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Food
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Продовольственная и
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организация
Объединенных
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Organización
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Naciones
Unidas
para la
Agricultura
y la
Alimentación

TWENTY-SIXTH FAO REGIONAL CONFERENCE FOR EUROPE

Innsbruck, Austria, 26-27 June 2008

Agenda Item 9

GLOBAL AND REGIONAL EMERGENCY ISSUES

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I. INTRODUCTION

1. The purpose of this paper¹ is to (i) review global trends in agriculture and food security related to emergencies over the last twenty-five years with focus on the situation in the European region in recent years, and to (ii) provide information on related aspects of FAO's work to alleviate the impacts on the rural poor. The recent developments include what may be considered to be the first effects of climate change in selected regions, and the set of phenomena leading to overall rapid growth of food prices. In conclusion, the paper addresses the steps countries can take to prepare for, mitigate or reduce the frequency and severity of food crises. Aside from the general discussion, specific examples are provided, that apply to Central and Eastern Europe (CEE) countries and to the Central Asian countries.

II. AGRICULTURE AND FOOD SECURITY MONITORING, EARLY WARNING AND ASSESSMENT

2. One of FAO's major corporate strategies consists of "*improving decision-making through the provision of information and assessments and fostering knowledge management for food and agriculture*". This strategic objective is pursued in a variety of ways, including through three related technical programmes, which were estimated to absorb slightly over thirty percent of the Organization's resources². These technical programmes, in turn, regroup units such as the World Agricultural Information Centre (WAICENT), the Food Insecurity and Vulnerability Information and Mapping System (FIVIMS), and the Global Information and Early Warning System (GIEWS).

3. The GIEWS³ continuously monitors food production, stocks, trade and the demand for major food commodities in all countries of the world. Based on analysis of these and other factors, the System alerts the international community when countries face, or are likely to face, significant food insecurity due to a sharp fall in food supply or in their ability to access food⁴. In order to do so, both location-specific conditions and broader causes of food emergencies must be taken into account.

4. Tracking weather conditions and crop prospects in regions regularly buffeted by cyclones, monsoons, droughts and other severe weather events is relatively straightforward and facilitated by advances in remote sensing and communication technologies. Spotting potential human-induced and complex emergencies, however, is much more difficult, and requires continuous assessment of relevant environmental, economic, social and political indicators. In a closely integrated global economy, market-based indicators, including prices of key staples, national food import requirements, uncovered food deficits, and trade flows, are also used to detect potential crises. An ability to track changes in social, economic and political trends at the national and subnational levels is also critical. For the Low-Income Food-Deficit Countries (LIFDCs), monitoring for early-warning purposes concentrates on areas particularly

¹ Prepared by the Global Information and Early Warning System Service (ESTG), Trade and Markets Division (EST), Economic and Social Development Department (ES).

² FAO 2004-09 Medium Term Plan, Rome, 2002: Strategic Objectives - (E1) Integrated information resource base, including statistics; (E2) Regular assessments, analyses and outlook studies; (E3) Placing food security at the centre of the international agenda.

³ The System, as implemented by FAO, consists of a network of units from the Organization, government and non-governmental organizations and research and media organizations. GIEWS is also the FAO unit working most closely and consistently with the World Food Programme.

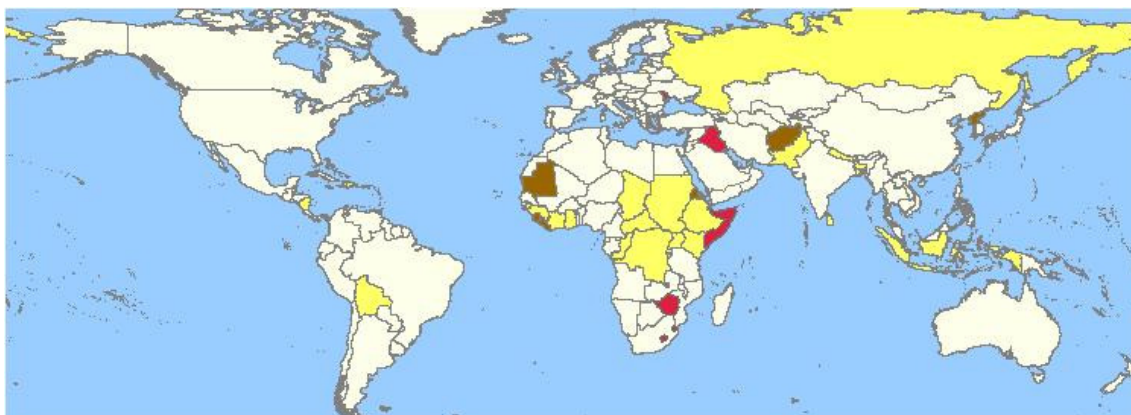
⁴ See <http://www.fao.org/giews>.

vulnerable to production fluctuations, volatility in food prices, market disruptions, and other factors influencing the food security situation of different population groups.

