Lessons from the 2008 World Food Crisis

The global food price spikes of 2008 should not have come as a surprise. There were a number of long-term trends that were working towards the surge in food prices, which was finally occasioned by some proximate causes. While global prices have eased since then – though not in India – there are lessons to be drawn from the 2008 crisis. There is a need to increase food production without raising prices to consumers. This calls for significant public support for food production. Yet, the poverty and much more limited fiscal capacity of developing countries as well as the liberalised agricultural trade regulations over recent decades constrain them from being more supportive of food security efforts. In addition, international public support has fallen off since the 1980s as agro-business corporate interests increasingly influence public policy, trade regulations and access to technology.

Lack of food is rarely the reason people go hungry. Even now, there is enough food in the world, but more people cannot afford to buy the food they need. Even before the food price spikes of 2008, an estimated billion people were suffering from chronic hunger, while another two billion were experiencing malnutrition, bringing the total number of food-insecure people to around three billion, or almost half the world’s population. The sharp increases in food prices are likely to have driven the number of people vulnerable to food stress even higher; with at least another 100 million likely to have become chronically hungry. Even before the price spikes, about 18,000 children died daily on average as a direct or indirect consequence of malnutrition (Associated Press, 18 February 2007).

The rapid and simultaneous rise in world prices for all basic food crops – corn (maize), wheat, soybeans, and rice – along with other foods like cooking oils is having a devastating effect on poor people all over the world. The effects have been felt around the world by all except the truly wealthy. Almost everybody’s standard of living has been reduced as the middle class becomes increasingly careful about their food purchases, the near-poor drop into poverty, and the poor suffer even more. With increased hunger and malnutrition, the young, old, infirm and other vulnerable groups will die prematurely or be harmed in other ways.

It is useful to distinguish between longer term and more recent developments in trying to understand and address the current global food crisis.

**Longer-term Problems**

The major increases in crop yields and food production associated with the green revolution from the 1960s to the 1980s – with considerable government and international not-for-profit support – gave way to new policy priorities in the 1980s. By then, the threat of starvation had receded in most of the world, and the effort in wheat, corn and rice was not extended to other crops, especially those associated with water-stressed agriculture in arid areas of sub-Saharan Africa. Meanwhile, with Europe, the United States (US) and Japan offering their own farmers large subsidies to encourage production, food became abundant worldwide, and prices fell. For the rich countries, these subsidies and associated protection not only ensured food security, but were also a form of social protection for those living in the countryside.

Agricultural experts have, for years, warned of the risks of the flagging efforts to boost food output. “People felt that the world food crisis was solved, that food security was no longer an issue, and it really fell off the agenda”, Robert S Zeigler, the director general of the International Rice Research Institute (IRRI), told the New York Times. As food supply growth slowed, demand on the other hand continued to grow, and not only due to population increase. From 1970 to 1990, food supply grew faster than the population. Between 1960 and 1970, global grain yields grew by 2.6% per year on average. From 1990 to 2007, the average annual increase rose by less than half, i.e., by 1.2% yearly (Stokes 2008). Thus, after 1990, the trends have been reversed as the food supply growth rate fell below population growth, according to a US Department of Agriculture source cited by the New York Times. The numbers from the World Bank’s World Development Indicators (wdi) do not support this claim as food production rose by around 36% in 1990-2004 while population grew by only 21%. In recent years, the world has been consuming more grain than it has been producing, cutting into reserves and driving up prices. Early in 2008, as stocks declined further, and investors abandoned their previously preferred financial assets, international grain prices rose sharply.

Meanwhile, many developing countries, most notably China with its large population, have experienced unprecedented economic growth. With higher incomes, diets have shifted towards greater meat and dairy consumption, with increased requirements...
for grain for animal feed. There has been a tendency to blame the food crisis on such increased consumption.\footnote{6}

Having neglected food security and the productive sectors of their economies for several decades, many developing countries’ governments now also lack the fiscal capacity to increase public spending in order to increase food production and agricultural productivity. In recent decades, many developing countries have implemented policies recommended or required by the IMF, the World Bank, and even some western non-governmental organisations (NGOs) working in the poor countries of the third world. This trend has greatly reduced policy space in developing countries, especially fiscal space.

