Remarks on Food security: International Experience and Cooperation

by

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Food Security is composed of FOUR elements:

1. **Availability**
   - Production + Stocks
   - Imports-exports

2. **Accessibility**
   - Prices
   - Income

3. **Utilization**
   - Consumption
   - Water, sanitation and Hygiene (WASH)
   - Nutritional status

4. **Sustainability**
   - Variability in availability, accessibility, utilization

Additional elements:

- Income
- Poverty
- Nutritional status
- Resilience
The Global Hunger Index

GHI = (PUN + CUW + CM) / 3

PUN = Under-nutrition
CUW = Child underweight
CM = Child mortality

2014 Global Hunger Index by severity

- Extremely alarming 30.0 ≤
- Alarming 20.0–29.9
- Serious 10.0–19.9
- Moderate 5.0–9.9
- Low ≤ 4.9
- No data
- Industrialized country

IFPRI
Undernourishment Trends: Progress varies across regions

Source: FAO (2014)
Total Number of Undernourished people declined. However, its share in South Asia and Sub-Saharan Africa Increased between 1990-92 to 2012-14

Source: FAO (2014)
PAKISTAN IS BORDERLINE ALARMING IN TERMS OF THE GLOBAL HUNGER INDEX
IN PAKISTAN
Share of food expenditure in total consumption expenditure has increased by 5 percentage points during 2007/08 – 2010/11.

On Average more than 70% of food expenditure is spent on wheat, oils, sugars and dairy (2010-11)

Source: HIES 2010-11
Wheat is the major source of energy

Source: HIES 2010-11
Sharp Increase in the Price of Wheat since 2007-08

Gap between Net Availability and Consumption of Wheat

Source: GOP (2013), Agriculture Statistics for production, imports and exports, FAOSTAT for consumption
Decreasing ability to access: Kilograms of Wheat Flour that one Day’s Wages can Buy declining
Food Security has several dimensions

- Food Insecurity threatens overall national security
  - **Household** – increasing number of food insecure and vulnerable households
  - **Intra-household** – Gender Disparities make half the population more vulnerable and at risk
  - **Markets thin and not functioning**
  - **Regional Dimensions** – three provinces are food deficit and within these some regions much more so than others
  - **International Dimensions** – Afghanistan, the Central Asian Republics and India
The Pakistan Situation

• High and increasing levels of poverty and malnutrition

• High prevalence of malnutrition in the country:
  • Poverty - Lack of resources at the household level to maintain the minimum daily allowance of essential nutrients; and
  • Lack of awareness about balanced diet and maintaining good health

• Focus of previous research on estimating numbers only

• Food Security not fully understood or integrated into policies
  • Little work on understanding the linkages between food security, consumption behavior and nutritional outcomes and variations across socio-economic groups and regions

• Need re-prioritization and evaluation of any previous policies and programs
The Pakistan Situation – the salient aspects

- **Limited Dietary Diversity**: Cereals, fats, sugars, and dairy products are the main sources of calories and macro-nutrients.

- **The consumption of micronutrient rich foods is very low** (vegetables and fruits).

- **Average calorie consumption is lower than the recommended level** of 2350 and unbalanced in terms of micro-nutrients.

- **Wheat is the main source of calories, carbohydrate and fiber**.

- **Current policy focused on availability of wheat tonnage** through production and import. Little diversification away from four major crops.

- **Lesser focus on accessibility, sustainability and safety**.

- **Wheat consumption is price inelastic** (implications for dietary diversity and household expenditures on education, health care, etc.?)
Wheat is central to Food Security and poses the Classic Food Policy Dilemma in Pakistan

- Wheat accounts for over **55% of total caloric consumption**

- Poor households spend **24 percent of food expenditure** on wheat

- **26 percent** of total households produce wheat and **97 percent** households consume wheat.

- But among the wheat producers only **21.6 percent** are the net sellers

- An increase in wheat price benefits only **the net sellers** of wheat
“Food policy dilemma” - promoting high prices for producers or low prices for consumers?

• Market interventions are not costless – and can result in substantial government subsidies and efficiency losses

• There is a mismatch between objectives (producer and consumer price levels and stability, availability of grain for distribution programs, minimum stock levels, etc.) and policy instruments (procurement and sales prices, levels of government imports, etc.)
Political Economy of Food Security: Diverse Objectives of Stakeholders

• **Producers**: higher producer prices

• **Millers**: low issue price and regular supplies

• **Consumers**: cheap food and assured supplies

• **Government**: minimize expenditure and inflation
  • Provincial Food Departments: procurement targets

• **Regional considerations**: surplus vs. deficit provinces

• **Donors**: Limit wheat subsidies and increase role of private sector
Estimates indicate that Increase in Wheat Price has possible adverse implications for other essential Human Development Indicators

- An increase in wheat price increases the food costs of the majority of the population
- An increase in the price of wheat may not result in substitution with other food items
- However, substitution with non-food items is possible
- A substitution with health and education may worsen the already low human development indicators and may have adverse effect on already high levels of poverty in the country
- Serious implications especially for current nutritional status and productivity of future generation
- A reduction in the purchasing power of the wage earners can aggravate this situation further.
Fome Zero – A Multidimensional Program for ensuring the right of access to basic Food

• Interventions ranging from:
  • The direct
    • financial aid to the poorest families (with the Bolsa Família card)
  • To the diverse and indirect (such as):
    • creating water cisterns in Brazil's semi-arid areas,
    • low-cost restaurants,
    • educating people about healthy eating habits
    • distributing vitamins and iron supplement
    • supporting subsistence family farming and
    • giving access to microcredit.
Evaluative Evidence Indicates that *Fome Zero in Brazil has contributed to*

- improved education outcomes, and impacts on children’s growth, food consumption, and diet quality
- 80% of the Bolsa Familia benefits go to families in poverty (making under half the minimum wage per capita), thus most of the benefits go to the poor.
- responsible for about 20% of the drop in inequality in Brazil since 2001
- significant reduction in child labor exploitation among children benefited by the Bolsa Família program
Pakistan is committed to ensuring Food Security

• The setting up of the Ministry of Food Security and Agricultural Research is an important first step

• The Benazir Income Support Program and NADRA have enabled a widely available targeting mechanism

• The Cooperation with Brazil’s Fome Hunger Program is an important step forward.

• Pakistan needs its OWN mechanism of informed decision making and of prioritizing its needs to understand what it needs to adapt from what others are doing and to learn as Pakistan develops its Food Security
  • *International Cooperation is welcome*
Thank you so much