5. Food crises can emerge anywhere in the world, so a country may briefly appear on the FAO/GIEWS list of countries in crisis⁵ due to severe and unexpected adverse weather conditions. Whether or not they are in a current state of food crisis, many countries appear on a list of countries considered to be potential ‘hunger hotspots’. ‘Hunger hotspots’ are defined as those areas, at national or subnational level, where a significant proportion of people are, or can be, potentially affected by recurring or persistent hunger and malnutrition.

6. The following paragraphs analyse the evolving nature and distribution of food crises over the past twenty-five years.

***COUNTRIES IN CRISIS REQUIRING EXTERNAL ASSISTANCE
(FEBRUARY 2008; TOTAL: 36 COUNTRIES; SOURCE: FAO/GIEWS)***



■ Shortfall in aggregate food production/supplies ■ Widespread lack of access ■ Severe localized food insecurity

A. GLOBAL TRENDS IN FOOD CRISES

7. In 2007, a record number of countries faced food crises requiring emergency assistance. The number averaged 47 countries in 2007, with 27 being in Africa, ten in Asia and the remaining ten in other parts of the world (see Figure 1). Africa thus continues to bear the brunt of disasters leading to food crises. During the 1993-2000 period, 15 African countries on average faced food emergencies annually; that number has climbed to about 25 since 2001. This increase is primarily due to the rising frequency of food crises during the last seven years, particularly in sub-Saharan Africa. Many countries remain on the list for a number of years, having faced severe food insecurity during one season, due to the lingering effects of drought and/or conflict. Others appear on the list more sporadically, and require careful monitoring, as their status can change suddenly.

B. TRENDS IN THE NUMBER OF CRISES

8. Rising trends in the number of countries facing food crises can be seen in Figure 1. These trends, based on 1981-2007 data⁶, show that about one country is added each year to the list of those requiring external assistance from the international community. In fact, given the diversity

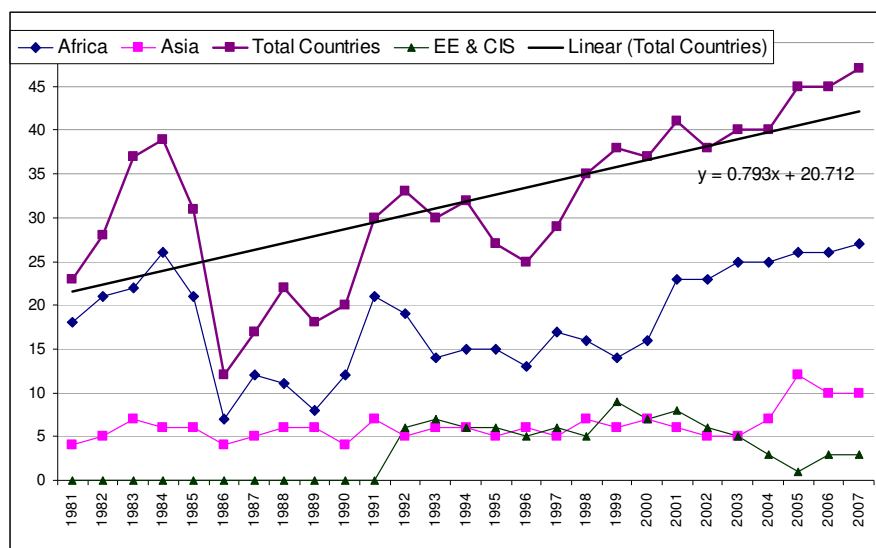
⁵ A country is considered to be facing a “food emergency” when it requires external assistance due to an exceptional shortfall in aggregate food production and supplies, widespread lack of access to food, or severe localized food insecurity due to an influx of refugees, a concentration of internally displaced persons (IDPs), crop failure, deep poverty or a combination of these factors. See list in Appendix Table A1.

⁶ FAO/GIEWS data set on food emergencies is available from 1981.

of underlying causes and differences in the magnitude of emergencies, the growth in emergencies is not assumed to be linear. The recent Intergovernmental Panel on Climate Change (IPCC) report on Climate Change Impacts, Adaptation and Vulnerability⁷, for example, confirms that “Africa is one of the most vulnerable continents to climate variability and change because of multiple stresses and low adaptive capacity”. Globally, the impacts of climate change are also “*very likely to impose net annual costs which will increase over time as global temperatures increase...and could impede nations’ abilities to achieve sustainable development pathways*”. In summary, the number of countries in crisis at any one time is likely to grow.

9. Regional differences in food emergencies are striking. Between 1986 and 2007 Africa experienced the steepest increase in food emergencies. The cumulative share of African countries facing food emergencies from 1981 to 2007 has been 57 percent, compared with 20 percent in Asia, 12 percent in Latin America, and 10 percent in Eastern Europe and the Central Asian countries. The number of countries affected in the CEE and Central Asian countries remained relatively stable until year 2000; since then it has increased to a new level. Although the cumulative share of the CEE and Central Asian countries has been relatively low, more countries were facing difficulties between 1992 and 2003. During this period an average of six countries were on the GIEWS list of food emergencies. Since 2003, the number has fallen significantly, with three countries, Azerbaijan, Moldova, and part of the Russian Federation (Chechnya) being currently on the list, due to drought or lack of access to inputs for winter cropping⁸.

