

Factors affecting food
insecurity today
economics essay



**ASSIGN
BUSTER**

1. 0 Introduction

The World Food Summit of 1996 defined food security as existing “ when all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life” (WHO, n. d). Commonly, the concept of food security is defined as including both physical and economic access to food that meets people’s dietary needs as well as their food preferences. In many countries, health problems related to dietary excess are an ever increasing threat, In fact, malnutrition and foodborne diarrhea are become double burden.

Food security is a complex sustainable development issue, linked to health through malnutrition, but also to sustainable economic development, environment, and trade. Issues such as whether households get enough food, how it is distributed within the household and whether that food fulfils the nutrition needs of all members of the household show that food security is clearly linked to health.

2. 0 Factors affecting food insecurity today

Several factors that can cause food insecurity in the world today, that includes :

Global Water Crisis - Water table reserves are falling in many countries (including Northern China, the US, and India) due to widespread overpumping and irrigation.

Climate Change - Rising global temperatures are beginning to have a ripple effect on crop yields, forest resources, water supplies and altering the balance of nature.

Land Degradation - Intensive farming leads to a vicious cycle of exhaustion of soil fertility and decline of agricultural yields.

Greedy Land Deals - Corporations and Governments buying rights to millions of acres of agricultural land in developing countries to secure their own long-term food supplies.

Low rates of agricultural production - In the last few decades, agricultural output in SSA has barely kept up with population increases, and Africa now imports 25% of its grain requirements. Inherent differences in agricultural systems (Table 1) prevented the large increases in food production ('green revolution') seen in Asia. These were due to wide introduction in the 1960-70s of high-yielding varieties of rice and wheat, expanded fertiliser use, and more irrigation.

Food security in Japan

Food Security in Post-Quake Japan

March 17, 2011 | Posted by Zachary Keck, Joseph S. Nye, Jr. Research Intern

- 8: 44am | 8 Comments

The world's focus since last Friday has rightly been on the post-earthquake efforts in Japan. For the past few days, most attention has been directed to the troubling situation at Japan's nuclear power stations. While we have been closely monitoring that situation, we have also been curious about the food

<https://assignbuster.com/factors-affecting-food-insecurity-today-economics-essay/>

situation which appears to be getting far less attention - at least here in the United States - but seems just as urgent.

Here is some useful information that I was able to dig up. First, the Japanese government has been closely monitoring the food situation. Much of the work in securing and distributing adequate food supplies is being coordinated by the Minister of Agriculture, Forestry and Fisheries (MAFF). MAFF set up the Earthquake Disaster Countermeasures Headquarters to deal with the crisis which has held nine meetings since the disaster, according to the briefing summaries of each meeting that were released on their website.

The most immediate problem facing the Japanese government, it seems, is not the supply of food, but rather distributing food to those in affected areas. To this end, the Japanese government has mobilized 100, 000 Self Defense Forces to assist with the humanitarian relief effort. Additionally, the last meeting summary posted on the MAFF website said that " MAFF is considering some new methods to supply food for people in the disaster area." Prime Minister Naoto Kan later clarified what this meant when he told reporters that he was considering having troops deliver food to coastal communities by air or sea, according to The Washington Post.

Still, it remains unclear how badly those in the affected areas were in need of food. In Sendai City, for example, The Washington Post quoted an American living there as saying that the shelters had " enough food and space." At the same time, Voice of America quoted an official from the U. N. Office for the Coordination of Humanitarian Affairs saying that millions were still in need of clean water and food.

<https://assignbuster.com/factors-affecting-food-insecurity-today-economics-essay/>

Over the long term though, a food shortage could become a serious threat to earthquake victims. Japan is a large food importer and thus comes to rely largely on outside markets to feed its population. Fortunately, the Japanese government is already taking proactive steps to help fight off a future food shortage problem. For example, Bloomberg reported that MAFF is trying to “buy 32, 381 metric tons of milling wheat in a regular tender on March 17.” Before the crisis, Japan had 920, 000 tons of rice stockpiled.

As a long time ally of Washington, the United States must take strong actions to ensure Japan has adequate food supplies. So far, the work of the U. S. military and aid agencies has been commendable. Already, the United States has delivered seventeen tons of food, water, blankets and other relief supplies, according to The Washington Post. As Japan continues to recover, the United States should offer sustained assistance to ensure that the country can meet its needs. Public attention will likely be diverted in the coming weeks, but the Obama administration should make sure its attention continues to focus on ensuring that Japan recovers strongly from this tragedy.

