

Ayna Annaorazova
Baxter High School
Baxter, Iowa

National Responses to Food Insecurity

On Monday, on March 11, 2008, the European Bank for Reconstruction and Development (EBRD) held a conference in London with the UN Food and Agriculture Organization (FAO) to discuss how unused agricultural land in Eastern Europe and the former Soviet Union countries could be brought back into use to alleviate the worldwide food crisis.

Last month, the UN's World Food Program raised the alarm when it warned that it would soon not be able to afford to feed millions of people in poor countries because of a 40 percent jump in food prices.

According to FAO, world food prices rose by almost 40 percent in 2007.

In Kazakhstan, Russia and Ukraine around 23 million hectares of arable land were withdrawn from in recent years. At least 13 million hectares could be returned to production, with no major environmental cost.

An EBRD paper submitted to the conference noted governments have responded to rising food prices by introducing a series of measures including price controls, increased subsidies, reduced import barriers and restrictions on exports designed to benefit consumers. But it noted that many of these measures, while well-intentioned, could prove to be counterproductive on a long-term basis.

Protection of the poorest consumers, it suggested, could be achieved through targeted income support to the most vulnerable segments of the population.

In the agribusiness sector alone, EBRD has already committed €4.9 billion in 357 projects across central and Eastern Europe and the CIS.

FAO says food prices in many countries remain very high IBEC's food and drinks unit says 2,000 jobs lost in 2009; Calls for introduction in Ireland of Supermarket Ombudsman Agriculture more resilient to global crisis than other sectors; Rise in food commodity prices to ease.

Agricultural commodity prices rose by an annual average of 29.6 % in 2008 but will stagnate this year. Pigmeat company Rosderra Meats puts 850 workers on protective notice because of health scare; Processor need up to € 1 billion from the Government. Financial crisis will hurt agricultural markets. Irish consumers spent € 2.6 billion more on alcohol and cigarettes than food in 2007; Household spending on alcohol more than 3 times EU27 average. (Food Prices)

Land degradation is intensifying in many parts of the world: One fourth of the world's population affected says new study. Some countries at "a tipping point" because of double impact of rising food and oil prices; Ireland leads with spending on alcohol at 4.1%. World economy faces renewed spike in food inflation as feed cost rises push up price of meat; Eurozone annual food prices rose 6.2% in April compared with 3.3% for overall inflation; Irish food prices rose 8.4%; Annual price increase in the EU was 14.9% for milk, cheese and eggs. World trade volume rose 3.5% in July 2009—biggest surge in almost 6 years; 15.9% below peak in April 2008.

Food Prices will be the biggest single problem facing newly minted Russian President. Even as food prices rise dramatically around the world, the rate of increase in Russia has been roughly three times greater than that in the European Union. In April, the cost of basic foodstuffs rose in Russia by 6.4%, compared to 1.8% in Europe, according to official Russian figures. (Russian homeless)

Depending on the region, prices of basic products such as bread, milk and meat have risen between 72-22% so far this year. Although food prices are, indeed, rising globally, Russia's leaders have downplayed the fact that Russia is one of the world's leading importers of food. As such, it stands to suffer disproportionately from the food crisis.

The food crisis is also exacerbating the gap between the haves and the have-not. While the richest part of the population can afford to spend more on food and can even increase consumption, the poorest 20% - those who already spend about 60% of their income on food-find themselves sorely pressed.

Russia had a high grain harvest in 2008, but so it was elsewhere in the world, bringing the prices down. To support the trade, Dmitry Medvedev authorized a state export subsidy of 40 US dollars per metric ton. This, according to the minister of agriculture, is sufficient to maintain exports at 20-25 million metric tons. The food industry is, however, locked between high costs of farm produce and tight price and credit terms dictated by retail chains. Food industry executives anticipate that the chains will eventually lose part of their clients to street markets, as the suppliers are forced to develop this independent sales channel. (Goncharov)

In November 2008, nine leading food retail chains (out of nearly 300) received access to government – backed financing. Nevertheless, retailers are pressing food suppliers for longer credit terms or bigger cash discounts, demanding up to 50% price cut for cash payment. (Russian pride)

One of the Eastern Europe countries is Turkmenistan. Its located in Central Asia, is bordered by Caspian sea, Kazakhstan, Uzbekistan, Afghanistan, and Iran. The total area of the country is 488 100 km square. 80% of total area is Kara Kum Desert.

Agriculture in Turkmenistan is a significant sector of the economy which contributes 20.9% of the GDP and employs 48.2% of the workforce. However, only 4% of the total area is cultivated.

