



**SIXTH PLENARY MEETING OF
THE INTER-PARLIAMENTARY FORUM OF THE AMERICAS (FIPA)**

OTTAWA, CANADA
SEPTEMBER 13 TO 15, 2009

PROSPERITY AND COOPERATION: A NEW AGENDA FOR THE AMERICAS

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**FINAL REPORT
Working Group No. 2: Food Security**

(Subject to stylistic amendments)

The Working Group on **Food Security** met at the Parliament of Canada in Ottawa, Canada, on September 13-14, 2009, with the participation of delegates from Brazil, Canada, Chile, Colombia, Dominican Republic, Ecuador, Grenada, Guatemala, Mexico, Panama, Peru, Suriname, and Trinidad and Tobago.

The **Hon. Joan Purcell**, President of the Senate of Grenada, chaired the working group session. The objective of the working group was:

- To analyze the regional situation in terms of food security and its contributing factors, taking into account, in particular, the situation of the most vulnerable states.
- To identify short- and long-term policy options for legislators at the national, sub-regional and hemispheric levels.

PRESENTATIONS

A) **Mr. Juan Carlos García Cebolla**, Coordinator of the Project "Initiative Hunger-Free Latin America and the Caribbean," Food and Agriculture Organization, Regional Office for Latin America and the Caribbean, Santiago, Chile

In 2005, the Presidents of Guatemala and Brazil had a number of initiatives, including: the establishment of a goal to eradicate hunger by 2025; and recognition that Parliaments don't only legislate but are also drivers for budgets.

In terms of defining the term "food security," the definition used by the World Food Summit is useful.

Nutrition aspects are also factors to be taken into account.

There are multiple causes and multiple jurisdictions, including national and sub national; the causes are complex, and include socioeconomic causes (e.g., homes, families having to survive), cultural



aspects, and considerations related to availability, access (to food and to safe water), stability (climate as well as prices) and uses (safety of food, access to health care).

There is a vicious cycle of malnutrition-hunger-poverty; equal opportunities for development are also lacking. Thus: i) immediate access to food is imperative; the annual cost of child malnutrition in Central America and the Dominican Republic totals US\$6.7 billion, which is equivalent to 6.4% of gross domestic product ii) with 60% of Latin American children living in rural areas, it is important to build capacity and create economic opportunities.

Role of Parliaments: The institutional framework should be strengthened in a cross-sector approach: education, the economy, agricultural and rural development, housing and habitat, health and sanitation; legal; etc. Long-term goals should be set at the country level, and adequate budgets – which are a necessary condition for investment in human capital and production capacity – should be approved. Budgets should be larger and better-managed.

There are **six elements** that are needed for a Food and Nutritional Security (FNS) policy: **income transfers and food access; support for families and rural agriculture; health and nutrition; food and nutritional education; food safety and quality (including access to safe water); supply (reserves for emergency situations should be funded)**. There are three main components: spatial development; operating local markets; the economic rights to food. It should be recognized that **small farmers are part of the solution**.

B) *Dr. Máximo Torero, Latin America Coordinator and Director of the Markets, Trade, and Institutions Division, International Food Policy Research Institute (IFPRI), Washington D.C., USA*

There are four crises: food, fuel, financial and climate, and they are all interrelated, e.g. 30% of the increase in food prices is related to fuel.

There is a clear link among food security, energy security and political security. There is also a clear link among corn, rice, wheat and oil prices; consequently, with the huge spike in 2008, poor people were the most affected. Two main reasons explain the spike: tariffs were implemented by countries to protect their market (this factor explains 30% of the spike); the remainder of the spike (70%) was the **result of speculation**. Clearly, there are causes and effects. Urban consumers eat value-added food products and are thus relatively less affected by an increase in wheat prices, for example, while poor consumers in rural regions eat less processed foods and are thus relatively more affected by increased commodity prices. With 970 million people living on \$1 or less per day and spending 50-70% of that dollar on food, the price spike has a huge impact on them.

Even worse, the decrease in prices that followed was not as significant or quick as was the increase in prices. Poor people quickly became poorer and those on the borderline of poverty became poor. In addition, there was an absolute deterioration in calorie intake in poor rural areas.

