

Global Food Security: An Agenda for the G8 Summit

By Senator Richard G. Lugar

As we respond to the current food crisis with emergency assistance, we should recognize that this is more than a short-lived confluence of single events. We must look beyond today's situation to establish a solid basis for global food security. Droughts in key exporting countries, a weak U.S. dollar, and soaring energy prices exacerbated an already precarious foundation of increased demand in emerging populations, a withdrawal of investments in agriculture and science, ill-advised farm subsidies, and European opposition to genetically modified foods. The G8 nations must take concerted action to devise better responses to emerging crises, and to provide leadership on policy matters that will promote global food security for all people and all nations. Strong statements from the Summit would provide the impetus to move forward.

Improve the International Response to Crises. Both the World Bank and the Food and Agricultural Organization recognized that the global supply of food was tightening as early as two years ago. This was a situation vulnerable to subsequent spikes in energy prices and weather-related crop disruptions. A number of steps should be considered to improve the ability of national governments to anticipate and avert crises.

- **Reconstitute the Food Aid Convention (FAC).** While the FAC has been the framework for coordinating food aid commitments, it should be strengthened to oversee and manage effective communication between existing early warning systems and the international community, and to do advance planning when there are indications that a crisis is looming. A renewed Convention should include an agreement among states to take preventative steps, such as designing a menu of responses linked to the severity of indicators, such as the global food price index.
- **Create a system of regionally placed supplies of food stocks.** Such food reserves could be managed by the FAC using as its model the international coordination of strategic petroleum stocks at the International Energy Agency. Such a system would need member nations to agree to its use in times of shortages to avert crises rather than to distort market pricing, and to commit to maintaining adequate supplies.

Commit to Invest in Rural Development and Agricultural Productivity. Eighty percent of the world's malnourished live in rural areas, about half of which are small landholders. Recent U.N. studies have confirmed that funds spent on agriculture are more beneficial than spending in other sectors, yet official development assistance has fallen precipitously since the Green Revolution, currently representing just 4 percent of all donor assistance. G8 nations should commit to re-invest in agriculture and urge nations suffering from chronic food insecurity to do the same.

- **Increase official development assistance for agricultural productivity and rural development.** G8 nations should commit to double such assistance in

2009, and to steadily increase assistance on a sustained basis. Assistance should be comprehensively designed to encompass increasing farm yield, the dispersion of appropriate technology, the availability of credit, the development of rural enterprises and infrastructure, and access to markets. G8 nations should strongly encourage all traditional donors to increase rural funding, as well as other wealthy nations who depend on food imports.

- **Increase funding for research and technology.** The G8 should endorse the work of the Consultative Group on International Agricultural Research (CGIAR) and other research institutions, such as the International Fund for Agricultural Development (IFAD). Developing more advanced and locally appropriate farming technologies is essential to increase farm yield.
- **Establish a global network of land grant colleges.** G8 nations should commit to making investments in human capital in the areas of agricultural education and extension services. A global network of agricultural schools similar to the U.S. land grant college system would help advance scientific research, educate a new class of agricultural scientists, faculty and entrepreneurs, and provide extension services to small farmers.

Facilitate a Trade System that is Efficient, Fair, and Transparent. The current food crisis should serve notice that globalization requires clear and fair rules so that all nations may compete effectively in the marketplace. The G8 Summit should unequivocally endorse a trading system from which developing nations believe they will benefit. Fair trade facilitates global price signals.

- **Encourage a conclusion of the Doha Development Round.** Concluding the stalled Doha Round, from which developing countries were to benefit, would restore a stabilizing confidence to agricultural commerce and development issues. A commitment to phasing out subsidies and trade barriers is essential to spurring the progress of negotiations.
- **Advocate increased research on genetically modified seeds appropriate to local needs.** An irrational opposition to GM crops and food among many European nations is starving people in Africa and other parts of the world. GM seeds have been demonstrated to dramatically increase yield, and holds great promise to reduce poverty. Yet, some nations with chronic food insecurity have turned away emergency food assistance because it might contain GM foodstuffs. Others have refused to cultivate GM crops for fear of not being able to export to Europe. The G8 Summit must address the myriad of regulations and labeling requirements on GM crops and food, and let the consumers in the international marketplace decide the issue.

- **Endorse greater transparency and information sharing in the futures markets.** The recent memorandum of understanding between the Commodity Futures Trading Commission and its British counterpart, the Financial Services Authority, regarding oil contracts is a good example of mutually beneficial cooperation.

Endorse Policies that Stabilize Energy Markets and Promote Alternative Fuel

Sources. The link between oil prices and global food inflation is clear. Rising energy prices affect food prices all along the food to market chain. Mediating the effect of energy on food will require aggressive energy policies to boost alternative supplies and increase efficiency. In the near term, major progress can be made in accelerating advanced biofuels derived from agriculture, forest, and municipal waste, and from specialty energy crops like jatropha and switchgrass. Energy security and food security need not be a zero sum game.

- **Encourage the opening of global energy markets.** World trade in energy is rapidly increasing and many players are straying from market-oriented free trade and investment policies. There are striking examples in oil and natural gas, where increased political interference puts upward pressure on price and could eventually cause shortages in countries least able to cope. To demonstrate leadership, the United States should lift its tariff on Brazilian ethanol that now shelters the U.S. industry. G8 nations should encourage greater investment in research and large-scale commercial deployment of next generation biofuels made from non-feed stocks.
- **Commit to increase assistance for renewable energy.** The G8 and other donor nations should commit to increasing official development assistance for development and deployment of renewable energy alternatives, especially in Africa. Renewable power can help to electrify rural areas, reduce the effects of high energy costs on agriculture, and diversify markets through domestic energy industries. The economic impact of high oil prices is far more burdensome in developing countries than in the developed world. Generally, developing countries are far more dependent on imported oil, their industries are more energy intensive, and they use energy less efficiently.
- **Endorse a multilateral Clean Technology Fund.** Climate change threatens to further disrupt agricultural productivity. Encouraging the deployment of commercially available clean energy technologies to developing countries will improve the environment, promote sustainable farm yields, and advance economic growth.

The way in which the United States responds to the current crisis and provides leadership to prevent future crises will enhance the U.S. image abroad and demonstrate the humanitarian nature of the American people.