FIGURE 1: NUMBER OF COUNTRIES FACING FOOD EMERGENCIES, GLOBAL AND BY REGION 1981-2007



Source: FAO/GIEWS

C. EMERGENCIES AND HUNGER

10. The rise in the number of countries in crisis seems to be at odds with the estimated number of undernourished people in the world. According to the *State of Food Insecurity 2006*, for instance, the number of undernourished people in the developing world had fallen from 823.1 million in 1990-92, to 820.2 million in 2001-03. Although global numbers reflect some progress made in reducing hunger, they mask sharp regional differences. The number of undernourished persons has actually increased during this period in Sub-Saharan Africa from

⁷ Working Group II contribution to the Intergovernmental Panel on Climate Change, April 2007.

⁸ GIEWS concurrently maintains a list of countries facing unfavorable agricultural prospects; Kenya and Somalia are currently included. In addition, the GIEWS website provides updates on noteworthy events. A recent update addressed the implications of severe weather conditions in Afghanistan, Kyrgyzstan, Tajikistan, and Uzbekistan.

169.0 million to 206.2 million and in the Near East and North Africa from 25.0 million to 37.6 million. In addition, while gains in economic development usually reduce chronic food insecurity, this may be more than offset by transitory food insecurity due to natural and human induced disasters.

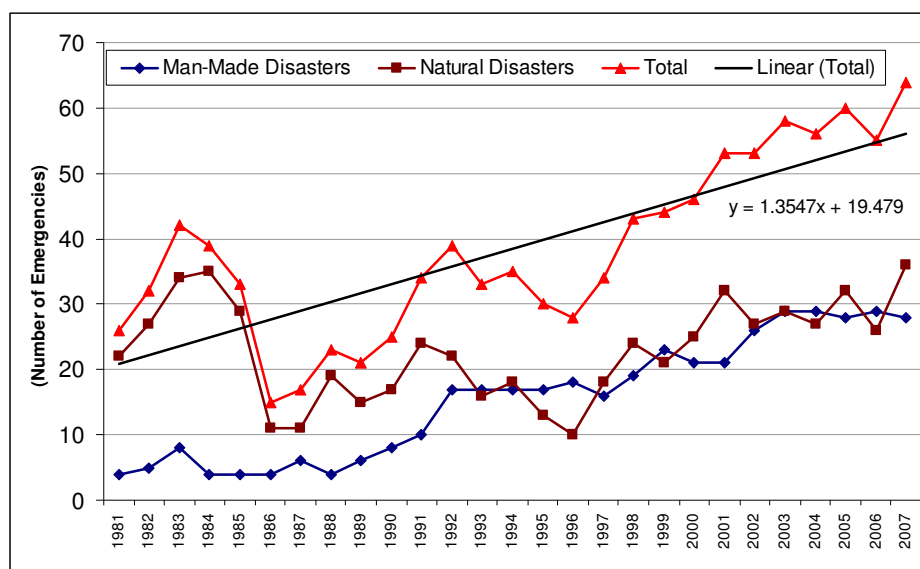
D. CAUSES OF EMERGENCIES

11. Worldwide, the number of food crises which are predominantly human-induced has increased over time (see Figures 2 and 3). Human-induced factors such as economic constraints or policy failures, insecurity, and conflict, which were cited as the main causes of about 10 percent of food emergencies during the early 1980s, increased to about 66 percent in 1996. Since then, there appears to have been a reversal of the relative trends in the causes of food emergencies. In particular, there has been a slight downward trend in human-induced causes. Conversely, the proportion of food crises due to natural disasters, which first saw a downward trend from 1981 to 1996, has displayed a slight upward trend since then.

12. Some countries are beset by multiple crises in the same year. A natural disaster, such as a drought or floods, may be followed by a human-induced one, such as civil strife or severe economic crisis. The ratio of the number of crises to the number of countries affected shows that the occurrence of multiple crises during the same year has been increasing - from about 1.11 in the 1980s, to 1.14 in the 1990s, and 1.36 since 2000. Multiple disasters obviously place a much greater strain on a country's capacity to mitigate the effects on the affected populations.

