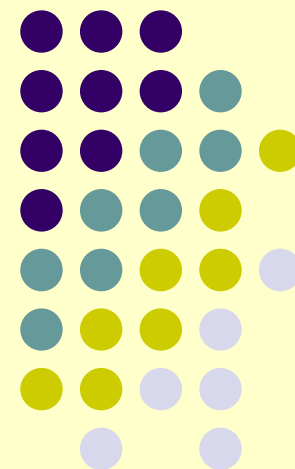


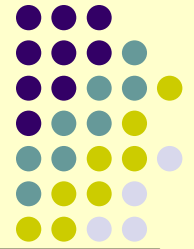
Food Security in South Asia: Issues and Options

Surabhi Mittal

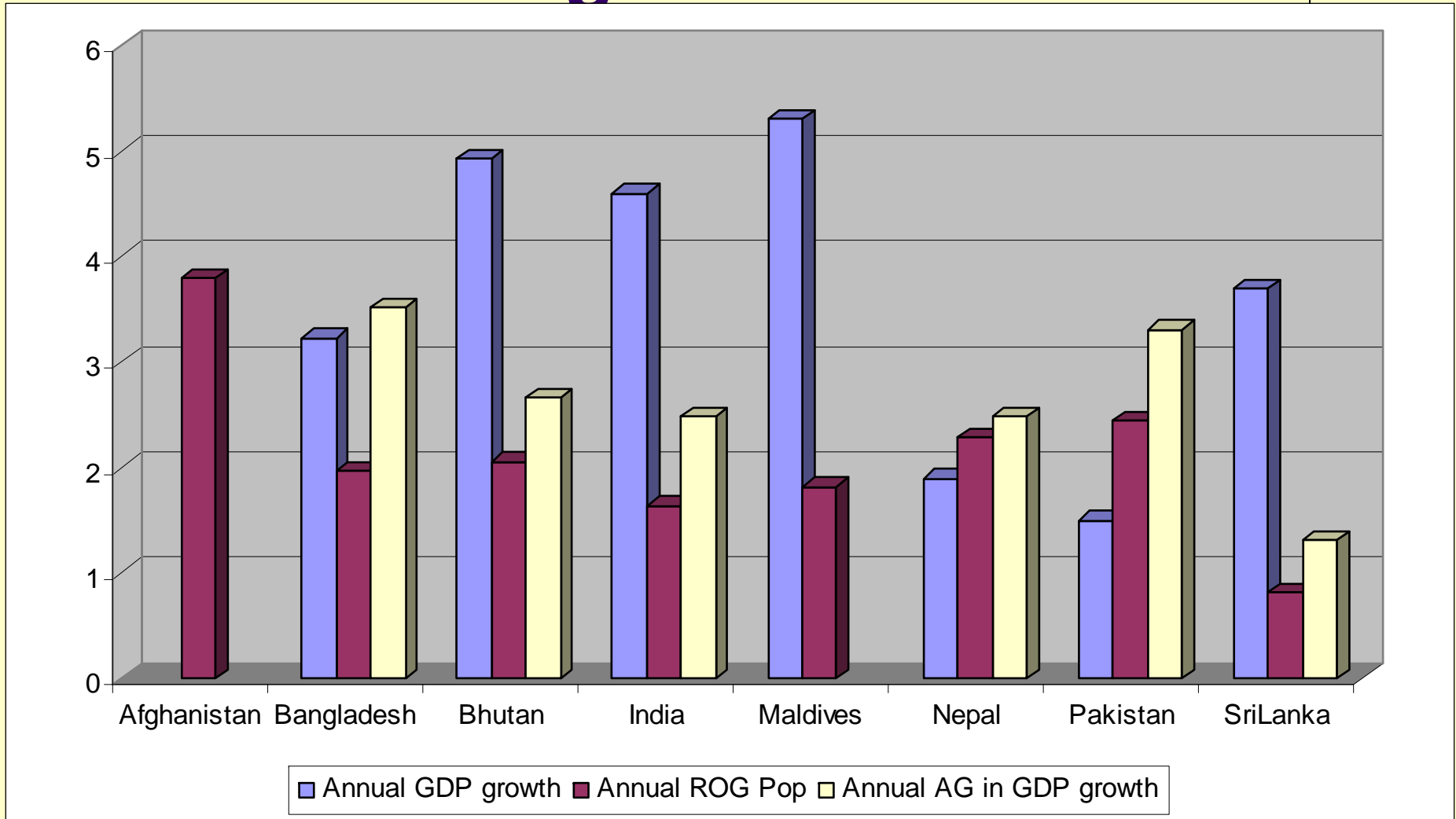
Deepthi Sethi

ICRIER



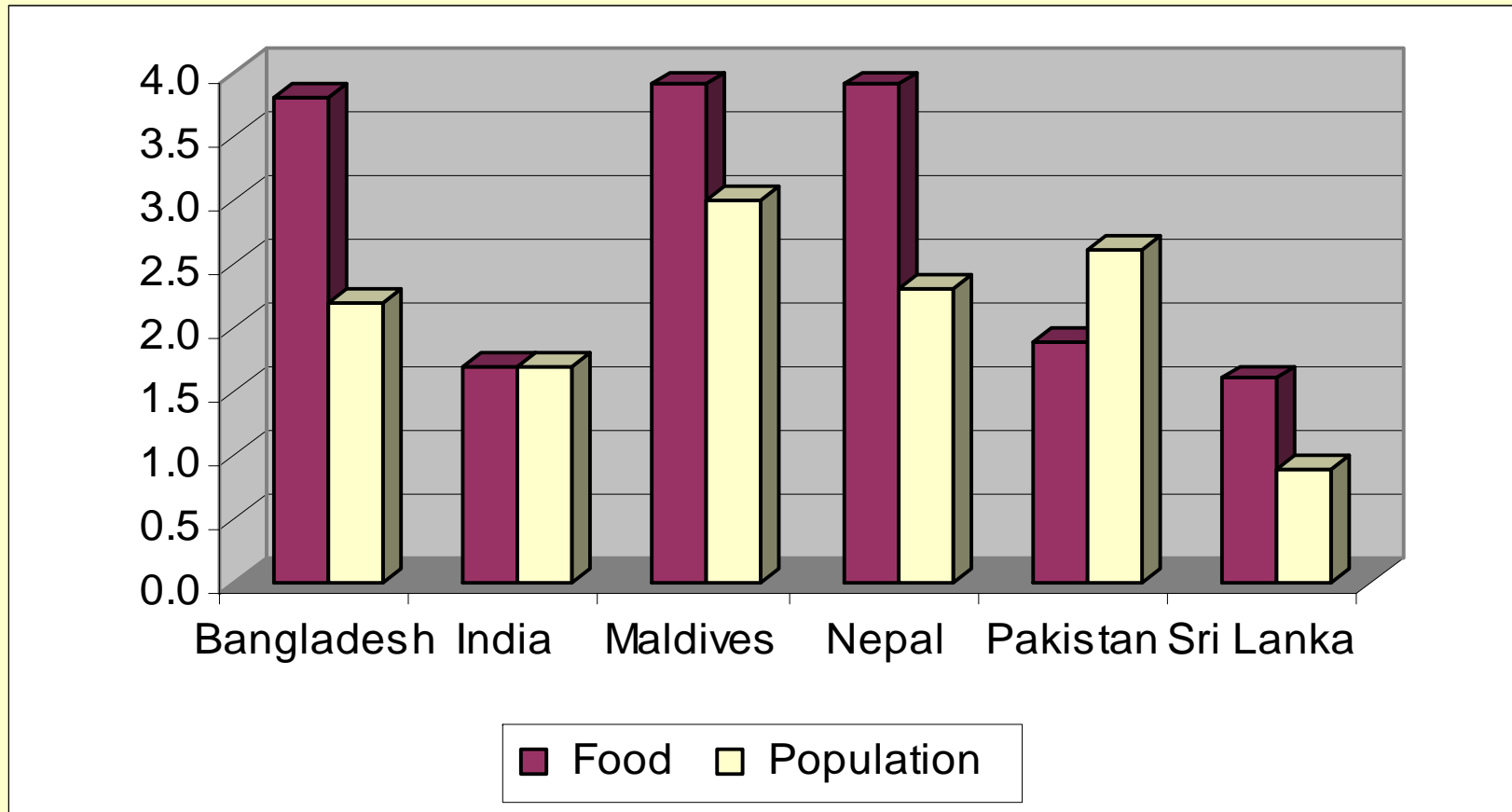
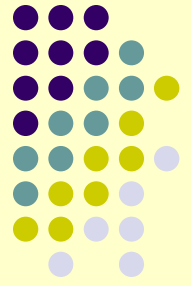


