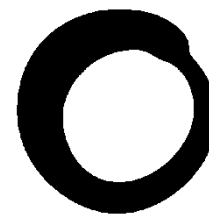


Media Briefing



**Friends of
the Earth**

May 2008

Solving the global food crisis

“Our planet produces enough food to feed its entire population.”

UN Food and Agriculture Organisation Director-General, Jacques Diouf on world food day 2007

Food prices have reached record highs over the last 12 months, with prices for basic commodities such as corn and rice hitting historic levels. There have been food riots in countries across the world where food prices have hit the poor and vulnerable most hard, from Egypt to Indonesia. Twenty four people were killed in riots in Cameroon while in Haiti, protests at food prices forced the Prime Minister to resign. The World Bank has warned that the rising cost of food could lead to political destabilisation in 33 countries worldwide.¹

The sudden price hikes, which follow years of falling prices for agricultural produce, are a result of rising demand combined with supply shortages. US and European demand for crops for biofuels is competing with the demand for animal feed crops to produce meat for western consumption and increasing demand in emerging economies. Poor harvests in countries hit by drought (a likely result of climate change) have also affected supplies, while rising oil prices have pushed up fertiliser and transport costs.

Escalating speculation on global commodity markets has aggravated the situation - with ever rising prices fuelling further commodity price rises.

Friends of the Earth believes that it is the global nature of our food economy which lies at the heart of the problem. Countries around the world have been encouraged to rely on export-led production largely to feed high levels of consumption in the industrialised countries at the expense of local food sufficiency, leaving them vulnerable to sudden changes in price. They have also been forced to open up their markets to cheap highly subsidised food from the EU and US. Many food and feed exporting countries are not benefiting from the current high prices because they are dependent on expensive imported food to feed their own population. Meanwhile, corporate control over the food system has risen with biotechnology and agribusinesses reporting record profits while millions are starving.²

Some suggest that the solution to the current food crisis is to extend global markets, introduce more intensive agricultural methods and more genetically-modified (GM) crops. Friends of the Earth believes that such measures will fail to deliver an equitable and sustainable model of agriculture. They will deepen the model of dependence for developing countries and small farmers, and continue our dependence on high energy use, high water use and agrochemicals.

We produce more than enough food to feed the world - the problem is ensuring a fair distribution of food supplies to allow enough nutritional food for everyone – without destroying the planet's natural resources. This briefing outlines the urgent action needed and summarises Friends of the Earth's proposals for tackling the problem in the medium to long term while avoiding the false solutions.

¹ Wroughton, Lesley. "Global response needed on food crisis – Zoellick," Alertnet, April 2, 2008. Accessed April 12, 2008

² Grain report - <http://www.grain.org/articles/?id=39>

Context

The Economist's food-price index is higher today than at any time since it was created in 1845.

Corn prices are at 12-year highs, prices of soya beans wheat and dairy products are at historic levels.

What needs to be done?

Immediate action

Food aid itself has been affected by rising food and shipping costs. The US now feeds about 70 million people each year compared with more than 100 million five years ago, and in recent years it has bought more than half the food for its aid programs from just four agribusinesses and their subsidiaries.³ Recently, the United Nations' World Food Program (WFP), which feeds 73 million people in almost 80 countries, has warned that it may not be able to deliver on its food commitments.⁴

Friends of the Earth believes that rich countries must provide more money to poor countries to help reduce the immediate shock of high food prices. However, this money should be given directly to the recipient countries enabling them to buy appropriate locally or regionally produced food instead of sending food from thousands of miles away or dumping surplus and inappropriate produce on developing markets. An example of this was seen in Zambia in the early 2000s where the World Food Programme failed to use local produce but instead imported expensive US produce⁵. Selling subsidized food in Africa from countries like the US can compete with the crops of struggling local farmers and reduce the growth in local markets. Assistance in the form of support for development of sustainable agricultural practices should also be made a priority so that all nations can avoid food crises in the first place.