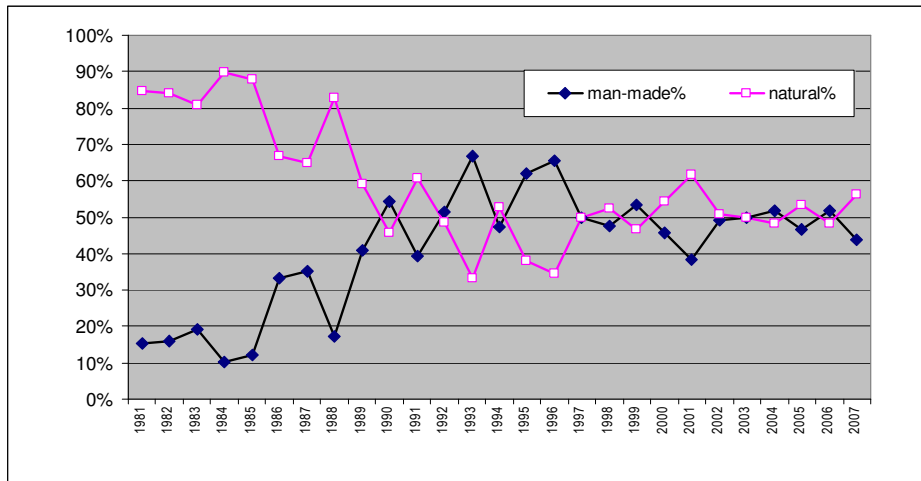
13. Recurrent and persistent emergencies are both severe in impact and rather common. Between 1986 and 2007, for instance, twenty-three countries experienced food emergencies for more than half of that period. Many conflict-induced complex emergencies have also turned into long-term (chronic) crises. Sudan, Ethiopia and Somalia to name just a few, have each suffered some type of food crisis almost every year since 1981. By contrast, many countries, in the Sahel, for example, are plagued by frequent drought but have implemented crisis prevention and mitigation programmes, and established effective systems for relief and rehabilitation. For these countries, a natural disaster does not necessarily result in a prolonged humanitarian crisis.

FIGURE 2: TRENDS IN CAUSES OF FOOD EMERGENCIES 1981-2007



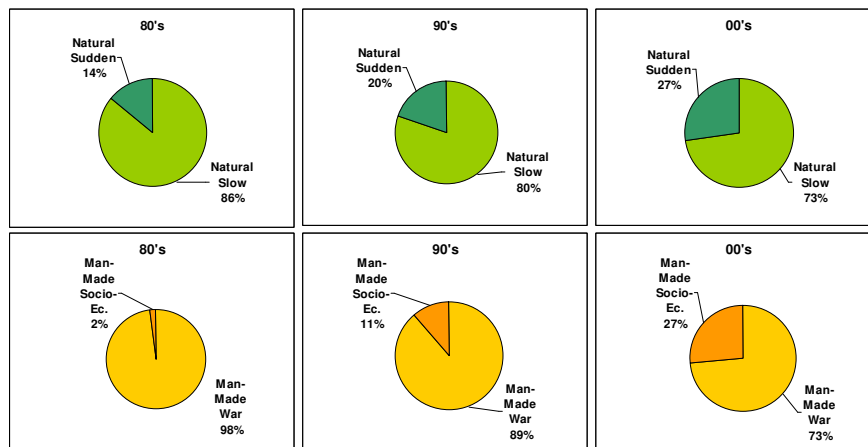
Source: FAO/GIEWS

FIGURE 3: PROPORTION OF NATURAL AND HUMAN-INDUCED EMERGENCIES, 1981-2007



14. Close analysis of the two main categories of disasters, natural and human-induced ones, helps to better understand the nature of the damage, the speed of disaster onset, and the time available to respond. For this purpose, natural disasters are further divided into the relatively slow-onset ones, such as drought or dry weather, and sudden-onset ones, including floods, cyclones, hurricanes, and earthquakes. As Figure 4 indicates, the proportion of sudden-onset disasters - mainly floods - has increased from 14 percent of total natural disasters in the 1980s to 20 percent in the 1990s, and to 27 percent since 2000. This is consistent with world-wide flood occurrence, which climbed from about 50 a year in the mid-1980s to over 200 currently (CRED)⁹. Conversely, there has been a decrease in food emergencies caused by slow-onset natural disasters for example. Slow-onset emergencies obviously leave more time for planning and response than sudden-onset ones, so the trends outlined above have disturbing implications, both for resources needed to deal with emergencies, and the time available to do so.

FIGURE 4: CHANGING NATURE OF NATURAL DISASTERS (SLOW-ONSET VERSUS SUDDEN-ONSET) AND HUMAN-INDUCED DISASTERS (CIVIL STRIFE VERSUS SOCIO-ECONOMIC)



⁹ Centre for Research on the Epidemiology of Disasters, Université Catholique de Louvain, Belgium.

15. Human-induced disasters may be divided into war or conflict-type disasters, such as armed conflicts or civil strife, resulting in internally displaced persons (IDPs) or refugees, and socio-economic ones, such as inappropriate economic policies, collapse of export commodity prices, foreign exchange constraints, conflicts over land ownership, or deteriorating public health. The relative share of socio-economic determinants of food crises has been on the rise during the past three decades. Their relative share has gone up from about 2 percent in the 1980s, to 11 percent in the 1990s, and to 27 percent since year 2000. The share of food emergencies caused by war or conflict has thus been declining, even though their absolute numbers rose during the period. A number of armed conflicts within a country can also affect many people; in the Sudan's Darfur region, for example, millions of people have been severely affected over the past four years.

