

World Food Crisis and the Filipinos' Right to Food

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IN THE first quarter of 2008, Filipinos woke up to a harsh reality: the price of commercial rice, the country's staple food, skyrocketed from P24-28 to P32-40, reaching up to the present P38-46.

All of a sudden, long queues of mostly mothers and children appeared in many towns and cities, enduring the sweltering heat just to buy cheaper government rice at P18 per kilo.

The spike in rice prices was a jolt, no, a shock to the already overstretched budget of minimum wage earners who could only afford to bring home P350 or less a day (although government data revealed that they need at least P700 a day to live decently).

Of course, the normal reaction would be to ask why this was happening. What was causing the increase in the prices of food commodities?

World food crisis

Relatively, the Philippines is 'luckier' because in other countries, mostly in Africa, the spike in food prices felt in the latter part of 2007 triggered chaos, riots and political turbulence.

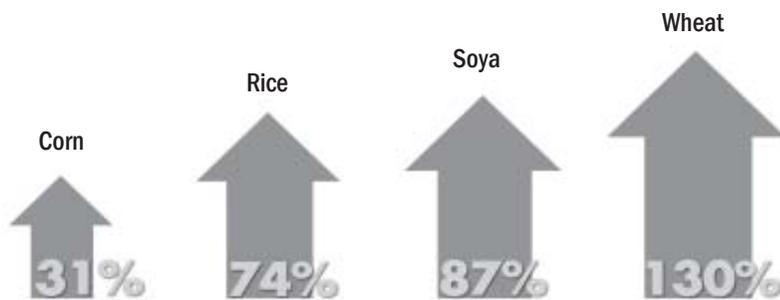
UN secretary general Ban Ki Moon declared that "the rapidly



escalating crisis of food availability around the world has reached emergency proportions.” According to him, the problem threatens to set back the almost a decade effort of the international community to combat global poverty.¹

Since last year, food researchers have been monitoring the spiralling prices of the basic food grains such as rice, wheat, and corn. According to UN Educational, Scientific and Cultural Organization (UNESCO), the prices of wheat have risen by 130% since March 2007 and soy prices soar by 87%. The World Bank (WB) added that world food prices have increased 83% over the last three years.²

Rise of prices in a single year, March 2007-March 2008



Source: Bloomberg, except rice: FAO/Jackson Son & Co

The Food and Agriculture Organization (FAO) sounded the alarm on February 13 this year, saying that 36 countries were already in crisis due to higher food prices and would need external assistance.³

The UN food agency attributed to the following reasons for the rising food prices⁴:

- a) low world food stocks, particularly wheat and corn, after a two-year below average harvests in Europe;
- b) crop failures in major food producing countries like Australia in 2006-2007;
- c) rapidly expanding demand for grain-based biofuel, the production of which tends to divert productive resources



Photo: Medical Action Group (MAG)

