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***“Food Security and Climate Change
in the Americas”***

**An address presented to the Permanent Council of the OAS
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By

Christopher Hansen

Deputy Director General

Honourable Chair of the Permanent Council and Permanent Representative, Ambassador Reynaldo Cuadros of Bolivia

Distinguished Permanent and Alternate Representatives

Distinguished Permanent Observers

Dr. Thomas C. Schelling

Invited guests

Ladies and Gentlemen

Good morning

1. Mr. Chairman. Congratulation on becoming the new Chairman of the Permanent Council and thank you for the introductory remarks on the challenges of poverty in the Hemisphere and the world. On behalf of the staff of our Institute and on my own behalf, I wish thank you and staff for organizing and so graciously hosting this important forum today.

2. Dr. Chelston Brathwaite, the Director General of IICA, is unable to be here today and sends his regrets for personally not having the opportunity to continue to strengthen our relationship with the OAS and Washington based institutions.
3. Since we met last year, the cost of wheat has increased 130 percent, the cost of rice by 74 percent, the cost of soy beans by 87% and the cost of corn by 53%.
4. World food prices have escalated to unprecedented levels and there have been food riots in at least 20 countries of the world as a result of scarcity and lack of access to food.
5. The Executive Director of the World Food Program, Madam Josette Sheeran in a recent address to this distinguished body stated:

“Today we find ourselves at a critical crossroads, with hunger again knocking on the door of the Americas. Soaring food prices threaten to exacerbate the circumstances of the already vulnerable, and to turn back the clock on the progress made by those individuals and families who have achieved food security.

This silent tsunami is travelling quietly around the globe hitting those who are most vulnerable, the hardest. It knows no borders. It has created perhaps the first globalized humanitarian crisis, adding an additional 130 million people to the ranks of the urgently hungry, who were not there just 1 year ago”.

6. In 2008, the World Bank published the World Development Report stated:

“In the 21st Century, agriculture continues to be a fundamental instrument for sustainable development and poverty reduction. Three of every four poor people in developing countries live in rural areas – 2.1 billion living on less than \$2 a day and 880 million on less than \$1 a day – and most depend on agriculture for their livelihoods. Agriculture alone will not be enough to massively reduce poverty, but it has proven to be uniquely powerful for that task.”

7. CEPAL (ECLAC) indicated that the 5 years of positive economic growth, which Latin America and the Caribbean have enjoyed between 2002-2007, may be undermined by the

current crisis. They believe that the 27 million who left poverty during this period will return to poverty, thus making it impossible to reach the Millennium Development Goals in many of the countries of the hemisphere.

8. In June of this year, as the FAO held its high level conference on food security in Rome, a number of international agencies have contributed their analysis on the causes of the food crisis and recommended a number of short-term, medium term and long term strategies to deal with the situation.
9. In 2002, IICA incorporated food security as one of three pillars of our mission, conscious, that food is a basic right of every citizen of the world and that our democracies are not sustainable if a considerable percentage of our population does not have access to the basic necessities of life, such as food, shelter, healthcare and education.
10. Until this year, few countries and fewer multilateral agencies had food security and agricultural development as high priority issues on their agendas.

11. Today, the situation is different. The 2008 World Development Report of the World Bank has clearly indicated that agricultural development is **key** to poverty reduction and the achievement of the Millennium Development Goals. In addition, development agencies and nearly all countries have incorporated food security into their development agenda.
12. IICA has participated in and sponsored several international seminars on the food security situation in the hemisphere with experts participating from the key international organizations, the academic community and the private sector. They concluded that:

“The current food crisis must be seen as an opportunity for the agricultural and rural sectors of the countries of the Americas. Historical limitations of the sector should be surmounted; international food price increases should be captured by farmers, and agriculture and rural development policies should be more effectively incorporated into national development plans.”
13. What measures have our member countries taken?

According to ECLAC, a wide variety of diverse short term actions, such as;

- Reduction of import taxes and trade barriers;
- Food distribution programs;
- Price controls;
- Conditioned income transfers;
- Subsidies to inputs and input distribution;
- Increased production financing;

These measures are mostly intended to strengthen food availability and access. Scientific research, technical assistance, and technical know how transfer programs such as extension systems have been proposed in many countries, but most proposals are not yet in place”.

14. In a few countries, there has been

- Reduction of consumer and production taxes;
- Increased Government purchases from small farmers;

- Increased access to food through commercial value chains;
- Improved access to public information;
- Plans to strengthen productive infrastructure;
- Plans to strengthen agricultural insurance and other risk management instruments.