16. The section below on recent trends in global food supply, demand and prices, illustrates how food security is being adversely affected in many LIFDCs by the unprecedented increases in international cereal prices, combined with rising oil prices and freight rates. For example, FAO forecasts that the total cereal import bill for all LIFDCs will be some 35 percent higher during the 2007/08 marketing year (July/June) than during the previous year. High food prices have already caused street riots potentially resulting in social instability in several countries. Countries heavily dependent on cereal imports, such as Cape Verde, Dominican Republic, Lesotho, Mauritania, Somalia and Swaziland, to name a few, are particularly vulnerable.

17. Globally, there are, and in all likelihood there will be in the future, a rising number of disasters leading to food crises, of increasing complexity. Most of these disasters are also happening faster. All this makes it more challenging to spot emerging problems, especially in countries not usually beset with food insecurity on a large scale. Even hunger hotspots, where monitoring efforts have been concentrated, will henceforth follow less predictable and increasingly more dynamic paths.

III. RECENT TRENDS IN GLOBAL FOOD SUPPLY, DEMAND AND PRICES

18. Agricultural commodity prices rose significantly in 2006 and continued to increase even more sharply in 2007. The surge in prices has been highest for dairy products, which on average increased by nearly 80 percent annually, then for oils with nearly 50 percent, and grains with 42 percent. The only exception was the price of sugar, which declined by 32 percent, after having increased by over 20 percent in the 2005-06 period¹⁰.

19. Extreme price events are not rare occurrences in agricultural markets, although periods of high prices tend to be of shorter duration than low price phases. What distinguishes the current state of agricultural markets is the concurrence of sharp price rises for nearly all major food and feed commodities. As a result, high international food crop prices have rippled through the food supply/value chain, contributing to increases in the retail prices for such basic foods as bread or pasta, meat and milk. This price boom has also been accompanied by much higher price volatility than in the past, especially in the cereals and oilseeds sectors, highlighting greater uncertainty in markets¹¹.

20. The factors which led to a combination of lower global supply, increased demand, and sharply rising prices emanated from both the supply and demand sides. They included weather-related production shortfalls, a gradual but continuous reduction in world cereal stocks

¹⁰ "Rising Prices of Agricultural Commodities: Causes and Likely Impacts on Vulnerable Countries and Population Groups". Background paper prepared by FAO's Trade and Markets Division for the February 2008 International Fund for Agricultural Development (IFAD) Round Table.

¹¹ **Food Outlook**, FAO, Rome, November 2007.

levels since the mid-1990s (about 3.4 percent per annum), increasing fuel costs affecting both production, transport and processing of agricultural commodities, and a changing structure of demand. The latter phenomenon has consisted both of a shift in the structure of demand for food commodities (especially in China and India), diversifying diets away from starchy foods to meat and dairy products and the emerging demand for certain agricultural commodities, such as sugar, maize, cassava, oilseeds and palm oil, which can be used as raw material for producing biofuels. As of 2005, world cereal production began lagging behind utilization, resulting in a further diminution in global stocks, and rising prices.

21. Commodity experts believe that this situation will extend beyond the short- and medium-terms. Current preliminary estimates from the joint Organization for Economic Cooperation and Development (OECD)-FAO medium-term outlook modelling work suggest that over the next ten years, the price of wheat is expected to increase by 2 percent; maize by 27 percent; rice by 9 percent; oilseeds by 23 percent; and skimmed milk powder (SMP) by 6 percent, while the price of sugar is expected to fall by -3 percent (mainly as a result of a record price in 2005)¹². For wheat, maize and oilseeds, these estimates are also consistent with projections made by the International Food Policy Research Institute (IFPRI).

A. IMPLICATIONS FOR COUNTRIES

22. Substantial increases in fuel and food prices are bound to have a negative impact on the import bills of net food and fuel importing countries, many of which are also poor; at present, 82 countries are included in the list of LIFDCs.

23. The global cost of imported foodstuffs¹³ has already risen substantially, to an estimated US\$745 billion in 2007 (see Table A2 in the Appendix) which was some 21 percent higher than for the previous year and the highest level on record. Among economic regions, developing countries as a whole faced an annual increase of 25 percent in aggregate food import bills. The most economically vulnerable countries among them were likely to bear the highest burden. Total expenditures by LDCs and LIFDCs are anticipated to climb respectively, by 20 and 24 percent, from the previous year's level, after having risen by about 10 percent the year before that. The sustained rise in imported food expenditures for both vulnerable country groups has been such that the cost of their annual food import bills in 2008 could be over twice what it was in 2000.

B. THE CASES OF MOLDOVA - EXTREME SUMMER WEATHER CONDITIONS WITH HIGH TEMPERATURES AND DROUGHT AND HIGH INTERNATIONAL FOOD PRICES, AND CENTRAL ASIA – EXTREME WINTER WEATHER CONDITIONS

24. **Moldova** presents a topical illustration of how a country can be affected by, and respond to, the dual challenge of an extreme weather event and high international food prices¹⁴.

¹² These estimates are those reflecting the baseline assumptions of the model and compare the projected prices to the average prices for the 2005-07 period. In real terms the changes are as follows: wheat, -6%; rice, +1%; maize, +18%; oilseeds, +14%; SMP, -2%; and sugar, -11%.

