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Is Famine the New Norm?

By [Jim Harkness](#) | [Institute for Agriculture and Trade Policy](#) | February 15, 2011



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When global food prices spiked in 2007–2008, 100 million people were added to the ranks of the world's hungry, pushing the total number over 1 billion for the first time in history. Now, just two years later, we are seeing another food price hike, and more famine is likely to follow.

The United Nations Food and Agriculture Organization recently published its global food price index for January 2011. The agency's index was at its highest level (both in real and nominal terms) since the FAO started measuring food prices in 1990. Food riots have already begun in Algeria. As history repeats itself and the second major global food crisis in two years takes shape, it is vital that we learn the lessons of the first crisis, and address fundamental causes.

Food security depends on stable and predictable weather and markets, and access to resources, all of which have been knocked dangerously off balance in the past few decades. Since the 1970s, human-caused climate change has brought more frequent extreme weather events worldwide. Farmers who were used to dealing with the prospect of a lost harvest once every ten seasons now experience flood or drought or major pest infestations every second or third year. In 2010 and early this year, Argentina, Australia, China, Pakistan, and Russia have all seen extreme weather events disrupt their agricultural production.

The second source of instability is an increasingly chaotic marketplace. In the name of free trade, the U.S. government and the World Bank have spent the past three decades forcing open developing country markets to cheap imports, which undermined local food production. In a cruel irony, poor countries were also pressured to cut support for their own farm sectors, and

even forced to sell off emergency food reserves, under the rationale that it would be more efficient to simply buy food on international markets.

By 2006, more than two-thirds of the world's poorest nations were dependent on food imports. Then came the wave of financial deregulation over the past decade, unleashing speculators into commodity markets, and creating index funds that tied together commodity market prices for food, oil, and metals like never before. But the leveraging, bundling, and "innovative instruments" that were supposed to reduce risk in these markets have had the opposite effect. The result has been a wildly volatile global food market, where factors unrelated to actual supply and demand often drive prices.

This global double whammy of climate and financial instability has not hurt everyone. Volatility is good for the biggest players. Many agribusiness companies are experiencing record profits now and did so during the last food crisis as well. There has been a spike in "land grabbing," in which large areas of arable land in developing countries are bought up by outside investors, and converted to non-food crops, including feedstocks for biofuels.

On the other hand, some African countries won't be hit as hard this time precisely because they insisted on boosting local production instead of relying on global markets. But for the most part, poor farmers are struggling in a hostile and volatile climate. No wonder famine has become the new normal.

If we truly consider world hunger to be an abomination, and not merely an investment opportunity, big changes need to be made. Nearly everyone from the World Bank to the UN to the G-20 recognizes the need to support small-scale farmers, particularly women, in countries facing hunger. Globally, 70 percent of the world's food is grown on farms less than two hectares (4 acres) in size, tended in large part by women.

Development aid, as well as developing country government policies, should focus on helping build the productivity and resilience of these farmers. Instead of leaving small farmers powerless in the face of global forces, we should build on the wisdom of traditional farming systems which combine the best of ecological science with on-the-ground farmer knowledge to encourage practices that reduce costly inputs, produce higher yields, and increase farm incomes. And food production for meeting domestic needs must take priority over cash cropping for export.

But there is much more to do. Countries and regions struggling with hunger need greater policy space at the national level to protect domestic food production, prevent dumping, and stabilize supplies. Some of their flexibility has been curtailed by World Trade Organization rules.

Food reserves should be reexamined as a key tool for addressing shortages, as well as for stabilizing food supplies and prices for farmers and consumers. Land grabbing must stop, and it is time again to support the redistribution of arable land to small farmers who will use it to grow food. Funding to assist developing country farmers in adapting to climate change is woefully inadequate.

Governments need to get serious about implementing rules to curb excess speculation. The U.S. financial reform bill known as Dodd-Frank is a good start, but Wall Street lobbyists are going full force to weaken it during the rulemaking process.

Destabilization of the global food supply over the past several decades can be undone. But that won't happen unless we learn from the past and support new approaches to improve stability and resilience in farming, markets, and food systems.

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