

Fasbender, Karl

Article — Digitized Version

Food for the world: Gloomy prospects

Intereconomics

Suggested Citation: Fasbender, Karl (1975) : Food for the world: Gloomy prospects, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 10, Iss. 1, pp. 26-28,
<https://doi.org/10.1007/BF02929414>

This Version is available at:

<https://hdl.handle.net/10419/139138>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Food for the World: Gloomy Prospects

by Karl Fasbender, Hamburg *

In view of the urgency and size of the problem how to feed the world's population, the framework given to the recent World Food Conference did not seem to be over-extended. The poor results, however, give again rise to the general question whether international mammoth meetings like the one in Rome have not long lost their usefulness.

Hunger, as a problem for the entire world, was the subject of the recent World Food Conference and nobody who could represent an interested party regarding this problem failed to make his appearance there: No fewer than 1,314 government representatives from 140 countries, 233 delegates of 59 international organisations, 355 experts of 63 non-governmental organisations, and 13 people representing six liberation movements responded to the invitation that called them to a conference at Rome from November 5 to 16, 1974. If it was desired to demonstrate the urgency and size of the problem how to feed the world's population by the vastness of the necessary efforts, the framework given to that conference was certainly not over-extended.

During the last World Food Conference in The Hague, which sat in 1971, some moderate degree of optimism was still the general consensus, but this has long become obsolete. Experts are no longer inebriated by the "Green Revolution". Sobriety has replaced their euphoria. The main reason has been the harvest failure which affects several regions of the world at the same time and proves how little reason there is for rejoicing or for slackening in the endeavour to tackle this problem.

The World Food Situation

World grain harvests¹, over the last twenty years, have grown steadily to about 1.25 bn t annually in 1973. Annual growth required merely by rising world requirements is of the order of 25 mn t. Since growth of demand is not so much the effect of rising income per head as mainly of population increases, the insufficient level of supplies is

hardly improved through harvest accretions of that size. Even for the "normal" harvest year 1970, FAO has estimated the number of undernourished and faultily nourished people, using the most stringent definitions, to be about 400 mn. Using less cautious criteria which, however, could still be called eminently reasonable, this enormous figure might well be doubled. Of 97 LDCs as many as 61 were in need of additional foodstuffs in 1970.

In 1972, a disastrous meteorological coincidence led, for the first time, to an absolute fall in harvest yields simultaneously over several continents by an aggregate of 33 mn to 1.17 bn t. Apart from most LDCs, some industrialised countries were also hit, notably the Soviet Union which, for the first time since its birth, tried to make good the deficiency not by cutting supplies to its population but by imports whose totals have, so far, remained unknown.

Though grain surpluses of the US and Canada had reached a new high in 1972, their grain reserves together with those in other industrialised countries and LDCs were sufficient only for making up about 30 p.c. of the gap in supplies that had risen to 58 mn t. Grain prices subsequently rose, which affected and still affects mainly the poorer strata of the world's population, the inhabitants of LDCs. With high demand meeting low grain exports, 1973/74 prices of wheat, rice, and soybeans more than quadrupled against 1972. The price of maize trebled. What made things worse was the fact that food aid of the US which, in former years, had been able to cover up to 45 p.c. of LDCs' import demand, was drastically cut.

However, since industrialised countries reaped relatively good harvests in 1973 and most LDCs were able to increase them slightly (except in the Sahel zone), widespread and disastrous famines could be prevented. Many countries of the Third

* The Hamburg Institute for International Economics.

¹ cf. regarding this and related problems mainly United Nations World Food Conference, The World Food Problem, Proposals for National and International Action, Rome, November 5-16, 1974, and *ibid.* "Die Ernährungslage der Welt in Gegenwart und Zukunft" (The World Food Situation Now and in the Future), CESI 42/74, Ge. 74/10388, and the World Food Conference's press releases.

