

2018 Global Food Policy Report Media Briefing Teleconference: Transcript

March 20, 2018

Time: 8:00 am – 8:45 am

Participants: IFPRI [Shenggen Fan](#), Director General, [Alan de Brauw](#), Senior Researcher, [David Laborde](#), Senior Researcher, [Joe Glauber](#), Senior Researcher.

Moderator: [Drew Sample](#), Senior Media Relations Specialist

Full audio recording available [here](#)

Opening Remarks:

GFPR Overview: Shenggen Fan

Our 2018 Global Food Policy Report very much focuses on how globalization and global integration affect the global food systems. I must say that we have achieved quite a bit. The world is facing radical changes, including rising anti-globalization sentiment in many parts of the world. IFPRI's 2018 Global Food Policy Report examines how these changes are impacting global food systems through the flow of goods, investments, people, and information. Food systems have been central to recent unprecedented reductions in poverty, hunger, and undernutrition.

1. Policies that encouraged globalization through more open trade, migration, and knowledge sharing helped spur these achievements.

At the same time, because of the many difference developments, inequality and environmental challenges are looming, and food has become one of the leading causes of our global health and sustainability crises.

Food systems are still not providing healthy diets to much of the world's people.

1. After many years of decline hunger is on the rise; 850 Million people are hungry
2. millions of children remain stunted;
3. and many national food systems are transitioning towards diets high in salt, sugar, and fat, that have been linked with rising incidents of obesity, heart disease, and diabetes.
4. Right now, 2 Billion people in the world are either obese or overweight

Our current food systems are also pushing environmental limits:

1. agriculture contributes about one-fifth of global greenhouse gases,
2. and consumes about 85% of global water use – much of it unsustainably.

People are noticing the shortcomings of our current global systems.

1. The United States' withdrawal from the Trans Pacific Partnership and Paris Climate Agreement,

2. the United Kingdom's "Brexit" vote to withdraw from the European Union,
3. and rising concerns with immigration in many countries underscore a widespread backlash against globalization.

But these desires to roll back our open global systems threaten to slow progress toward achieving the Sustainable Development Goals to end poverty and hunger by 2030. I think the anti-globalization movement will, indeed, set back the progress.

Protectionist trade measures obstruct one of our most crucial means for feeding growing populations and sustainably using our planet's limited resources. And restricting global flows of migrants increases food security and nutrition threats for those migrants and their families.

Food systems have the unique potential to fix many of our most pressing global problems, but must be transformed into sustainable systems that support healthy diets for all.

1. If food systems are designed to be inclusive of smallholder farmers, women, and youth, they can boost economic development while reducing inequalities and hunger.
2. If trade is made inclusive it can improve incomes and access to healthier foods.
3. If migration remains possible some of the world's most vulnerable people can improve their own food security, and in many cases, provide much-needed income to families in their home countries.

Global cooperation to enact policies that leverage the benefits of globalization while minimizing its risks will be key to achieving food security and nutrition sustainably. Our 2018 Global Food Policy Report provides the evidence and analysis necessary to craft such policies and foster trust in them. For more detail on the specific issues of trade, migration, and the global impacts of domestic agricultural policies in developed countries, I now turn to my colleagues and authors of chapters on those issues.

GFPR Trade Chapter: David Laborde

Trade: David Laborde

I will say that from the dawn of time, we have seen uneven distribution in where you can produce food and where you want to consume food. And with increasing globalization – this trend has just grown over time. And globally, in the last 200 years, we have seen this increasing trend with demographic boosts in Europe, then in Asia, where basically land is scarce and you need land and water from other parts of the world.

The idea that you want to limit trade from the beginning was seen as a huge constraint on how you can expand your population and, behind this, if you don't have the natural resources, you will see an increase in food prices. So, you will have a bigger impact on your poverty but also, you will push your wages up and you will lose competitiveness in the industry.

Economic growth was linked to the availability and access to food products. If you have a demand domestically you have to import food, and, of course, if you have a lot of natural resources, you want to be able to export food at these higher prices to boost your income of farmers. And today, we see this

large share of poor people that are farmers in developing countries and, if you were to trade, you are cutting opportunities for them to get a good income for their production. And here you see the linkages, because if you cannot get a good income from their production at home they are more pressured to migrate, for instance. So, we see this web of inter-linkages.

