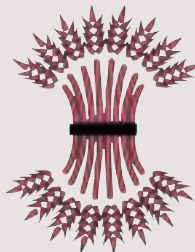
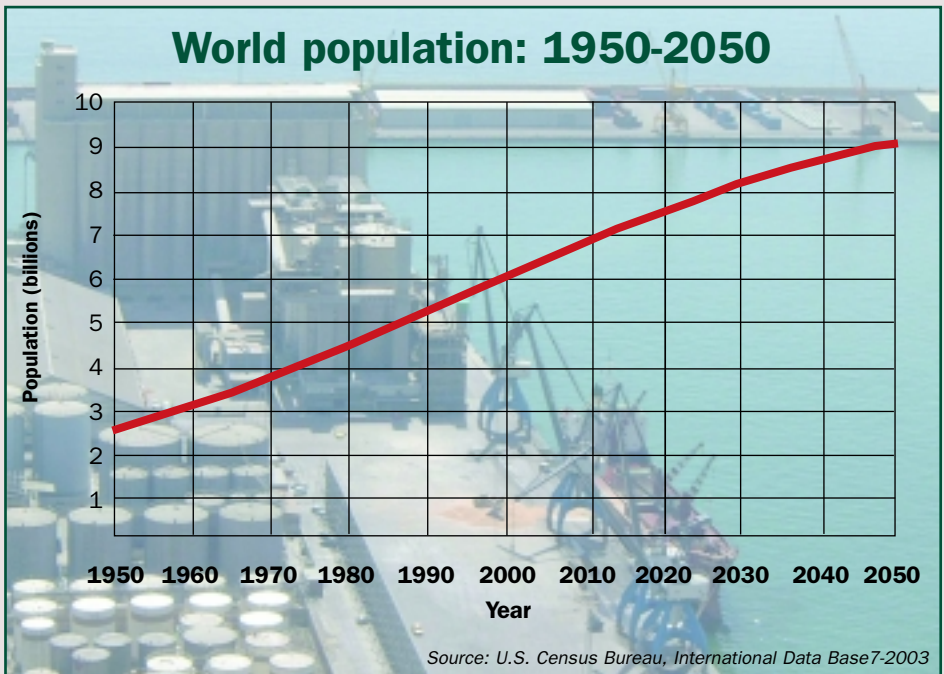


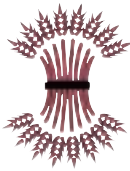
FOOD SECURITY

THE PRESSURE ON GLOBAL FOOD SUPPLY

A discussion document produced by

THE COMMERCIAL FARMERS GROUP





INTRODUCTION

Food Security is in the national interest and, even in these days of apparent plenty, is something we take for granted at our peril. That is why The Commercial Farmers Group is seeking to instigate a debate that puts food security firmly on the agenda of everyone engaged in food and farming policy formation in the UK and EU.

In July 2003, Defra said that “National food security is neither necessary nor is it desirable”.

We challenge this view, taken by Government, some advisors and political commentators.

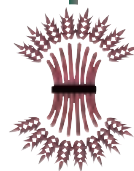
We challenge it because food supply chains are stretched and growing more vulnerable by the day. We believe that a recognition of a realistic level of food security is both desirable and necessary and should be a fundamental plank of national food, farming and economic policy.

In March 2003, The Commercial Farmers Group published a document setting out “The Case for Agriculture”. Since then, many things have happened to re-enforce the views stated in that publication.

For that reason we are now specifically addressing the issue of food security. We do so against the background of a rapidly changing world in which very little can now be taken for granted.

In the course of this report we examine the following key issues and the impact they are likely to have on food security in the UK.

- **Climate change.**
- **Exploding populations in the Third World.**
- **Urgent need to ensure adequate nutrition.**
- **Rapidly increasing migration.**
- **The risk of terrorism.**



PRESSURES ON THE GLOBAL FOOD CHAIN

In global terms, food security has been an issue for decades. To countries such as those in Sub-Saharan Africa, food security is, literally, a matter of life and death. To developed countries it is an economic issue of considerable importance. In all cases, there should be encouragement to produce the food for which the climate, soil and other resources are best suited.

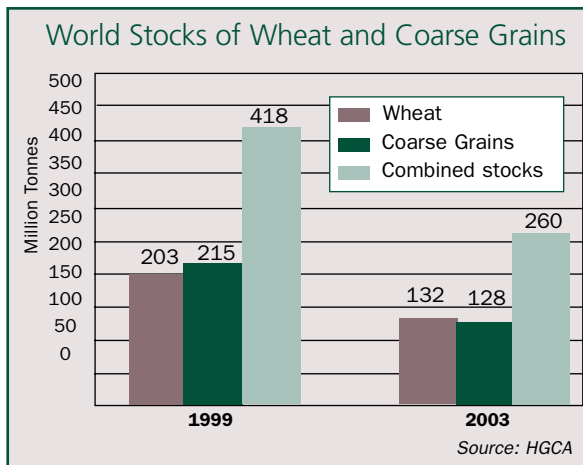
Today, changes in supply and demand are becoming more acute.

