



Food for the Hungry  
Position Paper on  
the Food Crisis

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APRODEV • Association of World Council of Churches  
related Development Organisations in Europe



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## Food for the Hungry Position Paper on the Food Crisis

*It is with concern that we as European churches and related development agencies are watching the situation in many developing countries. Rising food prices are exposing poor people's vulnerability, pushing increasing numbers into hunger.*

*We are committed to addressing the root causes of hunger worldwide. We advocate for policies that would bring about sustainable food security, and protect and fulfil the right to food of every woman and man.*

*Faith-based communities have founded specialised development agencies to fight poverty at a global level and to defend the "right to food" – a right enshrined in international law, but often not upheld. Hunger and poverty are unethical and unjust. It is for this reason that the commitment to defend the right to food is a central goal of churches and their development agencies worldwide. The Lord's Prayer, "Give us our daily bread", is a recognition of the 'daily bread' and other basic needs required by our human condition. It affirms that humans are embedded in an open and interconnected system and dependent on their environment - God's creation.*

*National and international food, agricultural and trade policies have until now failed to ensure food security. At a time when more and more people are going hungry, we must challenge the dogma that globalisation benefits everyone equally.*

*We call on powerful political, economic and academic stakeholders to match their rhetoric with substantive policies and actions to address global hunger. In so doing, they should take account of the following recommendations:*



## A • Address the root causes of hunger

### International trade rules and local food markets

- 1 • The current food crisis is the outcome of unfair trade conditions and unsound development strategies that have deprioritised food security. Policies that have consigned food security to unregulated market forces need to be revisited. Developing countries' agricultural strategies must be given priority over the needs of the world market. The development of internal markets and the marketing of food on local and regional markets must be given the highest priority.
- 2 • Policies that aim to commercialise agricultural production must prioritise the needs of smallholders and increase their decision-making and purchasing power. Public intervention measures need to improve the access of smallholders and women farmers to sustainable agricultural inputs, extension services, agricultural researchers, safety nets and market information systems, and to safeguard and strengthen land use rights.

The international community should support developing countries that want to develop agricultural exports. However, lessons should be learned from the experience of the structural adjustment period.

A "deadly combination"<sup>1</sup> of donor policy prescriptions to liberalise agricultural trade, developing countries' lack of capacity and political will to implement these reforms, and their neglect of small farmers have led to a deep crisis in the agricultural sector.

- 3 • The EU, in its multilateral and bilateral trade agreements, must give developing countries political leeway to improve their own supply of staple foods.

We would caution that the EPAs and Association Agreements currently being negotiated in ACP countries and Latin America may prevent developing countries from increasing their own production of staple foods.

- 4 • World agricultural markets are volatile and unpredictable. Imports flooding local markets, commodity speculation, and certain financial flows have had a very destructive impact on the agriculture sector of many developing countries.

The poorer a country and the more vulnerable its food system, the more vital it becomes to put protective mechanisms in place when it is integrated into the world market.

These mechanisms include the exclusion of "special products" that are crucial for food security and poverty reduction from trade liberalisation commitments, and the implementation of the "special safeguard mechanism" proposed in the WTO Doha Round of negotiations to safeguard local markets against surges in agricultural imports. These mechanisms should be implemented and strengthened at national level and introduced in all regional, bilateral and multilateral trade agreements.

- 5 • Poor countries should not be pressured to rely even further on unpredictable world markets for their own supply of staple food. Such reliance will make food availability on domestic markets even more precarious in the long term.
- 6 • Trade rules should not interfere with the right of governments to safeguard the procurement of basic food supplies for their citizens. Developing countries that export large amounts of staple foods to other developing countries should be asked to give due consideration to the impact of export restrictions on the food security of the importing developing countries.

Special and differential treatment should be granted to least developed countries in the WTO to allow them to restrict exports of basic foods.

## B • Design pro-poor and sustainable remedies

### More and better investment in agriculture-for-development programmes

- 7 • Investment and policy changes are needed to enable small farmers to benefit from the increase in the price of food.

New gender-responsive measures needed include the development of storage and transport infrastructure, the establishment of local and regional market institutions and competition policies, the improvement of research and extension services, and the strengthening of farmers' organisations.