The food crisis must not be used as an opportunity to disguise unwanted GM food as aid or to promote the cultivation of unsuitable GM crops in developing countries.⁶

The UK and EU must drop the current and proposed targets for biofuels, responsible for more than half of the increase in demand for grains and vegetable oils between 2005 and 2007.⁷

In the UK, people on low incomes may need immediate support to ensure they and their families have both financial and physical access to a healthy nutritious diet. The government must also investigate claims that shop price rises are too far above the cost of commodity price rises. Discrepancies between farm gate prices and the prices charged by the major retailers is already the subject of a European parliament investigation.⁸

There is an urgent need to start the debate about the structural changes that will end global food poverty in the long term.

³ <http://www.ihf.com/articles/2007/04/22/news/food.php?page=1>

⁴ Blas, Javier. "WFP plea for \$500m to avoid food cut," Financial Times, March 23, 2008. Accessed March 23, 2008.

⁵ In Zambia, the drought in the early part of this century affected primarily the Maize crop in South. In the north, supplies of Cassava, the main staple food, were stable and surplus was estimated at 300,000 metric tonnes. The World Food Programme refused a project proposed by NGOs and church groups to raise money to move this surplus from the north to the south. Instead, it bought barley from the US – which is not a staple food in the country– going against the principle that food aid should be socially and culturally acceptable to recipient countries. In *Playing with Hunger*, Friends of the Earth International: http://www.foei.org/en/publications/pdfs/playing_with_hunger2.pdf

⁶ Concerns have been raised over the Bush administration's proposed aid package that would direct the U.S. Agency for International Development to spend \$150 million of the \$770 million total on 'development farming', which would include the use of GM crops www.chicagotribune.com/news/nationworld/chi-food-crops_14may14,0,7229990.story

⁷ OECD-FAO Agricultural Outlook 2008-2017 <http://www.agri-outlook.org/dataoecd/54/15/40715381.pdf>

⁸ Euro Parliament pledges investigation of retail prices <http://www.foodanddrinkeurope.com/news/ng.asp?n=80923-biofuels-food-prices>

Long-term action

Avoid the False Solutions

Tackling the food crisis means recognising that some of the solutions currently being put forward will not feed the world but will exacerbate hunger, poverty and climate change.

- **Food not fuel**

“IMF estimates suggest that increased demand for biofuels accounts for 70 percent of the increase in corn prices and 40 percent of the increase in soybean prices” John Lipsky First Deputy Managing Director, International Monetary Fund⁹

The drive to grow crops for biofuels means that less land is available for food, therefore reducing supply and pushing up prices. Food crops, such as maize wheat and soy, are being used to create ethanol and biodiesel ensuring direct competition between feeding people and fuelling cars. The grain needed to produce enough biofuel to fill the tank of one 4x4 could feed a person for a year.¹⁰

Planting crops for biofuels also causes widespread deforestation, exacerbating climate change and vulnerability in agriculture. In some cases, agricultural land in developing countries is being used to grow fuel for the West instead of food to feed the local population. As Europe moves to adopt even higher targets for biofuel use - wrongly seen as a way of tackling climate change - pressure on food supplies and prices will continue to grow.¹¹ Friends of the Earth is calling on the EU to drop plans for a 10% target for biofuels in transport fuel and focus instead on doubling vehicle efficiency and reducing demand for fuel.

- **No GM crops**

GM crops do not address hunger or poverty. Instead they risk diverting resources away from food for the hungriest and exacerbating the problems brought about by intensive agriculture.

The recent International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) report revealed that there was no conclusive evidence that GM crops have increased yields [1]. Recent studies have shown that GM soya beans suffer from “yield drag”, resulting in a 5-10% reduction in yields.¹²

Contrary to claims by the biotech industry (see box), no GM crops modified to increase yields or resist droughts are on, or even close to the market. Instead crops have been modified to be resistant to insect pests and tolerant to herbicides, resulting in a dramatic increase in the use of chemicals to deal with the weeds that develop resistance to the chemicals over time.¹³ GM crops have been used for more intensive production methods by big companies, mainly to produce animal feed, at the expense of local farmers and the natural environment.

