



How the developing countries can help in ensuring food security

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Letters

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From Mr Corrado Pirzio-Biroli.

Sir, Martin Wolf is right to argue that "The food crisis is a chance to reform agriculture" (April 30), but his arguments are questionable, and so are those of EU trade commissioner Peter Mandelson's supporting letter (May 1). By contrast, Michel Barnier, the French minister for agriculture (Letters, May 2) has hit the nail on the head by calling for agricultural policies ensuring food security (which does not mean national self-sufficiency).

Olivier De Schutter, the new UN special representative for the right to food, has sensibly called for a special session of the Court of Human Rights to be devoted to food, because food (not self-sufficiency) is not just a matter of trade, but above all a human right. The belief that one can cater to the world's food needs merely by pursuing Common Agricultural Policy reform, forcing the US to change its own farm policy and liberalising world farm trade, is simplistic and deceptive. Tomorrow's game will be less opening food markets than securing food supplies. The main problems with feeding the world have, indeed, less to do with trade than with other factors such as

demography, urbanisation, water and the expected halving of grain area per person by 2050. Food security is at risk of becoming the next serious market failure after climate change, which Nicholas Stern has described as "the most serious market failure in history", unless agricultural policies are further reformed in both developed and developing countries. On this we can agree, but not on how it is to be done.

The claim that agricultural production and export subsidies in developed countries have allowed them to export at dumping prices is tenuous, but the inference that this has been the main cause of low domestic food production prices in poorer countries is way off. Without such subsidies, it can be shown that world agricultural food supplies would have been lower and hence food prices higher. While a few developing countries (Latin America) would have benefited from higher world food prices, the vast majority of net food-importing developing countries would have suffered from them. The capacity of the latter to produce food was not so much limited by low world food prices, and protected markets, as by a lack of good production

structures and by domestic agricultural policies penalising home staple food producers (or favouring just export crops). This is why Mr De Schutter was right when he advocated that developing countries introduce policies on the CAP model in order to boost domestic food production.

To ensure food security and thereby stay in power, the main concern of net food-importing country governments is to please their (voting) urban population. They do this not only by fixing low domestic food prices (regardless of world prices) but also by reducing food import duties, introducing or increasing food consumer subsidies, and supporting domestic production. (Even traditional food-exporting developing countries have recently shown a disposition to impose export restrictions for fear of running out of food with some of them setting domestic prices below their export prices.)

Food supply concerns are legitimate, but the kind of food security policies described above are the wrong way to go. They smack of autarky, and are more often than not counter-productive: they may feed speculation, lead to hoarding or smuggling, boost prices even further,

make markets less predictable, discourage production and investment, and have contradictory effects. Developing countries should instead adopt pro-active policies such as raising domestic farm gate prices, if necessary adding basic subsidies (decoupled from production), advising farmers to plant genetically modified, drought-resistant crops providing higher yields and water savings, and taking any other (environmentally friendly) measures suitable to encourage their own farmers to produce more food, and possibly build up national food stocks. They should also discourage export restrictions, because they lower world food supplies and raise world prices.

Their policy reforms are difficult to make, and should therefore be supported with foreign aid and investments, which should be made conditional on higher domestic food prices attracting domestic farmers to produce more. The Doha round ignores most of these points and cannot provide the answers to the food security challenge.

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