

Global Food Security Crisis: Background and Analysis

A concern the United Church is currently addressing is the global rise in food prices, a phenomenon that will especially affect impoverished people in the developing world. The reasons for the price hikes are complex and raise many critical issues including more equitable food distribution, sustainable farming practices, and greater public investment in small-scale agriculture. The crisis calls for an integrated response that includes public education and government advocacy.

Introduction

In recent weeks Canadian and international media have reported sharply rising food prices and warned of a pending global food security crisis. The price hikes are affecting populations around the world but have hit people in developing, impoverished countries hardest. Leaders of major global institutions are sounding alarms. The head of the International Monetary Fund (IMF), Dominique Strauss-Kahn, has warned that world food prices have become so high that hundreds of thousands of people could starve. The rising costs of basic crops such as rice and wheat are a global problem, he said. "If food prices go on as they are today, then the consequences on the population in a large set of countries will be terrific," he said, adding, "Hundreds of thousands of people will be starving. Children will suffer from malnutrition, with consequences all of their lives."

Ironically, perhaps, many argue that the policies of the IMF and other global financial institutions are partly responsible for the crisis. Jean Ziegler, UN special rapporteur on the right to food, has called the crisis "silent mass murder." He blames globalization for "monopolizing the riches of the earth" and says multinational corporations are responsible for a type of "structural violence." We have to put a stop to this, Ziegler adds.

What is happening?

In recent months, rice, corn, and wheat have all reached record prices. The price of wheat has doubled in less than a year, while other staples such as corn, maize, and soya are trading at well above their 1990s averages. Rice and coffee prices are running at 10-year highs, and in some countries, prices for milk and meat have more than doubled. For the first time in history, the international price of rice has doubled within a year, creating panic as some Asian countries hoard stockpiles of the staple and limit trade with countries dependent on rice imports, like Canada. Experts caution that the short supply of rice is the first sign of larger food-related global problems.

World food prices have been increasing rapidly since 2006, and the rate of increase during 2007 was alarmingly higher than average. Overall food prices have increased by 75 percent since 2000, according to the United Nation's Food and Agriculture Organization.

The warning signs have been evident for the past two years. Almost yearly over the past decade, the amount of cereals consumed globally has exceeded the amount produced by farmers. Global food stocks have been gradually reduced from about five months' worth in 1998 to less than two months of consumption in 2006. Then, in the last two years, several relatively sudden changes or "shocks" have occurred that have caused food prices to increase abruptly.

Why are these increases occurring now?

The reasons for the increases are many, intersecting, and complex. On April 16, 2008, the Canadian Foodgrains Bank (CFGB), of which the United Church is a member, issued a statement on the growing food crisis entitled "Implications of Rising Food Prices." Among the causal factors identified by the CFGB are the following:

- In recent years, food production has not kept pace with rapidly rising consumption, resulting in lower carryover stocks each year. Many governments no longer maintain large public stocks to stabilize food supply and prices. As a result, short-term changes in supply and demand lead to more price variability.
- Recent unfavourable weather has reduced production in some parts of the world. The increase in yields has also slowed in recent years. Meanwhile, consumption of grains has continued to increase rapidly.
- In addition to the normal increase in consumption from population growth, demand is being driven by rapidly rising meat and dairy consumption by a growing Asian middle class, requiring much greater amounts of feed grains.
- The increased use of food grains for bio-fuel production is contributing to food shortfalls. Much has been written about the rapid and massive diversion of corn and other food grains into ethanol and edible oils into bio-diesel.
- Rising energy prices are also driving up the costs of producing and transporting food.
- The rise in food prices is exacerbated by speculative investment dollars flowing into food commodity markets and export controls imposed by some countries.

The impact on the world's rural poor

Most hungry people in the world depend on the market for much of their food, including small-scale subsistence farmers who usually do not produce enough to meet their food needs year-round. For the more than one billion people who live on less than a \$1 a day (half the world—nearly three billion people—live on less than \$2 a day), much of their income is spent on food. Rapidly rising food prices will force millions of poor people to reduce the amount and variety of food they consume, reduce expenditures on health and education, and reduce savings and sell assets, leading to further impoverishment.

Food-related rioting

The rising prices have sparked food riots in countries such as Mexico, Egypt, Tanzania, Burkina Faso, and Morocco, where millions of people are already food-insecure. Combined with the negative impact of climate change and soaring fuel prices, a “perfect storm” is brewing for much of the world’s population, said John Holmes, the UN’s undersecretary general for humanitarian affairs and emergency relief coordinator. And citing reports of food riots across the globe, Holmes warns of the security implications of the food crisis. Developing countries experiencing unrest over high food prices need help in developing “social safety net programs,” he added. UN Secretary General Ban Ki-moon said that if the UN’s emergency requirements are not fully funded, there is a risk of widespread hunger, malnutrition, and social unrest “on an unprecedented scale.”