The problem has been exacerbated by the significant drop in official development assistance for agricultural development in developing countries. Aid for agriculture has fallen in real terms by more than half in the quarter century after 1980. The biggest cutbacks have affected grants to agriculture in poor countries from the governments of wealthy countries and in loans from development institutions that these governments control, such as the World Bank. The Bank cut its lending for agriculture from $7.7 billion in 1980 to $2 billion in 2004.

The green revolution had led to the creation of a global network of research centres focusing on agriculture and food production, primarily in developing countries, with 14 institutes in Asia, Africa and Latin America, such as the IRRI in the Philippines and the International Maize and Wheat Improvement Centre in Mexico. Known collectively as the Consultative Group on International Agricultural Research (CGIAR), these research centres have experienced significant budget cuts and face further deep cuts. Commercial seed supplier Monsanto spends seven times as much on agricultural research as these 14 institutes together (Stokes 2008).

Agricultural research and development has fallen for all crops in all developing countries, while cuts in agricultural research continue. Adjusting for inflation and exchange rates, rich countries cut such grants by about half from 1980 to 2006, from $6 billion to $2.8 billion yearly, with the US alone cutting from $2.3 billion to $624 million. The US is cutting, by as much as three quarters, its $59.5 million annual support for the CGIAR network. All this has adversely affected research on crops and pests, as well as agricultural extension programmes to help farmers adopt improved farming methods. Instead of trying to stay ahead of rapidly evolving pests and the changing climate to ensure global food security, support for agricultural research has declined drastically.

As budgets have been cut, spending on plant-breeding programmes – needed to improve crop productivity – has declined. IRRI’s budget, which comes from governments, foundations and development institutions such as the Asian Development Bank, has been halved – after adjusting for inflation – since the early 1990s. As a result, “[s]everal dozen important varieties of rice have been lost from the institute’s gene bank through poor storage. Promising work on rice varieties that could withstand high temperatures and saltier water – ideal for coping with global warming and the higher sea levels that may follow – had to be abandoned” (Bradsher and Martin 2008).

**Trade Liberalisation**

The conventional wisdom holds that a free market economy, with minimal government interference, would function more efficiently, and thus become more productive.\footnote{7} Hence, governments should stop subsidising farmers to purchase fertilisers, stop being involved in the marketing, storage and transportation of food, or credit provision, and just leave farmers alone. Following advice to this effect, including from international development agencies, many developing country governments reduced their subsidies for small farmers and consumers, making their lives more difficult.\footnote{8}

Rich countries have continued to subsidise and protect their farmers, and their agricultural subsidies and tariffs have undoubtedly undermined food production in developing countries. However, cutting farm subsidies will increase food prices, at least initially, while reducing agricultural tariffs alone will not necessarily lead to an increase in food production in poor countries without complementary support. Some food security advocates have called for rich countries to compensate for the adverse consequences of their own agricultural subsidies and protectionism by providing additional foreign aid to the developing world, targeting production efforts that enhance food security.

Since the 1980s, governments have been pressed to promote exports to earn foreign exchange and import food. Although enhanced agricultural production is desirable, much of the recent emphasis has been on export crop production. While this may help a country’s balance of payments, export-oriented agriculture does not ensure sufficient food. It can induce investment in producing higher-priced luxury crops, rather than the lower-priced food crops required to meet the needs of the domestic population.

Instead of developing their own agriculture, many poor countries have turned to the world market to buy cheap rice and wheat. In 1986, US agriculture secretary John Block called the idea of developing countries feeding themselves “an anachronism from a bygone era”, saying they should just buy American. Increased food production and lower food prices have undoubtedly contributed to poverty reduction in much of the world, but the consequences are complex. Higher food prices affect different poor people in different ways, with food producers possibly benefiting while all others will be worse off.

