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G77 on Food and Agriculture: Subsidies of Rich Countries and Commodity Speculation Must Be Curbed

The G77 and China made a statement on SDGs and food security and sustainable agriculture as well as health, stressing the need for developed countries to cut rich countries' agriculture subsidies and for curbing speculation in commodity markets that result in price volatility. Many developing countries that were self sufficient in or exporters of food now depend on imports. Below are excerpts of the statement presented by Ambassador Peter Thomson of Fiji, Chair of the G77 and China, on behalf of the Group, at the third session of the UN working group on SDGs, on 22 May 2013.

In formulating the SDGs relating to food security and nutrition, sustainable agriculture, desertification, land degradation, drought, water and sanitation, the Group holds the view, that it is critically important to ensure that we adhere to the criteria agreed to by countries in Rio+20, namely that the SDGs must be "global in nature and universally applicable to all countries while taking into account different national realities, capacities and levels of development and respecting national policies and priorities".

In this regard, we underscore the importance of linking international factors to an 'enhanced global partnership', the critical role of means of implementation, together with national actions and efforts to be taken by countries at the national level. The three-component approach is essential because the formulation of laudable goals at the national level will not be attainable unless structural factors, including international factors, are addressed. Similarly, developing countries require international cooperation in finance, technology transfer and capacity-building if they are expected to achieve the SDGs. The G77 and China is of the view that the OWG should discuss means of implementation of each of the topics that we discuss as well as more concrete elements that could be part of a specific goal.

Food security and nutrition are essential dimensions of sustainable development. Despite progress over the past decades, it is estimated that one in eight people in the world today or a total of 868 million people are undernourished and approximately two billion suffer from micronutrient deficiencies. Yet, globally, more than 1.4 billion adults are overweight. The challenges of malnutrition, coupled with the negative consequences of obesity, accentuate the urgent need for a 'people-centered' approach to food security and nutrition.

The attainment of food security and the move towards sustainable agriculture, including increased food production in developing countries, are important issues to be discussed in the SDGs framework. Agriculture, which is broadly understood to include crop and livestock production, fisheries, and forestry, is the most important sector in many developing countries and is central to the survival of millions of people.

Eliminate North's harmful agriculture subsidies

It is also important to stress that agricultural subsidies and other trade distortions by developed countries have severely harmed the agricultural sector in developing countries, limiting the ability of this key sector to contribute meaningfully to poverty eradication, rural development and sustainable, sustained, inclusive and equitable economic growth. Elimination of such subsidies is a fundamental part of the global effort to promote agriculture, rural development and eradicate poverty and hunger. Equally important is market access to developing country agricultural products.

In this regard, we stress the necessity of a timely conclusion of the Doha Round of multilateral trade negotiations, which must fully respect its development mandate and take into account the needs and priorities of developing countries. A successful outcome of the Doha Round will help to ensure growth in global trade and create new market access opportunities for developing countries.

As long as current conditions prevail, it is difficult for developing country agricultural producers to implement a paradigm shift towards sustainable agriculture. Many developing countries, particularly the LDCs that were once self-sufficient in food or were exporters of food, have become dependent on food imports as a result of significant distortions in developed countries' farming sector as well as international trading rules which are skewed against the developing countries.

The challenges facing agriculture in the next few decades are complex. With increased global population growth, there will be increased demand for food, feed, fuel and fibre. While increasing food production is vital to meet these new demands, the G77 and China holds the strong view that the current practice of wasting one-third of food produced -- 1.3 billion tonnes per year -- is not sustainable and must change. Agriculture systems worldwide must become more productive and less wasteful. Sustainable agricultural practices, including both production and consumption, must be pursued from a holistic and integrated perspective encompassing, at various scales, from the local to the international level, the economic, social and environmental dimensions of sustainable development.

In Agenda 21, the outcome of the Rio Earth Summit of 1992, nations acknowledged the need for "major adjustments in agricultural, environmental and macroeconomic policy, at both national and international levels, in developed as well as developing countries, to create the conditions for sustainable agriculture and rural development". This statement is still relevant 21 years later and we cannot afford to postpone our collective efforts any further.