The challenges to food aid

Governments and aid agencies must provide direct assistance to the most vulnerable to prevent a growing hunger crisis. However, rising food prices mean that budgets do not go as far. Substantial additional funds will need to be found. The world faces a crisis of soaring food prices and more must be done to help secure future supply, the UN’s World Food Programme (WFP) said recently. An extra 100 million people who previously did not require help could now not afford to buy food, the agency said in a statement. It stated that the soaring prices threatened anti-poverty and health improvement initiatives in the world’s poorest nations and left a \$755 million



Distribution of CFGB food aid in Ethiopia
(photo: Canadian Foodgrains Bank)

hole in the organization's \$2.9 billion budget. In a statement, WFP executive director Josette Sheeran referred to "the new face of hunger"—the millions of people who in the last six months have become part of the urgent hunger category.

The high-level UN task force headed by Ban Ki-moon will take a series of medium- and long-term measures, with the first priority the \$755 million shortfall in funding for the World Food Program, much of it because of soaring world grain prices. The secretary general also said the UN's Food and Agriculture Organization has a \$1.7 billion plan to provide seeds for farmers in the world's poorest countries.

A spokeswoman for the World Food Program in Rome, Brenda Barton, says more crops need to be planted, and more money invested in farms and infrastructure to lift world food stocks from their current, dangerously low level. Canadians, Barton said, have a specific role to play. In response to the UN appeal for new funding, the Harper government is expected to announce more aid for the World Food Program. Canada's current contribution to the World Food Program is \$161 million annually.

The CFGB has estimated that, because of rising food prices, the amount of food aid it can provide will decline by at least 25 percent, and probably much more, unless it can secure additional funding. It needs at least \$5 million in additional funding to maintain current levels of programming, and even more than that to address the growing need caused by rising prices.



Small-scale farmers in Ethiopia
(photo: Canadian Foodgrains Bank)

What can be done to effectively address the crisis?

What can be done is a difficult and complex question, prompting different responses. A UN-sponsored report has called for urgent changes to the way food is produced, as soaring food prices risk driving millions of people to poverty. The UN Educational, Scientific and Cultural Organization (UNESCO) study recommends better safeguards to protect resources and more sustainable farming practices, such as producing food locally. More natural and ecological farming techniques should be used, it says.

For decades, the United Church has said there is enough food in the world to feed everyone. The problem has been a combination of inequitable distribution and price increases outstripping the incomes of many poor people. At present the United Church works on food security issues primarily through the CFGB and through the Food Security Policy Group, a forum of Canadian non-governmental organizations that conducts policy research and advocacy. Together we are consulting with experts and partners as to what other steps we should be calling for to address the food crisis in the short and longer term. We continue to argue that much greater public and aid investments in small-holder agriculture in developing countries will strengthen livelihoods and local food supply.

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Useful online articles and documents for background information

Brief overviews

BBC News: [The cost of food: facts and figures](http://news.bbc.co.uk/2/hi/7284196.stm) (http://news.bbc.co.uk/2/hi/7284196.stm)

BBC News: [Q&A: Rising world food prices](http://news.bbc.co.uk/2/hi/business/7340214.stm) (http://news.bbc.co.uk/2/hi/business/7340214.stm)

Canadian Foodgrains Bank:

The Canadian Foodgrains Bank, of which the United Church is a member, has extensive resources available on its website at www.foodgrainsbank.ca. Recommended are:

In What's New: Media and Press Releases:

- [Implications of Rising Food Prices](#) (April 16, 2008): A summary of the food crisis, with additional background resources on the implications and causes of rising food prices.

In Publications and Resources

- [Food Justice Update September 2007](#) includes "Agro-fuels (Biofuels): The Future of Food?" which discusses the issue of bio-fuels.

In Public Policy Archives

- [A Green Revolution for Africa: Hope for Hungry Farmers](#) (March 2007) argues in favour of increased support for small-scale farmers in Africa and conservation farming techniques as opposed to a major push by Western-style agribusiness to produce greater crop yields using hybridized seeds and chemical fertilizers, herbicides and pesticides.
- [Food Security, Law and Theology: Biblical Underpinnings of the Right to Food](#) (December 2000) is an analysis of the links found in scripture among food, law, spirituality, and values such as justice, compassion, respect, and responsibility.

KAIROS

A paper by KAIROS: Canadian Ecumenical Justice Initiatives entitled [Are Agrofuels Alternatives to Oil?](#) (March 2007) discusses the consequences for people in the global South of plans for expanding the production of agrofuels.