15. IFPRI, the International Food Policy Research Institute, has developed a plan to address the food security problem in the world and serves as the guiding principle for many institutions:

- a. Expand emergency responses and humanitarian assistance to food-insecure people and people threatening government legitimacy.
- b. Eliminate agricultural export bans and export restrictions
- c. Undertake fast-impact food production programs in key areas, and
- d. Change biofuel policies

A Second set of actions – a resilience package - consists of the following steps:

- e. Calm markets with the use of market –oriented regulation of speculation, shared public grain stocks, strengthened food-import financing, and reliable food aid;
 - f. Invest in social protection;
 - g. Scale up investment for sustained agricultural growth; and
 - h. Complete the Doha Round of World Trade Organization (WTO) negotiations.
16. Given those recommendations, let me mention several realities which are critical for moving forward in this new era of world development.
17. First, the food security challenges we face are not of a short term nature and therefore will not be solved in the short term. They will not be solved until agricultural development becomes a long term priority in thought, words or deeds.

18. Second, new, complex challenges such as climate change are facing farmers, consumers and policy makers on a global basis. We shall hear more about how policy makers should address the challenge of climate change later this morning.
19. Third, poverty is still a persistent problem in the Americas and directly linked to the failures of agriculture and rural policy. A recent FAO report stated that:

“The Region’s food production exceeds by 30% the quantities of protein and calories needed to satisfy the energy requirements of its population. Yet, over 52 million people (10% of the population) do not have appropriate access to food and 9 million children suffer from chronic malnutrition”.
20. Given those factors, the long-term challenge and low priority of agriculture and the new global forces from increased demand to declining productivity, there are those who call for a new green revolution.
21. You will no doubt remember that the Green Revolution was the term used in the 1960’s to explain the increase in agricultural output which resulted from the use of new crop

varieties, irrigation, fertilizers, pesticides and mechanization and which has been credited with saving over 1 billion lives.

22. But those who advocate a “new green revolution” must also take into consideration some of the negative aspects of the last green revolution including social exclusion of small producers, dependence on the pesticide / fertilizer complex, lack of attention to nutritional factors and many environmental problems related to pollution of land and water.

23. There can be no doubt that biotechnology and technological innovation will be critical elements in our search for solutions to the current food crisis.

24. However, I think rather than a new green revolution, we need a new development model. A model that integrates agriculture and the rural economy into the development agenda. A model that recognizes its contribution to food security, energy security, employment, the preservation of the environment and natural resources, and the provision of social peace and social stability.

25. We also need to move forward in recognition of the society of knowledge of the 21st Century where science and technology are the key drivers of economic growth. But this requires a new paradigm that values our natural resources and the rural sector as key areas for investment and for the generation of wealth.
26. The policies for these developments are not agricultural policies but national policies that recognize the complex nature of development.
27. Moreover, as food is a basic right of the world, then the Food and Agricultural Sector must be a central component of the development agenda of every country and must be given the appropriate resources for its development and sustainability: The sector can no longer be marginal to the development process.
28. I therefore wish to speak today about building a more sustainable society with a new development model that

incorporates the agricultural sector into the social, economic, environmental and political dimensions of development.

29. The current situation of increasing food prices represents a challenge but it also represents an opportunity. The opportunity to review the World Food Situation and to develop appropriate strategies to ensure that we protect humanity from similar uncertainty in the future.
30. Food Security is a complex set of interwoven issues with political, economic, social and environmental dimensions, which cannot be resolved by the application of short-term measures. Instead they require medium to long-term strategies that are carefully designed and implemented.
31. The current actions which are being taken by Governments of the hemisphere are necessary and undoubtedly will assist in reducing the impact of increased food prices on the population especially the most vulnerable groups. We see the need for a longer term strategy to avoid future food crises.

32. We believe that food security must become a central component of development planning and must be linked to agricultural development policies that are part of the National Development Goals. In other words, agricultural development policy and food security issues cannot be left to sectoral management; they must be part of the National Development Policy and must be directed from the office of the Prime Minister or President of a country.

33. This new strategy should have 5 components:

- a. State policies that support a multidimensional, multisectoral focus on agriculture and rural life.
- b. Strategies to increase investment in agricultural research, innovation and technology transfer.
- c. A new agricultural educational curriculum.
- d. Institutional Reform of Ministries of Agriculture.
- e. New Policies on Food Consumption and Nutrition.

34. These initiative must be supported by:

- a. Increased allocation of financial resources to agriculture
- b. Increased international development assistance to the sector
- c. Leadership with a global, long term vision
- d. Multi-institutional strategic planning and collaboration through joint projects and consortiums.

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35. First, State Policies that support a multisectoral focus on agriculture and rural life:

There is need for a National Policy on Food and Agriculture in our countries that address the inter-sectoral linkages of agriculture with the rest of the economy. National policy should ensure that the food and agriculture sector, national food security and national development are intimately linked. The Ministry of Agriculture should become a Ministry of Food and Agriculture and should not only be a Ministry for

producers but also a Ministry for food consumers which encompasses the entire population.