At the international level, subsidies in developed countries that act as disincentives to the transition to sustainable agricultural practices in developing countries must be modified, to ensure an expansion of local food production (in the latter). Rome-based UN agencies, the FAO, WFP and IFAD, with mandates and programmes to promote sustainable agricultural practices, should provide relevant

technical support to enable developing countries to prioritise sustainable agricultural practices.

Public financing and transfer of appropriate technology by developed countries are needed not only for the adoption of sustainable agriculture but also to put in place the required infrastructure, communications and other enabling conditions.

Tackle the speculation in commodity markets

The increasing involvement of non-commercial actors in the market of food and food-related commodities, or the so-called financialisation of the sector, has played a major role in the emergence of the problem of the excessive food price volatility. This large inflow of speculative capital to commodities, particularly food and other agricultural commodities, contributed to a large extent to the worsening of food insecurity. Vulnerable populations in developing countries have had their economic and social right to food and nutrition threatened, reinforcing inequality and exacerbating poverty.

It is imperative therefore, that the root causes of excessive food price volatility, including structural causes must be addressed seriously. The G77 strongly believes that commodity markets should operate in a properly regulated manner that avoid excessive volatility and speculative activities and serve the real needs of both producers and consumers.

Vital developmental role of the state

Most agricultural production in developing countries involves small land holdings, mainly producing for self-consumption. Smallholdings account for approximately 85% of the world's farms. To support the economic viability of smallholder agriculture and thus reduce their vulnerability, policy actions are required to enhance smallholder producers', particularly women, indigenous people and people living in vulnerable situations, access to credit, markets, secure land tenure and other services.

In terms of policy and investment choices at the national level, eliminating hunger involves investment in agriculture, rural development, decent work, social protection and equality of opportunity. Other enablers include, among others, sustainable agriculture, infrastructure, education, water, health, the empowerment of women and gender equality.

In this regard, the developmental role of the State is vital. The State needs to play a pro-active developmental role in investing and building infrastructure conducive to sustainable agriculture, such as water supplies and rural roads that facilitate access to markets. It can also assist smallholder producers, through developmental friendly policies to enhance production capacities, and encourage efforts to diversify and increase the value-added of agricultural products.

Desertification, land degradation and drought

Desertification, land degradation and drought (DLDD) corrodes the three pillars of sustainable development. Addressing this will enable countries to deal with challenges, such as food security and adaptation to climate change. While parties to the UN Convention to Combat Desertification (UNCCD) should fully support the implementation of that Convention, the promotion of exchange of knowledge on best practices and lessons learned from global, regional and cooperation in combating desertification, land degradation and drought should be encouraged. Sustainable development goals and targets on DLDD should address the drivers of DLDD. They should also look at the preventive and corrective aspects of DLDD. Sustainable land use by all and for all could be the goal with targets on sustainable land and forest management, preservation, and regeneration or restoration of degraded lands.

Emphasis should be given to the mobilization and channeling of adequate and predictable financial

resources to help address the effect of desertification and improve the livelihoods of vulnerable people affected by them. The Group supports commitment to achieve a land-degradation neutral world in the context of sustainable development and the establishment of an intergovernmental scientific panel on desertification, land degradation and drought.

The Water Challenge

It is of great concern that today, about 2.5 billion people still live without improved sanitation, and over 800 million people, are without access to an improved water source and many more remain without safe and sustainable water supply. The water challenge goes beyond access to water, sanitation and hygiene. The vital importance of water to sustain habitat and species' survival and human existence was also acknowledged in the Muscat Declaration on Water, adopted by the First Ministerial Forum on Water of the G77 in 2009. Improving and promoting easy access to water and sanitation production, irrigation and hydro-energy production will lead to tremendous progress in the eradication of poverty and food insecurity, in accordance with the Millennium Development Goals and Integrated Water Resources Management.

In formulating the SDGs, consideration must be given to equitable and universal access to safe drinking water, sanitation and hygiene, while ground and surface water should be developed and managed sustainably in an integrated manner to satisfy human needs while respecting the fragilities of our ecosystem and its limitations. Also, in order to provide access to water, all states benefiting need to contribute to the costs involved in water infrastructure and maintenance.

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