Some countries that were previously self-sufficient in food now import large quantities of food. Net food imports are now true for most developing countries, including sub-Saharan Africa. Then Madagascar President Marc Ravalomanana noted that Africa had a surplus of exports in cereals, rice, soy beans and other food products in the early 1980s; “Over the years, we increasingly shifted towards imports of these products” (quoted in Dano 2008). Thus, food security went the way of various other government interventions associated with the earlier period of high growth and rapid development associated with the “Golden Age”. But food should not be treated as just another commodity, and governments should develop appropriate policies, infrastructure, and institutions to ensure food security (not to be equated with total self-sufficiency) at the national or regional level.

Following the 2008 food price hikes, some countries lowered tariffs to reduce the impact of much higher prices of imported food, but such stopgap efforts had marginal impacts at best. Others – mainly, but not only
net food importers – restricted food exports to insulate their populations from rising international food prices by limiting the option of exporting food for higher prices (Ali 2008). Such export restrictions have undoubtedly further limited supply to a relatively small international rice trade, thus contributing to price increases, especially for rice.

The World Bank and the World Trade Organisation (WTO) still claim that agricultural trade liberalisation offers the medium-term solution to the current food crisis even though eliminating food subsidies will raise food import costs in the short term.7 Even if completed, the Doha round does not envisage very significant reduction of agricultural subsidies and tariffs, but would further undermine national food security measures while ensuring greater international dependence on relatively few major food exporters associated with the Cairns group. While higher food prices may make food production in developing countries – for domestic markets and for export – more attractive to farmers, this will not necessarily reduce food prices, the root of the current crisis. If food prices decline, the incentive to continue food production may be undermined once again.8

In any case, the complete elimination of agricultural tariffs and non-tariff trade barriers is certainly not on the agenda in the Doha round. The reduction of such trade barriers is likely to mainly benefit existing agricultural exporters of the Cairns group, rather than most poor developing countries. Also, it is now increasingly acknowledged – e.g., in the “aid for trade” discussion – that new productive capacities and capabilities do not emerge automatically following trade liberalisation, but need to be supported by appropriate government support measures. Hence, it becomes necessary to ensure a strong domestic supply response with strong public support for domestic productive capacity building.

Other Longer-Term Trends

Other medium- and long-term factors contributed to the 2008 food crisis including:

- The growing demand for meat among those newly able to afford it has increased the use of food crops to feed livestock. Total meat supply in the world quadrupled from 71 million tonnes in 1961 to 284 million tonnes in 2007 (Magdoff 2008a). Developed countries have blamed fast growing developing countries, such as China and India, for the food price increases, emphasising the grain requirements of increased meat production, though FAO trend data do not support this claim.
- Over-fishing is reducing this important animal protein source for many; the consequent higher fish prices thus further burden the poor and the near poor. The problem is acute for both marine as well as fresh water fishing, and the growth of fish farming has proved to be problematic for both ecological as well as nutritional reasons. There is relatively limited progress towards resolving the very complex issues involved.
- Weather has also adversely affected agriculture in many parts of the world. Climatic changes associated with accelerated greenhouse gas emissions are believed to have exacerbated water supply problems, speeded up desertification and water stress, and worsening the unpredictability and severity of weather phenomena, e.g., the decade-long drought in Australia.
- Forests have long been an important source of food (e.g., forest fruit, ferns, tubers, fauna) for many rural dwellers living close to subsistence (Nasi et al 2007). Continued deforestation for logging, agricultural land cultivation and other purposes has also reduced the natural carbon sink potential – thus accelerating climate change – and biodiversity functions they have long contributed to. The international community has failed to develop equitable deterrents to deforestation and incentives for forest conservation.
- Another reason is the loss of farmland to other uses. Growing population pressure, urbanisation, other non-agricultural uses of land as well as the attraction of non-food agricultural production (e.g., for horticulture) have reduced farm acreage available for food production, while agricultural land is increasingly used to produce commodities other than food, such as biofuels (Magdoff 2008b).
- Soil erosion is a slow and insidious process, with ominous implications for agricultural productivity in the long term. Most problematically, the inexorable pressures on commercial farmers’ short-term interests to maximise net agricultural income threaten soil quality and the efficacy of soil conservation efforts. The quality of top soil, crucial to agriculture, has been declining over the years owing to a variety of reasons related to agricultural and land use practices (“Soil Under Strain”, Financial Times, 17 July 2008) such as pollution, mono-cropping, misuse of fertilisers, etc. Water supplies, so essential for agricultural irrigation, are also under threat as underground aquifers and other sources of water supply are being depleted or compromised by such factors.