36. In Chile, the state rural development policy implemented since 1990 has made a major contribution to the success of that country in reducing rural poverty and extreme poverty from 39.5% in 1990 to 20.1% today. According to a recent report by the Ministry of Agriculture of Chile, the main factors responsible for this success are:

- (a) Powerful expansion of foreign markets as a result of trade agreements;
- (b) Public investment in communications and the paving of secondary roads;
- (c) High levels of public investment in irrigation, rural infrastructure and credit facilities;
- (d) Public investment in research and technology transfer;
- (e) Private investment in technology, processing infrastructure, and international marketing.

(f) The production of new crops, the development of new product categories, and access to new markets, especially in Asia.

(g) A sustained, systematic national policy to integrate small farm agriculture into development policy and to fight rural poverty.

37. The “Farm Bill” in the United States and the “Zero Hambre” program in Brazil are examples of National Policies for Agriculture Development.

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38. Second. Increased investment in Research, Innovation and Technology Transfer.

The new Food and Agriculture Sector will depend more and more on the capacity of competitive agribusinesses to market products that meet animal and plant health, food safety and environmental regulations.

The key to the success of this new paradigm is technology. The Food and Agriculture Sector will be led by global

agribusinesses, which produce value added products that conform to agricultural health and food safety standards while respecting the environment.

39. This is certainly the case for the agricultural sector in the Americas, although not all countries have the same level of technological development. On average, almost 40% of all increases in food production in the Americas during the last four decades have been due to the use of modern technology, mainly improved seed varieties and agronomic information. In most countries, substantial increases in agricultural productivity have been achieved for basic foods, including corn, wheat, potatoes, rice, beans, sunflower and soybeans in the Southern Cone.

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However, as the slide shows, in spite of the advances in some countries and the improved yields due to biotechnology, Latin America and the Caribbean's productivity per hectare has been declining for the last 6 plus years.

40. The adoption of new technology has yielded significant economic benefits, as measured by the rates of return on investments in agricultural research. Investment in agricultural research is good business.

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41. The disparity in productivity for certain commodities in different countries is, in part, a consequence of their unequal development in research and extension capacities. Countries with greater relative development, such as the United States, Canada, Brazil, Mexico and Argentina, invest between 1.5% and 2.5% of their agricultural gross product in agricultural research. For the majority of the least developed countries of the region, however, this average only reaches 0.4%. Countries such as Chile, Colombia, Uruguay and Costa Rica continue to increase investment in improved technology for the Food and Agriculture Sector.

42. Research in biotechnology is a critical component to increasing crop yields and agricultural productivity. However, the reality is that developing countries are not

investing in biotechnological research, which is one more cause for the widening gap between developed and developing countries.

43. Despite the efforts of the agricultural research centres, most of the biotechnological information is in the hands of the private sector, which may explain why the greatest advances in biotechnology relate to rice, maize, wheat and cotton. Yet the majority of the population in the south survives on sorghum, millet, yams, cassava, pigeon peas and other pulses.

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44. Third. A New agricultural educational curriculum:

Education is a key for the future. Educational institutions have the great responsibility of equipping the next generation with the skills and the knowledge to manage the uncertain future.

Knowledge and information-based economies require a solid foundation of education and training. Let me now address a new agricultural education curriculum for sustainable agricultural development.

45. Educational institutions in the region have been slow in adjusting their curricula to new circumstances. These include changing employment opportunities in agriculture; rapid scientific progress and technical change; increased awareness of environmental sustainability issues; and increased awareness of the role of women in agriculture. In addition there is the need for an inter-disciplinary approach to agricultural education, research and extension and emphasis on such new areas as Trade negotiations, Biotechnology, Agroenergy, Agrotourism and Climate Change.

In order to improve access to knowledge, IICA recently partnered with Google Books to digitize 9,000 volumes of research on tropical agriculture from its libraries and those of other research and teaching institutions such as CATIE. This initiative will be expanded by the application of other Google tools and further build the capacity of local institutions linked to IICA's network.

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46. Fourth. Institutional Reform of Ministries of Agriculture:

Several of the institutional responsibilities such as extension and research that were once carried out by the Ministry of Agriculture are now being undertaken by private sector agencies and NGO's. This suggests the need for reform of the Ministries of Agriculture to cope with the new multidimensional role the sector.

47. The structural adjustment programs of the recent past have resulted in fewer budgetary resources being allocated to the ministries of agriculture of several countries in the hemisphere. However, the global scenario requires that the State play a key role in providing the policy framework for agriculture, and required support services such as rural infrastructure, security of land tenure, training, research and extension, all of which are necessary for the development of a competitive agricultural sector. The private-sector and NGO's are increasingly involved in the provision of technical services to the sector, but the role of government in coordinating the roles of new strategic partners such as the

private sector, the NGO's, and the institutions of civil society is a critical one.