These measures have all been outlined in the key findings and recommendations of the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD)<sup>2</sup>.

- 8 • Many governments of developing countries affected by the food crisis have cut import tariffs on staple foods instead of increasing support for local farmers and passing price incentives on to them.

These short-sighted actions intended to benefit urban consumers need to be balanced against the needs and capabilities of domestic farmers.

Governments need to develop policies that allow high world market prices to be transmitted to smallholders, as they need most to benefit from higher prices.

- 9 • The Food and Agriculture Organisation clearly recognises "right to food" in its voluntary guidelines. These list the rights and duties of states towards their citizens.

The voluntary guidelines are principles of good governance and should be more prominent in guiding national and international agricultural policies.

### Supporting biodiverse eco-systems

- 10 • Monocropping has led to the reduction of agricultural biodiversity, the undermining of soil and landscape structures, and is

threatening ecological farming.

To manage risks, smallholders' production methods focus on maintaining maximum diversity, and on intercropping systems. When smallholders are encouraged to enter the market economy by cultivating only one attractive commercial crop these husbandry practices become threatened.

Commercialisation generally requires that they develop 'pure' stands and mono cropping systems. Ecological systems that keep insects, weeds and soil erosion in a balanced check through mixed land use come under stress.

In addition, commercialisation does not provide smallholders with a new security system to compensate for the loss of their traditional security systems. Thus, the integration of local farmers into markets cannot be considered an improvement in the livelihoods of resource-poor farmers if it deprives them of traditional coping strategies or survival insurance and increases their vulnerability and dependency.

- 11 • We caution against the prescription of a single global agricultural system such as the one promoted by the proponents of the Asian "Green Revolution".

A large number of diversified agricultural systems exist across the globe, each of which has its own ecology, logic, problems and potential for further development.

Based on this diversity, different options must be sought to stimulate sustainable development. The development approach must always be centred on the specific circumstances of farming communities in a given location.

Agricultural researchers should solve problems hand in hand with local communities and draw on the gender-specific knowledge of local farmers. Their own understanding of how to manage their biodiversity within their existing social context is key to sustainability.

## Do no harm through necessary land reforms

- 12 • Higher agricultural prices lead to higher land prices. The food crisis has led to increased land disputes across the world. Corporations and international financiers are negotiating hard to acquire farmland.

As a result of these land acquisitions, tenants have been forced to leave, and smallholders, pastoralists and indigenous farmers with insecure land titles have been driven from their land and homes. To maintain justice and peace in rural areas, it is imperative that governments commit to land reform.

- 13 • The principle responsibility of northern-based large agribusinesses should be to do no harm. Their investment in agriculture and technology transfer need to be sensitive to the needs of smallholders and involve them, and be beneficial to small and medium enterprises. National land reform processes should not be undermined.

- 14 • We are also concerned by the large-scale cultivation of biofuels, given that large scale agricultural production can lead to land grabs, the violation of traditional land rights, especially those of women farmers, and other human rights violations.

Counter-measures need to be taken to safeguard the rights of small landholders in national legislation and in certification schemes.

The huge demand for biofuels, partly as a result of subsidies and legislation in developed countries, is putting a lot of pressure on land in the tropics.

In many countries and regions there is a clear competition for land between producers of food, animal feed and fuel. Food security objectives have to take absolute precedence over energy security objectives.

- 15 • The high biofuel target fixed for the EU transport sector must be revoked. This strong import demand in the EU is expected to lead to a shift in land use in developing countries.

Focussing on biofuels is a highly inefficient way to start reducing greenhouse gas emissions in the transportation sector.

Instead of a binding biofuel target, the EU should reduce future greenhouse gas emissions by committing to a 20 per cent cut in CO<sub>2</sub> emissions in the transportation sector through increased energy efficiency and the use of renewable energies.

- 16 • We acknowledge that our unsustainable European consumption patterns and lifestyles may lead to competition for land between food, feed and fuel producers in developing countries.

Nevertheless, we recognize that biofuel production is likely to play a role in preventing fast escalating climate change.

European policies that promote the use of renewable energy could present developing countries with economic opportunities, but only if they develop comprehensive strategies for the sustainable management of natural resources.

To do so, developing and developed countries should emphasise the social and environmental sustainability of solutions to increase food and renewable energy supply to their citizens.