At the beginning of the recession, the agricultural sector was relatively less affected than was the manufacturing sector; consequently, the agricultural sector was "a cushion" for some corporations.

Climate change affects corn production, which is a particular concern for southern countries.

The agricultural sector must be protected against volatility in the financial sector.



Trade barriers need to be reduced in order to improve market access and to reduce market volatility. Moreover, social programs should be expanded and nutrition programs for children should be improved. It is very important to **link small agricultural producers to markets by improving yields (which requires research), innovation and the value-added chain.**

Reduced market volatility could be achieved by: a humanitarian minimum reserve; and a safeguard mechanism to minimize speculative behaviour affecting various markets, perhaps through **a virtual reserve for a potential signal sent by countries** in the futures market. The main feature is the signal itself: if there is a problem with the fundamentals of a market, then countries could intervene to stop the abnormal trend.

C) *Dr. Michael Bedoya, Representative of the Inter-American Institute for Cooperation in Agriculture in Canada*

The Inter-American Institute for Cooperation in Agriculture is focused, at least in part, on the development of an agricultural sector that is efficient. It remains in countries where it initially becomes involved in order to ensure that sustainability follows the implementation of projects. Presence, knowledge and sustainability are the main components of its approach.

2008 was marked by uncertainty in basic food product standards. According to Professor McCalla, low-income countries spent 67.5% on food, a figure that can be compared to the 11% spent in high-income countries; staples are the main purchase in poorer countries.

In terms of institutional innovation for technological changes, information, publications and analysis of the impact of research are important.

In terms of institutional and services restructuring, considerations include a territorial approach, joint projects with countries, nutrition, and linking small producers to markets.

Analysis, examination and follow up are required, and appropriate adjustments should be made. Case studies are useful in order to share observations and disseminate information among countries.

Horizontal cooperation (as facilitators) is promoted among the countries of the Americas; examples of this cooperation include crop insurance, support for young farmers and risk-management approaches. Also, **promoting own-food production** in countries such as Haiti is an example of intervention and horizontal interaction with organizations such as Pulse Canada.

Recommendations include: improve the use of all technical resources and mechanisms; enhance horizontal cooperation among countries; develop appropriate technologies for small operations; facilitate communication channels between small producers and markets; use agricultural credit and insurance programs as stabilizers; facilitate education to rural operations; and aid in the development of young rural leaders.



DISCUSSIONS

Hunger is a serious matter when 55 million people residing in our continent suffer from hunger.

Payments made to reduce **foreign debt** are leading to reduced funds being available to help poor and hungry people. Richer countries don't understand that they would profit from a reduction in, if not the elimination of, poverty.

Obesity and poverty are linked: malnutrition at younger ages may lead to obesity when food supplies increase because metabolism may adapt in order to generate more energy when food is limited. In Ecuador, for example, a **poor distribution of crops** may generate too much consumption in some regions and inadequate consumption in others.

The need for safe water and safe food gives rise to consideration of food aid. An important question is: Is there a level below which hunger cannot be reduced? An indicator of "below 2% suffering malnutrition" is sometimes considered to be acceptable. The "right to food" remains an important debate.

Programs for infrastructure should include a technology transfer and development component for countries facing food insecurity.

In the context of the Millennium Development goals, it is wondered what the impact would be of targeting, in particular, malnourished children. Some wonder whether there are studies showing what would be a "satisfied population" in terms of nutrition, food security and food sovereignty. Another important question is: What are the **limits on government support** to alleviate the problem of poverty and hunger?

Other questions also arise: Since there are food surpluses in some countries that are able to export and there are countries that are unable to produce enough food to meet their needs, how is it possible to develop common recommendations that could apply to these two different situations?

In addition, in respect of **clean-energy-(biofuel) producing countries**, it must be recognized that policies must be quite different in the sense that food policies can't be "in the same basket" as energy policies.

Regarding **carbon credits and climate change**, it is wondered whether there is an opportunity for small farmers in developing countries.

Answers regarding the "**right to food**" question may focus on the notion that the right is not based on permanent aid, but rather on the existence of "conditions," such as not allowing third parties to affect that right (such as limiting water) and the existence of transfer programs that supplement income to ensure that a basic minimum level is reached.

