

# Policy Challenges for the Global Food Economy

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# Outline

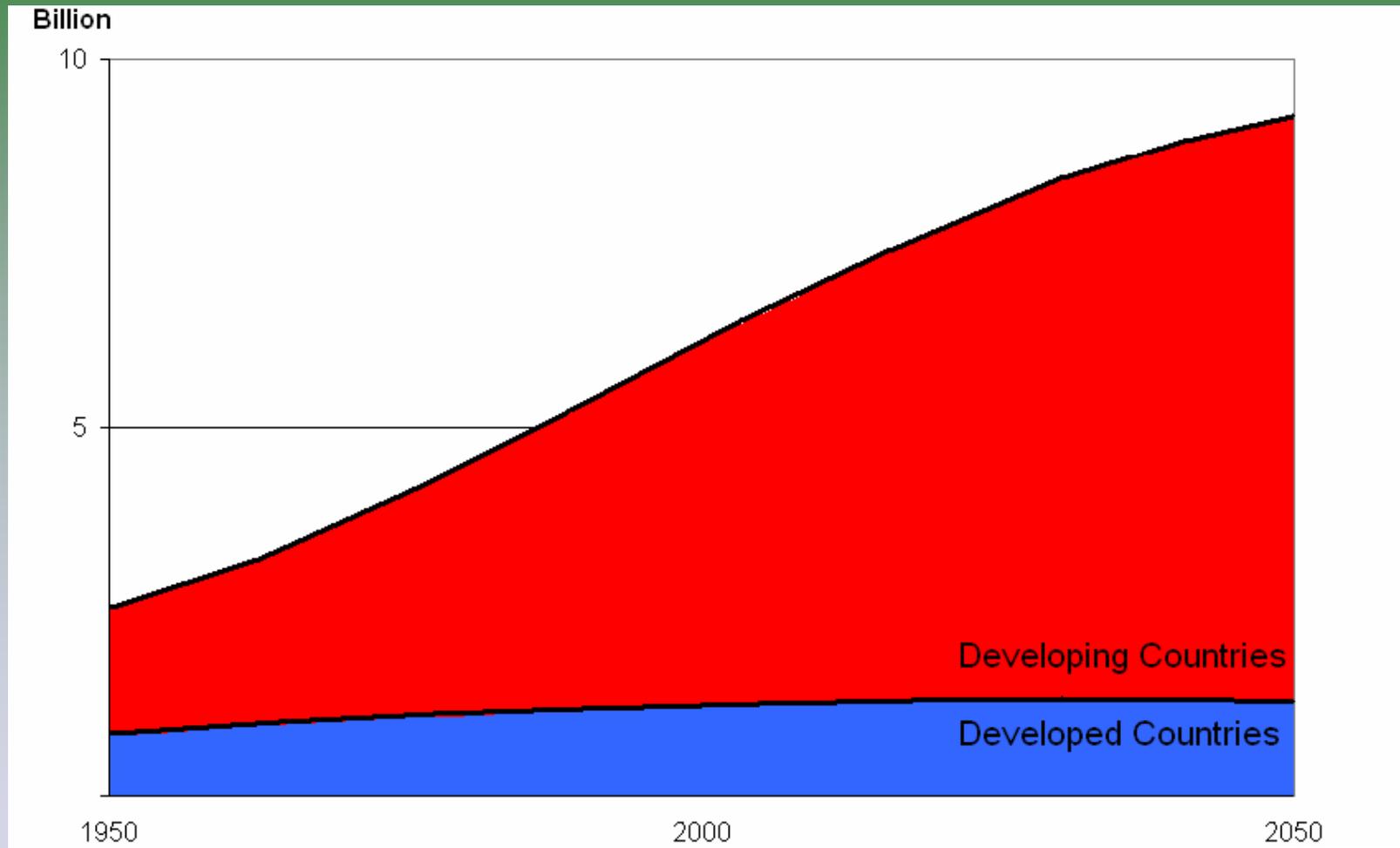
- Longer term view- past and future- of the global food economy
- Climate change and agricultural productivity trends pointing to greater food insecurity
- Policy requirements, at international, national and Ireland, to increase global food security



# Concern Worldwide

- Founded 1968, working in some 30 countries, budget €120 million
- Emergencies and long term development
- 3 Is – Innovation, Influence, Impact
- Contributed to significant change in international nutrition policy – Community Therapeutic Care (CTC)

# World Population Growth 1950-2050



Source: *World Population Prospects, United Nations Secretariat, 2006*

# Global Food Economy

## The Past 50 years

- Economic growth and globalisation has led to increased living standards and hundreds of millions escaping from poverty
- Asia (China, India) achieved most rapid per capita growth. SS Africa low or negative per capita income growth for most of last 30 years of 20<sup>th</sup> century: good growth in past decade
- Major changes in food consumption patterns – diversified diet, meat consumption – leading to big changes in trading patterns for food

# The Global Food Economy The Past 50 Years

- Food production increases have kept pace with demand at an aggregate level
- From a peak in the early 1970s, real food prices fell steadily over the next 30 years
- Food security decreased as a political priority in many countries, leading to a falling share of investment in agriculture in national development strategies and in allocations of aid resources

# World Commodity Prices 1971- 2017 (projected)



# The Global Food Economy

## The Past 50 years

- Between 1969 and 2004, the proportion of the world's population who were hungry halved
- But that still left 'The Bottom Billion' living in poverty, with some 850 million (2004) hungry
- Acute and chronic malnutrition; hidden hunger
- Who and where are the hungry?