India’s Food Security Problem

By William Thomson

April 2, 2012

inShare

Malnutrition is nothing new for many Indians. According to the International Food Policy Research Institute’s 2011 Global Hunger Index, the upshot of this

<https://assignbuster.com/factors-affecting-food-insecurity-today-economics-essay/>

perennial problem is that about 60 million children in India are underweight and malnourished, while 21 percent of the population as a whole general is malnourished. Unfortunately, this problem is unlikely to change anytime soon, with the recent introduction of the National Food Security Bill threatening to continue market inefficiencies in food supply and extend the problem of malnutrition far into the future.

The developmental repercussions of this situation are dramatic, not only for individuals who suffer numerous health issues resulting from malnutrition, but also for the economy at large. Malnutrition results in a loss of productivity, indirect losses from impaired cognitive development, and losses from increased longterm healthcare costs.

According to a report by the World Bank, productivity losses in India due to stunted growth, iodine deficiencies, and iron deficiencies are equivalent to almost 3 percent of GDP. While during the colonial era famine was the primary result of " food insecurity," malnutrition has replaced it as the chief concern of legislators and economists.

The last great famine in India occurred in 1943, and served as a case study for Amartya Sen, the Nobel Prize winning Indian economist, in his groundbreaking work *Poverty and Famines*, in which he showed that famine was rarely the result of a lack of food, but rather the result of intervening economic factors, such as unemployment, declining wages, and, as is often the case in India, poor food distribution systems. The current problem in India is of that nature: it's not so much a lack of nutrient-rich food, but rather a weakness in the food supply chain.

On a more positive note, India is expected to remain self-sufficient in the production of food staples until at least 2025. However, inefficiencies in the downstream segments of the food supply chain are still rampant, and threaten to undermine self-sufficiency and perpetuate malnutrition. For example, inefficiency in the tomato business, according to the editor of the Wall Street Journal Asia, results in as much as 20 percent of tomatoes rotting in transit, while the price for consumers is marked up by as much as 60 percent.

High prices for the consumer, as well as limited quantity and quality, all resulting from supply chain inefficiency, are sustaining increased malnutrition amongst the poor population.

The current Congress Party-led government is attempting to rectify the problem of malnutrition with its National Food Security Bill, which was introduced late last year. Sadly, though, the bill does little to alleviate the root cause, instead addressing only the symptoms - and in the most expensive and inefficient manner possible. Rather than correct supply chain issues, which would increase availability of food while reducing costs, the government has chosen to subsidize grain purchases. In addition, the government is doing this at a time when it can ill afford the expense associated with underwriting grain purchases for almost two thirds of the country's population.

Despite complaints from all political parties regarding the bill, the Congress Party pushed the legislation through, as much to prove legislative power as anything else after an embarrassing bout of policy paralysis during the

uproar over amendments to rules regarding foreign direct investment (FDI) in the retail sector. Even more disappointing than the politicized nature of the National Food Security Bill is the fact that revisions to FDI rules are exactly the type of legislative changes necessary to start rapid improvement in the food supply chain, negating the need for the bill in the first place.

The result of allowing increased FDI would have been to move firms such as Wal-Mart and Carrefour into the Indian market. These Western big-box retailers would have brought with them expertise in supply chain management. The influx of desperately needed fresh thinking and innovation into the agricultural and food supply business would have expedited changes downstream, helping alleviate malnutrition. Rather than an increased government intervention into the food economy, an influx of FDI and foreign expertise in supply chain modernization would be a surer route to freedom from malnutrition.

It's likely that continued government subsidies as contained in the food bill will only lead to further market distortions. Absent legislative progress and further market liberalization, market distortions, along with vested interests by middlemen in perpetuating the existing lengthy supply chains, will continue to plague the population of India for some time. The result of this sad situation will surely be a continuation of the ongoing malnutrition epidemic, which will continue to handicap an already slowing economy.

William Thomson is a research assistant at the U. S. Naval War College and an International Relations ALM candidate at Harvard University. His articles have appeared in Small Wars Journal and e-IR.

<https://assignbuster.com/factors-affecting-food-insecurity-today-economics-essay/>

Food security in third world countries

Nearly 2 billion people worldwide are, on a regular basis, unable to grow or get enough food to eat- and a staggering 75% of those most lacking food security live in the most rural areas in the least developed countries of the world. Whether due to conflict, drought, flooding or disease, food security and sustainable agriculture are unstable realities for most of the world's poor. A number of facts help to make it very clear just how critical this issue is in our supposedly modern, technologically and culturally advanced society: up to 6 million children a year die of hunger and malnutrition-related diseases, and what's more shocking is the majority of these illnesses are entirely treatable. These unnecessary victims of malnutrition contract pneumonia, measles, malaria, and other infectious but potentially non-fatal diseases- all because they are so weakened by the lack of a regular and nutritious diet that their bodies' immune systems cannot fight off suffered illnesses. Moreover, the absence of cheap and accessible antibiotics and medicines to prevent and treat illness is readily felt in rural areas of third world countries, where infant mortality rates are highest.