Now, it is true that trade and globalization has some limitations that we discussed in the chapter. But, most of these problems are not due to trade. They are due to imperfect governance at home. But, of course, we have to see trade as a catalyst – it accelerates things. It accelerates innovation. It accelerates transformation. And, if you do not have a good social safety net, this acceleration and transformation has a social cost.

So, international trade is not about less governance, it is about more governance – better governance. We also don't want to throw the baby with the water. So, we want to address the problem and the problem isn't trade, but imperfect governance on the part of your society.

Over the last 40 years, the worldwide share of food calories crossing international borders rose from about 12% to more than 19%. Over this period, developing countries played an increasing role in food trade – both as exporters and importers. Ghana, for example, increased the number of food products it imports by 58% in the past 15 years.

The open and inclusive international trade environment that encouraged this growth has significantly contributed to falling levels of hunger, better nutrition, and increased economic development by helping boost food availability, access, and stability of supply.

As populations have swelled in recent decades, food trade has helped meet growing demand by relieving pressures on limited local land and food resources with additional food supplies from countries with abundant arable land.

Trade has also improved nutrition by providing access to more diverse food supplies. Through trade, year-round consumption of healthy products like fruits and vegetables is possible in areas where they cannot be grown for much of the year, and nontraditional food items that improve nutrition become available – such as milk in East Asian countries.

While more open trade can lead to real problems like increased inequality or health and environmental damage, active policies and strong institutions that address the root causes of these problems can minimize the risks while preserving the benefits of trade.

Social safety nets can help protect populations from the adjustment costs of trade; better resource governance can limit environmental damage from increased production; and improved consumer education can help mitigate the consumption of unhealthy foods.

Trade has become a symbol of the failures of globalization, but it has been essential for many of our greatest achievements in improving livelihoods across the globe in recent decades. Restricting trade will only harm welfare for us all – instead we must look for policies that target the root causes of our global problems.

GFPR Migration Chapter Media Briefing: Alan de Brauw

Politically motivated arguments that immigrants disrupt local economies, decrease wages, increase crime, or impose financial burdens on receiving countries are not supported by the evidence from research on migration.

In the longer term, migration is most often beneficial for receiving economies, as well as for the migrants themselves and even the countries they leave.

A 2017 report prepared by the US Department of Health and Human Services, for example, estimated that refugees added a net \$63 billion to the US economy the previous 10 years.

Upticks in migration in recent years have driven rising anti-immigration sentiments in much of the developed world, though, resulting in increasing calls for tightening borders and migration restrictions.

But restricting migration threatens food and nutrition security in three important ways:

1. Research has well established that migrants who leave voluntarily enjoy higher standards of living after migrating, so reducing their opportunity to migrate would leave more potential migrants in food insecure situations.
2. Households that migrants leave tend to benefit: either from remittances they receive or through more favorable per capita consumption they experience with fewer people to feed.
3. Reduced opportunities to permanently settle refugees and others forced by conflict to migrate exposes them to prolonged food or nutrition insecurity, and strains donor resources used to support them.

Migration will not be an issue that fades in the rearview mirror in coming years. The number of people displaced by conflicts doubled between 2007 and 2016 to around 64 million people, and climate change models suggest that environmental displacement will increase pressures to migrate from environmentally threatened areas of developing countries.

Even in an environment of growing hostility towards immigration in many developing countries, there are several things both developed and developing countries can do to ease the burdens of migration and effectively use it to potentially improve food and nutrition security.

1. Seasonal migration can help remove people from food insecure situations during lean seasons, without facing as many of the political challenges as permanent international migration. A program in Bangladesh that provided food insecure households with less than \$9 a person for bus tickets during the lean season increased per capita consumption, and could be replicated elsewhere.
2. Developing countries can reduce some of the costs of migration by removing high passport costs and other bureaucratic obstacles, or targeting recruitment for migrant contract-work programs in poor rural areas.
3. Financial service providers can develop new products – particularly using mobile technology – to provide poorer potential migrants access to the capital they need to migrate at lower costs.

