



**Department of Justice, Peace and Human Development
Office of International Justice and Peace**

**Background on International Food Crisis
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“ (A)t a particularly difficult time for the world nutritional situation, when the availability of foods seems inadequate in relation to consumption and climate change contributes to endangering the survival of millions of men, women and children, forced to leave their country in search of food. . . everyone must respond in terms of solidarity with actions free from all conditioning and truly at the service of the common good. --Pope Benedict XVI on the occasion of World Food Day, October 13, 2008

What is the scale and impact of the international food crisis?

“The global food price crisis that led to nearly a billion malnourished people in 2008 is not over,” says David Nabarro, coordinator of the UN Secretary General’s Task Force on the Global Food Security Crisis. Although some prices have fallen up to 50% in 2008 due to reduced speculation and cheaper fuel costs, food commodity prices still remain high, between 40 and 80% higher than in 2007.

Most of the world’s undernourished people - 907 million - live in developing countries; of these, 65 percent live in seven countries: India, China, Democratic Republic of Congo (DRC), Bangladesh, Indonesia, Pakistan and Ethiopia. Africa, the continent hit hardest by the crisis, is home to 16 of the 17 countries where over 35 percent of the population is experiencing hunger - DRC, Eritrea, Burundi, Sierra Leone, Ethiopia, Angola, Zimbabwe, Zambia, Central African Republic, Rwanda, Chad, Liberia, Mozambique, Togo, Madagascar and Tanzania.

Under the Food for Peace Title II program, the U.S. donates agricultural commodities overseas for humanitarian food needs in emergencies and development assistance programs. As food prices escalated in 2008, CRS reports that Haiti’s Title II tonnage was cut by 12%, meaning 5% of beneficiaries had to be cut. In India, 35% of tonnage was cut resulting in about 100,000 fewer beneficiaries in 2009. In Ethiopia, CRS is noticing more hunger in urban locations and the Missionaries of Charity have had a 20% increase in the number of destitute persons coming to their doors.

Rising food prices are affecting the poor, in particular, the urban poor (who must buy their food) and those who are landless in rural areas. Already urban poor have rioted in seventeen countries to protest the high cost of food. The food security of the most vulnerable in society, women and children, is threatened.

What is driving the crisis?

Many factors. For example, in 2008, investment firms such as Goldman Sachs and AIG purchased and held up to 2.2 billion bushels of corn worth \$223 billion. High oil and fertilizer prices, increased demand from India and China, inclement weather, increased production of bio-fuels (accounting for 30% of the price rises) and decreased donor funding for agriculture (from 18% of development aid to 3%) are some of the important factors.

What impact will the global economic crisis have on the food crisis?

The world financial and economic crisis will certainly continue to push more people into hunger. “It means both developed and developing countries have even fewer funds to invest in social protection programs to help people become more resilient [and prevent them from falling into the poverty trap],” says David Nabarro.

What does the Church say about the food crisis?

Pope Benedict XVI said it was clear, even during recent months of food scarcity in places around the globe, that the international community has the resources to feed all of the world's people. Instead, poverty coexists with abundance. He pointed to the “race for consumption,” unbridled speculation, the arms race that diverts resources away from human development as some of the causes. The Holy Father called on the world’s leaders to realize that the resources of the world belong to all people, especially poor and landless people who have suffered the most from the crisis.

What would it take to respond to the crisis?

A High-Level UN Task Force, set up in May 2008 in response to the food crisis, proposed a dual approach: **emergency interventions**, and addressing the underlying **structural problems** in the food sector by **improving agricultural development** and seeking to **change the way trading systems work**. The UN Food and Agriculture Organization urges donor countries to double their overseas development assistance for food aid, other types of nutritional support, and safety net programs, and to increase the percentage of assistance invested in food production and agricultural development from the current 3 percent to 10 percent within five years. Experts believe that a total annual investment of \$30 billion in the following five areas would stimulate an overall annual benefit of \$120 billion.

1. Improve agricultural productivity; enhance livelihoods and food security in poor rural communities.
2. Develop and conserve natural resources.
3. Expand and improve rural infrastructure and broaden market access.
4. Strengthen capacity for agricultural research and dissemination of new techniques.
5. Ensure access to food for the neediest through safety nets and other direct assistance.

What can we do?

The United States plays a crucial role in assuring food security for the world. The U.S. is the biggest donor of food aid commodities, but it is also a major source of the food speculation and bio-fuel production that contributed to steep price rises. The U.S. Government should:

1. Maintain, if not increase, Title II funding for emergency and development programs; maintain the “safe box” that protects development food assistance and the stipulation that up to 25% of funds be used for local purchase.
2. Provide emergency funding to help low-income people in the United States who are adversely affected by rising food prices.
3. Continue to review its farm subsidies program to eliminate practices that do not comply with international trade obligations and that disadvantage poor farmers in other countries.
4. Review the economics and ethics of subsidies for “food for fuel” in a way that places priority on the right of the poor in the U.S. and in the developing world to adequate access to nutritious food, and the promotion of sustainable agriculture practices that protect farmland, natural resources and wildlife for future generations.
5. Greatly strengthen its support to developing countries to help them increase their investments in agricultural research, extension, rural infrastructure and market access for poor small farmers.
6. Ensure that the Commodity Futures Trading Commission protects the basic needs of poor people, vulnerable populations and small farmers in the U.S. and developing world by regulating speculation of food commodities to recognize that, unlike other commodities, access to food is a basic human right.

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