

## CPPS Policy Fact Sheet: Food Crisis

CPPS is pleased to bring you its “CPPS Policy Fact Sheet” on Food Crisis. In this fact sheet we will review the global food security and its impact on Malaysia. Access other CPPS Policy factsheets [here](#) and [here](#).

### BACKGROUND

Food insecurity refers to the unavailability of adequate food and one's access to it. Food security, on the other hand, is when a household's occupants do not live in hunger or experience the immediate fear of starvation. Almost 2 billion people around the world are categorized as experiencing food insecurity (FAO, 2003). The dramatic rise of world food prices created a global crisis that affects both developed and developing countries. Initial causes of the late 2006 price spikes included unseasonable droughts in grain producing nations, which can be attributed to climate change, and rising oil prices. The rise of oil prices exacerbated costs of fertilizers and transportation of food. The increased farming use in **biofuels**, **growing consumer demand**, **global population growth** and **structural changes in trade and agricultural production** has also lead to the price increase of food and made it unaffordable for many people. The systemic causes of current global food crisis continue to be subject of debate as there are both short-term and long-term causes.



### FACTS AND STATS



- The 1996 World Food Summit produced a global commitment to cut the number of hungry and malnourished by half by 2015. The Millennium Declaration also sets a human rights based agenda for hunger reduction
- However, the current global crisis is also affecting the others who are not initially affected.
- Between the start of 2006 and 2008, the average world price for rice rose by 217%, wheat by 136%, maize by 125%, and soybeans by 107%.
- From beginning of 2007 to early 2008, some of the most basic international food commodities, such as wheat and rice, increased dramatically on international business markets.
- Total food import bills rose by an estimated 24% for developing countries in 2007.
- Aquaculture accounts for 45% of global seafood consumption and will continue to rise to meet future demands.
- Myanmar was once the world's top rice producer, however, rice exports dropped over four decreased from nearly 4 million tonnes to only about 40 000 tonnes in 2007. This is mostly due to neglect on infrastructure, such as irrigation and warehousing. Cyclone Nargis stripped Myanmar's rice-growing districts in May 2008 (these areas are estimated by the UN FAO to have produced 65% of the Southeast Asian country's rice).
- Temporary bans on export of rice have been implemented in Brazil, Japan, China and India (except for Basmati types of rice as it attract premium price); a move intended to protect domestic consumers.
- Cote d'Ivoire experienced a dramatic hike in the price of food and fuel (Beef rising from \$1.68 to \$2.16 per kilogram, and price of gasoline rose from \$1.44 to \$2.04 per litre in three days).
- Prices for food items such as rice, beans, fruit and milk have gone up 50% in Haiti since late 2007 and the price of fuel tripling in two months. This led to riots breaking out, causing death of 5 people.
- Prices for more than 150 staples, such as coffee, sardines, and tea have been frozen until the end of December 2008 in Mexico. The measure was taken in attempt to control inflation.

## THE RIGHT TO FOOD

- The **Universal Declaration of Human Rights of 1948** first recognized the **right to food as a human right**.
- **Article 25(1)** reads:  
**Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing and medical care, and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.**
- The right to food is increasingly being integrated into national constitutions and legislations, and there are several cases in the courts around the world where this right, or some aspects of it, have been upheld and enforced.
- However, despite progress in some areas, 60 years after the Universal Declaration of Human Rights, the right to food remains to be realized for 854 million human beings.
- The right to food approach complements food security considerations of availability, access, stability and utilization with concerns for human dignity and cultural acceptability, and for empowerment by means of participation, non-discrimination, transparency and accountability.
- This enables individuals- particularly the hungry and marginalized, to actively look for means of realization of their right to food and to hold government accountable for food security commitments it has taken. They become subjects of legal rights instead of being objects of assistance.



