



BACKGROUND PAPER:

FAO *Rising Food Prices*

"Hunger makes a thief of any man."

~Pearl S. Buck

Introduction:

The issue of hunger and rising food costs presents us with a myriad of conflicts between nations, and the people of the world. According to the United Nations Universal Declaration of human rights, articles 25.1 “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food”. Sadly, food is a commodity which must be bought and sold in a marketplace where prices fluctuate. Producers are unwilling bankrupt themselves in order to supply the hungry. On the other hand, the world, particularly the more affluent nations, has a moral obligation to help end hunger. Or do they?

Background and History:

The cost of food has been steadily increasing for a few years now, raising the number of chronically hungry people to approximately one billion (about one in six people are suffering from hunger), and threatening political and economic stability in many countries. Causes of the dramatic price increase include an increase in population, scarcity of resources, food trade policies, in-kind aid to developing countries, rising oil prices, natural disasters, climate change, and more. But the most significant factor to this situation is policymakers' and investors' neglect of matters of agriculture in the past 30 years. Through 1960 and '70, The Green Revolution saw a dramatic increase in food production due to dedicated public investment. The abundance of food eventually came to be taken for granted, and agricultural assistance and investments began to slow down. By 1990, international assistance to agriculture had dropped by 58%--that is a drop of about \$4.6 billion US dollars. The reduction in agriculture's share of the Official Development Assistance (17% in 1980 to 3% in 2006) is a good illustration of this. As a result of the lack of attention given to agriculture, the world experienced the food crisis of 2008, plummeting many nations into poverty and political unrest. Steadily, the situation got better, but again now, we are seeing it worsen.

Current Situation:

Soaring food prices over the past few months are taking their heaviest toll in countries like Bolivia and Kyrgyzstan, which depend on global markets for food staples and where families spend more than half their income on food, but not all countries are affected by



rising food prices in the same way. Many families in developing nations spend 50 to 90 percent of their income on food, and therefore, food prices have an immediate impact on household budgets. As the cost of food rises, many families cut out the more ‘expensive’ foods, such as animal products and vegetables. Cutting these goods out of the peoples diets may threaten nutrition amongst the public, especially in children.

In theory, the farmers of the world would benefit from the rise in food prices, unfortunately in many countries only a small amount of farmers have enough property and capital to produce an excess amount of food to sell. For example: In a study preformed in four southeast African countries, less than 2 percent of farm households accounted for over half of all sales of maize. Not all countries around the world suffered from the rising food prices. In countries where a large portion of small-scale farmers had a surplus of rice for sale, they did benefit from elevated world prices.

Relevant Documents:

The Universal Declaration of Human Rights
<http://www.un.org/en/documents/udhr/index.shtml>
<http://www.un.org/esa/dsd/agenda21/index.shtml>
<http://www.un.org/millenniumgoals/>

Bloc Positions:

Every nation is involved in this situation. It is your job as a delegate to find nations who are affected by the crisis in the same way you are--this is your bloc. Your bloc should work as an alliance toward a common goal.

Africa's scarce resources, instable governments, civil unrest, and lack of investment in agriculture make it a continent that cannot produce enough food to feed it's inhabitants, nor can it be considered a major competitor in today's global food market. As a result, African nations receive in-kind food aid (donations of food instead of money) from other nations, which has an adverse effect on the recipient communities. Another issue stunting progress in Africa is Japan, United States and Europe's commitment to agricultural subsidies.

Countries that have been affected by natural disasters such as hurricanes, drought and massive flooding include Russia, Ukraine, Argentina, Pakistan and Australia. The conditions that they are experiencing make it very difficult to grow adequate amounts of food, thus spiking the price of the food that is available.

Dramatically high prices on staple foods in Middle Eastern countries such as Tunisia, Yemen, and Egypt have resulted in riots and contributed to political instability.



Fast developing nations such as China and India are experiencing significant population growth, meaning that land is being used for living space rather than for agriculture. More people are buying more groceries, meaning that these nations are becoming reliant on imports to feed their people. Another factor with a negative effect on agriculture is the pollution caused by large cities accomodating so many people.

The United States is not feeling the effect of the crisis yet, because the nation purchases food using future contracts and has increased food production through the use of GMOs. However, this makes it difficult to trade with countries such as Canada, due to bans on GMOs. The United States' increase in dairy and meat consumption has contributed to hunger, poverty and deforestation in other nations. Food costs in the US is expected to increase within the next few years.

Questions to Consider:

What should the United Nations World Food Program do?

What kind of mechanism can the U.N. implement in order to help underdeveloped and developing nations to alleviate the effects of sudden increase in food prices?

How is your country affected by the food crisis, and what kind of policies have been implemented to alleviate its effects?