## C • Respond to emergencies in ways that promote local food production

### Measures on food shortage in developing countries

- 17 • National and international safety nets must be consolidated. International food aid should be increased in times of shortage, rather than decreased as has been the case until now.

Providers of food aid should aim at buying food locally and regionally rather than using their domestic surplus.

National governments in countries facing chronic hunger should ensure that adequate stocks of staple foods are available and affordable to all with help from the international community.

- 18 • We support the decentralised building and management of staple food stocks, rather than introducing global strategic grain reserves that intervene in markets to prevent speculative price increases, as discussed at the G8 meeting in Tokyo/Japan 2008.

For example, local grain banks in villages, some successfully managed by women farmers, have proven to be an effective way to build and control stock reserves at decentralised level.

We recommend that governments and donors systematically support local grain banks in rural communities in the most vulnerable parts of the world.

Local communities should have access to and control over these grain banks and, where possible, stocks should be made up of locally produced and consumed staple food. This new local demand will create an incentive for poor smallholders to increase production.

- 19 • Food shortages in developing countries should not justify a rise in output in northern countries, for example by suspending programmes that reward farmers for less intensive land use in the EU and US or further intensifying farming in the EU.

The European food industry will rightly want to use new export opportunities. However, it should not launch new export initiatives based on new direct or indirect state subsidies for agriculture.

- 20 • Recent world food shortages stress the need for a change in European agricultural policies.

High farming subsidies conflict sharply with the low proportion of the budgets of European governments and the EU dedicated to world food issues. Moreover, the generous acreage premiums for specified groups of farmers, such as grain producers, who in 2008 benefited from high world market prices, are no longer justifiable.

Their area payments should be modulated by a price index for their products. The unspent funds in the EU agricultural budget should be used to manage the international crisis in the farming sector.

This could be done, for example, by establishing a new 'third pillar' on world food matters under Common Agricultural Policy.

*"We believe that rural development policies should be reviewed at a high political level and be given significantly more value.*

*This belief is based on our own experience as faith-based development agencies cooperating with partner organisations to improve rural livelihoods in the south".*



## Explanatory statement

### Sudden imbalance of food demand and supply

The growing gap between supply and demand in global staple food markets has been one of the short-term causes of soaring food prices. While surpluses used to predominate over the past two decades, global staple foods are now in scarce supply – and the grain deficit is being filled by tapping into international stocks.

Low agricultural prices have been hampering agricultural development and lowering farm incomes for decades. In 2008 prices increased so dramatically that hunger spread among hundreds of millions of poor consumers. Most of the profits from increasing prices will end up in the food industry, rather than with poor farmers.

Whereas four years ago world grain stocks amounted to 80 days of consumption, in 2008 they dropped to 15 days of consumption. Scientists and politicians failed to raise the alarm when global stocks fell dramatically. It was only after the first hunger riots that they alerted the public and the international community to the emerging food crisis.

According to the FAO, there is enough food to feed the world. Production per capita is 17 percent higher than between 15 and 20 years ago. Rising food prices are primarily the result of bad management of food supply and demand, rather than food shortages.

### Multiple long term and short term causes of rising food prices

In fact, hunger has not been slowly declining among the world's population, unlike what some would claim. FAO figures clearly show that hunger has been on the rise since the late 1990s. The rise in food prices of the past two years has exposed – very suddenly for some – the deficiencies and shortcomings of global agricultural policies.

The situation has been deteriorating even further. FAO figures show that consumers in low-income food deficit countries are hit the hardest by soaring grain prices. The food crisis has affected 37 countries around the world. Some countries are witnessing social upheavals and hunger riots with people taking to the streets in protest against rocketing food prices.

According to the International Food Policy Research Institute, a one percent rise in food prices increases the number of hungry people globally by 16 million. Since 2007, the FAO food price index has gone up 53 percent. Prices of some staple foods have risen even more, for example wheat has increased by 140 percent and corn by 40 percent. This means that millions of people are denied access to food because of unaffordable food prices.

### Dependency on food imports – vulnerable food systems in the South

Soaring international food prices have only in part been caused by poor harvests in Australia, the increasing demand for animal food in Asia or the price hike in fossil-based petrol. The primary causes of the crisis have been agricultural commodity speculation and unfair competition on global agricultural markets.