## SITUATION IN MALAYSIA

- Green Book Programme aimed to make Malaysia self-sufficient in food production by encouraging farmers to grow vegetables and rear livestock was introduced by second Prime Minister, Tun Abdul Razak Hussein on December 20<sup>th</sup> 1974. Measures to encourage such self-sufficiency include cattle distribution by the Veterinary Department and subsidising fertilisers, seedlings, insecticides and herbicides.
- The first objective of the National Agriculture Policy was to raise food security by increasing production quality focusing on the aspect of commercial agriculture.
- 30<sup>th</sup> June 2008 – Prime Minister Abdullah Ahmad Badawi urged Malaysians to grow own vegetables at home and be part of the country's green revolution when launching the Putrajaya Residents Bumi Hijau Campaign. RM15 million is allocated for the campaign, where seeding and tips on planting vegetables and fruits could be obtained from the Agriculture and Agro-based Industry Ministry.
- Agriculture and Agro-based Industry Minister Mustapa Mohamad announced Food Security Policy due to increase in prices of consumer products such as rice and other items.
- The year 2005 statistics showed that the level of country's self-sufficiency for rice was 70%, fruits: 98%, vegetables: 95.6%, fish: 90%, beef: 23%, mutton: 7.1%, pork: 76%, chicken: 143.2% and eggs: 152.3% (Bernama, 2008).



## STAKEHOLDERS

**Agriculture and aquaculture players:** Farmers, fishermen, plantation workers who are involved in the production of goods through the growing of plants, and the raising of domesticated animals. Agricultural progress has been crucial in worldwide socio-economic change as farmers proceeded to produce food beyond the needs of their own families; others in the society were able to devote themselves to projects other than food acquisition. About 1/3 of the world's workers are in agriculture (as of 2007) but the relative significance of farming has dropped since the industrialisation era (in 2003, the services sector overtook agriculture as the economic sector employing the most people worldwide).

**Agribusiness:** Agro-business is the umbrella term for the local, national or international companies that handle or transform various range of activities and disciplines involved in modern food production such as farming, seed supply, agrochemicals (supply of broad range of insecticides, herbicides, fungicides, synthetic fertilizers, hormones and other chemical growth agents, and concentrated stores of raw animal manure), farm machinery (supply of modern technology in farming equipment), wholesale and distribution (sale of goods or merchandise to retailers, to industrial, commercial, institutional, or other professional business users, or to other wholesalers and related services), processing (transforming raw ingredients to forms of consumptions), marketing, and retail sales. These businesses typically invest their own capital in transportation and selling commodities such as rice and wheat, high value crops and nice products such as cut flowers.

**Ministry of Agriculture and Agro-based Industry:** In 1951 a portfolio of agriculture and forestry was created to take care of a number of issues including fishery, agriculture and forestry. This portfolio evolved into the Ministry of Agriculture and Cooperation upon Malaysian independence. Over the years, the introduction of new departments and technical and professional agencies were introduced under the ministry to lead in various processes involved in transforming the agricultural sector by a planned, integrated and comprehensive approach in realizing the Third National Agricultural Policy.

## THE GREEN REVOLUTION



The **Green Book Programme** was introduced in 1974, aimed to make Malaysia self-sufficient in food production. The Farmer's Organization Authority was established in 1973 with the goal of coordinating agricultural cooperatives, farmers associations, and government agricultural agencies.

Growth in small-scale agriculture was viewed as crucial to creating jobs and reducing rural poverty, and government agencies such as FELDA (the Federal Land Development Authority) vastly increased the scope and size of their development programs. RISDA (the Rubber Industries Smallholder Development Agency) was given the task of diversifying smallholder estates; RISDA set itself the ambitious goal of developing 150,000 acres (610 km<sup>2</sup>) during the Second Malaysia Plan. The main aim was to diversify into palm oil through the planting of oil palms. The Malaysian economy relied heavily on rubber at the time—at its peak, Malaya (Peninsular Malaysia) alone produced more than half of the world's rubber. The Green Book had been effective in reducing the rate of inflation by raising the people's income through involvement in agriculture either on a part-time or full-time basis. Prior to world crisis hitting the country in early 1970s, the government had implemented the Green Book Programme as one of the strategies under the Food Security Policy involving a total allocation of RM4 billion to ensure adequate food supply and stable food prices.

