



CAPSA

Flash

Volume 6, Number 6, June 2008

ISSN

1693-4636

Short Article

Food Crisis – Can Farmers Meet the World's Expectations?

The rising use of biofuels, financial market turmoil, export bans, changing diets, climate change and skyrocketing oil prices have all been blamed for the current food price rises. Of course, it is important to try to determine the cause of the crisis. At least one thing is clear: unlike the last international food crisis in the early 1970s and others, which were mainly triggered by crop failure, the root of the current problem is more complicated. Identifying only a single factor and focusing our attention and criticism on it alone, may distract us from finding the right solution to the problem.

Let us consider the positive aspects, if any, of the current food crisis. For example, the world is beginning to regret the long-sustained neglect of the agricultural sector, and consequently, keener attention will now be paid to its development. International organizations have committed themselves to dealing with food problems. The Asian Development Bank announced massive financial support for the food crisis, including US\$ 500 million in immediate budgetary support and doubling its lending to US\$ 2 billion for agriculture in 2009 (ADB, 2008). The World Bank is calling for a 'New Deal for Global Food Policy', which focuses on energy, climate change, and investment as well as access to food and its supply (World Bank, 2008).

The next question would be whether farmers can successfully respond to the world's expectations of increased food production? One of the features of the post-Green Revolution period in Asian rural society is the comprehensive diversification of rural societies (Kitahara, 2004). While farmers diversified their cropping patterns to seek more profitable commodities besides rice, expanding non-agricultural job opportunities diversified their income sources and decreased their households' reliance on agriculture. In fact, a diversified job pattern helps facilitate an escape from poverty. We should not take a pessimistic view of the decreasing importance of agriculture as an income source in rural areas, as long as it occurs in parallel with increasing productivity and efficiency of farming systems. However, if the lowering of the perceived importance of agriculture results in the neglect of agriculture and farmers' reluctance to invest in their farming, then the current price hike will not fully stimulate expanding crop production.

According to the attitude survey conducted by the author in a rural village in West Java, Indonesia (Sugino *et al.*, 2008), although non-farm income plays an important role in the household economy (making up approximately 70 per cent of the total household

income) in the study village, the farmers who continued rice and vegetable production in addition to their side-businesses, have strong hopes for developing their agricultural production and getting more income from agriculture. These farmers showed their interest in technological improvement, such as application of new varieties, as a measurement for farm development. Interestingly, the survey results showed that the farmers who get less income from agriculture have a higher preference for expanding rice production through land procurement. However, it is questionable whether this tendency would result in increased productivity since the major purpose of rice farm expansion was acquiring the rice fields as assets.

The coverage of the survey is very limited and it is difficult to draw a general conclusion from its data. However, we can conclude that the farmers still have plans to develop their agricultural practice despite attractive job options outside their villages, even at times when the commodity prices are low (the survey was conducted before the current major price hike had been observed in the area). How about land accumulation by wealthier farmers, thanks to the abundant cash from side-businesses? This aspect should be carefully monitored. It may not be a problem as long as the land consolidation works as a trigger for improved labour productivity due to scale merit, and the excess labour is absorbed by non-agricultural sectors, rather than simply increasing the number of landless farm labourers.

In the previous food crisis, government interventions to encourage supply and increase productivity through new technologies were the two major possible options. But the scope to do the same this time may be limited (Beattie and Blas, 2008). More analysis will be necessary to formulate a medium to long-term prescription for the current crisis while providing urgent aid to those in need of daily food. It is not too late to invest in agriculture as long as farmers still have a strong will to develop their farms and can respond to the expectations of the rest of the world. Human will is the best enhancer of economic development. ■

Written by Tomohide Sugino, Senior Researcher, Japan International Research Center for Agricultural Sciences.

(References available upon request)

Flash **BREAKING****Strong Signs of Record Rice Production**

Rice production in Asia, Africa and Latin America is forecast to reach a new record level in 2008, says the FAO. The destruction of Myanmar's food basket may sharply decrease national rice production and impair access to food. For prices to fall, favourable weather conditions must prevail in the coming months and governments must relax rice export restrictions. The sudden surge in world rice prices has shed some light on major medium-term constraints that have been often ignored in the past two decades, such as low investment in agriculture, especially irrigation, reduced funding for agricultural research, environmental problems, stagnating productivity and migration from rural areas to cities.