4. Newer information and communication technologies, such as remote sensing, data collection on mobile phones, and improved connectivity, can be used both to help warn of crises before they occur and manage them after they occur.

GFPR Domestic Policy: Joseph Glauber

In a globalized world, domestic farm support policies in developed countries – including high tariff and support prices – can have a profound, and most often negative, impact on poor farmers in developing countries.

Though many of these policies are designed as a sort of safety net for farmers in developed countries, they often lead to overproduction that depresses global prices for agricultural commodities. Low-income farmers in developing countries are often the biggest losers in these scenarios, facing low prices for their goods, usually with much lower levels of support.

In the long term these lower prices can reduce the incentive for low-income farmers in a developing country to produce, and reduced production can increase malnutrition and food insecurity, creating a vicious cycle against rural development.

Over the past 25 years developed countries have made great progress in reducing farm support policies that distort global markets, but total support among the OECD countries remains high, at \$228 billion. More troublingly, recent policy discussions in the US and EU raise the possibility that some of these reforms could be weakened in ways that could again significantly impact global prices and harm poor farmers in developing countries.

While current discussions for the US Farm Bill expected to pass this year suggest little change to most support programs, proposed support programs for cotton and dairy producers could again distort production levels. And in the EU proposals to grant more flexibility to agricultural insurance schemes could end up with programs that act more as price supports than safety nets.

Support for agriculture provides important support, and safety nets, agricultural research, and food safety services are particularly critical investments for agricultural development. But support that distorts production and trade harms some of the world's most vulnerable farmers, and should be phased down and eliminated.

Reducing agricultural distortions in global markets would allow producers in developing countries to capitalize on their comparative advantages, thus improving income and reducing rural poverty and malnutrition.

Questions and Answers

1. Question: Thank you, thank you so much for the introduction. I would like to ask the experts on how protection, the new trends of protectionism, are going to affect agri-food trade in the future. How do you think these new trends are already affecting, maybe?

Answers:

Shenggen Fan: I think Joe can come in or even David— I think I can start. I think yes, indeed, I would say some of the tariffs and some of the domestic subsidies that have been used, yea, could affect the global food system. For example, if the US begins to increase tariffs on certain products imported from China, China could actually increase the tariffs on soybeans. Joe, you have written on that. That will affect the US farmers, the US Food industry. But again, that will also affect the Chinese food industry. So, this is a lose-lose scenario so we don't want it to happen. Joe, maybe you want to add a bit on that, the current anti-globalization trend will affect the global food system...

Joe Glauber: Well certainly, the prospects of trade wars occurring would be detrimental, I think, for many. And even though we tend to focus on the players/parties involved in bi-lateral trade disputes and other things, it is the others who often times are hurt the most because by raising tariffs, often times products have to go elsewhere in the world, they depress world prices, they can have impacts on other, and often times poorer, developing countries.

David Laborde: I think that the point made is quite important – It's not just because we see a conflict between two big players between two big players – we just discussed between the China and the US and the fact that if you start to put tariffs on steel you will see retaliation in another sector, soybeans. Similarly, if [the US should put a tariff on steel from the European Union], the European Union is going to put a tariff on orange juice. To hurt specific states in the US to put political pressure, so you will see this combination of retaliation and political economy. But because you disturb the trade between the big players, you will see the product moving around and perturbing other markets, with some dumping. So, that is a big direct effect. The second important effect is you will start to see less cooperation, so you can see also more subsidies at home to compensate the loss of markets. And more subsidies at home leads to more distortion and (as Joe Glauber has said) it can lower incomes for poor farmers. And last but not least, as it has been discussed, with the pressure on global food system, the climate change we need investment; we need innovation. And you don't do large innovation if you don't know what the future will be, if you can access global markets. So, restricting the size of each market, we reduce innovation and on the long run you pay the price of these short term policies.

2. Question : Thanks very much for a wonderful report from the authors and the entire team. I want to, before I put my question, because I have opportunity to travel as an agricultural journalist around the continent of Africa. I believe that ensuring that agricultural producers have adequate access to and control of productive resources, and addressing the gender gap, can contribute significantly to

reducing poverty, and putting security in Africa's rural areas. How different is this 2018 report, in terms of tackling the issue of projecting these stories of the difficulties of these farmers?

