



THE CRAWFORD FUND
For a Food Secure World

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MEDIA RELEASE

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World Food Prize Laureate warns severe price volatility to continue

Renowned international economist and World Food Prize Laureate, Prof Per Pinstrup-Andersen, has warned that increased food price volatility is likely to be with us for the foreseeable future and will be at least as severe as it has been during the last few years. Yet he argues food prices need not increase.

Prof Pinstrup-Andersen will join the Hon Gail Gago MLC, Minister for Agriculture, Food and Fisheries, and 170 international and Australian decision-makers, researchers, development and agriculture specialists at The *Reframing the Agenda: Food Security to 2050* forum on February 13 at the National Wine Centre in Adelaide. The forum aims to inform and influence researchers and decision-makers on how to foster the development of cross-disciplinary research, development and extension to assist with challenges facing local and international food systems.

Norman Borlaug, Nobel Peace Prize Laureate said Prof Pinstrup-Anderson was “one of the most influential economists and policy makers today”. He is H. E. Babcock Professor of Food, Nutrition and Public Policy, the J Thomas Clark Professor of Entrepreneurship, and Professor of Applied Economics at Cornell University, and Professor of Agricultural Economics at Copenhagen University.

“The global food system and related government policies are in disarray. In response to increasing food prices and greater food price volatility, caused by extreme weather events, speculation and fluctuating energy prices, many national governments are making things worse,” he said.

“Bad ‘beggar they neighbour’ behaviour such as export restrictions and bans, and excessive food stockpiling by national governments of many developing countries including major food exporters India and China, is further amplifying food price fluctuations.”

“The WTO goal of assuring orderly international trade should be enforced, particularly in periods of high and volatile food prices. National efforts to stabilize food prices at the expense of the international community, as seen during the last few years, conflict with the goals of WTO membership. Australian policies to further expand its role as a food exporter are of critical importance.”

“Crisis management, inappropriate trade policies and short-term political interventions must be replaced by changes that deserve immediate attention so we do not have to live with increasing real food prices.”

“Poor farmers don’t need bandaid solutions, they need structural changes. Getting farmers to change their behaviour is not enough - the solutions needed are beyond farmers’ capability.”

“Governments must invest in infrastructure, institutions and markets, and address other factors such as lack of access to fertilizers or excessive fertilizer prices, excessively high transportation costs, lack of effective competition and poorly functioning institutions.

Professor Pinstrup-Andersen suggested improved trade, property and environment policies and increased agricultural research to enable more food is available where it’s needed.

“I am aware of the current debate in Australia related to foreign ownership of agricultural land, but the issue is much more pressing in developing countries. While the World Bank and FAO have developed guidelines for international land acquisition, no binding international agreements exist.”

“A large number of smallholder farmers are being pushed off their land, a process made easier by the lack of land title. A binding international agreement is urgently needed to protect the rural poor as well as the environment and assure transparency in the transactions.”

“It is often argued that future food demand can be met only by further deteriorating natural resources; the choice being starving now or starving later. Fortunately, there is a third option.”

“To achieve sustainable world food security, we need to use market forces and include in the price of food its cost to the environment. Implementation may be challenging and will require government incentives and regulations such as CO² or green taxes.”

“Climate change is the big joker in the efforts to expand sustainable food production to avoid real food price increases. Expanded investment in research is urgently needed to adapt production systems, crop varieties and animal breeds to changing temperatures and rain falls and higher atmospheric content of CO₂.”

“Rather than a flood of rhetoric, declarations, plans and good intentions, the challenge is for policy-makers to take action now to stop the unnecessary human suffering caused by poverty, food insecurity and malnutrition and before continued unsustainable management of the natural environment degrades the productive capacity further. “Food prices need not increase in the future. The food problem is not the earth’s lack of productive capacity but our failure to take appropriate policy action,” he concluded.

Other speakers and topics at the forum include:

- **Professor Christopher Findlay, Executive Dean of Professions, University of Adelaide:** Why should the food, nutrition, health, and agriculture R&D agenda be reframed?
- **Dr Nick Austin, Australian Centre for International Agricultural Research:** Where does Australia spend its R&D money, where should it spend it, and what is our comparative advantage?
- **Dr Gabrielle Persley, Crawford Fund:** Twelve emerging trends that will affect Australia’s Future Research Agenda.
- **Professor Julian Alston, UC-Davis & Prof Phil Pardey, University of Minnesota:** How investors get the biggest return from their R&D investment and where is the greatest impact?
- **Dr Will Martin, World Bank, Prof Kym Anderson, University of Adelaide & Andrew Stoler, former Executive Director IIT, University of Adelaide:** Trade issues and effects of distortionary policies on food security/insecurity.
- **Prof Peter Langridge, ACPFG and University of Adelaide:** Australia and food security in a changing world.
- **Prof Robert Gibson & Prof Maria Makrides, University of Adelaide:** Food for future Australians and improving food nutritional quality.

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