FAOnewsroom, 2008. Strong Signs of Record Rice Production, <http://www.fao.org/> (12 May 2008).

Deeper Asian Regionalism Needed: ADB

Asian nations must boost economic ties through closer consultation and policy co-ordination, and improve financial market surveillance to foster financial stability and economic prosperity, says a new book released by the Asian Development Bank. "Emerging Asian Regionalism – A Partnership for Shared Prosperity" was launched at the Bank's 41st Annual Meeting. Speakers at a panel discussion on the book say Asian regionalism can be a stabilizing factor when shocks arise, whether they come from within the region or outside. They said the financial crisis of 1997–98 underscored Asia's interdependence and shared interests, and gave a strong impetus to emerging Asian regionalism. The region is being increasingly interconnected through trade, finance and macroeconomic links.

ADB, 2008. Time has Come to Pursue Deeper Asian Regionalism, Says Flagship ADB Study, <http://www.adb.org/> (4 May 2008).

A New Smart Biofuel Crop

Imagine a crop that provides food, livestock feed and biofuel, that grows in dry conditions, tolerates heat, salt and waterlogging, and provides steady income for poor farmers. Such a crop is an ideal 'smart crop' in these days of global warming with soaring food and oil prices worldwide. 'Sweet sorghum' has all these qualities. It produces food as well as fuel. The grain can be used for food, and chicken or cattle feed. If it has been damaged by disease, it can also be used to make bioethanol, protecting farm incomes that would otherwise be lost. To produce ethanol, the sorghum stalks are crushed yielding sweet juice that is fermented and distilled to obtain bioethanol.

ICRISAT, 2008. Sweet Sorghum: A New Smart Biofuel Crop that Ensures Food Security, <http://www.icrisat.org/> (12 May 2008).

World Must Boost Agriculture

Dr. Jacques Diouf of the FAO, said that now is the time for re-launching agriculture. More food must be produced to contain the impact of soaring prices on poor consumers, and simultaneously boost productivity and expand production to create more income and employment opportunities for the rural poor. Smallholder farmers must have proper access to land and water resources and essential inputs such as seeds and fertilizers.

To ensure that small farmers and rural households benefit from higher food prices, a policy environment that relaxes the constraints facing the private sector, farmers and traders, must be created. That would mean reversing the decline in the level of public resources spent on agriculture and rural development and investing more in agriculture.

FAOnewsroom, 2008. Diouf: World Must Seize Chance to Boost Agriculture, <http://www.fao.org/> (29 April 2008).

Higher Farm Productivity Key to Food Security

A new report from the Asian Development Bank says that developing Asia needs to strike a balance between providing immediate relief to shield the poor and vulnerable against rising food prices and in the short-term ensure inputs and credit are available to spur a strong supply response over the coming crop cycles. The report, "Food Prices and Inflation in Developing Asia: Is Poverty Reduction Coming to an End?" says structural factors like the decline in global stocks of rice and other cereals, rising oil prices and the resultant rise in prices of fertilizers and transportation costs for farm products are key factors behind high and rising food prices. These can undermine the region's efforts to fight poverty, pushing large numbers of people back below the poverty line. In the long run, however, the notion of food security should move beyond a relatively static focus on food availability to higher productivity. As a majority of the poor in developing Asia live in rural areas and depend on agriculture, higher agricultural growth will raise farm output, reduce prices and raise incomes of poorer farm households. As yields of food crops in most Asian economies remain low in comparison with other major producing nations, technology improvement has become increasingly important along with efficient use of water, power and other key inputs. The report emphasizes that farmers should be provided with access to new seeds, modern technology, and credit, and infrastructural facilities. It urges governments to take steps to boost agricultural productivity.

Based on ADB, 2008. New ADB Study Says Higher Farm Productivity Key for Food Security, <http://www.adb.org/> (5 May 2008).