The Green Book Programme emphasized on greater involvement by the people in agriculture and vegetable farming for their own consumption while the rest would be sold to the public. The main objective of the Green Book was to maximize land development involving short-term crops, group farming, breeding of freshwater fish, and enhancing the marketing of agricultural product besides increasing national food production and raising the people's income to reduce inflation.

The concept of "backyard farming" was introduced along with the concept of "community farming", that is, the economic utilization of vacant land in residential areas to be extended to the rural areas with supervision by relevant agencies such as the Agriculture Department.

## CHALLENGES OF CLIMATE CHANGE AND BIOENERGY

**Adapting to climate change:** Climate change will affect the suitability of land for different types of crops, livestock, fish and pasture. It will also have an impact on the health and productivity of forests, the incidence of pests and diseases, biodiversity and ecosystems. Changes in temperatures and precipitation as well as more frequent extreme weather are expected to result in crop and livestock production shortfalls and other asset losses. This will affect food production, along with access, stability and utilization of food resources.



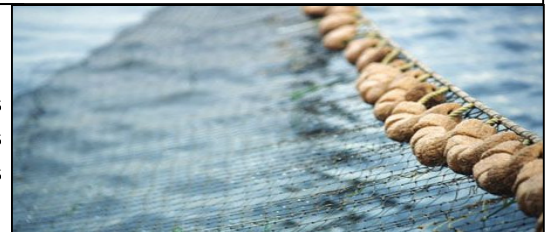
**Land:** Climate change threatens to uproot many rural communities. For example, rising sea levels may force many communities in low-lying coastal areas and river deltas to move to higher ground. Similarly, increasingly frequent droughts brought on by climate change may leave farmers and pastoralists who rely on rainfall to raise their crops and livestock in conflict over land and water. This displacement of people is likely to result in competition between migrants and established communities for access to land. Reconciling diverse land use needs presents daunting challenges for government at all

**Water:** As a consequence of climate change, farmers will face growing unpredictability and variability in water supplies and increasing frequency of droughts and floods. Hardest hit will be rainfed agriculture – which covers 96% of all cultivated land in sub-Saharan Africa, 87% in South America and 61% in Asia. In marginal semi-arid zones with prolonged dry seasons, the risk of crop failures will increase. In irrigation of large river basins and deltas are also at risk from a combination of reduced runoff, salinity, increased flooding and rise of sea level, and urban and industrial pollution. These stresses on some of the prime productive land will reduce the agricultural output, biodiversity and the natural ability of ecosystems to recover – with possible negative impacts on millions of farmers and consumers across the world as food supply becomes progressively constrained.



**Biodiversity:** The 2005 Millennium Ecosystem Assessment estimates that by the end of this century, climate change will be the main cause of biodiversity loss. However, as climate changes, the value of diversity for food and agriculture will increase. Genetic resources are the living material that local communities, researchers and breeders use to adapt food and agricultural production to changing needs. Maintaining and using this reservoir of genetic diversity will be the foundation for coping climate change

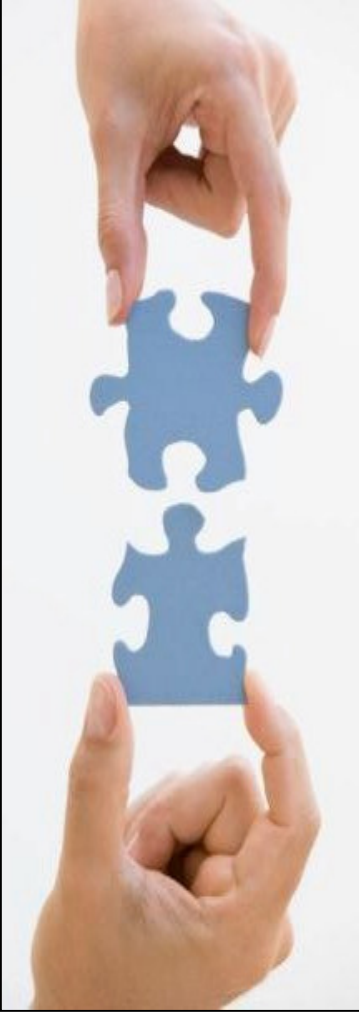
**Fisheries and aquaculture:** Impacts of climate change will affect fisheries- and aquaculture-dependent people as production and marketing costs increase, buying power and exports decrease and dangers from harsher weather conditions rise. Small fishing communities in some areas will face greater uncertainty as availability, access, stability and use of aquatic food and supplies diminish and as work opportunities dwindle.



