

Efforts being made to develop agriculture but more needed as world food crisis emerges

Long-standing Italian delegate to the IFAJ, Leilo Bernardi, reports on the latest meeting of the International Fund for Agricultural Development, held in Rome.

The 31st session of the Governing Council of IFAD (International Fund for Agricultural Development), representing 164 members, was held in Rome at the Palazzo dei Congressi on February 13 and 14, 2008.

The President of Ghana sent a message, which was read by his Vice President, HEAA Mahama, underlining the aid provided by IFAD over the past 28 years. He mentioned in particular improvements in the development of rural infrastructures, provision of drinking water, financial and debt services and the development of small-scale non-agricultural businesses.

Even in Ghana, the IFAD had attracted 60% of co-financing from its partners (World Bank, African Development Bank and the German credit institute for reconstruction, KfW). IFAD has been very active in the micro-credit sector through grants to rural banks (in 2004 these micro-credits totaled US\$2.2 million, 45% of which went to women).

Italy's Minister of Foreign Affairs, Massimo d'Alema, stressed the IFAD represented a development model for all international organizations. In fact, the UN decision to establish the fund was a major outcome from the Fifth World Food Conference in the 1970's.

Moreover, in recent years Italy has reached second place for contributions among IFAD's member states, with a financial pledge of more than US\$51 million; and, through the allocation of voluntary contributions from the Ministry, the realization of specific projects for another US\$40 million.

Mr d'Alema also reminded the meeting of the recent development report from the World Bank which reiterates the need to increase investment in the agricultural sector in order to reach the Millennium Goal by 2015. Mr d'Alema said that Italy intended to continue these efforts, as is evidenced by the proposal to offer the candidature of the city of Milan to host "EXPO 2015", with the motto "Feed the planet : energy for life".

The UN Secretary-General, Ban Ki-Moon, in his traditional message to this session, pointed out that we face a tremendous emergency with regard to the need for development. Millions of poor people were begging us to fulfil the Millennium Goals, in particular to reduce poverty and hunger by 50% by the year 2015, he said. He also stressed how climate change, as well as the dramatic rise in price of certain basic products like corn and maize, could cause an unprecedented food crisis.

The "Via Campesina" (an international farmers' movement) wanted to be present at the meeting to point out that sustainable family agriculture could be an answer to the global food crisis. The organization claimed that:

- There is no production crisis (in fact in 2007 cereal production was the highest ever!).
- Prices rise because part of this production is destined for bio-fuel.
- Global basic food reserves are at their lowest level in 25 years, partly due to the deregularization of markets by the World Trade Organization, and to climate changes which have hit harvests in some main exporting countries like Australia.
- Prices also rise because of speculation by large financial companies over food products (this leads to future price increases).
- Production, transformation and distribution of basic food products are more and more under the control of the main multinational companies who monopolize world markets.

The International Federation of Agricultural Producers (IFAP) also participated in the IFAD session, presenting the results of a Farmers' Forum held over the two preceding days. According to IFAD President Jack Wilkinson, the IFAD should:

- Seek greater contacts with IFAP in each country and with other NGOs like Via Campesina in order to evaluate the efficacy of IFAD's programmes and gain the consensus of other NGOs;
- Increase consensus at a national level between these NGOs;
- Do more (in spite of progress achieved in the last 30 years).

Another Forum on the bio-fuel industry also took place during this session. The meeting looked at current demand for maize to produce ethanol which already represents 10% of world consumption.

India is evaluating a project to plant *Jatropha* on 14 million hectares. In Brazil, the Inter-American Development Bank believes that at least 120 million hectares could be destined for bio-fuel products. In Africa, recent studies by a multinational company indicate that about 380 million hectares in 15 countries could be destined to produce bio-fuels. As a result, major NGOs have asked that agricultural production should be refocused on food production.

These NGOs pointed out that such high prices for basic food products damaged consumers and often do not favour producers. For example, prices for fertilizers and animal feed are rising alarmingly. Landless farmers and agricultural workers cannot afford to buy basic food products.

Moreover, many people are asking how much money is received by the producers themselves for the sale of their products. For example, dairy farmers receive about 0.30 Euro for milk, but it is sold to the consumer for more than 1.50 Euro. In Spain, the Spanish Coordination of Farmers and Livestock Producers has calculated that consumers pay about 600% more than the producers receive for the sale of their products.

In practice, contrary to expectations in recent years, the liberalization of agricultural markets is increasing hunger and poverty, in particular in developing countries who depend to a large extent on world markets.

The case of soya in Indonesia is another valid example. The opening of frontiers has allowed American soya to invade this market. At present 60% of consumption of soya-based products is imported. The increase in the price of American soya in January 2008 has provoked a national crisis, since prices more than doubled in two weeks. Something similar has occurred in many other countries, including for maize in Mexico, and corn in the Indian state of Punjab.

The so-called 'food sovereignty' we have been talking about for so long now seems more than ever to be the only way to protect ourselves from the devastating fluctuation in the prices of food products. Such 'sovereignty', by giving priority to the economy and to local and national markets, "increases the power of farmers, favouring family-managed agriculture" – a vital element in developing countries.