¹³ Including cereals, vegetable oils, meat and dairy products, and sugar.

¹⁴ Information regarding Moldova is taken from the report of the joint FAO/WFP Crop and Food Security Assessment carried out at the request of the Government in August 2007.

Moldova's 2007 drought was the most severe in living memory; however, it represented the extreme manifestation of a trend to drier weather conditions, which began in the early 1990s. Aggregate cereal production fell by 63 percent compared to the previous year. Reduced yields in winter crops (mostly wheat and barley which were down by 40 percent and 55 percent, respectively) and summer crops (sunflower, maize, grapes, etc.) affected overall production and drastically reduced returns on leased land and on labour to the majority of small holders, who usually receive in-kind payments of wheat, corn and oil. Household production from home gardens, a mainstay of food supply for most rural families (70 percent of the population) also fell sharply. The lack of pasture fodder and the need to purchase increasingly expensive food forced the majority of households to sell a substantial share of their livestock, notably cattle, but also pigs and sheep.

The share of total lending going to the agricultural sector has traditionally been small, but small farmer associations and limited liability companies borrowed from banks, Savings and Loans Associations, and from agricultural input suppliers. The outstanding debt was of the order of US\$30.5 million for small farms and associations, and over US\$100 million for enterprises and corporations.

To maintain the national food balance, commercial wheat imports, including for emergency stock build-up, were expected to reach about 237 000 tonnes. With the significant damage to summer crops, and in spite of the reduction in the national livestock herd, maize imports were also likely to be much higher, perhaps as much as 500 000 tonnes. Even with the adequate overall supply, food prices rose further and food access is estimated to have decreased for the poorer part of the population.

Urgent measures recommended in the summer of 2007 included the provision of agricultural inputs for October plantings, subsidies for livestock feed, in order to prevent further de-stocking, the lowering of land taxes and staple foods' import duties, and the strengthening of social assistance programmes (e.g. allowances to vulnerable groups, expanded school canteen programmes and cash for public works programmes).

Medium-term recommendations included a rebuilding of the national herd, improved seed production and multiplication, more appropriate crop mixes and water resources for home gardens, and the upgrading of food security monitoring and early warning systems and tools.

Longer-term measures included a more sustainable strategy for the agricultural sector, and greater and less expensive access to credit, and to agricultural insurance, including weather-indexed risk management instruments.

25. Extremely cold conditions and inadequate heating exacerbated food insecurity and poverty in **Central Asia in the 2007/2008 winter season**, causing death and illness among the most vulnerable populations. Areas of Afghanistan and Tajikistan were the hardest hit, along with rural areas of Kyrgyzstan, Turkmenistan and Uzbekistan. In Tajikistan, the emergency was compounded by a severe energy deficit reaching emergency dimensions. The whole region experienced extremely cold conditions with temperatures reaching their lowest levels in over 25 years, with heavy snowfalls and avalanches isolating rural communities. With roads covered in icy snow, vehicles bringing food, fuel, medicines and other supplies were unable to reach isolated villages, which in turn could not get their sick to medical facilities. The box below summarizes the update provided by GIEWS in mid-February 2008¹⁵.

¹⁵ See <http://www.fao.org/giews>.

In **Tajikistan**, the problem has been most severe, with a national emergency officially declared on 6 February 2008. Prolonged extremely cold weather, with the lowest temperatures experienced in over 25 years, have overwhelmed the ageing infrastructure, financial and institutional capacity of this food-deficit country, where about 60 percent of the population lives in poverty. Cereal prices have risen sharply, reflecting high world prices and roads blocked by snow and avalanches. The extreme cold, which has frozen rivers, led initially to severe electricity rationing and a virtual blackout as low water levels limited the amount of hydro-electricity which could be generated. Imports of electricity and gas are also limited by budget constraints and the increased own needs of the exporting neighbouring countries. While rural populations rely on other sources of heat, urban populations are without heating and water for long periods. Water pipes have also burst under the effect of the extreme cold. As in neighbouring Afghanistan many people, notably the sick, old and very young have died of cold and associated hunger. Livestock has also been lost. The Farath, Badghis and Ghor provinces have been particularly affected.

The 2007 aggregate output of cereals for Tajikistan has been estimated by FAO to be somewhat below 700 000 tonnes, about 25 percent less than the 2006 good harvest of 891 000 tonnes. The cereal import requirement for 2007/08 has, therefore, been estimated at 506 000 tonnes, including 500 000 tonnes of wheat and 4 000 tonnes of rice, with food aid requirements estimated at 60 000 tonnes. Early indications are that the cotton harvest will also be below target this year.

Kyrgyzstan, Turkmenistan and Uzbekistan have also been severely affected. In Turkmenistan, rural populations' access to heating has reportedly been significantly curtailed. Increased heating fuel requirements have reduced the amount available for export to Tajikistan, especially given the significant arrears in payment by this impoverished country.

