

Access to Food Part 2 of 4

June 2009

A Crisis Re-manifested

The global recession has eclipsed and muzzled the food crisis of '07-'08, during which food commodities dipped to dearth supply and prices soared. Considering the definitions below, the characteristic, climactic, turning point of decisive, definitive change either did not materialize, or worse, was not recognized. For as The Economist reports of the food crisis: 'it crept back'.

Dictionary Definitions of "Crisis"

- turning point; a stage in a sequence of events at which the trend of all future events, for better or for worse, is determined;
- a condition of instability or danger, as in social, economic, political, or international affairs, leading to a decisive change;
- *Medical*: the point in the course of a serious disease at which a decisive change occurs, leading to recovery or to death.

Short-term Tactics

Early on, some suppliers were able to nimbly increase crop acreage. The long controversial EU agricultural programme of obliging farmers to leave 10% of their land fallow for the sole purpose of price support, was lifted. China stopped converting marginal arable land to forest. Yet, grain prices continued to rise – one factor being increased grain demand in developing countries, as governments aided the poor with cash-transfer payments.









Growing Number of Carnivores

Conversely, meat prices fell despite growing demand in developing countries. Per capita meat consumption in China is slightly greater than half the value for each of Canada, the US, the EU and the UK. The fillip in the situation is China's change in per capita meat consumption – up 12% per annum since 1995 without signs of abatement - coupled with a burgeoning population (E1.3 billion in 2009). The switch from grain to meat amongst nations who have previously consumed grain-based diets, along with urbanization, are two steadfast, slow, irreversible

trends with far reaching effects, well beyond world agricultural market dynamics.

China's New Food Menu

As shown below, a significant increase in animal-protein selections has been evident in China since the early 1980's. This has not been at the expense of rice, which is consumed in growing amounts. Fruit consumption initially increased as well, only to have reversed slightly during this decade, yet higher than previous levels. The concomitant increase in cooking oil usage suggests an upward preference for fried foods.

Daily Chinese diet (per person, in grams)				
				
Year	1982	1992	2002	
Rice	217	226.7	239.9	
Wheat	189.2	178.7	138.5	
Other grain	103.5	34.5	23.3	
Vegetables	316.1	310.3	275.2	
Fruit	37.4	49.2	45.7	
				
Year	1982	1992	2002	
Meat	34.2	58.9	79.5	
Fish/Shrimp	11.1	27.5	30.1	
Milk/Dairy products	8.1	14.9	26.3	
Eggs	7.3	16	23.6	
Vegetable cooking oil	12.9	22.4	32.7	

Source: National Bureau of Statistics Graphics by Li Yi

Some Web sites

http://www.economist.com/world/international/displayStory.cfm?story_id=13944900&fsrc=nwlbtfree
http://www.chinadaily.cn/china/2008-06/24/content_6790223.htm
<http://timesofindia.indiatimes.com/articleshow/3027337.cms>
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