Finally, fewer and fewer transnational agribusinesses now dominate marketing, production, and inputs (Jargon 2008). This comes largely at the expense of small farmers and consumers, particularly the poor, who are forced to trade in a less competitive environment in situations of asymmetric power. Transnational corporations that process agricultural commodities, manufacture and sell food as well as agricultural inputs enjoy increasingly monopolistic and monopsonistic market power, enjoying attendant rents.10 In other words, with such industrial concentration, “market competitiveness begins to decline, leading to higher spreads between what consumers pay and producers receive” (World Bank 2010).11 The four largest agrochemical companies now control 60% of world fertiliser supply compared to 47% in 1997, while the top four seed supply corporations have a third of the world market, rising from 23% over the same decade (Stokes 2008). Moreover, with less government support, rural credit has often become prohibitively expensive. Although a few agri-businesses have encountered specific problems, most have been profiting exceptionally with the recent price increases.

As such longer-term trends exacerbated over recent decades, the stage was being set for a food emergency.

Proximate Causes of Food Price Hikes

The acceleration of growth in developing countries in the last half decade has been associated with high primary commodity, especially energy prices. Ocampo and Parra (2008) have emphasised that the boom has mainly involved minerals, particularly oil, rather than agriculture. The prices of the 60 agricultural commodities traded on the world market increased 14% in 2006 and 37% in 2007 (New York Times, 19 January 2008). But even among agricultural
commodities, world food prices have risen since 2006, following the flight of investment from other financial assets to agricultural futures. Nevertheless, Ocampo and Parra (2008) point out that the agricultural price increases of 2008 barely reached the average post-war prices in most cases.

Corn prices began their rise in the third quarter of 2006 and soared by some 70% within months. Wheat and soybean prices also skyrocketed during this time and are now at record levels. The prices for cooking oils (mainly from soybean and palm oil) – an essential foodstuff in many poor countries – have rocketed up as well. Rice prices have also more than doubled in the year ending in the first quarter of 2008 (“High Rice Cost Creating Fears of Asia Unrest”, New York Times, 29 March 2008) and have almost tripled in recent times. Some of the other reasons for these rising food prices will be mentioned below.

The increase in oil prices affected food prices. Commercial agriculture uses a great deal of oil and natural gas for running machinery, producing chemical fertilisers and pesticides, drying crops and transportation. In the US, Europe and elsewhere, crops are increasingly being grown to produce biofuels. Thus, producing corn for ethanol or soybean and palm oil for biodiesel undermines the use of these crops for food. In 2007, over 20% of the entire US corn crop was used to produce bio-ethanol although the process does not yield much additional energy over what goes into producing it!

Some biofuels are clearly far more cost-effective and energy-efficient than others, while different biofuel stocks have very different opportunity costs for food agriculture (e.g., sugar did not experience any significant price increase in 2007-08). Developed countries have provided generous subsidies and other incentives for such increased biofuel production within their boundaries while developing countries encouraging biofuel production have provided far less “market-distorting incentives” to farmers.

According to Brazilian President Lula,13 sugar cane cultivation only takes up 1% of the country’s total arable land, with only half of that for ethanol production. He also claimed that ethanol production in Brazil does not encroach on the Amazon where only 21,000 ha are planted with sugar cane on previously degraded pasture land. India, on the other hand, claims to be developing biofuels using non-cereal biomass, crop residues and cultivating jatropha on degraded land. However, the US claims that only 2-3% of the 43% global food price increase forecasted is due to biofuels. Hence, the debate over biofuels in relation to food availability needs to be far more nuanced, differentiated and specific if we are not to throw the baby out with the bath water of some undoubtedly poor biofuel policies in recent years, especially in the wealthy economies.