Because of the arid climate, irrigation is necessary for nearly all cultivated land. Minor crops of citrus fruits, dates, figs, melons, pomegranates, olives, and sugarcane are grown in some parts of the country. The two most significant crops are cotton and wheat. Half of the country's irrigated land is planted with cotton, making the country the world's tenth- largest producer of it. Cotton cultivation in Turkmenistan required a large amount of water to be diverted from the Amu Darya river and also introduced a great deal of fertilizer into the river. As a result, cotton cultivation in Turkmenistan is one of the factors causing the drying up the Aral Sea.

Turkmenistan, gets most of its water from the Amu Darya River. The Karakum Canal is a canal system that takes water from Amu Derya River and distributes the water out over the desert for irrigation of its orchard crops and cotton. Turkmenistan uses the most water per capita in the world because only 55% of the water delivered to the fields actually reaches the crops. (Water Conversation: Central Asia)

Turkmenistan, Kazakhstan, and Uzbekistan use the most water per capita: Turkmenistan --5, 104 m³/yr per capita withdrawal, 2% domestic Use, 1% industrial Use, 98% agricultural Use.

Animal husbandry makes up a great deal of agriculture in Turkmenistan, despite the fact that the arid climate presents difficulties in producing sufficient feed for the animals.

Up to 1991, agriculture in Turkmenistan as all Soviet republics, was organized in a dual system, in which large scale collective and state farms coexisted in a symbiotic relationship with quasi- private individual farming on subsidiary household plots. The process of transition to a market economy that began in independent Turkmenistan after 1992 led to the creation of a new category of midsized peasant farms, known as daihan or dayhan farms between the small household plots and the large farm enterprises. In 2002 there were more than 5,000 such private farms in Turkmenistan, operating on 81,000 hectares. The former collective and state farms were transformed in 1996-97 into associations of the lease holders. (Water Conversation: Central Asia)

Desertification is the degradation of land in arid and dry sub-humid areas, resulting primarily from man-made activities and influenced by climatic variations. A major impact of desertification is biodiversity loss and of productive capacity, for example, by transition from land dominated by shrub lands to nonnative grasslands. In the semi- arid regions of southern California, many coastal sage scrub and chaparral ecosystems have been replaced by non- native invasive grasses due to the shortening of fire return intervals. (Desertification)

In the early 2000s, the contribution of Turkmenistan's state-run agriculture sector to gross domestic product increased under close state supervision. As during Soviet era, cotton is the dominant agricultural commodity because it is an export staple. However, in recent years state policy makers have increased the range of crops with the aim of making Turkmenistan self-sufficient in food. In the past-Soviet era, the area planted to grains (mainly wheat) has nearly tripled. However mas agricultural land is of poor quality and requires irrigation.

Turkmenistan's irrigation infrastructure and water use polices have not respondent efficiently to this need. Irrigation now depends mainly on the decrepit Karakum Canal. Private farmers grow most of Turkmenistan's fruit and vegetables (chiefly tomatoes, watermelons, grapes, and onions), but all production phases of the main cash crops – grain and cotton – remain under state control. In 2006 grain crops failures lid to steadily increasing bread lines and reinstatement of a ration system in most regions. At the root of those failures was a culture of falsifying output figures together with poor administration of the sector.

In some provinces of Turkmenistan, villagers have been burning saxaul plants, a traditional Turkmen way to heat homes, but which is a rare plant at risk of extinction. In cities, the central heating pipes have been neglected and do not work well to heat, and electrical devices cannot be used because of a shortage of electricity.

From 75m tons of cereal output in 2007, Russia could multiply its grain output several- fold simply by bringing fallow land back into production. It could produce 300m tons of cereals without the necessity of producing on virgin land. (Water Conversation: Central Asia)

In response to the severity of the food crisis and need for prompt action, the World Bank Group set up the Global Food Crisis Response Program (GFRP) in May 2008 to provide immediate relief to countries hard hit by food high prices.

The World Bank Group increased GFRP to \$ 2 billion in April 2009 to provide immediate relief to countries hard to hit by food high prices. GFRP has disbursed \$ 1164 million out of \$ 1190.4 million in 35 countries as of August 27, 2009. An addition \$ 26.4 million is being earmarked for programs in four countries. GFRP is disbursing funds to Afghanistan (\$ 8 million), Bangladesh (\$ 130 million), Ethiopia (\$ 275 million), Nepal (\$ 36 million), Philippines (\$ 200 million), Tanzania (\$220 million).

Boosting overall agricultural lending to \$12billion over the next 2 years, up from \$ 4 billion in 2008, as announced in April 2009. This includes nearly doubling lending to Africa from \$450 million, and supporting over \$1billion in new projects in agricultural and rural development in South Asia.