“I think the debate about higher prices and being able to meet the demand of people in the world for food is a perfect opportunity to make the case (for GMO crops)...We may have a window of opportunity here and I would encourage you to exploit that” Bob Stallman, president of the American Farm Bureau Federation speaking to the NFU conference 2008.

⁹ At the Council on Foreign Relations, May 8th 2008, <http://www.imf.org/external/np/speeches/2008/050808.htm>
New York City, May 8, 2008 <http://www.imf.org/external/np/speeches/2008/050808.htm>

¹⁰ World Bank, 2008. Biofuels: The Promise and the Risks.

<http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/EXTWDRS/EXTWDR2008/0,,contentMDK:21501336~pagePK>

¹¹ http://www.foe.co.uk/campaigns/biodiversity/news/call_for_biofuel_moratorium.html

¹² see http://www.foe.co.uk/resource/briefings/who_benefits.pdf

¹³ See http://www.foe.co.uk/resource/briefings/who_benefits.pdf

- **No more agricultural trade liberalisation**

Current European trade policies, which look to open up agricultural markets and increase free trade in agricultural products, will exacerbate the current problems. Here in Europe the European Commission, led by the Trade Commissioner Peter Mandelson, is pushing for a new raft of bilateral and regional trade deals as part of its 'Global Europe' strategy. These deals will lead to developing countries being forced to open up their markets to more food imports from heavily subsidised European agribusiness, destroying small-scale domestic production and therefore further reducing food security.¹⁴

Poor countries in Africa, the Caribbean and Pacific have already been pushed into accepting lower import duties on agricultural products from the EU under 'Economic Partnership Agreements' (EPAs), the first wave of these agreements.

Europe, the US and other rich Northern economies are also pushing for the rapid conclusion of the as yet uncompleted Doha round of global trade talks at the World Trade Organisation (WTO) aimed at further liberalising global trade. It is widely believed that the conclusion of the Doha round on the present terms will worsen the food crisis by requiring developing countries to further reduce their import tariffs on agricultural products by an average of 36%.¹⁵

- **No to excessive control by corporations**

Much of the global food system, from seed and fertiliser supply to trade and retail, is in the hands of a few large corporations who are not providing short or long-term stability in food production and supply. The price volatility resulting from increased corporate control of food trade is hugely damaging to farmers' incomes. Corporations must be made accountable by national law for the impacts of their operations and must be legally obliged to pay a fair price for farm goods. Governments must also shift their funding away from research and development of technologies and products which help to meet corporate demands for cheap raw materials.¹⁶ Instead they should use the funds to research modern, sustainable, low impact farming technologies.

Real solutions

Ensuring a sustainable production base

In order to produce enough affordable and nutritious food for everyone we must shift global agriculture on to a more equitable and sustainable production base, instead of adopting the false solutions described above. This means ensuring a fair deal for farmers meeting local and regional needs, whilst also investing in research into farming methods which can protect ecosystems and help tackle climate change.

- **Sustainable farming to meet real needs**

As noted by the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAAST), shifting to sustainable farming will mean investing in research and development to help farmers make the best use of farmland and water resources. This means modern farming will be used to enhance local traditional knowledge, while protecting people's right to determine their own food production systems.

According to the IAASTD report: *"systems are needed that enhance sustainability while maintaining productivity in ways that protect the natural resource base and ecological provisioning of agricultural systems."*¹⁷

¹⁴ See http://www.foe.co.uk/resource/briefings/corporate_conquest.pdf

¹⁵ See FoEE CS statement on trade and food crisis.

http://www.foeeurope.org/publications/2008/CSO_Declaration_WTO_Foodcrisis_240408.pdf

¹⁶ See http://www.foe.co.uk/resource/briefings/planting_prejudice_full.pdf

¹⁷ http://www.agassessment.org/docs/Global_Press_Release_final.doc

Achieving this will require new international level research and investment to help the world's poorest countries move away from the industrial farming methods that have been forced upon them. International institutions such as the Food and Agriculture Organisation (FAO) and the World Health Organisation (WHO) can play a role in this. Public funding currently directed towards large-scale industrial monocultures via the World Bank and other international financial institutions should be redirected towards small-scale sustainable agriculture that stimulates rural development and local markets.