SAARC at a glance



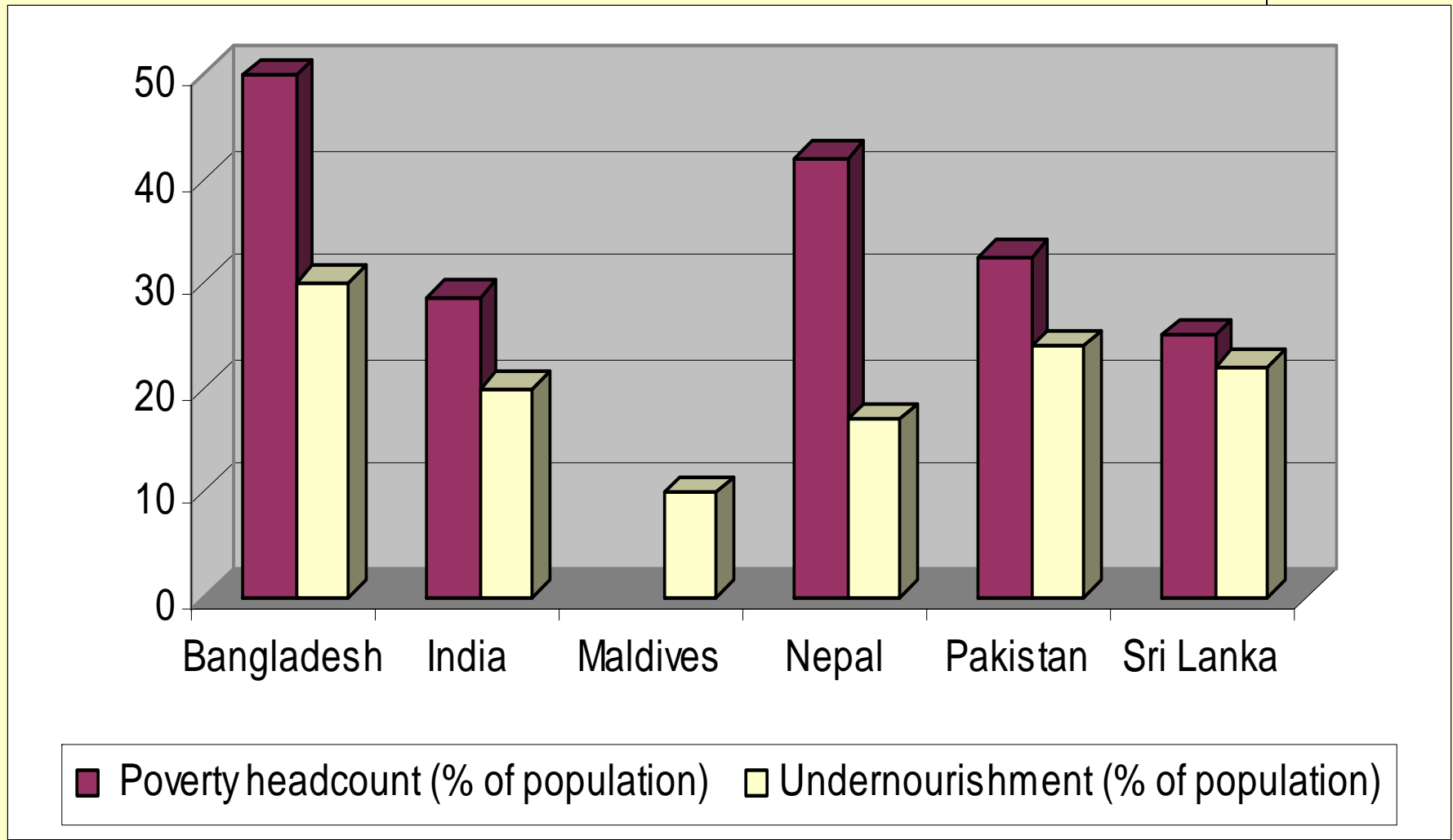
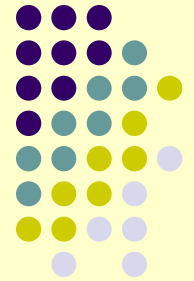
Average annual ROG 1993-2006