### **Bioenergy and food security**

Risks to food security through higher prices are greatest where bioenergy is based on food crops or uses land and water that would otherwise go for food production. This competition is more acute in producing liquid biofuels than in biomass for heat and power. Based on current technology, the rapid expansion of liquid biofuels is contributing significantly to rising food prices. This benefits rural farmers with surplus to sell but hurts urban consumers and the rural poor who must buy food. Producing biofuels from agriculture and forest residues or waste may offer an alternative, but the technology is not yet commercially viable. The trend presents risks for food security as it threatens to hinder access to food for some of the most vulnerable.

## POLICY RECOMMENDATIONS



- The Federal Government should recognise the role it plays as member of the Human Rights Council and affirm food security as a basic human right for all Malaysians
- Ministry of Agriculture to direct all its state offices to work with the rice producing states, repairing and providing sufficient and efficient infrastructure and work on increasing food productivity
- Ensuring Agribusinesses as agent of change to genuinely help farmers move forward can be done by monitoring and supporting the service provide companies who provide seeds, fertilizers, machineries and other services to the field of agriculture.
- Policies should be legislated to ensure minimum corporate monopoly to allow for participatory roles of farmers or food producers – big or small – towards equitable economic distribution, thus managing fair consumer prices.
- Expensive and environmentally damaging technologies must be phased out, as this ultimately burdens farmers and consumers due to its high cost of production.
- Integrating sustainable approaches and technologies in promoting modern farming methods.
- Farmers should be assisted by providing land through meaningful agrarian reforms. This can be done with recognition and respect to the rights of the indigenous people and Native Customary Rights land policy, with the much-needed technical and financial support; the establishment of cooperatives and community councils, in addition to the provision of housing, electricity, water, and wastewater to ensure life sustainability for people in rural countryside
- Empower the poor through continuous education and awareness building.
- Agriculture should contribute to reducing greenhouse gas emissions through such measures as reduction of deforestation, improved forest conservation and management, better controlled of wildfires, agro-forestry for food or energy, restoring land through controlled grazing, improving nutrition for ruminant livestock like cattle, more efficient management of livestock waste including biogas recovery, and other strategies that conserve soil and water resources by improving their quality, availability and efficiency of use. The use of biofuels as a solution to reduce carbon emissions and to become more independent from fossil fuels has crucial implications for food security as well as for current and future land use.



### About the Centre for Public Policy Studies (CPPS)

The Centre for Public Policy Studies is an independent and non-partisan public policy institute that aims at fostering open-minded dialogue, enlightened leadership and better governance. The belief underpinning the establishment of the CPPS is that the challenge of building a cohesive, competitive and successful multi-racial Malaysian society can best be met by open discussion buttressed by rigorous analytical work and a spirit of tolerance and respect for the needs and aspirations of all stakeholders in the country.

Presently, the persistence of deep divides and disparities in a wide array of fronts – such as education, employment, health care, housing and infrastructure – points to the urgent need for better strategies and new policies to address systemic inadequacies. These divides and disparities are found not only in the economic sectors, but also in the social and cultural spheres. Through an innovative mix of policy research, strategic communications and targeted outreach, the Centre's mission is to engage and educate the public and policy makers on best practice policies and successful change strategies that can ensure inclusive development for all Malaysians.

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