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UNITED STATES AGRICULTURE IN THE WORLD

WHAT HAS HAPPENED SINCE THE WORLD FOOD CONFERENCE?

[By Nathan M. Koffsky, Former Director of Agricultural Economics, USDA]

It is now one year since the World Food Conference was held in Rome. To those who looked for instant solutions to the world food problems, where, in fact, instance solutions do not exist, progress since then has been disappointing. More realistically, considering the inherent difficulties of building international cooperation among 130 odd nations in any activity, whether it be food or energy or monetary arrangements, there have been positive developments which offer some basis of optimism for the future.

What did the World Food Conference accomplish?

First, cutting away the political bombast, which unfortunately pervades such gatherings, it did focus world attention on the immediate food crisis which existed a year ago and forced the realization that the situation in developing countries would get worse rather than better over the long run if it were left unattended. Perhaps it is too much to say that the developing world managed to scrape through a difficult time without major catastrophe because of the World Food Conference. But it did help stimulate action for a large increase in food aid, especially from the U.S.

Second, the Conference came to an agreed world food strategy. This consisted of three main elements:

1. The first priority was to increase food production in developing countries, particularly in poor, food-deficit countries. If trends continue as in the past, the shortfall in cereals in developing countries would be so large by 1985 as to make the transfer of enough food from developed to developing countries physically or financially impractical. Further, the main hope for alleviating malnutrition of vulnerable groups in the developing world—some 450 million persons, made up mostly of children and pregnant or nursing mothers—would have to come from increased food production and reduction of poverty in the country itself.

The assemblage recognized that to increase the rate of food production in developing countries from about $2\frac{1}{2}$ percent a year (the historical rate) to the $3\frac{1}{2}$ percent needed would require a greatly enlarged flow of external resources to developing countries for investment in land and water development, production inputs such as improved seeds and fertilizers, agricultural research, extension and education, etc. For this, the Conference recommend that a new Inter-

national Fund for Agricultural Development be established to augment the activities of existing institutions, such as the World Bank and the Regional Banks.

Additionally, it was recognized, unfortunately more widely by donor countries than by recipients, that in order for increased financial aid to be more effective, developing countries would need to improve their organization and management of agricultural policy and programs.

2. Next was the need to improve world food security by establishing grain reserves to protect against crop shortfalls in major producing areas so as to ensure availability of supply when needed and some stabilization of prices. The figure of about 60 million tons of food grains and coarse grains was in mind.

Improving world food security also involved establishing a Food Information and Early System under FAO to provide current information on production, stocks, requirements, etc. To be fully effective, this would require participation by the USSR which has been a major cause of instability in grain markets.

3. Until developing countries would be better able to take care of their own food needs, an increase would be required in the level of food aid to 10 million tons of grain annually on a 3-year forward planning basis. This would be more than double the level of food aid from both multilateral and bilateral sources at the time of the Conference.

As mentioned earlier, commitments for food aid have been increased—approached nine million tons for the current year.

The World Food Conference passed 22 resolutions containing over 100 recommendations to U.N. bodies and National governments pointed toward attaining these objectives and related matters. What really distinguished the Food Conference was the attention given to establishing the mechanism for follow-up actions to implement the recommendations of the Conference. Too often in the past, such Conferences have ended with declarations or resolutions with little subsequent activity.

The institutional frame for follow-up recommended by the Conference and subsequently adopted by the U.N. General Assembly is as follows:

1. At the top is the *World Food Council* consisting of 36 member States elected by the General Assembly to represent the various blocs; OECD, Socialist Nations, OPEC and non-oil developing countries. Fundamentally, the purpose of the Council is to generate the political will among nations to do what they have agreed to do with respect to the food problem. Each country is a sovereign nation and free to follow its own course. The function of the Council is to monitor and coordinate and follow up on policies related to all aspects of the food problem—food production, nutrition, food security, food trade, food aid—by all agencies of the U.N. system. It is to review major problems and policy issues, the actions proposed by governments and the U.N. system, and recommend remedial action.

The Council's first meeting at the end of June did not come to grips with its mandate. It was overrun by the confrontation from some in the developing world on the New International Economic Order. Perhaps the best that can be said of the meeting is that it helped clear the air. There is some evidence from subsequent develop-

ments that at the next meeting, which will probably be before mid-1976, a more reasoned approach may prevail so that the Council can get on with its work.

The Secretariat to service the Council is small, with only five or six professionals. It is also the Secretariat for the formation of the International Fund for Agricultural Development. Under the Council, several bodies have been given responsibility for certain functions and will report on progress to the Council.

2. *International Fund for Agricultural Development* with a target of augmenting external resources for agricultural development by one billion SDR's (or \$1.2 billion). Several meetings have been held including potential donors and potential recipients to decide how the Fund will be organized and operated. Most of the funds would be in the form of grants or soft loans to poor countries or to poor segments in developing countries. The final working level meeting is scheduled for the last week of January, with formal adoption of rules and operating procedures and pledging of contributions, hopefully, to take place in early February. The concept is that OPEC and OECD countries would each subscribe one-half of the funds and the Board of Directors would be shared equally by OPEC, OECD, and recipient countries.