The economic reform conditionalities attached to the aid packages of donors and

international financial institutions have driven developing countries to privatise state marketing boards and agricultural services, open up their agricultural markets and single-mindedly invest in export-orientated agriculture, thus neglecting rural and agricultural development. At the same time, food dumped onto local markets continues to compete unfairly with local produce, leading to increased vulnerability and dependence on food imports from global markets.

Governments in developing countries have neglected their agricultural sector and farming communities – even though these often constitute the majority of the working population. This has led to the inability or unwillingness of many developing countries to make use of policy instruments to safeguard local production of staple foods, with food security being left to world market forces. Liberalisation and deregulation have exposed many developing countries – particularly in Africa – to the political vagaries of the few major agricultural exporting countries and their corporations.

As a result, food supplies and systems in the South have become extremely vulnerable. While global agricultural policies are under severe criticism in the WTO and other international fora, the practices of dumping, export and farm subsidies and disposal of food residues continue to threaten and destroy what remains of Africa's agriculture. Given that imported products are no longer (easily) affordable, net food importing countries in particular face the bitter aftermath of these policies.

### Differentiated impact and inequalities of rising food prices

Farmers with sufficient bargaining power and access to large markets may have gained from increasing food prices. Producers in industrialised countries continue to benefit from state subsidies and tariff protection. However, the majority of small-scale farmers in most developing countries have seen little or no benefit from price increases on international markets. However, if local markets were more developed, poor farmers could very well benefit from higher prices.

To restore food self-sufficiency will take much longer than it took to destroy it. Firstly, it would mean rebuilding functioning institutions for agricultural support such as agricultural training and extension services, site-specific and tailored research, and local and national marketing facilities, infrastructure and institutions. In addition, many governments of net food importing countries have lowered tariffs and duties on food imports to compensate for some of the price increase, shrinking even further the domestic markets of local farmers.

Poor urban consumers, millions of whom are unemployed, are the first to suffer the impact. They are experiencing increased misery and hunger; and they are the first to rebel. With supermarket shelves filled with consumer goods, they see plenty of goods they can no longer afford. Of course, those with money need not fear scarcity. But the artificial divide between poor consumers and poor rural farmers does not hold. In the long run, both have a strategic interest, to ensure future food security, in increased national food production, functioning market systems, and increased domestic supply and sales of food.

### Risk of incentives to biofuels

The situation of diminishing crop stocks and stagnant yields coincides with other recent trends that have accelerated food price increases. Although the intention of the EU's biofuels directive is to reduce CO<sub>2</sub> emissions, it is increasingly recognised that it may hamper the achievement of the MDG to halve hunger by 2015 and risk distorting agricultural markets.

While some are calling for effective certification systems to ensure sustainable biofuel

production, others are voicing concerns about the feasibility of sustainable biofuel production and the potential of increased biofuel production to further increase global food prices and shortages. According to the FAO, climate change and the shift to biofuel production have contributed to “ag-flation”<sup>3</sup>.

The increase in oil prices has made farming practices that rely on energy-intensive inputs more expensive, and the use of biomass more profitable than the production of food. The growing appetite of new middle classes in Asia for meat and dairy products has put further upward pressure on animal feed prices.

## Bias in agricultural research and technology

Powerful stakeholders such as agribusiness and the agricultural research industry are arguing that the major threat to future food supplies will be posed by diminishing increases in crop yields across the globe. To counter this threat, the agricultural science community has focused mainly on enhancing agricultural production and increasing yields. However, current technologies seem to have reached their optimum.

New agricultural farmland has become scarce. Environmental degradation and climate change have started to show their negative impacts on agricultural productivity. Despite many promises, to date there have been no real new inventions.

As it stands, agricultural research is dominated by universities and private laboratories in the North and has little to offer to the millions of small farmers and rural communities in developing countries who feed the world’s poor. But formal research institutions have neglected the needs and interests of small farmers, which are to produce and sell a secure supply of staple food. Current technology is depriving small and women farmers of their access to and control over seeds.

