

Experts See Food Crisis Unless Agriculture Aid Focus Shifts

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NEW YORK (**Dow Jones**)--A new food crisis is in the making at a time of energy price volatility unless a shift is made in the agricultural production model, particularly in developing countries, experts on global agricultural policy said Tuesday.

Current crop production methods in undeveloped countries, particularly sub-Saharan Africa, would thrive on a model of input-focused information sharing based on farmers in dialogue with governments and the private sector, they said at Farming First, a presentation made at the **United Nations** Commission on Sustainable Development Tuesday in New York.

"In 24 months, we're going to see a resurgence of the food crisis as soon as the energy prices go up," said Ajay Vashee, president of the International Federation of Agriculture Producers. "If you don't follow this model, you're going to have a situation where the food supply is not guaranteed."

Food security methods proved faulty during the crisis that developed at the tail end of 2007 as world distribution bodies were unable to access foodstuffs in dire times despite ample funding, Vashee told **Dow Jones** Newsires after the presentation. Prices of basic food and grain commodities skyrocketed and many governments halted exports of those products in panic, he said.

Many aspects of the agricultural production process is linked to energy costs, Vashee said. Planting and fertilization and harvesting of crops typically require energy inputs. Last year crude oil prices rose over \$140 a barrel, but now are trading around \$38 a barrel as a sputtering economy siphons demand. Prices for corn, wheat, rice and other foods also rose to record high last year but have since tumbled.

Focus on food producers, many of which live in nonindustrialized or underdeveloped areas, is key to building a supply chain less vulnerable to shocks in food and energy markets, experts said.

Agriculture is a fundamental instrument and option for spearheading growth and reducing hunger and poverty," said Lindiwe Sibanda, chief executive of the Food, Agriculture and Natural Resources Policy Analysis Network, based in South Africa.

International food aid to African countries has been ineffective in alleviating impoverished conditions there as domestic governments must invest in agriculture to show success and attract outside donors, Sibanda said. "Unless you have the inputs, food aid is not going to solve your problems," she said.

Several African **nations** pledged to allot 10% of their budgets though few have followed through, while donor countries have also failed to meet their commitments, Sibanda said. Donors are more enthusiastic to give funding to African countries that include agricultural funding in their national budgets, she said.

However, a dearth of startup capital and knowledge of market conditions pushes producers farther away from successful use of agricultural markets, Vashee said. "This vacuum that is created by lack of input - people are reverting to their traditional crops" rather than following a market-based production model, Vashee said.

Fertilizer access is also key to the world's poorest farmers as supply systems must be adequately administered and monitored, said Marjatta Eilitta, director of the International Fertilizer Development Center, based in Ghana.

-By **Holly Henschen**, **Dow Jones** Newsires; 201-938-2338; holly.henschen@dowjones.com [02-24-09 1416ET]