These stem from:-

- ◆ Rising global population.
- ◆ Increasing expectation among consumers world-wide.
- ◆ Climate change.
- ◆ National and international policy changes.

Supply and Demand

The droughts that have so drastically affected crop production this past year, throughout Europe and the rest of the World, have highlighted the volatility of present day production. Any change in yield, anywhere in the world, can, and will have, a major effect on supply.



The above graph illustrates the fall in world stocks of wheat and coarse grains over the past five years.

This dramatic decline in total stocks means that the world had only sufficient grain in store at the end of 2003 to last for 63 days compared with 104 days at the end of 1999 – a reduction of 37%.

However, food security is not simply a question of quantity. It is also about quality. The UK imports increasing quantities of food products, not all of which come from countries where standards of meat hygiene, disease control and animal welfare would be acceptable in this country. These include countries from which we import meat, thus risking a repetition of the



2001 outbreak of Foot & Mouth disease. Recently the risks of Avian Flu, Brown Rot in potatoes, and Bunt in wheat have hit the headlines.

This clearly poses substantial risk in the food chain.

For instance, over the past five years sow numbers in the UK have dropped from 850,000 to 500,000. Some 45% of white/breast chicken meat is now imported.

Tight margins in the fiercely competitive climate, in which the supermarkets and main catering businesses operate, lead inevitably to buyers scouring the world in their search for least-cost suppliers.

CFG argues that such a narrow parameter creates vulnerability in the food chain, threatens local supplies, and should not be the sole basis for choice.

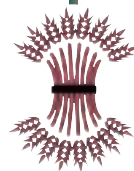
Population

The two tables below show how emerging nations will move up the population density league table over the next 50 years. In the medium term we have to cope with the result of the following statistics:

- ◆ The world's population reached 2.3 billion in 1945.
- ◆ By 2003, it had risen threefold to 6.3 billion.
- ◆ The UN median projection is for 9 billion by 2030.

Rank	Country	Population (millions)
1	China	1,289
2	India	1,069
3	United States	292
4	Indonesia	220
5	Brazil	176
6	Pakistan	149
7	Bangladesh	147
8	Russia	146
9	Nigeria	134
10	Japan	128
11	Mexico	105
12	Germany	83
13	Philippines	82
14	Vietnam	81
15	Egypt	72
16	Turkey	71
17	Ethiopia	71
18	Iran	67
19	Thailand	63
20	France	60

Rank	Country	Population (millions)
1	India	1,628
2	China	1,394
3	United States	422
4	Pakistan	349
5	Indonesia	316
6	Nigeria	307
7	Bangladesh	255
8	Brazil	221
9	Congo, Dem. Rep. of	181
10	Ethiopia	173
11	Mexico	153
12	Philippines	133
13	Egypt	127
14	Russia	119
15	Vietnam	117
16	Japan	101
17	Turkey	98
18	Iran	96
19	Sudan	84
20	Uganda	82



Food Requirement Projections to 2025

Population 1990	Cereal consumption 1990	Demand in 2025 Population increase only	Demand in 2025 Population + income increase
World 5.3 billion	1,921 M. tonnes	2,679 M. tonnes	3,046 M. tonnes

Source: Professor Tim Dyson of the London School of Economics

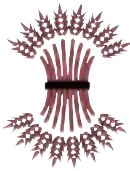
To feed the rising population at even the inadequate levels of nutrition of 50 years ago would require a tripling of supply. However, rising standards of living around the world are constantly forcing up demand. In stark contrast are those policies that are reducing supply. In turn, these expectations for more quality and choice lead to an escalating demand for water – now rapidly becoming a dangerously scarce resource. Changing climate is adding to the pressure. A further, and extremely damaging consequence is that more and more fragile land is being brought into cultivation leading to serious soil erosion and greater unreliability in production.

Increasing Expectations

The past 50 years has seen an enormous change in the expectations of consumers world-wide, all increasingly stimulated by modern communications. As incomes rise so demand switches from a cereal-based diet to one based on meat and higher protein food. In turn, this increases the pressures on food supply and on land availability, due principally to the poorer conversion rate of cereals into meat.

China is a striking example of cause and effect. The manufacturing boom taking place has led to a higher standard of living which, in turn, has led to greatly increased demand for cereals and to a doubling of shipping rates over the last six months.