World had to import much grain and this absorbed much of the funds previously earmarked for essential development projects which therefore had to be postponed, or whose completion had to be delayed. From harvest statistics so far available it appears that 1974 yields have again reached so high a level that some countries are able to replenish their reserve stocks. As there are large differences in the size of the harvests between the individual regions, the food problem has been reduced to one of "fair" distribution. And given some good will, it seems that difficulties arising from this will not be insuperable.

But is this a reason for reverting to a moderately optimistic view? True, a recurrence of such adverse climatic conditions as in 1972, worldwide, will be a rare event. At a first glance, it also appears that the successes of agricultural policy during recent decades make a plea for a more rosy forecast: as recorded by FAO, in 22 of 72 LDCs which have collected statistical data, agricultural production during 1953–1971 even surpassed the aim of the current development decade of 4 p.c. annually. Only 13 LDCs showed average annual increments of 2 or below 2 p.c. In 48 countries, food output rose faster than their population, and in 32 of them faster than actual demand. Even during the crisis year of 1972, harvests, in the aggregate, topped those of 1966, another year with similarly adverse weather, by 20 p.c.

Such conspicuous effects of the efforts spent do not only appear to justify optimism, they also prove that many LDCs have undertaken notable and successful work in their farm economies to an extent which is largely unknown in industrialised countries. Thus, acreage under plough was enlarged in non-African LDCs by an average of 0.7 p.c. annually, which is more than aimed at by the Indicative World Plan for Agricultural Development². Similar observations can be made about the introduction of new technologies. Even in the use of fertilisers, the rate of growth of 14 p.c. extrapolated as desirable by FAO was approximately reached.

But still, in spite of these striking successes, there is scant reason for complacency, not only because other target figures of FAO, e.g. growth of meat and egg production were not met or not sufficiently achieved, partly because of shortage of grains, but in "too many countries" — according to FAO — agricultural credits benefited almost exclusively the big farmers, which made major existing problems worse, that derive from the lopsided distribution of personal incomes. Moreover, in more and more regions of the world, the

development stage during which comparably small obstacles to production can be cleared away for achieving a relatively large harvest expansion is nearing its end.

Additional harvest growth now requires cumulatively larger investments, and the growth potential of sowing new, more productive grain strains has been largely exhausted. Farmers who are willing and able to use new developments have mostly been already retrained, and reeducating the remainder is a highly time-consuming business. To overcome all these foreseeable problems has now been made additionally difficult by the new and unexpected energy crisis. It is not only steeply rising prices of motor fuel which impose higher costs on farmers, but their fertiliser supplies became more expensive, too, and thus enforced a reduction of fertiliser use.

OECD has calculated that LDCs, in 1974, had to earmark for importing their fertiliser requirements, alone because of the oil price increases by about 300 p.c., US \$ 8.24 bn more than originally estimated. This alone is only slightly less than the total public aid given by all DAC-states. Even though it may be possible to supply the required quantities during coming years, oil and fertiliser prices, even if they might not be inflated further, will certainly be stabilised on a high level and thereby too high for many farmers to afford them. Declining harvests will be the inevitable effect, and important development investment will have to be cancelled or delayed.

Prospective Development of Demand and Output

As to the required minimum volume of future harvests, FAO has published its calculations long ago. For reasons of population growth, food production in industrialised countries must show an average annual growth till 1985 of 0.9 p.c., and in the Third World of 2.7 p.c. And when personal incomes rise, demand will grow correspondingly, which bring the required food growth rates p.a. to 1.6 and 3.7 p.c., respectively. In the aggregate, average required annual growth rates will be 2.5 p.c. This means that in 1985, compared to 1970, there must be supplied the following additional quantities: 200 mn t of food grains, 140 mn t of milk, 110 mn t of vegetables, 90 mn t of fruit, 60 mn t of meat, and about 180 mn t of animal feed. And even if this target could be reached, it would still leave 34 countries in 1985 where average demand per head does not fill average physical requirements per head of the population.