Rising Food Prices: Drivers and Development Implications

The Centre on International Cooperation has released a paper outlining a number of factors that have contributed to the current increases in food prices, including high income growth in emerging economies, use of crops for biofuels, the relative inelasticity of supply, historically low stock levels and some speculative investment. The increasing food prices have led some countries to reduce exports and to try to build up stocks – creating a feedback loop that drives prices even higher. In the medium to longer term, however, the paper warns that 'scarcity trends' – climate change, the cost of energy inputs, scarcity of land and water – could limit the supply-side response. The paper argues that the immediate priority is to increase both the volume and the quality of humanitarian assistance available to poor people, including moving away from in-kind food aid towards cash transfers. However, one outstanding question relates to the issue of compensatory financing for some countries facing balance-of-payments difficulties. In the longer term, the paper argues that the key challenge is to increase the supply of food, and this will require something close to a revolution in global food policy. The author also notes a range of other issues, including environmental standards, health, animal welfare, competitiveness between countries and companies, and the security of globalized supply chains. The emergence of food as a top-rank political issue provides an opportunity to form new alliances, new coalitions and new drivers for change.

Based on Evans, A., 2008. Rising Food Prices: Drivers and Implications for Development. Chatham House, <http://www.chathamhouse.org.uk/> (April 2008).

Rising Food Prices: Causes, Consequences and Solutions

In 1994, the 50 per cent devaluation of the CFA franc, the currency in French-speaking Africa, almost doubled the prices of imported food. While this rise had serious repercussions for food security in these countries, it did not lead to rioting, as is currently the case. Things have changed now: people are suffering the after-effects of several decades of economic crisis, and have very little room to manoeuvre. What are the possible means of managing and finding a way out of the current food crisis? In the short term, emergency steps have to be taken: there is a risk of drastic consequences for nutrition among the most vulnerable populations. It is also necessary to exploit opportunities to improve productivity in the commercial food crop sector, in terms of production, processing and marketing. Before suggesting miracle technical solutions, it is important to exploit the existing possibilities of boosting productivity. In the longer term, it will no doubt be difficult to escape from the question of better resource distribution. It is because some large, densely populated countries are beginning to consume in the same way as industrialized countries that we have realized that the system has its limitations. The people suffering now bear little, if any, responsibility for what is making them suffer. The aim now is not to transfer the agro-industrial model and extend it to the planet as a whole, but to work together to build a more sustainably equitable system. ■

Based on Bricas, N. and Bru, E., 2008. Rising Food Prices in Developing Countries: Causes, Consequences and Solutions. CIRAD, <http://www.cirad.fr/> (17 April 2008).

One-size-fits-all Approach Causing Food Crisis

The dramatic surge in food prices has caused a food crisis that has put at risk the chances of millions of people achieving the Millennium Development Goals (MDGs) by 2015, according to Mr. Salil Shetty, Director of the UN Millennium Campaign. While the focus has been on the impact of MDG1, given the close inter-connectedness between all eight MDGs, their impact on the poor's health, education and livelihoods more broadly, cannot be underestimated. Paradoxically, addressing the MDGs in a comprehensive manner, as was agreed at the Millennium Summit in September 2000, could have led to much greater food security for the poor. Building on a bottom-up analysis with strong national ownership amongst poor countries is the key to addressing the short and long-term causes of this crisis. A long-term MDG-based plan establishing clear cross-sectoral linkages backed up with adequate budgetary allocations has to be the starting point. Addressing MDG1 without studying its impacts on MDG7 and vice versa will simply mean transferring Asian models to Africa without really learning any lessons. The prolonged neglect of investing in sectors that employ large sections of the poor and excluded such as agriculture and off-farm livelihoods has to be reversed. The current crisis has also once again underlined the need for a more nuanced search for solutions by region, by country and by social groups. After all it is the impact of the one size fits all dismantling of all forms of agricultural support and social protection that is now coming to haunt the poor. ■

Based on Shetty, S., 2008. One-size-fits-all Approach Causing Food Crisis. OneWorld South Asia, <http://southasia.oneworld.net/> (6 May 2008).

Flash EVENTS



The International Conference on Sustainable Agriculture for Food, Energy and Industry 2008

2 – 6 July 2008

Sapporo, Japan

Info:

<http://www.sgp.hokudai.ac.jp/ICSA2008/index/introduction.html>

Improving the Performance of Supply Chains in the Transitional Economies: Responding to the Challenge of Linking Smallholder Producers to Dynamic Markets

9 – 12 July 2008

Waterfront Hotel, Davao City, Philippines

Info:

<http://2008davao.googlepages.com/>

5th Microfinance Training of Trainers: A Blended Distance Learning Course

16 July – 30 October 2008

Info:

<http://www.adbi.org/event/2532.5th.microfinance.distance.learning.course/>

eAgriculture India 2008

29 – 31 July 2008

Info:

http://www.e-agriculture.org/100.html?&no_cache=1&L=0

6th ASAE International Conference The Asian Economic Renaissance: What is in It for Agriculture?