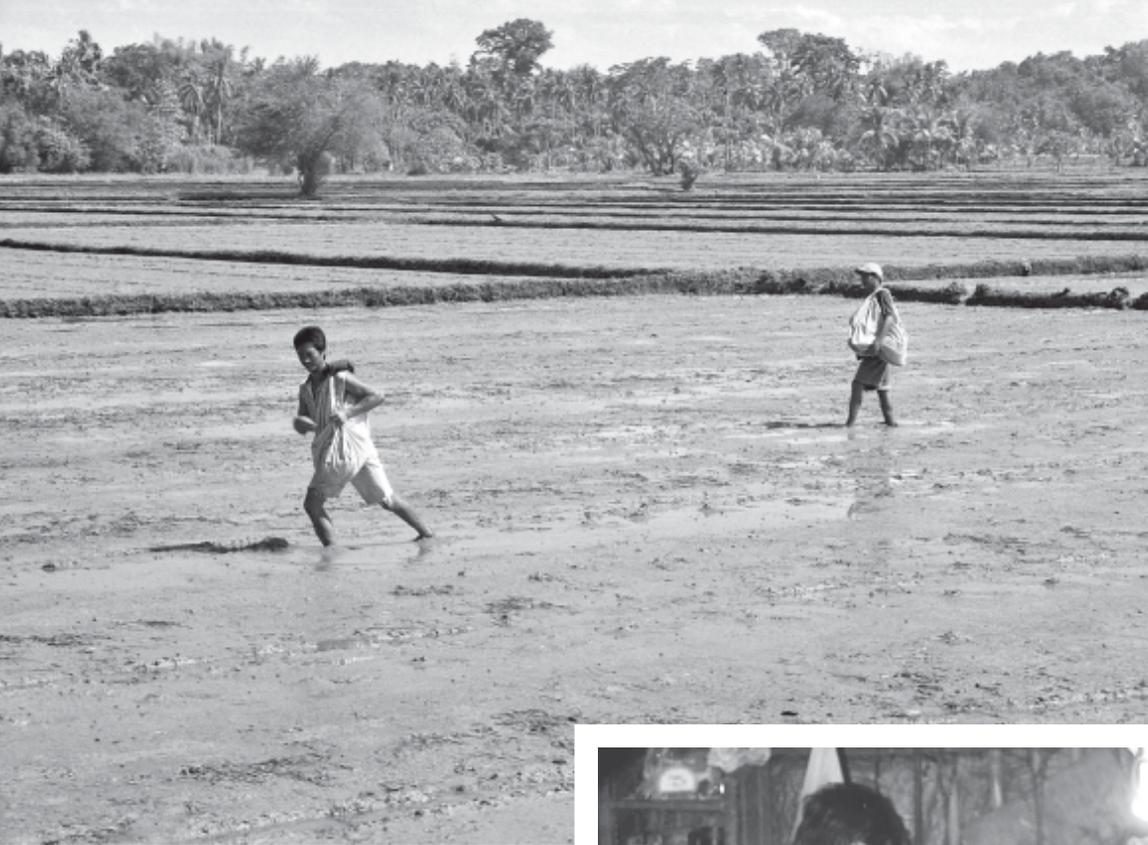


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like land from food cultivation;

- d) lower surplus production of developed countries due to reduced farm subsidies;
- e) increasing demand from fast developing economies, especially China and India;
- f) climate change and resource constraints, especially water.

What the FAO failed to mention was the rising oil prices as another contributor to the food crisis, since it also jacked up the costs of farm inputs such as fertilizer and pesticides as well as production and delivery expenses.

Also left out was market speculation. The weakening dollar prompted investors worldwide to transfer their venture from money market to commodities, triggering increased demand that led to higher prices.

As if coping with expensive food items is not crippling enough, FAO further assures us that the current level of food prices are here to stay for a couple of years, probably until 2015.

Hardest hit

Poor countries like the Philippines, with most of its citizens spending more than half of their meager income on food, were the ones gravely affected by soaring world food prices.

Worse, the country's dependence on imports, especially rice, to feed its people made it more vulnerable to the effects of the global food crisis.

In the past, the Philippines used to be self-sufficient in rice. Now it is listed by the US Department of Agriculture as the number one importer of milled rice for 2007, beating Nigeria, Indonesia and Bangladesh for the top spot.⁵

Self-inflicted?

Analysts believe that the Philippines somehow contributed to the world food price crisis, when in the last quarter of 2007 and the first quarter of 2008, it dramatically increased its rice demand in the world market.

The country's transformation from self-sufficient to being the top importer of rice in the world indicates a lot about how the government has been fulfilling its obligations in relation to the right to food of Filipinos and to its duties as a member of the international community.

When an agricultural country with still sufficient productive resources finds itself dependent on food imports, then the government must be doing something wrong or not working hard enough to ensure that its farmers and fishers would have enough produce. It must be also amiss in creating an environment in which food is efficiently transported and distributed to consumers at affordable levels.

The rampaging world food crisis presents an opportunity for the government to adopt policy changes such as legislating a food security act, to correct its long-running 'sins' against the people, like the ineffective agrarian reform. It should also implement programs that would provide long-term support to agriculture, like irrigations, roads, and credit facilities. (See *"Harvesting Hunger: The Philippine Rice Crisis,"* for more proposals for dealing with the food crisis.)

These are strategic responses to the global food crisis that should be pursued along with the current actions of the government like the Food for School program and the giving of assorted subsidies to the poor. Otherwise these short-term measures would just be palliative and might even be seen as political gimmickry.

The global food crisis is also a test, a very tough one, for the government to hurdle and prove its mettle in realizing the right to food of its constituency even during the most trying times.





SOURCES

- ¹ Philippine Star, "UN: Global food crisis now an emergency." *April 16, 2008*, <http://www.abs-cbnnews.com/storypage.aspx?StoryId=115162>
- ² Associated Press, "UNESCO urges immediate revamp of global farming rules." *Philippine Daily Inquirer*. April 16, 2008, <http://newsinfo.inquirer.net/breakingnews/world/view/20080416-130671/UNESCO-urges-immediate-revamp-of-global-farming-rules>
- ³ World Bank, "High Food Prices: A Harsh New Reality ." <http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/0,,contentMDK:21665883%7EpagePK:64165401%7EpiPK:64165026%7EtheSitePK:469372,00.html>
- ⁴ Food and Agriculture Organization, "The ten most Frequently Asked Questions about the recent rise in food prices." January 2008, <http://www.fao.org/worldfoodsituation/faq.html#Q1>
- ⁵ "Asian states feel rice pinch," http://news.bbc.co.uk/2/hi/south_asia/7324596.stm#graph

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