In neighbouring **Afghanistan**, extreme cold, avalanches and continued heavy snowfall have killed over 800 people and some 316 000 head of livestock in western parts of the country, notably in Herat and Badghis provinces. Loss of herds will seriously affect livelihoods; many people, notably shepherds and their families, have suffered severe frostbite, requiring amputation of toes, fingers, whole hands and feet. Food and medical supplies have been running short as roads are blocked by heavy snowfall. Very low temperatures and high prices for fuel and cereals have taxed the poor's access to basic essentials. In some of the hardest hit areas, food supplies have been very limited as a result of adverse weather during the last growing season. The food aid requirement had been estimated at 100 000 tonnes of wheat, but because of high world wheat prices, coupled with the low purchasing power of the bulk of the population, the commercial import requirement of 450 000 tonnes is unlikely to be met. Instability in neighbouring Pakistan also makes wheat imports more difficult and expensive.

IV. MEASURES TAKEN BY GOVERNMENTS AND AREAS OF SUPPORT BY FAO

26. In order to limit the impact of rising cereal prices on domestic food consumption, governments from both cereal importing and exporting countries have introduced a variety of policy measures. Some recent developments¹⁶ in CEE and Central Asia are outlined below:

- The European Union has removed the 10 percent compulsory set-aside requirement for the 2008 cropping season and subsequently suspended cereal import duties (excluding oats, buckwheat and millet) from December 2007 until the end of the current marketing season in June 2008.

¹⁶ **Crop Prospects and Food Situation**, February 2008, FAO, Rome.

- Starting from the end of January 2008, the Russian Federation has raised wheat export duties from 10 percent to 40 percent (or no less than €105 per tonne). However wheat flour exports are not subject to a duty and the country is reported to have boosted its flour exports. The Government is also considering the extension of the price freeze on basic foodstuffs, including bread, milk, sunflower oil and eggs to May 2008.
- Ukraine is considering adding wheat and rye flour to the list of commodities under state price control. The Government is also considering increasing grain export quotas from the 1.2 million tonnes set in September 2007 to 2.4-2.9 million tonnes as from March 2008.
- In Mongolia, the Government has removed value-added tax from imported wheat and flour with effect from 1 January 2008.

27. Concurrently, higher prices also provide an opportunity for re-launching agriculture in developing countries through long-term public investments and programmes which will, in turn, catalyze private sector investments in response to higher gross returns that may or may not translate into higher profits. FAO is working with several countries to provide support on both fronts; the economic implications of higher food prices at the household level, and the fact that current high returns for investment in agriculture provide an opportunity to strengthen the sector. FAO's work, therefore, focuses on:

- Support for improved analysis and policy implementation in the areas of trade and food policy;
- Assistance in assessing the relative efficiency of product and factor markets in agriculture;
- Quantification of the impact of the increase in the price of food and other basic necessities on households at various income levels, and the design of appropriate 'safety net' programmes.

28. FAO will continue to support production in response to food crises and higher food prices, especially since, in LIFDCs, many smallholders who are net purchasers of food must make some difficult choices between buying higher priced foods or more expensive agricultural inputs.

29. The Organization is also working with countries to further develop their financial and risk management products linked to the agricultural sector¹⁷. In addition to long-term sustainable agriculture strategy design, this includes the establishment of closer links between more efficient financial and insurance instruments for the agricultural sector, as well as commodity exchanges and weather-indexed risk management tools.

¹⁷ The ratio of agricultural credit to agricultural gross domestic product (GDP) is only 10 percent in Turkey, and even less in many other CEE and CIS countries, compared to 53 percent in Mexico or 40 percent in Brazil.

APPENDIX

TABLE A1 - LIST OF COUNTRIES IN CRISIS REQUIRING EXTERNAL ASSISTANCE
(March 2008; Source FAO/GIEWS)

Nature of Food Insecurity	Main Reasons
<u>AFRICA</u> (21 countries)	
Exceptional shortfall in aggregate food production/supplies	
<u>Lesotho</u>	Multiple year droughts
<u>Somalia</u>	Conflict, adverse weather
<u>Swaziland</u>	Multiple year droughts
<u>Zimbabwe</u>	Deepening economic crisis; drought, recent floods
Widespread lack of access	
<u>Eritrea</u>	Internally displaced persons (IDPs), economic constraints
<u>Liberia</u>	Post-conflict recovery period
<u>Mauritania</u>	Several years of drought
<u>Sierra Leone</u>	Post-conflict recovery period
Severe localized food insecurity	
<u>Burundi</u>	Civil strife, IDPs and returnees
<u>Central African Republic</u>	Refugees
<u>Chad</u>	Refugees, conflict
<u>Congo</u>	IDPs
<u>Côte d'Ivoire</u>	Civil strife
<u>Democratic Republic of the Congo</u>	Civil strife
<u>Ethiopia</u>	Insecurity in parts of the country, localized crop failure
<u>Ghana</u>	Drought and floods
<u>Guinea</u>	Refugees
<u>Guinea-Bissau</u>	Localized insecurity
<u>Kenya</u>	Civil strife, adverse weather
<u>Sudan</u>	Civil strife
<u>Uganda</u>	Civil strife in the north