Speculation and hoarding also contributed to the 2008 food price spikes. In addition, more securitisation, easier online trading, and other financial market developments facilitated greater speculative investments, especially in commodity futures and options markets, including those affecting food (OECD 2008; Chilton 2008). As the US sub-prime mortgage crisis deepened and spread in early 2008, speculators started investing in food and metals to take advantage of the “commodities super cycle” as the greenback’s decline relative to other currencies has induced investment in commodities instead. Falling asset prices in other financial market segments, following the sub-prime mortgage meltdown in the US, may be more important for explaining the 2008 surge in food prices than supply constraints or other factors underlying longer-term gradual upward price trends.

U-Turn in Washington?

As is clear from the above, the World Bank has been central to the fate of food security and agriculture over the last three decades, especially by reducing funding for investments in agricultural infrastructure, support institutions and research as well as by promoting trade liberalisation. The mid-2007 publication of the 2008 World Development Report (WDR) (World Bank 2007) on agriculture for development was therefore remarkable for various reasons. Notably, it was the first WDR – the World Bank’s flagship publication – on the subject after more than a quarter of a century.

This is not the place to try to summarise or criticise the entire report. The report offers a comprehensive review of many aspects of agricultural production and distribution, even addressing previously unaddressed or poorly addressed issues – for the World Bank – such as peasant organising, political voice, unequal market power, ecological concerns and gender equity.

Surprisingly, the report lacks historical perspective and does not have much to say about the decline of agricultural production in many developing countries. However, the report does acknowledge policy mistakes, making careful references to the consequences of structural adjustment programmes (e.g., World Bank 2007: 138).

Importantly, Chapter 4 of the WDR acknowledges that trade liberalisation generates winners as well as losers, and that “the overall effect of trade policy reform on farm incomes of food staple producers in the poorer developing countries is likely to be small” (ibid: 112). The trade openness discussion focuses on export expansion with little acknowledgement of the problems associated with import growth. With no reference to the 1948 Havana Charter’s commitment to trade reform to accelerate growth and create employment, it equates trade reform with trade liberalisation, and presumes that trade must be liberalised; in this view, governments are expected to compensate the losers but the report does not specify any mechanisms for international compensation for lost revenue as well as productive and trade capacities and capabilities due to trade liberalisation, thus taking a step backward in the aid for trade dialogue.

WDR 2008 acknowledges that transnational corporations dominate a number of agricultural markets, and that “growing agribusiness concentration may reduce efficiency and poverty reduction impacts” (ibid: 135). It has little to say about corporate power although it acknowledges asymmetric market power and the differential impacts of policies on different segments and strata of agrarian populations. “Concentration widens the spread between world and domestic prices in commodity markets for wheat, rice, and sugar, which more than doubled from 1974 to 1994. A major reason for the wider spreads is the market power of international trading companies” (ibid: 136). While apparently sympathetic to peasant organising and enhanced political voice at the national level, it is silent about the challenges posed by asymmetric and undemocratic economic and political power at the international level.
Agricultural financing has begun to recover recently at the World Bank, perhaps due to the preparation and publication of the 2008 WDR on agriculture as well as the food crisis. The World Bank has already agreed to double lending for such programmes in Africa, and with the food crisis, it is likely that such institutions will be expected to commit more to supporting a revival of food agriculture.

The 3-5 June 2008 food summit in Rome saw the articulation of many different, often contradictory, solutions to the world food crisis in the short and medium term (Oxfam 2008; Young and Mittal 2008). The starkest difference was probably between Food and Agriculture Organisation (FAO) Director General Jacques Diouf on the one hand and the alliance of the Washington-based international financial institutions, the WTO and the Organisation for Economic Cooperation and Development (OECD), led by World Bank President Robert Zoellick, with the former calling for a renewed commitment to food security as the latter urged agricultural trade liberalisation as the solution.