Answers:

Shenggen Fan: We really wanted to have a global food system that is inclusive, that can benefit smallholders, women and youth. But, as there is a policy, it is a policy - it is governance. How can we make sure that the smallholders and women have access to inputs, to resources, to markets, to knowledge? I think about, actually about two years ago, 2015/2016 the Global Food Policy Report has a chapter particularly on that –addressing gender issues. How the government and policy, how the governance can really help to empower the woman. IFPRI, Oxford and the USAID even constructed a Women's in Agriculture Empowerment Index, to really make sure that governments are accountable to [bridging the gender gap] to make sure that we change the policy; creating access to land, access to services, and access to also the political voices. So about two or three years ago, we do have a chapter.

David Laborde: Thank you very much for this question because I think it is really at the core of this discussion. You really identified a significant problem that we know well at IFPRI and on which we have written- the Gender Gap, on this lack of access to natural resources or particularly low productivity. And you see that basically trade and protectionism here is never the solution because of course the easy solution is to say that because we have this problem, we have this low productivity, in Africa we cannot compete on the world market so we need protectionism and tariffs but this will never solve the problem because the problem has to be addressed at its roots, and it is gender inequality, its lack of financial services for small holders and these short term protectionist policies have a tendency to last. So, you keep high tariffs for twenty years, thirty years sometimes, you never address the problem. So basically, you put a band aid on a wounded leg and you don't solve your issue – and this is really key. Policymakers have to focus on the real issue and not just on short-term, easy solutions.

Alan de Brauw: The only thing I would say is often-times when you restrict trade it actually, I think, hurts women more – they bear more of the burden than any section. I think that is worth keeping in mind.

3. Question: I would like to have some input on the specific case of small island developing states whose small, local production can in no way compete sometimes on the international market, with more developed countries. Perhaps you can speak to this kind of country.

Answers:

Shenggen Fan: I think small island states will face some tremendous challenges because of climate change. Many of them probably will submerge. Many of them will face more erratic climate patterns or weather patterns. So, what will be the way for them? There are many strategies, one is wealth migration. The other is to develop a climate resilient production system. The third is to go beyond agriculture to tourism, many other alternatives. There are so

many small island states so there is no one fit strategy. So, that is why, sometimes, the data, the research, and the evidence will be very critical for these small islands to find an appropriate way for them to move forward.

David Laborde: Trade was critical and is critical. As Shenggen has said, with climate change – and we have already seen last year how domestic production can be destroyed by events such as hurricanes. Therefore, you will need to import. And you need infrastructure so you don't stop to build a port and facilities to distribute goods if you do not have them. So, for them also, they do not have a large-scale production so they will have to specialize in niche products. So special value chains in agriculture and creating a brand. So, specific varieties of Cocoa, (etc.) - we have seen it. But, also, as Shenggen has said, tourism, diversification is key and even trade in services. So, mainly in the book we focus on trade in goods and agricultural products but when we think of trade, you have trade in goods, trade in services. You have migration; trade in labor, you have investment; trade in capital, and you have innovation; trade in ideas. And all of this is globalization. And you cannot just pick and choose one element because if you need to import food, you need to export something. So, is it your labor force? Is it your industries? Is it your services? And that is what we try to explain, to make it clear that yes, you cannot just pick and choose what you want, when you want. You need healthy systems where people can have access and benefit from it, and that requires good governance at the global level.

Shenggen Fan: I also wanted to emphasize the point of Knowledge. Some of the small Islands in the Pacific region often their trade is tourism, incomes rise and they begin to import a lot of food. But that did not do much good to them. They become very overweight- obese. The [rates] of diabetes are rising so, knowledge about health and about nutrition is also very critical. But that does not mean that we should stop the trade, we should stop the service or stop tourism. So, I think that the way is to provide knowledge, to provide education to every citizen in these countries.