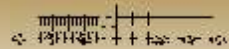
28 – 30 August 2008

AIM Conference Center

Makati City, Philippines

Info:

<http://www.6thasae.sear.ca.org>



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Book Review

Unstoppable Global Warming: Every 1,500 Years

S. Fred Singer and Dennis T. Avery, Rowman and Littlefield Publishers, Inc. UK, 2007. ISBN: 978-0-7425-5124-4.

If one were to vote for the hottest issue in the past several years it would be global warming. Together with rocketing gasoline prices and the recent globally high prices of food, this is the most internationally debated and widely covered media topic of today, from school students to laypeople and politicians in every country of the world. The whole issue is that global warming results from excessive human emissions of greenhouse gases. The fourth report of the UN-sponsored Intergovernmental Panel on Climate Change (UNIPCC) has labelled it a crisis.

Is there any evidence to the contrary? The purpose of this book by Professor Fred Singer, a climate physicist at the University of Virginia and Dennis Avery, a senior fellow of the Hudson Institute, is to reveal such evidence. The book's main message is that current global warming is part of a moderate, irregular 1,500-year sun-driven cycle of fluctuation in the Earth's climate. This is a roughly regular cycle regardless the level of atmospheric greenhouse gases. The Earth is about 150 years into a moderate 'modern warming' that will last for centuries and will essentially restore the fine climate of an earlier period known as the 'Medieval Climate Optimum'. Secondly, the Earth has experienced a much warmer temperature in the past than the greenhouse gas-driven global warming of today. Hence, the fear of global warming is baseless. Thirdly, if there is a valid climate fear, the authors suggest, it is the coming 'Big Ice Age', when temperatures may plummet 15°C with devastating consequences.

The book is organized into four parts. The first part is devoted to a presentation of all the evidence on the 1,500-year climate cycle of the Earth, such as the sun-climate connection, and facts about warming and cooling throughout human history and how civilization survives such changes. The second part is dedicated to scientifically refuting and revealing the flaw of the greenhouse theory and global climate models upon which the current anthropogenic global warming argument is based. It elaborates on how politics and power-play lead to fraud and deceit in an effort to sell the anthropogenic global warming argument.

Baseless fears of the consequences of global warming are discussed in part three by showing evidence contrary to the implication that the greenhouse effect affects global warming. For example, they argue that when the climate warms, glaciers melt so

sea levels rise. But a warmer ocean evaporates more water, which ends up as snow and ice, which is currently thickening the Greenland ice sheet and the Antarctic ice cap. The rate of thickening is greater than the minor melting around the edges. The authors show that it would take 7,000 years to melt the West Antarctic ice sheet, and we are almost sure to get another ice age before then. Furthermore, for the last 5,000 years or so, sea levels have risen by about seven inches per century, at a rate faster than the past century (about six inches), despite the strong warming period earlier this century. Hence, the authors conclude, there is no reason to expect a big rise in sea levels in the 21st Century. Similarly, there is little to fear about effects on agriculture, wildlife, weather, ocean currents, coral reefs, and human health and disease as claimed by the proponents of the greenhouse theory.

Part four argues the Kyoto Protocol is futile and costly. The protocol, requiring developed countries to reduce their greenhouse gas emissions to 5.2 per cent below 1990 levels by 2012, has the ultimate objective of achieving a greenhouse gas level that would prevent dangerous anthropogenic global warming. However, there is no exact statement on the gas levels that might be considered 'dangerous' in the protocol. Expert calculation by supporters of the protocol admit that the 5.2 per cent reduction would only reduce temperatures by a non-detectable 0.05°C by 2050, but would cut the economy of the US, for example, by nearly 25 per cent unless other non-fossil based energy use is increased. It is also interesting to read the politics behind the protocol, for example why European governments strongly support it, how Russia was against the protocol earlier based on the scientific argument provided by the Russian Academy of Sciences but later changed their mind, and that the agreement would not have been concluded had China and India been required to sign.

This book is a must for anybody who cares for the Earth we share together. At the very least it provides alternative information to the 'no-alternative', widely publicized and hence widely accepted, greenhouse theory of global warming. ■

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