Priority should be given to producing food for local consumption and regional trade, rather than export.

“To argue, as we do, that continuing to focus on production alone will undermine our agricultural capital and leave us with an increasingly degraded and divided planet is to reiterate an old message. But it is a message that has not always had resonance in some parts of the world. If those with power are now willing to hear it, then we may hope for more equitable policies that do take the interests of the poor into account.”
Professor Bob Watson, Director of IAASTD

A more equitable and sustainable farming pattern must attach greater importance to protecting biodiversity and recognising land rights, which have often been cast aside in the race towards industrial agriculture.

- **Fair Deal**

For small-scale farming to be sustainable, farmers must be paid a fair deal for their produce. This is currently not the case. The power imbalance within the food chain allows retailers and the food industry to continue to demand more and more for less.

Retailers and food companies must be required by law to deal fairly with suppliers, ensuring fair returns for sustainably-produced food. Governments must also recognise and reward sustainable production methods, like organic farming, including the UK.

Farmers overseas must be protected - under stronger trade rules - from “dumping” of cheap produce onto their markets (see below). This will stop rich producers under-cutting local suppliers with devastating effects on local economies.

- **Action on climate change**

Agriculture is in the front-line when it comes to feeling the effects of climate change. National and international governments must urgently implement measures to tackle climate change. In the UK we must bring the forthcoming Climate Change Bill in line with the latest science by including aviation and shipping emissions and increasing targets from 60% to 80%.

Farmers in the developing world are already among those feeling the harshest impacts of climate change. Droughts in parts of East Africa have had devastating effects on local food suppliers. Farmers in the world's driest regions face problems from increased desertification and soil erosion. Special farming techniques, often drawing on local knowledge, can help farmers in harsh conditions maximise water resources and protect their crops. Organic and other modern sustainable farming methods have proven benefits in withstanding drought and flooding, but financial support and technical assistance from the developed world is desperately needed.¹⁸

Agriculture and food production is a major source of greenhouse gas emissions, which must be tackled. In the rich farming countries, more must be done to reduce greenhouse gas emissions from food. This means developing different animal feeds, better waste management, big reductions in our reliance on fertiliser and imported feed and a reduction in fuel dependency in the supply chain and manufacturing.

More must be done to further our understanding of how agricultural land can be best managed to conserve the greenhouse gases stored in soil. Farmland can provide a natural sink if managed well - such as in organic systems which are run according to legally binding international standards. Measures must also be

¹⁸ For instance see UNCTAD/WTO - International Trade Centre 2008 ORGANIC FARMING AND CLIMATE CHANGE http://www.intracen.org/Organics/documents/Organic_Farming_and_Climate_Change.pdf

taken to prevent valuable natural habitats, including forests, wetlands and mangrove being turned into agricultural land.

Small farmers need access to local staple crops which are no longer widely cultivated. Traditional varieties, adapted to local conditions, are more likely than GM or other intensively cultivated varieties to withstand the effects of climate change without depleting natural resources. We need to extend the current range of commercially produced varieties of crop and seed, with more multi-cropping and greater local variety on the greengrocers' shelves. With this, the right of farmers and communities to reproduce, exchange and breed seed varieties must be upheld. Such practices are increasingly threatened by intellectual property rights and patents on seeds.

Using food and feed efficiently and fairly

We already grow enough food to feed the world, but our current global food market does not ensure a healthy and nutritious diet for everyone. According to FAO figures, 854 million people in the world are seriously undernourished,¹⁹ and 14% of the world's population is undernourished²⁰. Even brief periods of malnutrition, caused by high food prices, can cause serious long-term health damage to young people. Tackling this problem requires radical changes in the way we approach, manage and distribute our food.

