2005=100

Agriculture has experienced two big price spikes in under four years.

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food prices and depress prices locally. Only 10% of food is traded on the international markets, but there is considerable scope for strengthening regional markets. Nations in Africa and the Caribbean have begun to foster the growth of regional markets and must continue to do so. For example, the Regional Policy for Food and Nutrition Security in the Caribbean aims to enhance the role of regional markets, reduce dependency on food imports and promote local food production, all of which will benefit local farmers and consumers.

CHANGE FOR THE BETTER

The policies outlined above could do much to create a fairer and more productive food system. An increase in investment will lead to higher yields and higher incomes, and help to stem the rural exodus that currently sees some 50 million smallholder farmers leave the land each year. Experience shows that when governments invest heavily in agriculture, and create an enabling environment for the private sector to prosper, change for the better comes quickly.

Policies which encourage intensive forms of green agriculture will also help to improve farmers' incomes. Just as significantly, they will lead to a more efficient use of natural resources, better land management, lower carbon emissions and less waste.

By supporting smallholder farmers and their organisations, governments can help to strengthen rural communities, increase rural incomes and encourage greater farmer participation in the value chain. Improving the access of women to credit, technology and extension services is important for reasons of equity. It will also lead to higher productivity.

The introduction of a fairer trading system, the development of regional markets and better management of global and regional food stocks will ensure greater food security, both now and in the future.

If the current food crisis is to be successfully tackled, and future generations are to be adequately fed, there is no time to lose. Policy-makers must act now. ■

Further reading

CTA, *Briefing N°21, The Geopolitics of Food: implications for ACP Countries*. A Reader. 2011.
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