# The Recent Past

- Supply and demand factors in the recent price surge/volatility for food.
- Supply: Production shortfalls related to drought and extreme weather; low stock levels; energy prices
- Demand: Economic growth and food consumption patterns; biofuels policy; speculation

# The Recent Past

- Food riots in almost 30 countries in early 2008
- Trade restrictions in a number of food exporting countries
- An additional 100 million hungry people – 963 million (FAO, September 2008)
- A number of developed and middle income developing countries seeking to enter long term supply relationships with developing countries
- Food security back on the political agenda: UN High Level Task Force; Comprehensive Framework for Action (CFA)
- G8 meeting; Global Partnership; EU's €1 billion Food Facility

# The Future Global Food Economy

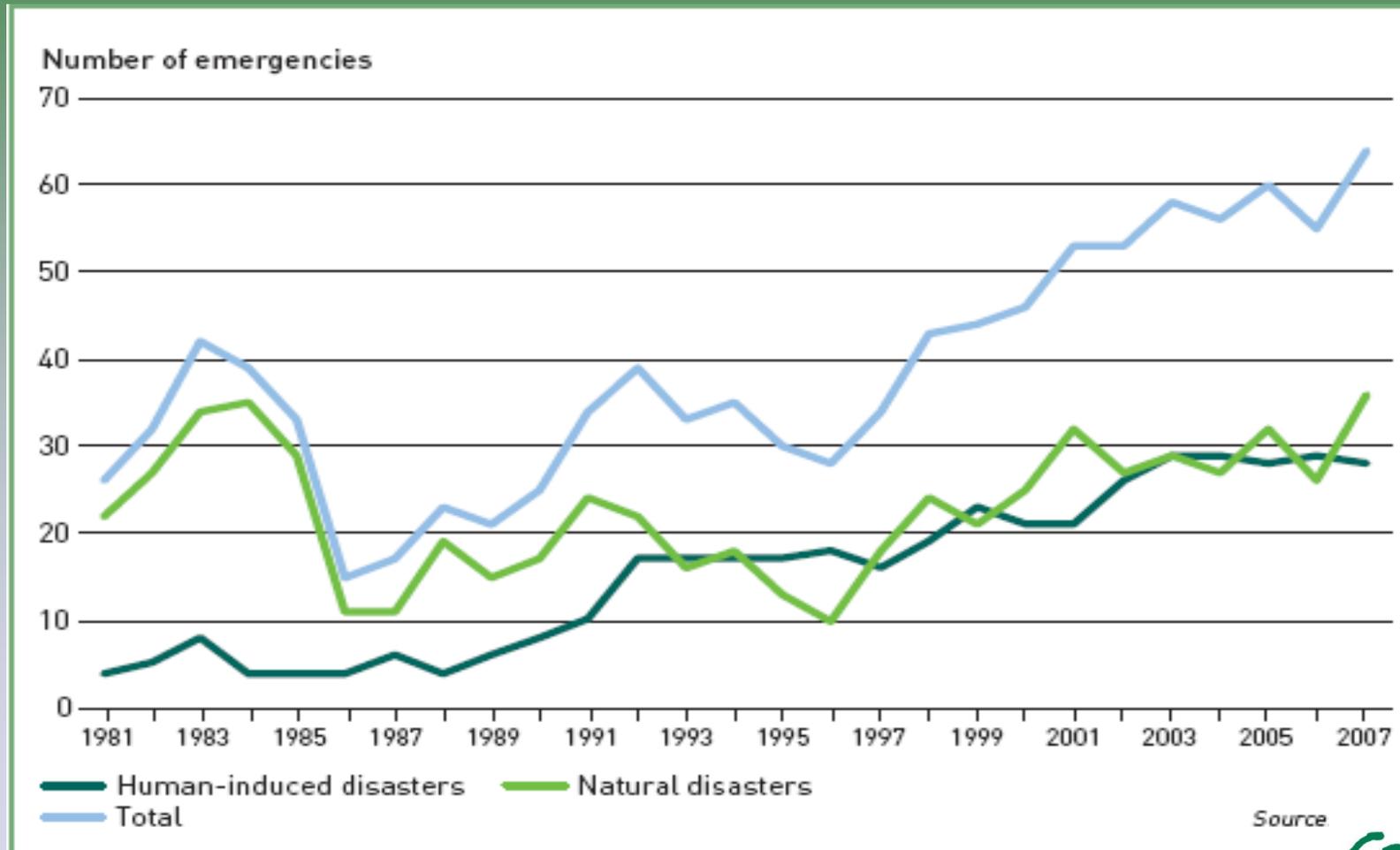
- Factors pointing to increased food insecurity
- Climate Change
- Trends in Agricultural Productivity
- Other vulnerability factors – Fragile States and HIV/AIDS