At the Rome meeting, Diouf also criticised the failure of rich country governments following the 1996 World Food Summit despite the preparation of many agricultural plans and programmes by many developing countries as well as regional organisations (Dano 2008). Consequently, aid for agriculture has fallen in real terms by more than half from $8 billion in 1980 to $3.4 billion in 2005. He noted the existence of a carbon market worth $64 billion in developed countries, but with no funds to prevent deforestation of an average of 13 million ha annually. In addition to protective tariffs, which is key for food security. It noted that the declines in agricultural investment, research and development (R&D) and official development aid (ODA) have been key long-term factors contributing to food insecurity. It also recognised the recent role played by biofuel subsidies and market speculation.

Some of those who attended, including Pope Benedict XVI, called for increased access to international markets for products from the poorest countries. Others, such as Muammar el-Qaddafi of Libya, called for an end to the purchase of African farmland by food-importing nations, warning that such “new feudalism” could spread to Latin America as well. During the negotiations, the FAO, with support from Latin American, western Asian and African nations, proposed setting a timeline for the eradication of hunger by 2025, but the proposed idea was reportedly rejected by the US, the European Union, Canada, Japan, New Zealand and Australia. Countries also failed to agree on a target to increase agriculture’s share of ODA, which peaked in 1980 and gradually falling. The FAO had hoped the summit would set an agriculture aid target of $4 billion annually to help farmers in poorer countries.14

The World Bank’s Independent Evaluation Group (IEG) has assessed the development effectiveness of World Bank assistance in addressing constraints to agricultural development in Africa over the period 1991-2006 in a pilot for a wider assessment of assistance to agriculture worldwide. The study’s central finding is that agriculture has been neglected by both governments and the donor community, including the World Bank.

The World Bank’s strategy for agriculture has been gradually subsumed within a broader rural focus, which has diminished agriculture’s importance. As much food agriculture in developing countries is deemed to have limited export potential compared to other cash crops, food crops have generally been especially neglected. Like other advocates of trade liberalisation, the commitment to food security has been substituted in favour of the notion of “global food security”, with developing countries encouraged to maximise export earnings to pay for food imports and other requirements in a new, ostensibly welfare-maximising international division of labour.

Both due to and contributing to this, the technical skills needed to support agricultural development adequately have also declined over time. The World Bank’s lending has been thinly spread over various agricultural activities – such as research, extension, credit, seeds, and policy reforms in rural space – with little recognition of the synergies among them to effectively contribute to agricultural development. Although there have been areas of comparatively greater success, results have been limited because of weak linkages, e.g., of research with extension, and the limited availability of complementary and critical inputs such as fertilisers and water. Hence, the World Bank has made little contribution to African agricultural progress in particular as the original green revolution’s focus on rice, wheat and corn ignored most African food crops, especially those suited to water-stressed conditions, increasingly prevalent in much of the continent.

Prospects

Food prices in international markets have declined since the second half of 2008. Measured in US dollars, food prices are now about 24% lower than their July 2008 levels. Most countries have reduced or eliminated the export bans and other export restrictions put in place during the food price spikes of 2007-08. However, the poverty challenges posed by higher food prices still remain with food prices in low-income countries rising again from mid-2009 (World Bank 2010: 36, Figure 1.20). Also, by the end of May 2009, food prices in low
income countries were 8% more than non-food prices, compared with January 2003 (World Bank 2010: Figure 1). Thus, the poor in low income countries “may not be benefiting from lower international food prices … and … a significant portion of the 130 million pushed into extreme poverty during the food-price spike … may have exited poverty as might have been expected given the fall in international food prices” (World Bank 2010: 36).

The expected rise of both energy and food prices is likely to put upward pressure on food prices in the medium to longer term, especially with world economic recovery. The rapid economic recovery in China, India and elsewhere is already having some impact on commodity prices. On the other hand, over the longer term, if agriculture gets the priority it deserves in terms of investment, research and productivity gains at the global level, long-term food supply should improve. However, advances in agricultural productivity in many poor countries have not been keeping pace with population growth. For example, between 1980 and 2004, per capita agricultural output grew by less than 1% a year in Sub-Saharan Africa while growing by more than 3% per year in east Asia.