In order to raise the rate of food production in developing countries to 3½ percent a year, external financial assistance would need to be increased from last year's level of about \$3 billion to about \$5 or \$6 billion a year. With increased emphasis on agriculture by both international financial agencies and bilateral aid programs, the additional resources of the Fund could well bring this target into view. The Fund would be particularly important for those poor countries which require concessionary loans or grants.

3. *Consultative group on Food Production and Investment*, which is headquartered in the World Bank has three main functions:

- a. to encourage a larger flow of external resources for food production,
- b. to improve coordination of multilateral and bilateral aid,
- c. to ensure more effective use of available resources.

This group had its first meeting in July and will hold its next in February. Its first emphasis is on Investments required for seed and fertilizer production and distribution. It has been asked to identify developing countries with possibility for rapid expansion of food production and to estimate the investment requirements.

4. *Consultative Group on International Agricultural Research*, also headquartered at the World Bank, selects research priorities with the help of its Technical Advisory Committee and raises funds for international research centers. The Conference asked that the group also turn its attention to strengthening national research programs. This group meets each July. At its last meeting, it arranged \$62 million of financing for 12 activities, a far cry from the \$9 million required to support four international centers 5 years ago. Most of the ecological zones and essential food crops of the developing world are now covered by the international research system.

5. *FAO Commission of Fertilizers* reviews the world fertilizer situation particularly as it affects developing countries and, through

the International Fertilizer Scheme, arranges to help developing countries obtain needed supplies. Multilateral aid channels provided about 20 percent of fertilizer aid last year while bilateral programs supplied the rest. This Commission was requested to consider a similar program for pesticides.

6. *FAO Committee on World Food Security* is primarily concerned with the reserve grain stock issue. An ad hoc meeting in June at FAO did not get far. Other forums are also considering proposals. At present, the most promising is consideration in the International Wheat Council of the U.S. proposal for a reserve of 30 million tons of wheat and rice. The IWC meeting in September still left some knotty issues to be resolved such as conditions for release or accumulation of stocks, price stabilization and cost sharing. As Assistant Secretary Bell stated yesterday, although world grain production is higher this year, carryover stocks next year will probably be somewhat smaller and scraping along at minimum working stock levels. The potential threat to world food security is still undiminished.

7. *FAO* has begun to implement the Global Information and Early Warning System, and periodically informs the World Food Council on the world food situation.

8. *Committee on Food Aid Policies and Programmes* is an expansion of the functions of the Inter-governmental Committee of the World Food Programme. It is to provide for improved coordination between the multilateral food aid and the much larger bilateral food aid programs, and to recommend to governments via the World Food Council improvements in food aid policies and programs. It is expected that authorization for this committee will be forthcoming from the current sessions of the FAO Conference and the U.N. General Assembly.

9. *United Nations Conference on Trade and Development* is requested to inform the World Food Council on the world food trade situation, and on progress to increase trade liberalization and access to international markets for food products exported by developing countries. This awaits substantive results from negotiations under way at GATT.

10. *Nutrition*. Many U.N. agencies are involved in nutrition programs, WHO, FAO, UNDP, The World Bank, etc. These agencies have begun to map out a coordinated approach to integrating nutrition in planning for development, and in coordinating research. This is a prelude to actual programs to alleviate malnutrition.

So the picture that emerges is one of piecemeal progress and slow and difficult inching forward. Measured against the urgency of the problem and the World Food Conference goal that "within a decade no child will go to bed hungry, that no family will fear for its next day's bread, and that no human being's future and capacities will be stunted by malnutrition," performance has clearly been unsatisfactory.

But looked at in another way against the years where concern for the world food problem on an international level was not much in evidence and where there was little agreement on what to do about it, we have come at least to the beginning of the beginning. Also as a plus, the institutional mechanism for implementation is in place and

beginning to work. If the political will can be mobilized by the World Food Council—things could move much faster in the future.

Whether the World Food Council can come up to its responsibilities depends substantially on the posture of the United States. This country is the world leader in the matters of concern to the Council—food production, food trade, food security and food aid. Without the United States, nothing will move.

The basic source for optimism as to the future in dealing with the world food problem is that the U.S. has come forward as the leader in this international effort. This comes out of the statement of the Secretary of State on behalf of the President to the Special Session of the U.N. in September that the U.S. intends to contribute to the International Fund for Agricultural Development (an action affirmed in Congress), that it will maintain a high level of food aid, and that it is prepared to take on a substantial part of the burden in establishing a reserve stock of wheat and rice so that the world can edge away from living hand to mouth.

No one thinks that the struggle to eliminate hunger will come easy either in the political arena or on the millions of holdings in developing countries where the ultimate solution lies. I doubt that the high hopes of the World Food Conference, that no child will go to bed hungry or that no family will fear for its next day's bread, will be realized within a decade. But maybe there will be fewer who do as a result of what the International Community does from this time forward.