48. We are convinced that unless the role of the ministries of agriculture is redefined and agriculture's true contribution to the economy and national development is recognized, the potential of the rural sector to economic development will not be realized.

49. Fifth. A new strategy of consumption and nutrition

Traditionally, we have depended on the supply of wheat, corn, rice, potato and soy as the foundation of our daily nutritional requirements. Of the 250.000 species of plants in the world, 90.000 of which are in our hemisphere, we depend on only 5 as pillars of our nutrition. Clearly the time has come for us to exploit the nutritional value of our own tropical crops such as cassava, sweet potato, bananas, yams and many others as a source of our daily nutritional requirements.

50. In addition, the lack of attention to other crops with potential to feed humanity may result in their disappearance from the biodiversity of the world and should we have a

major catastrophe with one of our 5 traditional crops, we will need that biodiversity. Let us not forget the potato famine in Ireland in the 18th Century.

51. These initiatives must be supported by an increased allocation of national resources to agriculture and rural life:

Increase allocation of national resources to agriculture and rural life

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Past and even many current development models have an anti-rural bias in which the recommended approach to modernizing the economy is based on industrialization and favours growth of urban areas. Some consequences of these models include:

- a) The concentration of population in cities where their political importance results in greater public investment in services for urban areas.
- b) Greater inflow of private investment in urban areas as a result of the positive externalities from public investments.

- c) The continued inequality between urban and rural areas, despite economic reforms implemented in the mid-1980s and during the 1990s.
- d) A rise in violence and growing social and political insecurity in the urban economy resulting in a greater allocation of national budget to solve social problems of the cities.
- e) The continued competitive disadvantage of the rural sector.

The vicious circle of public investment must be re-examined if we are to avoid the vicious circle of food insecurity.

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The increasing migration away from the rural areas and limited investment in the rural economy results in less agricultural production and consequently the government then imports more food (normally cheap food) to satisfy urban demands which further undermines the capacity of the rural sector to produce. This results in another vicious circle of food insecurity.

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52. Six. More International Development Assistance:

It has been reported that between 1985 and 2002, official development assistance to agriculture declined by about 66% in real dollar terms. In both bilateral agencies and development banks, agriculture became marginalized:

- World Bank Agricultural lending fell from 30% in 1980 to 7% in 2003. In 2002, only 3% of the loan portfolio of the Inter-American Development Bank was devoted to the food and agricultural sector in the Americas;
- FAO reported that although 40% of the population of Latin America and the Caribbean live in rural areas, only 6.6% of public budgetary expenditure is devoted to agriculture and related rural activities;

53. Recently, funding for agriculture has been increasing, and a Senior Official recently admitted to me, when I asked why are the development Banks are returning to invest in agriculture

and rural development. He said “we have discovered that development without rural development is impossible”.

54. I therefore make a call today to the development banks and the international financial sector to return to the agricultural sector and invest in rural development.

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55. A new Leadership Dimension - the Minister of Agriculture of the 21st Century

The new vision for agriculture as presented above suggests that leadership of the sector must have a multisectoral vision and access to global knowledge and information to cope with the new challenges.

56. The 20th Century Minister of Agriculture was seen as a Minister of Production and therefore a Minister of the Farming Community: Today, with the emphasis on health, nutrition, food safety and food security, the Minister of the 21st Century is also the Minister of Consumers. The Minister to ensure that the food supply of the nation is adequate, safe

and accessible priced. The Minister of Agriculture of the 21st Century must therefore have a global multisectoral vision.

IN CONCLUSION

57. As a society we have spent money on infrastructure and capacity building for personal security, health, education, commerce and the provision of shelter but we have left the provision food to the vagaries of the market. This, in our view, contributes to our high levels of poverty.

58. We must modernize the rural sector, strengthen rural communities and provide education, health care, infrastructure, access to technology and credit so that the poor can leave poverty. Unless we promote rural prosperity, there shall be no urban peace.

59. Only by implementing long-term strategies can we truly assist our countries achieve the Millennium Development Goal of reducing poverty by half by 2015.

60. I am not insensitive to the great challenges that lie ahead but I believe that at the beginning of this 21st Century we

have the means, the technology and the resources to eliminate hunger and suffering from our world.

61. Food is a basic of every citizen of the world, and therefore the Food and Agricultural Sector must be a central component of the development agenda of every country and must be given the appropriate resources for its development and sustainability.

62. I am convinced that we need a new development model that can unleash the talent, the energy and the enterprise of the people of the Americas so that the agricultural and rural sectors can compete internationally.

63. Thanks for your presence here today and I look forward to your cooperation in our efforts to promote food security and a modern agricultural sector in the Hemisphere.

64. Thank you.

65. We would now like to introduce a short video on Climate Change.