Answers regarding government support and public investment questions may focus on monitoring and targeting, which are imperative. Moreover, due diligence regarding the investments is important and is not always undertaken properly at the current time.

Regarding biofuels, while Brazil is efficient with its sugar cane, the same cannot always be said for all biofuel-producing countries.



High input costs in farming are a major issue. In 1980, one-half of a hectare per person was required to produce food for the world; in 2025, only one-quarter of a hectare will be available.

Some speak about "peak oil" and question whether there is "peak food;" if so, is peak food something that should be debated by Parliamentarians? Major purchasers of commodities may shield farmers from knowing the real value of their commodities. Consequently, empowering farmers is essential.

Ecuador is a country that is totally dedicated to agriculture. While the country has established biodiversity areas that are to be protected, some of them are at risk. Crop insurance exists, but only for those producers working with the development bank. The country believes that it is on the threshold of another climate phenomenon, and that fishermen – many of whom are at risk – need access to a social safety net. Family farming is reinforced in Ecuador in order to ensure ongoing contact with the soil; fishermen need to have the same sustained contact with their resources.

Water access is a major issue, and it must be addressed.

Food security is a critically important issue: every second, a child or a person dies, and more than 1 billion people in the world have severe problems with hunger. **Public policies can change the trend**, provided they are targeted to the **most vulnerable people**. For example, school breakfast and lunch programs can break the cycle of poverty. **Health education and food subsidies should be provided to the poorest of the poor**. Even though some countries produce a large amount of food, we still have areas with hunger and high poverty levels.

Trinidad and Tobago is a net importer of food. The availability of farm credit, and access to technology and communication, are key elements. Infrastructure is essential for small farmers to be able to access markets.

In the view of the **Dominican Republic**, there is a need for the Inter-Parliamentary Forum of the Americas (FIPA) to help create **a Parliamentary Front against Hunger**. Farmers need projects that will help them produce better. An exchange of debt for food would give the country breathing room, bearing in mind the country's reality that its debt is a heavy burden. As well, the Dominican Republic is affected by outside crises (such as the financial crisis, which resulted in fewer tourists, fewer exports, etc.). Billions of dollars have been spent to save large banks, but people also need assistance that would help them to create wealth. **Everyone should have the shared goal of enabling mankind to have purchasing power. Finally, a moratorium on servicing the debt is needed.** For the Latin American continent, the Inter-Parliamentary Forum of the Americas must be prepared to make strong recommendations.

Many factors are affecting food security, including trade, debt levels, education, income levels and the low prices received for basic production. **Parliamentarians must encourage** governments to enhance and subsidize production as well as provide more support for research. Climate change and the financial crisis are interlinked, and sustainable approaches are required.

In the view of **Panama**, there is a cycle and a number of factors are interrelated. **Programs that have social aspects must be tightly focussed and politically neutral**. Companies involved in hydroelectricity projects should share some of their profits with local communities. Self-sufficient farms need help in developing beyond self-sufficiency. Solidarity programs must be separated from politics.



Governments must concentrate more on agricultural development.

All governments should encourage and foster **school breakfast programs**, and all vulnerable sectors should receive help in terms of food support, education and health.

Guest speakers:

Mr. Juan Carlos Garcia Cebolla: A portion of profits must be redirected for: school lunch programs (which require government funds but are also **an opportunity for small farmers to sell their products**) and for infrastructure (roads, health care, veterinarian services, etc.). Food safety is also important, and it is imperative production facilities follow standards; that being said, small farmers are relatively unable to follow standards that are overly stringent.

Dr. Máximo Torero: Since global problems exist, it is important to support the **Doha Development Agenda**. To resolve the issue of price volatility, a virtual reserve should be considered. At the county level, private insurance is very important in relation to climate change, and some insurance payments are based on climate indices; farmers must understand this reality. A price information system is needed to ensure the availability of timely market information which, at the present time, is lacking. The distribution and production of farm inputs are too much concentrated. Land markets must be improved. Empowering women must also be a goal.

Dr. Michael Bedoya: A territorial approach to rural development is here a common macroeconomic goal.