The greatest challenge in the coming years for a developing country like Ghana will be to provide enough food for the rapidly increasing population. Available data suggest that more than 700 million people in the developing world lack the food necessary for an active and healthy life. The problem of food security is not caused by an insufficient supply of food as has been commonly believed, but by the lack of purchasing power on the part of nations and households. This report outlines the nature and extent of food security problems in developing countries, explores the policy options

<https://assignbuster.com/factors-affecting-food-insecurity-today-economics-essay/>

available to these countries in addressing these problems, and indicates what international institutions such as the World Bank can and should do to help countries solve their food security problems. It suggests policies to achieve the desired goal in cost-effective ways. It also identifies policies that waste economic resources and fail to reach the target groups. It is in that sense as much about what should not be done as about what should be done.

Important Role of Governments in Achieving Food Security

Governments play an important role in helping achieve food security.

Regrettably, some government policies interfere with markets, remove price signals to farmers and create standards that inhibit trade. Public sector support for farmers, investments in agriculture and infrastructure, and support of open trade all contribute to increased food security.

Enabling open markets

To ensure food surpluses can reach areas of deficit, Cargill believes it is essential that governments support open trade. Trade helps create jobs, supports local economies and helps raise living standards. Export restrictions and trading bans isolate local markets and give farmers little incentive to expand production for the next season, limiting the potential supply response. In the 2008 food crisis, for example, more than 30 countries imposed export restrictions, which pushed prices up further. Trade plays a crucial role in ensuring food security by allowing agricultural commodities to move from places of surplus to places of deficit.

Governments can help by:

<https://assignbuster.com/factors-affecting-food-insecurity-today-economics-essay/>

- Supporting trade through an open, durable and rules-based trading system
- Encouraging commodity exchanges
- Ensuring government support for producers is consistent with World Trade Organization (WTO) rules (i. e., not product-specific or trade distorting)
- Completing a WTO trade round as soon as possible with meaningful commitments
- Refraining from export and import bans

Supporting smallholder farmers

Governments, civil society, academia and the private sector must all work together toward solutions to help smallholder farmers fulfill their expanding role in feeding the hungry and fighting malnutrition:

- Provide training and practical support – Smallholder farmers need training in agricultural best practices and access to inputs, credit, storage and technology to increase their productivity in a sustainable way, which raises their own living standards and produces surpluses to help nourish others.

Governments can help by:

- Ensuring that agricultural extension or private services are available to train farmers in best agricultural practices and help provide access to inputs, credit to facilitate harvest loans and appropriate technologies at the time of planting

- Providing encouragement for training and education for women farmers in developing countries

- Helping farmers invest cooperatively in collective crop storage and other infrastructure

- Ensuring authorization and implementation of technology where it can improve the sustainability of crop production

- Establish revenue certainty - Smallholder farmers often are forced to sell at harvest when they are cash flow destitute and have limited access to real credit. Selling at depressed prices creates a cycle of discouraging further production in future years. Farmers in developing countries need reliable markets to sell their crops each season and an adequate price to compensate them for their efforts and provide incentive to continue production the following year.

Governments can help by:

- Establishing and maintaining good agricultural policies that include revenue assurance programs such as guaranteed prices that may require supplemental payments in difficult years

- Working with the private sector to support producer associations or price pooling cooperatives, which give farmers improved access to markets and greater leverage in pricing their products

- Providing revenue safety nets themselves

- Encouraging the private sector to provide price assurances through their contracts with the farmers

- Manage risk - Farmers need access to crop insurance and other risk management tools so they can rebound from crop failures or other growing season fluctuations.

Governments can help by:

- Instituting regulatory frameworks that uphold market price discovery systems in a transparent way

- Providing regulatory frameworks that give farmers access to risk management tools, such as properly regulated futures markets

- Stimulating the provision of crop insurance either through government-funded programs or through incentives for the private sector to provide such programs

- Clarify rural property rights - Farmers must be able to own their land and pledge it as collateral if they are expected to reinvest and raise their productivity over time.