Agricultural research has succeeded in enhancing the concentration of power in the hands of a few private companies, rather than prioritising the right to food. Patents on life, risky genetic engineering, controversial nano-technologies, ever-more powerful machines with electronically-controlled devices, and satellite technology – these are just a few examples of the technologies that have been developed to serve a capital and chemical intensive agricultural system that comes at a high environmental risk. The gap between the high-tech gadgets produced to increase the productivity of Northern agricultural systems and the needs of poor farmers to secure and improve their livelihood is ever widening.

The International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) has emphasised the need for change in international agricultural research. ‘Business as usual’ is no longer an option. For four years, an international interdisciplinary team of scientists tried to build consensus on questions of agricultural research and science at international level. They have reached consensus that crops cultivated by poor men and women, such as indigenous species of millet and sorghum, roots or oilseeds, have been neglected or kept waiting by researchers aiming to improve crops and cultivation methods. Improving the day-to-day problems experienced by small-scale farmers has hardly been at the centre of scientists’ attention.

## Rethinking global food policies

The current food crisis has been used by different stakeholders to advance their respective interests. Those who believe that the laws of supply and demand will deliver development argue that only by liberalising markets will food supplies increase and become more

affordable. Farm lobbies in the North try to make a moral case by arguing that they need to exploit all their production potential to contribute to feeding the world, subsequently they are calling for higher farm subsidies.

Others maintain that world markets cannot be trusted and that countries need to increase their own food production and food sovereignty. From their perspective, it is indeed very odd for well-off farmers to ask for an increase in public subsidies when 1 billion people are denied their right to food because of soaring global food prices. None of these debates, whether in the US Congress on the new Farm Bill or in the EU on the CAP Health Check, show a rigorous rethink of the very logic of food policies that has led to the current food crisis. The IAASTD study is unique in its kind and follows the model of the International Panel on Climate Change. It is based on a normative ethical position that hunger, poverty and environmental degradation are unethical. Ethically informed legal and policy choices are essential if agricultural knowledge, science and technology are to be used in ways that reduce hunger and poverty, and improve the environment.

It explicitly supports a diversity of agricultural farming methods and calls for small-scale farmers, especially women farmers, to be put at the centre of agricultural research and development. Rather than more of the same, more aid, more trade, more technology, a fundamental rethink and new normative framework is needed for agricultural policies to deliver on poor peoples' right to food.

### Consumption patterns and lifestyle in the North

Current production and consumption patterns in industrialised countries are not sustainable. Merely increasing yields or land use efficiency will not make production more sustainable; the consumption patterns and lifestyles of the rich need to change as well. Hunger cannot be reduced without addressing abundance in affluent countries.

In particular, meat consumption is responsible for the use of a large proportion of the world's arable land for animal feed, instead of food. The production of food calories from animal sources uses a much greater share of land and water resources than the production of food calories from plant sources. As competition for agricultural land use is mounting, the very high and escalating meat consumption in affluent countries and the rapidly growing meat consumption in many developing countries will make it increasingly difficult to decrease hunger in the world. Bovine meat, moreover, is adding considerably to the emission of greenhouse gases.

Agriculture is part of a social context. The way in which power is distributed in society will determine who has access to, control over, and makes decisions about the use of productive resources. The level of inequality in societies will determine who has access to food and how food is being distributed.

The social and environmental costs of these production and consumption patterns need to be factored into production costs and consumer prices. Economic, social and environmental sustainability requires bio- and agro-diversity. It also requires the monopoly power of supermarkets and seed companies to be broken up.

These companies have lost their legitimacy and should no longer be allowed to shape global food policies. Transparent and democratic policy processes are needed to make judgements and set normative frameworks which hold governments, donors, agribusiness and agro-experts accountable. Pro-active legislation is needed to reduce the threat of hunger and de-legitimise policies, institutions or practices that add to the suffering of the hungry.



APRODEV is the Brussels-based association of European development and humanitarian aid organisations that work closely with the World Council of Churches (WCC).

Its members are : Bread for All, Bread for the World, Christian Aid, Church of Sweden, Cimade, DanChurchAid, Diakonia, EAEZ, EED, FinnChurchAid, Kerkinactie Global Ministries, HEKS/EPER, Hungarian Interchurch Aid, ICCO, Icelandic Church Aid, Norwegian Church Aid and Protestant Solidarity. Observers are the World Council of Churches, the Lutheran World Federation and ACT.

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