Alan de Brauw: I am guessing this is a part of the global migration compact that is being negotiated right now. There has got to be some bits in that, I am not as aware of it as I would like to be. But, particularly for small island developing countries, with small populations, that will be threatened more by climate change – it makes sense for the world to come together and create solutions for those countries together rather than bickering over trade talks.

4. Question: What measures do you think the World Trade Organization can take to address these trade pitfalls and also improve the global food system.

Answers:

Joe Glauber: You have raised a very good point. I think what the world really wants to see is unilateralism that is with countries taking aggressive actions against others – that these disputes should really be resolved in the WTO. And this has been one of the great benefits of creation of the WTO back in 1995. It is a dispute settlement body and a system of rules that can deal with precisely this sort of charges that countries raise. i.e. If you think that another country is improperly subsidizing production of steel production, for example, soybean production or

whatever, you are able to take a dispute to the WTO and an impartial panel will then look at the rules others have agreed to and come to a decision. I think that is the proper way for these disputes to be handled.

David Laborde: I think that trust in the global governance system is key. We have to be very careful because, you know we can think that globalization has achieved a level that it has never achieved and we are going to stay on this track, no. Things can collapse. In the story of trade and trade of policies we see that things can collapse very quickly and in the 19th century we had this lab with globalization but it was not based on multi-lateral system it was based on a bi-lateral system. And, at the end of the 19th century, we started to see rising protectionism, following an economic crisis. As a domino effect, all these agreements collapsed and practically paved the way for the first world war. Because, if you don't trade, in many cases, you start to make war. Because you want to take the resources that you cannot access through trade and through markets. But also, because economies are less interlinked, you have less cost to make a war. If you bring your inputs from one country and that was based on the idea to build the European Union, after the second world war, by the idea that if the corn produced in France can be sold to feed the pigs raised in Germany, you will start to see peace. Because when policy-makers will start to cause problems, the pig farmers in Germany and the corn farmers in France will start to say, "Be careful". So, hopefully in the situation that we are now in, let us hope that the soybean and the cow farmers in the US will start to say to some policy-makers, "Let us be careful, because you are going to hurt my interest and you need to revert in the next election."

Shenggen Fan: The global system was set up probably before or right after the second world war. I think right now, some of the emerging players India, China, Brazil must play a bigger role, to continue to push the WTO instead of the traditional Europeans and US. So, that will really reinforce the value of the WTO. And the second is knowledge. I believe we can provide reliable, very objective, knowledge information and data on how everyone can benefit from global integration or trade. In the meantime, we can address some of the challenges, as part of that process. That will be the way to go. Otherwise we will sit and wait until the sun begins to shine again – and that is not going to happen.

5. Question: Food systems are uniquely positioned to play a role in solving many of our greatest crises right now, and environmental health, planetary health, as you mentioned. Are there any specific examples that stand out to you as real success stories, where food systems have focused their efforts to improve our planetary/human health?

Shenggen Fan: Well, I think that the food systems have existed for many years what we really want to do is to have a new food system approach, and that new food system must be very inclusive. We must make sure that women, smallholders, youth are included in that system. We must also make sure that this new food system is sustainable; that it does not use too much water, too much minerals and does not give too much carbon emissions. Right now, the food system is giving many carbon emissions. Other sectors, energy and transportation, are doing great work in terms of reducing the carbon emissions based on the targets but, if we don't do

anything on food, the planet will already be 2-3 degrees warmer. So, we must tackle that. Obviously, the food system also provides jobs and employment opportunities. So, how can we really juggle all these objectives together, and all these goals, together? That is why we need a food systems approach to make sure that everybody works towards that goal.

So now, what are the good examples? I think there is no example of 'the' food system. I think it is just different components of the food system. For example, we do have certain technologies that can help to really enhance nutrition – enhance more food production but also reduce the carbon footprint. And other technologies from our systems – our international agro-quality research systems and national systems that can serve that purpose. Then, obviously, the processing or the trade companies can also begin to push towards that. So, on one hand, to address business and on the other hand to address health and nutrition issues. Some of the nutrition companies can begin to move towards that. So, there is no good example of 'the' food system, but we do have examples of good components. So, in the future, what we can do is really make sure that all the components in the food system will address nutrition, health on one side and planetary health, environmental and economy change on the other.