Governments can help by:

- Clarifying rural property rights or title to the land where this is currently unclear

- Providing a stable system of government and the rule of law

Investing in agriculture

Greater investment in agriculture by the public and private sectors is necessary to increase global food production. After two decades of declining public sector investment in agriculture, particularly in developing countries, a boost in funding and attention in the following key areas is needed: transportation, distribution, storage and energy infrastructure; agricultural research and development; agricultural science, extension, education and the promotion of best practices; and governance around legal and business structures to encourage private sector investment.

Governments can help by:

- Committing to spend a greater proportion of their investment budgets on agricultural science, extension, education and the promotion of agricultural best practices
- Encouraging public and private investment in appropriate physical infrastructure, including transport and distribution networks, energy production and distribution, and storage infrastructure
- Increasing government commitment to agricultural research and development while supporting private sector investment in agricultural technology
- Establishing appropriate governance frameworks around property rights, the rule of law, business structures and taxation to encourage private sector investment in agriculture

Harmonizing food safety standards

To move food efficiently, predictable, science-based global food safety standards are needed to manage risk, provide transparency and ensure accountability.

Governments can help by:

- Adopting international food safety standards
- Ensuring government regulatory frameworks require private operators to implement food safety standards, including HACCP (hazard analysis and critical control points) programs
- Supporting international standards for risk assessment and risk management of agricultural biotechnology to improve predictability and access to global food and feed supply chains
- Investing in appropriate port, distribution and transportation physical infrastructure
- Ensuring regulation of customs controls does not unnecessarily block the movement of goods

Reforming biofuels mandates

Demand for biofuels has spurred investment in agriculture, but mandated use of biofuels creates inelastic demand and increased volatility in the food system. To help balance food, animal feed and biofuel uses of agricultural feedstocks,

Governments can help by:

- Taking steps to ensure biofuels are not prioritized as outlets for raw materials that also serve the food market, including ensuring biofuels policies include waivers or other trigger mechanisms to lift mandates in times of stress so that the market can direct short crops to those sectors where they are most needed

Reducing environmental impact

As populations continue to grow, the need to produce more food will place increasing demands on the environment and intensify the challenge of protecting high conservation value forest areas and biodiversity. Agriculture will need to make better use of natural resources - especially water and land - through innovation and conservation.

Governments can help by:

- Clearly identifying the most environmentally sensitive areas as unavailable for agricultural development and devising systems to enforce compliance
- Ensuring government support to producers incentivizes them to use environmental best practices, such as drip irrigation and precision fertilization systems that minimize input use
- Encouraging research in systems that aid water and carbon measurement and pricing in areas where markets currently cannot price environmental goods, such as water for agriculture or in the food chain

Facilitating emergency food aid

To ensure access to food in times of crisis, governments can help by:

- Providing mechanisms for temporary assistance to consumers who are otherwise unable to access food, ensuring that the demand side of the market continues to operate
- Providing mechanisms and programs to assist farmers during crop failures so they are able to plant crops for the next year, thereby ensuring that the supply side of the market continues to operate
- Providing funding (not only in-kind contributions) to the World Food Programme to enable it to purchase food as and where most appropriate to address dire emergencies
- Improving current stocks-to-use ratios of major crops by encouraging sustainable production and functioning markets with public and private stocks rather than focusing on holding public stocks
- Ensuring that any public stocks held by governments are clearly targeted only for emergency use with transparent rules for buying in and selling out in order to avoid disrupting the normal passage of accurate price signals to farmers

The private sector and all companies, be the national or multinational have specific and fairly clearly defined “ duties and responsibilities” in society’s division of labour.

These are:

<https://assignbuster.com/factors-affecting-food-insecurity-today-economics-essay/>

To provide goods and services that succeed in meeting effective customer demands and can be sold at prices that are competitive and in the best interest of the corporation. The goods and services that are sold provide society with different kinds of value added in the case of agricultural companies it is providing products and services which help farmers to sustain and improve yields as well as food quality. A company can do this through chemistry, biology, biotechnology, and genomics. Being a successful agricultural corporation therefore not only means being profitable, but also raising the income of farmers, avoiding shortages of agricultural goods - and at the same time reducing the pressure on the environment.

Companies and business, particularly those involved in food, agriculture and industry play an important role in the food security and have a growing interest in adding health value to products. They can :

support local food production

implement corporate responsibility programs that promote consumption of healthy foods

reformulate products to reduce salt and fat

fortify staple foods with essential vitamins and minerals

apply due responsibility for food safety and quality

work in collaboration with governments and consumers