At the same time, supply chains, especially for poultry and pig meat, are getting stretched. Current low production costs in Thailand and Brazil are being exploited to provide cheap supplies to European and US markets. The result of these changes is a huge increase in food miles. With increasing freight charges, the need to contain escalating food miles, and the risks of terrorism, such supply chains are surely not sustainable in the long term. And added to all these factors is an abundant evidence of the unrest that is the consequence of unfulfilled expectation. Migration is accelerating, affecting not just the poor and deprived but also leading to the intellectual 'cream', including agricultural specialists, selling their skills to higher bidders in the richer countries, so exacerbating the problems in their home countries.



We have to take account of this widespread cause and effect, and do something constructive about it, otherwise the global community as a whole will bear the consequences.

Climate Change

At the beginning of January 2004, Government Chief Scientist, Dr. David King, stated that ‘global warming poses a greater threat to the stability of the world than does international terrorism’. In the United States similar warnings are being voiced.

While all may not agree the causes of the change taking place, scientists world-wide accept that the global climatic environment is changing faster than ever before.

Evidence is mounting and includes:

- ◆ The ten warmest years in the last century have been the past ten years.
- ◆ The University of Bern has shown that recent European summers have been the hottest for 500 years.
- ◆ Evidence from the Arctic shows that the polar ice has halved in depth in recent years.
- ◆ Insurance premiums against weather catastrophe are rising out of commercial reach.

There is an urgent need for much more co-ordinated work on the overall effects of climate change on global food supply. Policy changes that counter these risks are now long overdue. If ever there was a justification for the ‘precautionary principle’ it is surely this.

National and International Policy Changes

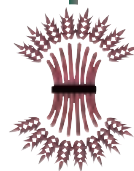
Recent reforms of the EU’s Common Agricultural Policy will undoubtedly have an effect on production in Europe. These have been estimated by Andersons, the Farm Business Consultants and the National Farm Research Unit to result in the removal of up to 25% of all arable land in the UK and some 35% of all dairy farmers quitting the industry. These reforms when implemented throughout Europe are likely to result in a substantial reduction in food production in one of the major farming areas of the world. Whilst environmental protection is undoubtedly important, so too is the need for long term assurance of supply and the sustainability of commercial farming in the UK.

Actions

This paper has set out the major elements of these different changes. We have done so, not in an attempt to justify subsidisation of agriculture, but to highlight the considerable and unnecessary risks being taken with world food supplies. To ignore these signs in the naïve belief that “the world is full of cheap food” is to take dangerous risks for the future welfare of our country, its people, and the countryside.

We believe that there is an urgent need to implement the following actions:

- ◆ Carry out an evaluation of the effects, both medium and long term,



of potential changes in global food supply, covering all aspects of quantity, quality, safety and cost. Agriculture, whether in the UK or globally, is not a short-term business.

- ◆ Reverse the damaging reductions in funding for agricultural research and development, and acknowledge that such research, including that into genetically modified crops, is essential if UK agriculture is to adapt to the changes ahead (both seen and unseen), and if serious damage to agricultural efficiency is to be avoided.
- ◆ Adopt a balanced and even-handed policy on animal welfare, food safety, and environmental care. As a result of recent regulations in these areas, the UK has “exported” significant areas of production to other countries where our high standards do not necessarily apply. Food imports from countries that can not demonstrate environmental and welfare standards at least equal to those enforced by law in the UK should not be allowed, or if they are allowed, then these products should be comprehensively and clearly labelled.
- ◆ A Food Supply Audit – to ensure that changes in environmental policy are not disproportionately damaging to farm productivity – should be set up. This should sit alongside an Environmental Audit, which should also consider the environmental impact of reducing commercial farming, especially in

the hill and upland areas. This radical approach is required to ensure a balance between environmental care and effective food production.

The Commercial Farmers Group

calls on all political parties, the media, and the NGOs, to address these key issues; to think beyond the short term; and create policies which lead to a genuinely sustainable UK agriculture.

Conclusions

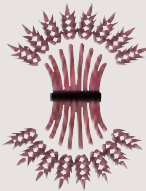
In the UK, we are accustomed to living in a stable environment, both politically and economically. Food comes to us from all over the world. In some cases to supplement home production but, increasingly and damagingly, to displace high quality food which could be produced from our own farms, where we have some of the best climatic conditions, good soils and efficient farmers.

Within the CFG, we are very conscious of the need to preserve and conserve our countryside but, at the same time, the correct balance needs to be found between conservation and the maintenance of the national asset of productive agriculture.

Once lost, it will become very difficult and extremely expensive to replace the resources of skilled labour, good soil structure, and the production, processing and distribution facilities that, together, create the food chain infra-structure on which a successful and sustainable industry is built.

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