In view of the virtually insurmountable difficulties in collecting data, FAO was not able to opt for working out a detailed and sufficiently reliable forecast on world farm production. Instead, it

² cf. FAO, Provisional Indicative World Plan for Agricultural Development, Vol. 1-3, Rome, August 1969.

simply extrapolated existing trends. With some reservations, it decided to consider the period 1961/63 to 1973 as representative. It made the assumption, at the same time, that agricultural policies will remain virtually unchanged. Linear growth rates accepted, food production would then show an average annual increase of 2.1 p.c., but if growth rates are to be exponential, the annual increase would be 2.7 p.c. However, there will be great regional differences (see Table).

Table:

Annual Growth Rates of Population and of Supply and Demand of Foodstuffs

(actual and projected) 1962-1972 and 1969/71-1985 (in p.c.)

Region	Population		World Food Production 1962-1972	Projected Trend		Demand 1969/71 to 1985
	1962-72	1969/71 to 1985		linear 1969/71-1985	exponential 1969/71-1985	
Industrialised Countries	1.0	0.9	2.7	2.8	2.3	1.6
Free Market Countries	1.0	0.9	2.4	2.4	1.9	1.5
USSR and East Europe	1.0	0.9	3.5	3.5	2.6	1.8
LDCs	2.4	2.4	2.7	2.6	2.0	3.7
Africa	2.5	2.9	2.7	2.5	2.0	3.9
Asia and Far East	2.5	2.6	2.7	2.4	1.9	3.5
Latin America	2.9	3.1	3.1	2.9	2.3	3.6
Middle East	2.8	2.9	3.0	3.1	2.3	4.2
Asian Planned Economies	1.9	1.6	2.6	2.6	2.0	3.1
LDCs (excluding Asian Planned Economies)	2.5	2.7	2.7	2.6	2.1	3.5
World	1.9	2.0	2.7	2.7	2.1	2.5

Source: United Nations, Die Ernährungslage der Welt in Gegenwart und Zukunft. Eine vorläufige Bestandsaufnahme (The World Food Situation Now and in the Future. A Provisional Assessment). World Food Conference, 1974, CESI 42/74, pp. 25 and 70 f.

Even if the higher expansion rates were realised, LDCs would still have to import foodstuffs. Their food grain deficit would be about 85 mn t, i.e. thrice their average annual imports in 1969-72.

A single worldwide bad harvest would then precipitate an inevitable and worldwide famine disaster.

Poor Conference Results

Participants in the World Conference were aware of both the world food situation and the development to be expected of output and demand. It would have been their task to hammer out new strategies for overcoming these vast difficulties and to recommend them to responsible politicians for use. The discussion circled round important single problems, including how to mobilise new reserves for increasing supplies; how to distribute existing food stocks in a fair and equitable way; and how to improve the techniques of storage. "Marginal problems", e.g. that of population growth and land reform, were not forgotten. Little attention however, was paid to the close interdependence between agricultural and development policies. Practical results — like the recommendation to spend more on agricultural aid, especially to the address of oil producing countries, and the call for forming a new Agricultural Development Fund as a new organisation — on the other hand, were as puny as those of other conferences.

This gives renewed urgency to the general question whether international mammoth conferences like the one in Rome have not long lost their usefulness. Their few results which will still have to be ratified by a vote of the UN General Assembly in order to become somewhat binding on the participant governments could be achieved by smaller working meetings of experts more rapidly and also more easily. There remains only the hope that the public relations effect of conferences of this size, which is difficult to assess, may help to narrow the gap between the immense costs and the over-modest effects of this conference.

WELTKONJUNKTUR DIENST

Annual subscription
rate
DM 60.—

This quarterly report — compiled by the Department on Business Cycles and Statistics of the Hamburg Institute for International Economics — analyses and forecasts the economic development of the most important Western industrial nations and on the international raw material markets.

VERLAG WELTARCHIV GMBH - HAMBURG