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## Food security: Feeling insecure?

November 10, 2009 6:36pm

By Alan Beattie, the FT's world trade editor

“Food security”: one of those infinitely malleable concepts, now to be defined at a [UN summit](#) next week. Does it mean self-sufficiency? No, [say companies](#) that make lots of money shipping food. [Yes, up to a point](#), say governments with truculent subsidy-guzzling farmers to placate. (The whispering voice of self-interest can be very persuasive.) Meanwhile no doubt the GMO people will say food security means lots more biotech, the greenies will say it's all to do with the environment and everyone will leave the Rome summit after a frank, robust and (ahem) fruitless exchange of views. If only warm words were edible.

As for all this money supposedly [needed](#) (and now apparently going) for agricultural development aid, I must say I'm a touch suspicious, since 1. money is fungible; 2. earmarking assistance for a particular purpose has rightly been [going out of fashion](#) in any case. Relabelling existing aid has been raised to such a high art it could almost qualify for a cultural subsidy itself.

There is basically one global food security deal which could genuinely help ensure a reliable supply: get big agro exporters (Argentina, Thailand, Ukraine) to promise not to whack up export taxes or quotas during a food crisis, and in return secure a promise from the big importers (Egypt, the Philippines), that they won't slap on import barriers at the same time. The most efficient producers grow the food and it gets to the hungry mouths. Everyone is happy and the spirit of [David Ricardo](#) smiles down benignly. Unfortunately, the subject of export disciplines was booted out of the Doha round of trade talks by Argentina years ago.

Am I counselling despair? Actually, there is plenty that governments could do without going anywhere near Rome. If Hillary Clinton really wants to address food security, she could start by reversing her [senatorial support](#) for a horrendous US farm bill that rejected even modest Bush administration proposals to improve US food aid, and continued shovelling out the farm handouts that distort global markets and undermine America's moral authority.

A lot of those subsidies companies don't go anywhere near real individual farmers, in any case: they benefit the kind of [agribusinesses](#) meeting this week in Milan ahead of this week's summit. If those companies want to know what they can do to help global food security, they could start by admitting they should be coping without handouts.

Enough with the cosmic conflabs. Global governance begins at home.

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1. I break my fast to commend this topic. A massive issue, no doubt. As noted here in the blog previously, one has seen some disturbing trends in consolidation amongst the "food shippers" in recent years. Look at the top ten companies; then look at China. Track each back ten years and draw some conclusions.

From a foreign policy perspective, look at the control these top ten and China have over land holdings and supply chains in key producing countries. Don't forget the Philippe Heilberg story--and reported CIA support in the Sudan--from January. Any update on that one?

Maybe RCS can share some of his findings on Nidera.

Time to lift the curtain on the political actions of ADM, Conagra, Coca-Cola, Pepsico, Louis Dreyfus and Cargill.

**Posted by:** wcm | [November 10 7:01pm](#) | [Report this comment](#)

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2. WCM, I can understand your top ten companies concern? Could you elaborate what they have to do with China besides they invested heavily in China?

**Posted by:** zjin | [November 10 7:41pm](#) | [Report this comment](#)

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3. >>zjin -- China joins these top ten and is competing against all to secure food chains. Are there not causes for concerns when looks, for example, at Chinese-directed investment across Africa? Are the top-ten "other" players not driven into consolidation for their own spin on "defensive" reasoning?

What are the market mechanisms? Where are the safeguards? What role do multilaterals have in helping to shape sound development and governance? Is the stage not being set for the big Global Governance push, wherein advocates of such will demonstrate with some success the risks of not moving to such?

Ditto for energy chains, no?

**Posted by:** wcm | [November 10 8:01pm](#) | [Report this comment](#)

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4. #3. The global food crisis has all the ingredients of today's global problems which can be categorized as "illegal, or fattening, or immoral".

Take "fattening" first. It's alarming that with more and more Americans becoming poor (jobless) in this recession, the number of obese people in the USA is increasing (acc to "Welt am Sonntag" yesterday page 32) because they are eating the cheapest fast foods available.

On the other hand in this same recession many poor Africans and Indians are becoming thinner (also for economic reasons - the price of rice has gone up).

Surely the clues to reducing the numbers of obese Americans and increasing the number of plump Africans and Indians lie in that acute observation of mine?

**Posted by:** J.J. | [November 10 8:55pm](#) | [Report this comment](#)

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5. What did China do in Africa to secure food chain exactly?

China invested in oil and metal in Africa, but it hardly has any impact on food production. For one, the commodity production costs in Africa are higher than other places such as Mideast and Australia. That means that there should have been less oil and metal supplied in the market if there were no Chinese investments.

For two, most food Chinese consume are supplied by itself, with major exception of soybean. Unless there is huge shortage in China, the Chinese food consumption does not contribute to the marginal change in the world food market equilibrium.

For three, I hope that you are not referring to the headlines such as "China grabs land from Africa". There are official denials on this issue and there has not been any case that Chinese actually made large scale deals with African to buyout their farming lands. Can you provide any evidence that such deals exist? I am not aware of any. Well, most deals I read so far are from Arabian countries, or other Asian countries.