# Climate Change

- Up to 25% of world food production could be 'lost' as a result of climate change, water scarcity, pests and land degradation (UNEP, 2009).
- Regional differences will increase with greatest impact in vulnerable developing countries
- IPCC report –keep temperature rise to less than 2% and below 450ppm CO<sub>2</sub> in atmosphere – predictions that speed and effects of climate change suggests worst case IPCC more likely

# Emergencies and Climate

Emergencies and Climate  
Causes of Food Emergencies 1981 - 2007



Source

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# Agricultural Productivity

- Production increases averaged 2.8% annually until mid 1980s; subsequent growth rates have fallen to about 1% annually, below growth of population (1.2% since 2000) and consumption
- Increased yield per unit area has been main source of productivity increase but yield growth has declined for wheat, rice and soybeans
- Natural resource degradation an important factor in falling productivity

# Agricultural Productivity

- Fragile States – a combination of political instability, conflict, poor governance – the Horn of Africa
- HIV/AIDS – linked to poor governance, weak economy
- Bringing new land to production
- GMOs

# Policy Challenges for the Global Food Economy

- International
- Keep a sustained political focus on food security: a possible leadership role for the Obama administration?
- Build on the positive steps taken in 2008 to respond to the food price crisis: the UN HLTF and the CFA
- Progress the Global Partnership through creating new coalitions involving civil society groups/ The Right to Food
- Connect the national and international efforts – increased aid for smallholder agriculture/ facilitate access to resources

# Policy Challenges for the Global Food Economy

- Finalise decisions on the international architecture to support food security (FAO/WFP/World Bank)
- Increased resources for the provision of public goods: agricultural research- reform of the CGIAR;
- New Food Assistance Convention, providing more flexible use of food and cash aid; linkage to WFP's Purchase for Progress scheme, connecting food aid to local agricultural production systems
- Attempt to create the space for a more rational discussion on the future role of GMOs in global food security

# National Policy Challenges

- The national policy framework the single most important factor in determining level of food security; short and long term measures as part of a coherent food security strategy
- Build on certain recent positive developments: the AU Maputo Declaration to spend at least 10% of national budgets on agricultural and rural development; the Comprehensive African Agricultural Development Programme; the Alliance for a Green Revolution in Africa (AGRA)
- Build capacity for food security strategy development- important role for agricultural economists in terms of policy prioritisation and sequencing
- Recognise the importance of investing in the 'soft infrastructure' of agricultural development: farm organisations

# A Role for Ireland in promoting increased global food security

- Irish Hunger Task Force report, 2008
- Government has committed to implementing key recommendations of priority focus on increasing support to smallholder African agriculture; increased emphasis on nutrition; and increasing Irish advocacy at international level on hunger and food security. Special Envoy has an important role to play in monitoring how these commitments will be delivered.
- Rest of this paper focuses on what might be done to turn these objectives into reality.

# A Role for Ireland

- Ireland can only be credible in its advocacy if it has something useful to say: how can we get to the point where Ireland is a ‘thought leader’?
- This can be done through developing ‘learning communities’ between Irish Aid and its various partners within Ireland and internationally – NGOs; universities and research institutes; the private sector.
- Effective advocacy requires knowing what to say and building strategic relationships with key policy influencers

# A Role for Ireland

- Supporting Smallholder African Agriculture
- 20% of aid programme going to food security
- Build learning systems into programmes on efficient systems of input use; conservation agriculture; natural resource management
- Build on strategic relationships with CGIAR institutions
- Adapt relevant Irish experience of the 'soft infrastructure' of agricultural and rural development to our aid programme



## A Role for Ireland

- Improving Nutrition
- Promote the accelerated roll out of CTC to fight acute malnutrition
- Put a major emphasis on the preventative approach to tackling malnutrition

## A Role for Ireland

- Advocating on hunger and food security
- This should be a broader foreign policy priority for Ireland, not just related to aid policy. Opportunities for international advocacy should be identified at which senior government officials would demonstrate leadership on the issue.

# Conclusion

- Food security moved back up the international political agenda over the past year. A number of key factors, including climate change, slowing agricultural productivity and other factors increasing vulnerability in specific food insecure regions, suggest that food insecurity is likely to increase over the coming decades. This has big political implications which need to be urgently recognised. It also has major policy implications.
- This paper seeks to identify some of the key policy priorities which should be followed if global food security is to be increased. It suggests that Ireland has the potential to play a leadership role at international level in the fight against hunger and food insecurity. But if that potential is to be realised Ireland will have to provide thought leadership in certain strategic areas related to the hunger and food security agenda. This will require learning from within Ireland's current aid programme and from the partners associated with the programme. It will require that relationships are developed with the key players at international level who can bring about significant policy change to reduce hunger and food insecurity.