

Food trade key against world hunger, but keep it safe: FAO

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World trade in food and agricultural products, which has grown almost threefold in value over the past decade, is set to continue to expand, the UN food agency said

Expanding trade in agricultural products is key to alleviating world hunger, but only if open trade policies do not endanger food security, the UN food agency said in a report released Wednesday.

Trade affects all dimensions of <u>food</u> security: food availability, access,



utilization and stability, the report by the Food and Agriculture Organization (FAO) said.

"The eradication of global hunger by 2030 is a key goal in the new post-2015 sustainable development agenda – and trade is one of the means for achieving this goal," the FAO said.

World trade in food and <u>agricultural products</u>, which has grown almost three-fold in value over the past decade, is set to continue to expand with regions such as Asia, North Africa and Middle East increasing net imports, while others like Latin America boosting exports, the report said.

"The challenge has therefore become one of ensuring that the expansion of agricultural trade works for, and not against, the elimination of hunger, food insecurity and malnutrition," stated the report The State of Agricultural Commodity Markets 2015 (SOCO).

It aims to show the link between trade and food security and reduce the polarized views on the subject providing guidance on government trade policy, the FAO said.

"Trade affects many of the economic and social variables that ultimately determine a population's food security and nutrition status – including growth, incomes, poverty levels, food prices and government budgets," it said.

While trade in itself is neither a threat nor a panacea, it does pose challenges and risks that need to be considered in policy decisionmaking.

The report cited such risks as relying on the global marketplace for imported food which could see sudden price hikes and also leave the



importing country vulnerable to actions by trading partners and shortterm market shocks.

Still, the report concluded there is no "one size fits all" for a trade policy that supports food security. It suggests that trade and related government policy will differ by countries and will change over time as their economies develop.

For example, the distribution and location of food-insecure populations can affect the balance between policies focused on increased production and rural incomes, and those focused on securing cheaper food for urban populations, it said.

Overall, trade reforms should be considered as part of broader policy packages aimed at achieving sustainable development goals, including eradication of hunger, <u>food insecurity</u> and malnutrition.

Finally, global trade agreements on agriculture negotiated by the World Trade Organization need to find a balance between giving nations flexibility in setting policies for <u>food security</u> while not negatively affecting the security of their trading partners.

"The eradication of global hunger by 2030 is a key goal in the new post-2015 sustainable development agenda – and <u>trade</u> is one of the means for achieving this goal," the FAO said.

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