

PolicyPennings by Dr. Daryll E. Ray

President Clinton discusses food aid and other agricultural issues with the benefit of hindsight

Former President Bill Clinton was the keynote speaker at the World Food Day program at the United Nations on October 23, 2008. His talk-it can be viewed at <http://www.fao.org/newsroom/en/news/2008/1000945/index.html> -raised a number of issues that have significant policy implications.

One of the issues he raised is that of food aid. He emphasized that in this time of financial crisis concerns about food aid should not be ignored as developed countries focus on their immediate crises.

As a part of his discussion on food aid he emphasized the importance of school feeding programs. Noting that "one of the Millennium Development goals is to get all of our children in schools by 2016.

"Maybe we ought to pursue this education program and the food programs together. And, we could solve a portion of our problem in a way that would reinforce the crying need developing countries have to improve their educational system."

A second element of his discussion on food aid concerned the manner in which the food aid is provided. He said, "I think that every developing country should follow the policy that Canada has initiated. . . .It used to be that Canada and the United States gave all of their food aid [using] food grown in their own countries and delivered to the country where the hungry people were.

"So a few years ago with the support of the farm organizations in Canada, they began to give half of their food aid out in food grown closest to the hunger problem, either within that country or the next nearest country, which meant you bought more food for the same amount money. You got it there in a hurry and you used less energy getting it there.

"When President Bush proposed the same thing in the United States for 25 percent of our food aid-I know this a very partisan time in our country and the world; I know that you are all very interested in this-here is one thing he was right on and he deserves our thanks for this. He was right about

this. He proposed to spend 25 percent of our food aid in the same way the Canadians do and I said, 'Wow that is a great idea and I am embarrassed that I did not do it myself.'

"A bi-partisan coalition tied to the current agricultural structure defeated him. He was right and both parties who defeated him were wrong. And it didn't change this year when farm prices were at an all time high until the recent economic downturn."

As a side note, requiring the exclusive use of US commodities for foreign food aid is not just an issue of helping US farmers. Agribusinesses have had reason to staunchly oppose changes from the status quo. Revenue received by agribusinesses to handle and ship food-aid commodities abroad typically exceeds the original market value of the grain.

A second major issue raised by President Clinton is the issue of food self-sufficiency. He opined, "I noticed that the President of the World Bank, the other day, thought that the World Bank had been wrong in 1981 to stop financing self sufficiency in developing countries on the theory that they could just leap over that-get all of their food more cheaply from other counties and become industrialized nations.

"That was a step in the right direction, simply the admission of [the error of the World Bank's policy change in 1981]. Food is not a commodity like others. . . .Over the long-run we should go back to a policy of maximum agricultural self-sufficiency."

He went on to say, "It is crazy for us to think that we can develop a lot of these countries where I work without increasing their capacity to feed themselves [by] treating food like it was you know, a color television set. It isn't; it is different. And if you don't have agricultural self-sufficiency, more and more people have to move to cities. It becomes even more impossible to maintain the quality of the soil and more difficult to restore basic water and sanitation and environmental balance. So in my view we should do that."

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The third issue President Clinton talked about was trade. He connected the issue of food self-sufficiency with that of trade by arguing that "it simply won't be possible for every country to be completely self-sufficient. So a lot of the big trading can still go on." Later in his talk he recognized that not every country can produce every agricultural product so international trading opportunities will continue and by implication expand.

As we reported last week and mentioned above, President Clinton highlighted an issue that we have talked about for a long time: Agriculture is not like other economic sectors. President Clinton was emphatic about this.

He said, "We need the World Bank, we need the International Monetary Fund, we need all the big foundations, we need all the governments to admit that for thirty years we all blew it, including me when I was President. We blew it! We were wrong to believe that food was like some other product in international trade."

President Clinton's fourth overarching issue was sustainability. He spoke about climate change, the local depletion of resources, the loss of biodiversity, water shortages, pollution, and a world population that is projected to increase from today's "6.5 billion to 9 billion by mid-century."

Reflecting on the finite supply of petroleum and a limited supply of fresh water, President Clinton said "we all have to go back to a more environmentally responsible, sustainable form of agriculture. Remember this, in the beginning everything about food was solar power, photosynthesis; there would be no food without the sun.

"The use of petroleum enabled us to drastically increase agricultural production and to develop fertilizer and then to take it across long distances. But we now have reached the limits of that old system."

While we may not agree with President Clinton on his perspective on all of these issues, we do think he raised issues that cannot be avoided.

Agricultural policy will increasingly need to wrestle with the issues of emergency food aid, food security, sustainability, and the role of international trade in agricultural markets.

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