The way I see it, food security is the ability to secure enough affordable food sources to keep low-income population from starving. Agricultural development is just one side of the coin. The other one is monetary policy. Last food crisis in 2008 had more to do with a commodity bubble than a shortage in supply. The commodity bubble is more to do with financial regulation or lack of regulation, over-leverage of speculators, and loose monetary policies of Americans.

**Posted by:** zjin | [November 10 9:29pm](#) | [Report this comment](#)

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6. For the first point I made above, I missed a few sentences.

With Chinese investment in Africa on mining and infrastructure, the agricultural production should be more efficient than it would have been. Think about all the savings on transportation costs and distribution costs at least.

**Posted by:** zjin | [November 10 9:35pm](#) | [Report this comment](#)

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7. Food security is a growth global industry. China has invested perhaps less for importing for current/projected domestic needs, as much as to provide some enabling funding to locals as an offset to its aggressive exploitation of O&G and metals.

France is no innocent in this game. Also, we are seeing our domestic food distribution chain go through dramatic transformations under Sarkozy--and to a great extent the EU. The introduction of OGM has been an issue surprisingly unchallenged by a consumers, who are increasingly content with more economical produits surgelés. Sad, but true. Within five years, a good French meal will be hard to find on small corners or hidden passages, except in SarkoDisneyworld.

**Posted by:** wcm | [November 10 9:36pm](#) | [Report this comment](#)

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8. Food and energy, the two pillars of organised societies

The Rome talkfest can be dismissed as one of those global circus act of no significance  
The world came close to running out of end stocks during the northern harvest of 2007 ,  
food price doubled .

The poor of course noticed, food is above 50% of their budget ,  
if food double, there is some anguish, then anger .  
Food riots are an easy first step to government change .

this harvest is so good it's embarrassing ,  
but it's getting harder and harder to feed the Billions of mouths  
the years ending stock bob down the two monts reserves most of the times but for the occasionnal year of plenty

A decade of bad weather and the rich will have less meat and the world less poors

**Posted by:** jeannick | [November 11 12:28am](#) | [Report this comment](#)

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9. I'm convinced that the Industrial Revolution in Europe is relevant to this topic.

Some continents and countries which did not experience the Industrial Revolution now find themselves unable to feed their people. And yet in the 18th and 19th centuries the British Empire and its administrators were everywhere, Africa included. So why are countries like Canada, Australia and New Zealand fully developed economies whereas many African countries cannot even feed their own people?

**Posted by:** J.J. | [November 11 11:34am](#) | [Report this comment](#)

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10. JJ Many African countries have experienced an industrial revolution of sorts (say, second-hand, or via hand-me-downs). However, the food crises they experience have remained unsolved: mainly, I reckon, because industrialisation has come about separately from farming practice.

In the UK, eg, during the industrial revolution industrialisation of farming came about via interested agro-engineering people. Yet farming remained a very poor way of making a living. Perhaps the colonised countries provided too much produce in competition?

Sadly, in my experience (Ethiopia), international aid seemed to have been spent on grandiose projects around the national capital. Infrastructure projects that might have helped poor farmers and the starving were non-existent. Even the US-owned luxury hotel in Addis (built to house Pan African Congress meetings) imported most of its food - including ice! As zjin notes, at least the Chinese infrastructure projects help food producers too.

**Posted by:** Derek Tunnicliffe | [November 11 5:41pm](#) | [Report this comment](#)

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11. One of the greatest achievement of the communist mandarin state has been to make China self sufficient in food .

It doesn't sound like much but is quite impressive none the less .

China is now one of the top Wheat producers ,

Muslim countries depend on imported food, that tend to restrict one's geopolitical options

The EU farm policy was based on Europe being self sufficient in food ,

all dutch who starved in late 44 / 45 could appreciate the fact .

one for RCS ,

during the 67 war, an emigrant center was deserted by its staff who had rushed to their units

the US migrants organized a committee and set up a functional structure

the Europeans and Russians migrants rushed to the supermarket and bought all the food they could carry ,

different outlooks different priority

**Posted by:** [jeannick](#) | [November 12 9:28am](#) | [Report this comment](#)

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12. You say that there is basically one global food security deal that could genuinely help ensure a reliable supply of food, and you cite an economic argument. Agreed as far as it goes but it will go nowhere without science based solutions to deal with a changing environment i.e. adapting to climate change and preserving biodiversity. Economic solutions tend to work from a static base which makes them notoriously unreliable (there is much recent evidence of that regrettably). As John Maynard Keynes said when it comes to economies, "We just don't know."

Agriculture is based on science and uses evidence based solutions that now feed the world more extensively than ever before, if terribly unevenly. The facts are undeniable: to generate sufficient crop yields to feed a growing global population, we will have to do 2 things well: grow more food on the same land base (to avoid turning forests to food); and develop techniques that preserve biodiversity and the environment. In other words scientific innovation. Farmers must grow the right crops, and use the right methods and inputs. Let's get real and talk about pesticides (oh heavens!). They protect our food from pests and disease. Pesticides are one of the key technologies that consistently get an irrational fear rap, yet without them 50% of the crop output of Europe would be destroyed. Further, even with the most advanced crop protection about 30% of our food output is lost so we still have a long way to go, with plenty of room for innovation. This is agricultural reality. It is an often forgotten fact that our entire existence is based on it.

**Posted by:** [Phil Newton, ECPA](#) | [November 13 11:28am](#) | [Report this comment](#)

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