ASIA/NEAR EAST (9 countries)

Exceptional shortfall in aggregate food production/supplies	
<u>Iraq</u>	Conflict and insecurity
Widespread lack of access	
<u>Afghanistan</u>	Conflict and insecurity
<u>Democratic People's Republic of Korea</u>	Economic constraints and effects of recent floods
Severe localized food insecurity	
<u>Bangladesh</u>	Floods and Cyclone
<u>Indonesia</u>	Landslides/floods, earthquakes
<u>Nepal</u>	Poor market access, conflict and floods
<u>Pakistan</u>	Insecurity and past floods
<u>Sri Lanka</u>	Conflict
<u>Timor-Leste</u>	IDPs, past drought and floods

LATIN AMERICA (4 countries)

Severe localized food insecurity	
<u>Bolivia</u>	Floods
<u>Dominican Republic</u>	Past floods
<u>Haiti</u>	Past floods
<u>Nicaragua</u>	Past floods

EUROPE (3 countries)

Exceptional shortfall in aggregate food production/supplies	
<u>Moldova, Republic of</u>	Drought and lack of access to inputs for winter cropping
Tajikistan	Severe winter conditions have disrupted food and medical services and infrastructures
Severe localized food insecurity	
<u>Russian Federation</u>	Civil strife (Chechnya)

**TABLE A2: FORECAST IMPORT BILLS OF TOTAL FOOD AND MAJOR FOOD COMMODITIES
(US\$ MILLION)**

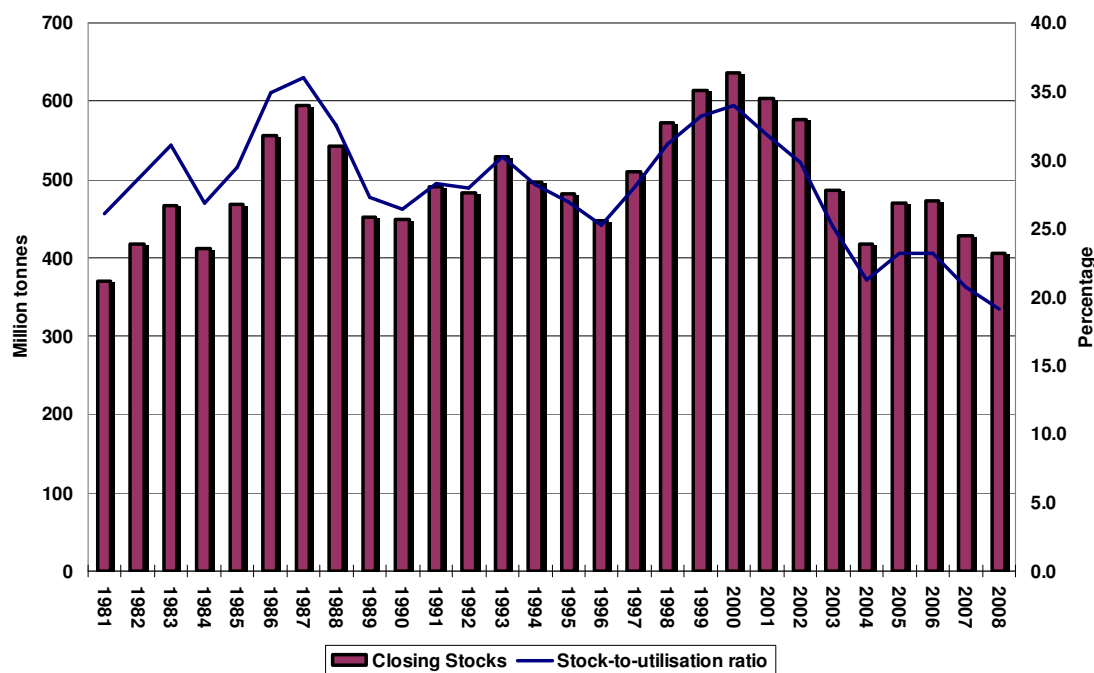
	World		Developing		LDC ¹		LIFDC ²	
	2006	2007	2006	2007	2006	2007	2006	2007
Total Food	614 887	744 777	185 529	232 814	13 362	15 937	86 473	107 236
Cereals	174 399	240 784	69 410	93 603	5 683	7 185	29 450	38 258
Vegetable Oils	70 956	96 100	35 050	47 236	1 945	2 659	22 884	32 107
Dairy	43 666	71 916	12 930	21 278	801	1 302	4 924	8 115
Meat	77 865	82 447	16 806	19 034	810	915	6 013	7 317
Sugar	32 975	21 755	13 871	11 263	1 753	1 249	7 587	4 525

¹ Least developed countries

² Low-income food deficit countries

Source: FAO, Trade and Markets Division, 2008.

FIGURE A1 - GLOBAL CEREAL STOCKS, STOCK-TO-UTILIZATION RATIO



Source: FAO Trade and Markets Division, 2008.