

AGEC 410 – Agricultural and Food Policy

15 – The World Food Problem

Objective:

- identify what is the world food problem
- investigate why it exists
- address some policy options

A. Various views or attitudes:

1. unavoidable, world is out of resources

2. No problem, technology will save us

3. There will be food problems, if ...

4. Problem is not production but lack of income

B. Causes of Hunger:

1. Low income, lack of effective demand

2. Income distribution

3. Poor education – primary, secondary

C. Theories of Development:

1. Import substitution

2. Small is beautiful – Sturbridge village

3. Export promotion

4. Getting the prices right

5. Washington Consensus

D. Development Institutions

1. World Bank and regional banks

2. International Monetary Fund (IMF)

3. Consultative Group on International Agricultural Research (CGIAR)

4. World Food Program (WFP)

5. Non-governmental organizations (NGOs)

6. National Agencies

7. UN agencies

E. Options for Improving the World Food Problem:

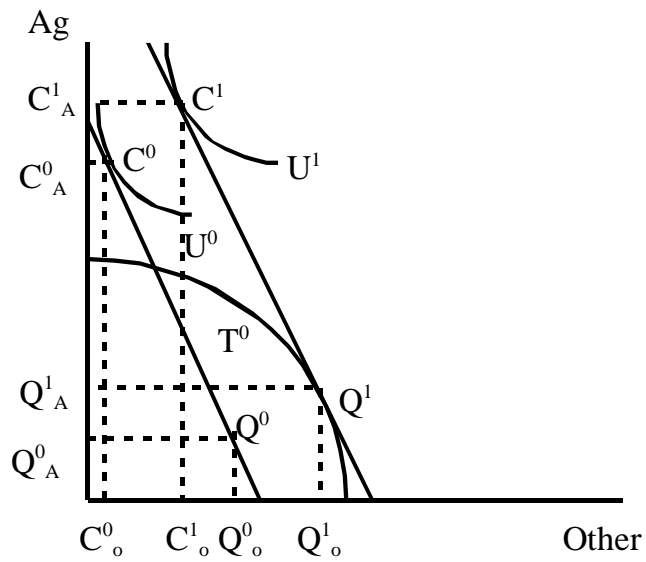
1. Improving health

2. Reduce population growth

3. Reduce income and wealth inequalities

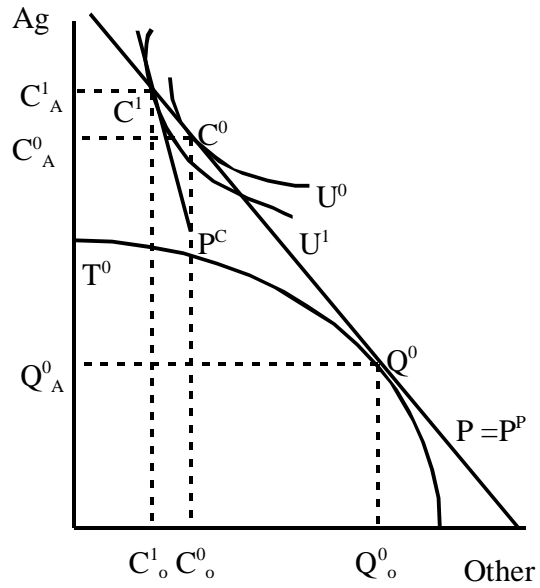
Example:

End Imperfections in Factor Markets: Health Improvement, Income Disparities

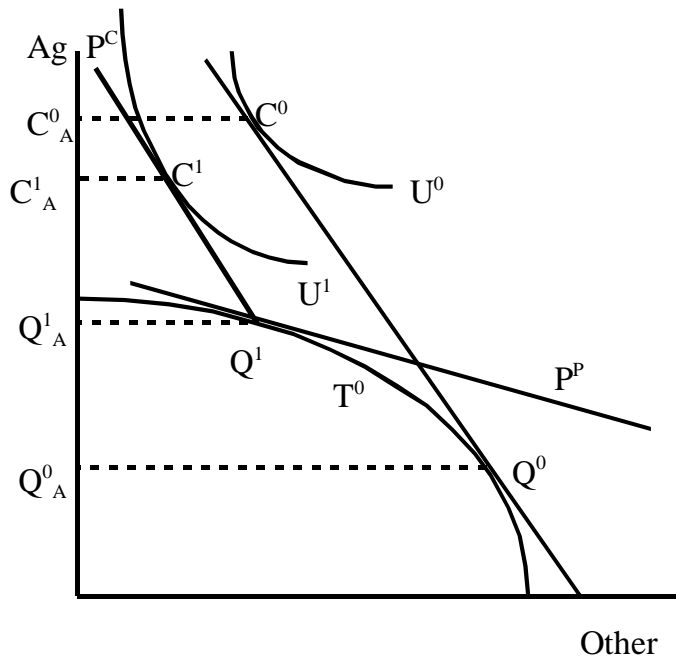


4. Lowering the price of food

Ex. 1: food subsidies

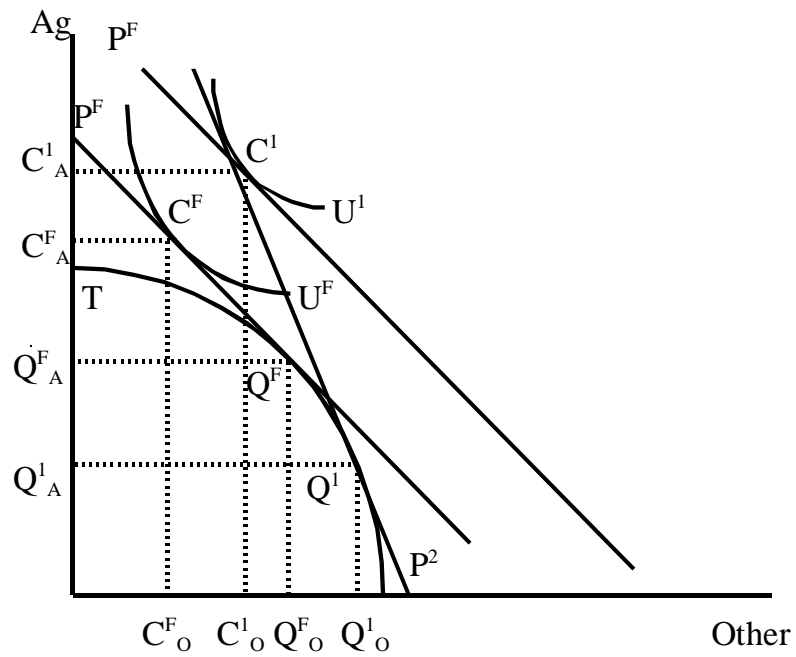


Ex.2: increased production via producer subsidy?

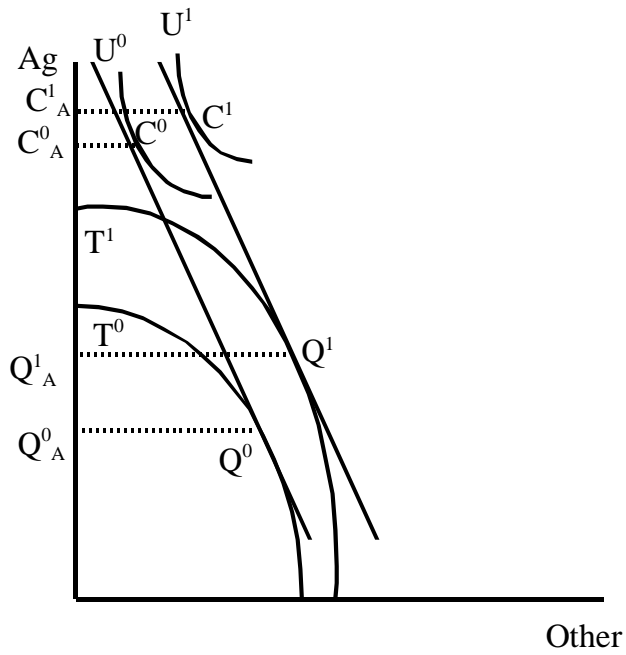


5. Raising income through the development process
Commodity assistance, PL-480 1954

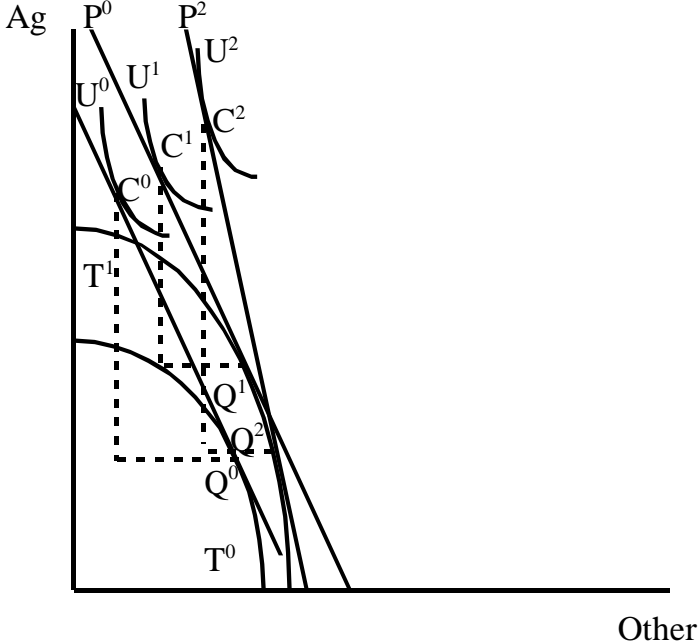
Credit Guarantee Programs - GSM 102, 103



Institution and Infrastructure Development,
technical assistance, research



Development Assistance Controversy – Disincentive Effect, adverse terms-of-trade shift for exporter



Food Diplomacy

Can be used to encourage reform

Can be used to create dependency

Can be used as punishment