Already, there has been an increasing dependence on imported food in Sub-Saharan African countries over recent decades, with the region transformed from a net food exporter in the 1980s into a net food importer by the early 21st century. The green revolution half a century ago mainly involved wheat, rice and maize, neglecting the range of other food crops so important to peasant agriculture in most of Sub-Saharan Africa. A focus on these crops, coupled with agricultural extension, infrastructure and other support programmes, will be crucial to raising food production and security in the continent as well as in other dryland areas elsewhere in Asia and Latin America.

The widespread increase in hunger following the food price spikes of 2007-08 underscores the need to increase food production without raising prices to consumers. This is clearly unlikely to happen without significant public support for food production as it has already happens in Europe, Japan and elsewhere in the developed world. Yet, the poverty and much more limited fiscal capacity of developing countries as well as the liberalised agricultural trade regulations over recent decades constrain developing countries from being more supportive of food security efforts. Meanwhile, international public support for such efforts has fallen off since the 1980s as agrobusiness corporate interests increasingly influence public policy, trade regulations and access to technology.

NOTES
1 As Josette Sheeran, the head of the UN’s World Food Programme, has said, “There is food on shelves but people are priced out of the market” (The Guardian, 26 February 2008). Also see “Poor in India Starve as Surplus Wheat Rot”, New York Times, 2 December 2002; “Want Amid Plenty, An Indian Paradox: Bumper Harvests and Rising Hunger”, Wall Street Journal, 25 June 2004. For more academic analyses, see Fred Magdoff (2008a), Guha-Khasnobis, Acharya and Davis (ed. (2007a), b).
3 The following discussion on the decline of funding for agriculture, especially for research, draws heavily on Bradsher and Martin (2008).
4 Rice yields per acre in Asia have stopped rising; there has been no per acre increase for at least a decade, while yield increases are not expected in the near future (Rice Today, January-March 2008).
5 The discrepancy may be due to some treatments of all cereals as food for human consumption, while some are used as animal feed and more recently to produce biofuels.
6 “Food Crisis: Rice Blames It on Better Diet in India, China”, The Economic Times (India), 29 April 2008. This view had been articulated earlier by the Executive Director of the United Nations World Food Programme; see Sheeran (2008). According to the World Food Programme country page for India, “India is one of the world’s hungriest countries. While economic growth has probably increased incomes and food consumption for many, many more seem to have slipped off”. According to the 2007 Arjun Sengupta Report of the National Commission for Enterprises in the Unorganised Sector, the total number of poor and vulnerable increased from 722 million in 2000-01 to 771 million in 2002-03.
7 According to Jeffrey Sachs, “in most reforming countries, the private sector did not step in to fill the vacuum when the public sector withdrew” (New York Times, 15 October 2007). According to Jeffrey Sachs, “the whole thing was based on the idea that if you take away the government for the poorest of the poor that somehow these markets will solve the problems….But markets can’t step in and won’t step in when people have nothing. And if you take away help, you leave them to die” (New York Times, 15 October 2007).
8 In 2007, Malawi decided to reverse course and reject the policy recommendations received and reintroduced subsidies for fertilisers and seeds. Farmers used more fertilisers, yields increased, and Malawi’s food situation greatly improved (New York Times, 2 December 2007). Such claims are even disputed by advocates of trade liberalisation, e.g. see Bhagwati and Panagariya (2008).
9 Governments can procure crops from food processors at guaranteed prices or subsidise production, and sell at affordable prices. Such food security policies were widespread before structural adjustment programmes came in the 1980s. Subsidies and controls are obviously distortions, but the cost of such distortions should be weighed against the benefit of food security and vulnerability to poverty. E.g. see “Supermarket Giants Crush Central American Farmers”, New York Times, 8 December 2004.
10 For example, the share of the coffee retail price paid by US consumers going to coffee-producing countries declined from a third in the early 1990s to about 10% in 2006.
11 The rest of this paragraph draws on Dano (2008).

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Young, Sophie and Anuradha Mittal (2008): Food Price Crisis: A Wake Up Call For Food Sovereignty, The Oakland Institute, Oakland http://www.oaklandinstitute.org/pdfs/Food_Prices_Brief.pdf