- **Producing and eating less livestock products**

In assessing how to make the best use of our food resources, it is crucial to address the impact of the high level of consumption of livestock products in industrialised countries. Large amounts of cultivable land around the world are used to produce feed for livestock, instead of desperately needed food crops. Growing demand for meat - the FAO expects meat production to double by 2050²¹ - is increasing demand for vegetable proteins and grain for animal feed, which is depriving humans of vital food. The increasing amount of land being used to produce feeds and pasture is also causing significant greenhouse gas emissions and seriously damaging biodiversity and vital water and soil structures.²²

Friends of the Earth believes the impact of meat, dairy and other livestock products on land use must be urgently addressed. The impacts must be calculated and targets put in place to reduce them through policy measures. These should include measures to reduce demand through, for instance, education and procurement policies which specify lower impact menus.

We also need to grow more feed here to replace the demand for overseas protein and grain which should be used to feed people. Measures including financial support and advice for farmers are needed to encourage new sustainable feed production and lower impact livestock farming such as mixed and organic systems. The UK Government needs to ensure, through its production and consumption strategy, that environmental costs are ultimately reflected in the price of food. All taxpayer support for intensive livestock production and exports, for instance through the Common Agricultural Policy, must urgently be reviewed and phased out.

- **Global Trade**

“Roughly a third of the world's food shortages could be alleviated to a significant degree by improving local agricultural distribution networks and helping to better connect small farmers to markets.” Ban Ki Moon, [Secretary-General](#) of the [United Nations](#).²³

Existing trade rules, established through the World Trade Organisation and through country-to-country, country-to-region, and region-to-region trade agreements, need to be reformed to encourage more sustainable forms of trade which prioritise regional and local food security.

¹⁹ <http://www.wsws.org/articles/2008/apr2008/food-a15.shtml>

²⁰ http://www.fao.org/es/ess/faostat/foodsecurity/Files/PrevalenceUndernourishment_en.xls

²¹ <http://www.fao.org/newsroom/en/news/2006/1000448/index.html>

²² See *Hoofprints: Livestock farming and its environmental impacts* - <http://www.foe.co.uk/resource/briefings/hoofprints.pdf>

²³ <http://www.washingtonpost.com/wp-dyn/content/article/2008/03/11/AR2008031102462.html?hpid=opinionsbox1>

Global and bilateral trade agreements must help the world's poorest countries to produce more food for local and regional consumption by allowing them the freedom to protect and develop their agricultural industries. This means allowing higher tariffs on food imports to avoid crippling competition from countries which already have well-developed and heavily subsidised industries. Countries which have resisted the pressure to open up their markets and reduce protection for domestic farming are reaping the benefits. For instance Uganda has restricted rice imports, making local production the priority, and the result has been more domestic investment in production and processing. As a result, Ugandans are still paying about the same for rice as they always have.²⁴

Food and agricultural policies should be designed to benefit small farmers and support rural development and livelihoods and ensure food security. Strong sustainable food economies will give local people access to healthy food, while benefiting local farmers and protecting the environment. Local people will have more control over the food they eat - and a better understanding of where it comes from.

Agricultural trade can benefit the poor, but existing trading arrangements tend to favour large-scale production and distribution methods, often excluding small scale farmers and producers. Reform is needed to allow smaller players to benefit from trade.

The EU's Common Agricultural Policy (CAP) must be adjusted to allow subsidies to support sustainable family farming and local sustainable production for local markets. Action must be taken to end subsidies for export and dumping on markets in developing countries.

- **Recognising the true price**

To make this adjustment requires shifting from a narrow view of agriculture and farming. We must recognise that it not only plays an important role in our food, but also provides livelihoods, is an important part of local culture and has a crucial role in managing the environment.

If we are to assess the true environmental and social damage of farming practices, these costs must be reflected in prices. The Government must begin the process of assessing the true cost of products through its Sustainable Production and Consumption Strategy – and set industry clear, ambitious but achievable targets for reducing those costs. It must take a lead at European level where efforts to tackle this are slow and weighed down by vested interests. The food industry must also be fully accountable for their impacts, particularly from their overseas operations, through revised Company Law.

²⁴ Africa Plays the Rice Card By G. Pascal Zachary http://www.foreignpolicy.com/story/cms.php?story_id=4306