

DEVELOPMENTS IN INTERNATIONAL FOOD POLICY

I. Introduction

1. This paper is concerned with progress in the adoption and implementation of international policies to assist in the solution of the world food problem. The world food problem has many dimensions, most inter-related, and these were articulated clearly in the documentation prepared for and the debate at the World Food Conference held in November, 1974. The World Food Conference was called in response to the acute food crises which developed in 1972-73 due to the failure of grain crops in many countries and the progressive run-down during the sixties of world grain stocks and was, therefore, primarily a response to a crisis situation. Since 1974 the overall world food supply position has improved considerably, largely due to increases in world grain harvests following better weather conditions in many countries. However, this favourable development in short-term availability does not significantly change the critical long-term outlook for developing countries, and there is the danger that it may have resulted in too much complacency.

2. A notable feature of the World Food Conference was that attention was not limited to the immediate crisis. The opportunity was taken to analyse and propose solutions to the underlying long-term food problems which afflict the greater part of the world's population. Briefly, the two major food problems identified by the World Food Conference were (i) the threat of famine, food shortage and high prices, either regionally or world-wide, which arises as the result of periodic crop disasters and supply fluctuations; (ii) the ever present hunger and malnutrition of the poorest part of the world, arising from inadequate food production levels and distribution systems in developing countries, particularly in the poorest countries. The two problems are inter-related and action to remedy one will alleviate the other. While in the short-term the international community must through food security policies ensure access to available supplies to alleviate shortages and hunger and malnutrition, the long-term solution to the world food problem must be a vastly increased capability of developing countries to meet their food requirements.

3. Both of these major food problems, for which the international community is seeking solutions (albeit hesitantly and uncertainly), involve a variety of aspects of food policy. Thus, world food security must embrace the establishment of a food information and early warning system, the holding of internationally controlled or national, but internationally co-ordinated, grain stocks, arrangements for meeting emergency situations and the adequate provision of food aid in ways which do not affect production incentives in developing countries. The setting up of grain stocks must lead to consideration of the mechanisms for the release or acquisition of stocks, and attempts to stabilise the world cereals market in turn involve national and international cereal production policies, price support measures, etc. To increase the production of food in developing countries and ensure a more equitable distribution demands an analysis, at both national and international levels, of measures and resources needed; hungry and malnourished groups must be identified while the possibilities of increasing food output must be realistically appraised. Requirements for inputs, such as water, fertilizer, seed and agricultural implements, must be

estimated, and the proportion of financial requirements likely to be available from domestic resources or needing to be obtained from abroad must be calculated. The provision of adequate production incentives, education and training, extension schemes, research and development, transport and distribution, storage and protection are all important aspects of the problem.

4. This paper begins by tracing the development of trends in world food production, noting the recent improvement in total world food production, but equally highlighting the continuing lack of progress in many developing countries, especially in the Most Seriously Affected (MSA) countries. An outline of the main proposals on international food policy at the World Food Conference of 1974 is followed by a review of progress and developments in the main international institutions concerned with food production and supplies, including those established as a result of the World Food Conference. The somewhat limited progress towards an international system of world food security in the negotiations for a new International Grains Arrangement to replace the International Wheat Agreement is described; world food security is, however, to be the subject of a separate study in due course, and is discussed in this paper only to a limited degree insofar as it arises in the broader treatment of food policy or in the examination of specific institutions. A section on the provision of external financial resources emphasises the inadequacy of present resource flows into agriculture and examines the role of the World Bank and of the International Fund for Agricultural Development (IFAD). There are reviews of both the domestic food and food aid policies of the United States and the European Community, the two groups whose policies probably are of most concern to developing countries. The paper concludes with a more extensive review of the factors influencing the supply of the most important agricultural inputs, and a postscript on the Fourth Session of the World Food Council held in June of this year.

II. Recent Trends in Food Production and Consumption in Developing Countries

(i) World Food Supply

5. The improvement in the world food supply position which began in 1975 continued in 1976, mainly as the result of a substantial increase in world cereal production and stocks. A major factor in 1976 was favourable weather in nearly all the major cereal producing areas of the world, so that a record world wheat crop of 418 million tonnes was harvested, while coarse grain output rose to a new peak of 704 million tonnes. In addition world rice output was comparatively heavy. World cereal stocks at the end of the 1976-77 season were estimated at 162 million tonnes as against 123 million tonnes a year earlier, thanks to the improved 1976 harvests and the reduced import demand for grain from India, the Soviet Union and Latin America. World meat production increased by 3 per cent in 1976, both in developed and developing countries. World sugar output increased by 7½ per cent in 1976-77, and output of oils and fats went up by 6 per cent. The world catch of fish in 1976 is provisionally estimated at a new record of 73 million tonnes.