Establishing Agriculture Finance Support Facility to expand rural finance through a 420 million Bill and Melinda Gates Foundation contribution as announced in June 2009.

Food crisis facts and figures:

- 1.1 billion people were living on less than \$1 a day and 923 million were undernourished, even before the food, fuel, and financial crisis.
- Food prices remain volatile. Local food prices in many countries have not come down, although international food prices have fallen.
- Although they have declined their peas in 2008, major food grain prices are still above average. Maize is 50% more expensive that its average price between 2003 and 2006, while rice are 100% higher.

— When food are high, poor people either eat less, switch to cheaper, lower quality foods, or forgo spending on health and education. (Global Food Crisis)

More than 200 million farmers are using untreated waste water to grow food, according to a new study. The water often contains sewage, putting both the farmers and the people who buy their produce at risk of disease. But while the practice carries health risk, it also brings benefits to poor urban farmers and consumers who need cheap food, said the report by the International Water Management Institute (IWMI).

“ Farmers use waster water because they have no choice,” said IWMI researcher Liqa Raschid-Sally, who explained that this might be because traditional water sources have become polluted because they are so close to cities. After surveying 53 cities in developing countries in Asia, Africa and Latin America, the researcher found that more than 80% of urban farmers in these cities were using untreated waste water. In several Asian countries, storing waste water is a common practice and allows faeces and harmful organisms to settle, which reduces the level of bacteria and worm eggs in the remaining water. (David Allan)

There are other problems too. The spike in oil prices, which hit \$103 per barrel in recent days, has pushed up fertilizer prices, as well as the cost of trucking food from farms to local markets and shipping it abroad. Then there is climate change. Harvests have been seriously disrupted by freak weather, including prolonged droughts in Australia, floods in West Africa, and this past winter's deep frost in China and record – breaking warmth in Northern Europe. (Vivienne Walt)

The Food Crisis in Figures:

- One in six of the world's population is hungry, almost a billion people.
- 13 million children are born annually with intrauterine growth restriction meaning that stunting sets in even before children are born due to the hunger experienced by the mother.
- Between 50 and 60% of all childhood death in the developing world are hunger related.
- The risk of death is 2.5 times higher for children with only mild malnutrition than it is for children who are adequately nourished.
- The proportion of overseas development assistance spent on agriculture has fallen from almost a fifth in 1980 to just 3% today.
- Poor people are particularly vulnerable to changes in food prices with many spending up to 80% of their income on food.

Even before the recent crisis:

- More than 24, 000 people died of hunger related causes every day;
- 5 million children under the age of 5 died every year of hunger related causes;
- 16,000 children died every day of hunger – related causes – one every five seconds. (Oxfam)

Strong upward trends and increased variability in global food prices during the past two years have led to concern that hunger and poverty will increase across the world. At the same time, rising food prices provide an incentive and opportunity for many developing countries to strengthen the contribution their farmers make to national economic growth and poverty reduction. Policymakers and opinion leaders in developing countries, however, often lack sufficient information to gauge the likely effects of global food crisis on their country and to identify, design, and implement policy actions that can best avoid risk and take advantage of opportunities. The deficiencies in information and analysis can lead to over and under-reactions, resulting in policy and market failures .Experiences across countries in 2007 and 2008 show ample evidence of such outcomes. Although the food crisis information currently available is alarming and sufficient to initiate large scale action, the information base must be improved to make that action more effective. (Todd Benson)

The world's first reaction to the 2007 food crisis, which saw record prices for crops such as wheat and rice triggering food riots from Haiti to Senegal, was to increase food aid. The UN's World Food Program doubled its budget to more than 5 billion. The thinking since then has shifted, with Japan and the US leading the way in

talking about helping poor countries, particularly in Africa, to feed themselves. (Blas Javier)

Although global food prices have fallen in the last few months, they are not back to previous levels, and are likely to rise sharply again in the future. Furthermore, price volatility itself is a problem, and more needs to be done to address the underlying structural issues that cause the chronic hunger affecting 1 in 6 people in the world today, says Oxfam.

The feeding of the Nine Billion, published by Chatham House and part-funded by Oxfam, predicts demand for food will increase as the world's population grows by 2.5 billion to 9.5 billion by 2050. It also notes a UN prediction that climate change will increase the number of undernourished people worldwide by between 40m and 170m. (Samuel Benin)

Though this paper is focused on Eastern Europe countries, there are many others that could benefit from similar plans. This technique can easily be re-designed for various climates and countries that need financial and material help. Though it will not be simple or likely for us to completely solve world hunger, actions such as these can be taken to improve the lives of individuals and in doing so, improve conditions of the world. And although, we hope that the world food crisis will be ended this year!

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