RECOMMENDATIONS

Adopted by the Plenary Assembly of FIPA on September 15, 2009

Based on the deliberations of the Working Group on Food Security, which took place in the framework of the 6th Plenary Meeting of FIPA in Ottawa, Canada, September 13-15, 2009,

THE FIPA PLENARY ASSEMBLY makes the following recommendations:

1. Childhood malnutrition can have negative long-term effects on the future development of countries. Therefore, it is recommended that greater emphasis be put on food and nutritional education programs when food aid is delivered.
2. It is imperative that the cycle of malnutrition-hunger-poverty be broken; food aid alone is not sufficient, and nor is it sustainable. Therefore, it is recommended that programs aimed at building capacity and creating economic opportunities for the population - both individually and collectively - be increasingly considered by countries that deliver food assistance. Furthermore, the purchase of local food should be promoted when food aid is delivered.
3. Food security is a complex issue which includes many factors – notably socioeconomic and cultural aspects – that require a specific and common approach. Therefore, it is recommended that a cross-sectoral approach, based on institutional efforts to coordinate



the different efforts that affect food and nutritional security, be at the centre of public policies.

4. Access to safe water, like access to safe food, should become a human right. Therefore, it is recommended that the provision of safe water be promoted. It is also recommended that minimum food safety standards be put in place, provided they do not become an undue burden for producers.
5. Governments and Parliaments have a role to play, notably by approving adequate budgets for food programs. Therefore, it is recommended that FIPA Member Parliaments establish adequate institutional frameworks, strengthen the structure of their public agencies and set short, medium and long-term goals aimed at delivering sustainable support programs, including farm credit and crop insurance.
6. Furthermore, the Inter-Parliamentary Forum of the Americas (FIPA) should seek the promotion and establishment of a Parliamentary Front against Hunger in each Member Parliament, which is needed to advance a development and food security policy that is both sustainable and equitable for all.
7. Action, by both governments and Parliaments, is one element of the solution; small and young farmers are also important stakeholders, and are part of the strategy to fight hunger and poverty. Therefore, it is recommended that initiatives which would empower young and small farmers as well as family farmers should always be part of governments' strategies and programs; these measures should include extension services, adaptation, technology and innovation, with a focus on the education of rural young farmers and their families.
8. Furthermore, empowering farmers also results in a better relationship with local markets. Therefore, it is recommended that efforts be pursued by various agencies and governments involved in economic development. These efforts include the development of local co-ops and farmer associations through local and/or regional agricultural processing designed to enable producers to participate in the value chain.
9. The right to food is an important but not always well-understood concept despite wide acceptance of the notion as a basic human right. Therefore it is recommended that this concept be explained better to all populations and include relevant concepts and information prepared by such groups as the Food and Agriculture Organization. In ensuring the right to safe food, it is important to recognize the impacts of climate change on agricultural production, the need for sustainable food production and the requirement to use scarce water resources responsibly.
10. Trade remains an important component of economic development. It is recommended that the World Trade Organization objectives of reducing trade barriers and increasing market access be the main focus of all countries.



11. There is evidence of a significant relationship among political unrest, food prices and food security. Similarly, there is evidence of a link between the current energy crisis and the current competition for land and water. As a result, it is recommended that food security at the country and regional levels be assured and that fair competition in the development of bio-fuel, based on “basic grains,” be pursued. Furthermore, it is recommended that investment in research and development and in second-generation bio-fuels be pursued.
12. Reduced market volatility could be achieved by a humanitarian minimum reserve and by safeguard mechanisms to minimize speculative behaviour affecting various markets. In order to prevent excessive speculation, it is recommended that stronger regulatory mechanisms be implemented by all countries.
13. There is a need to improve and increase access, by the operators of small and medium-sized farm, to appropriate price information about their commodities. Therefore, it is recommended that countries find ways to improve their agricultural product price systems and increase their access to market information through the use of information and communication technologies, such as cellular phones.
14. It is recommended that the FIPA work with member Parliaments to ensure that all technical cooperation and available resources are used better, including horizontal collaboration among the countries of the Americas.

The Honourable Joan Purcell
President of the Senate of Grenada
Working Group Chair

Jean-Denis Fréchette
Chief, Resources and Environment, Library of Parliament, Canada.
Rapporteur