Food consumption and Population Growth



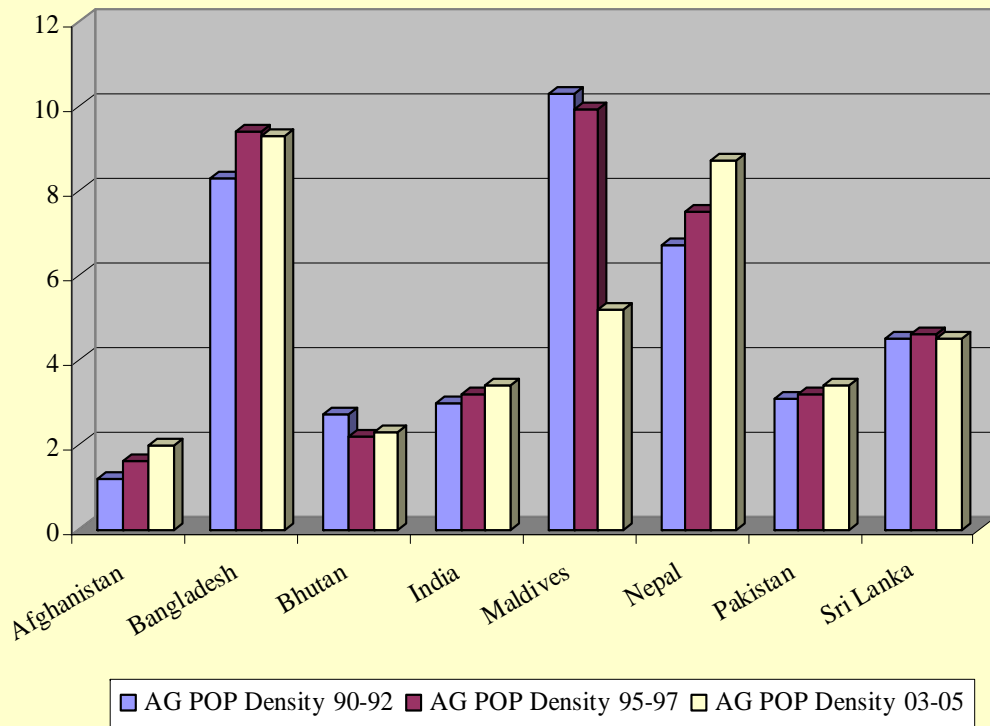
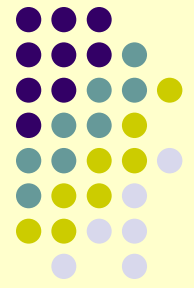
(% Average Annual- 1995-97 to 2001-03)

Poverty and Undernourishment

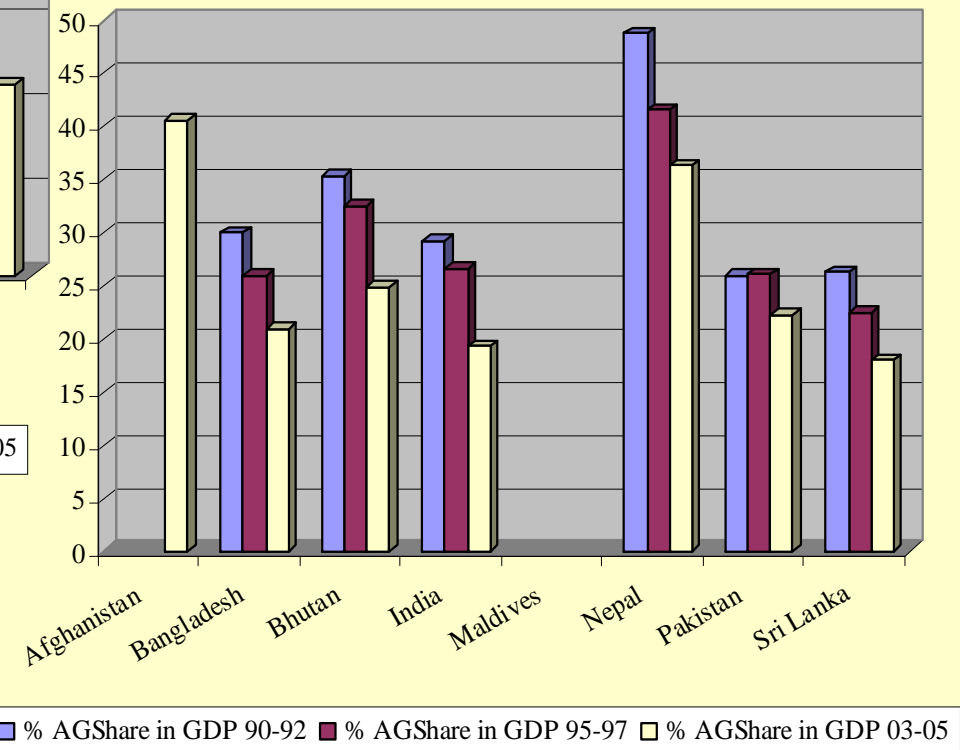


Source: FAO. Latest available figures of 2000-02

Building Pressures

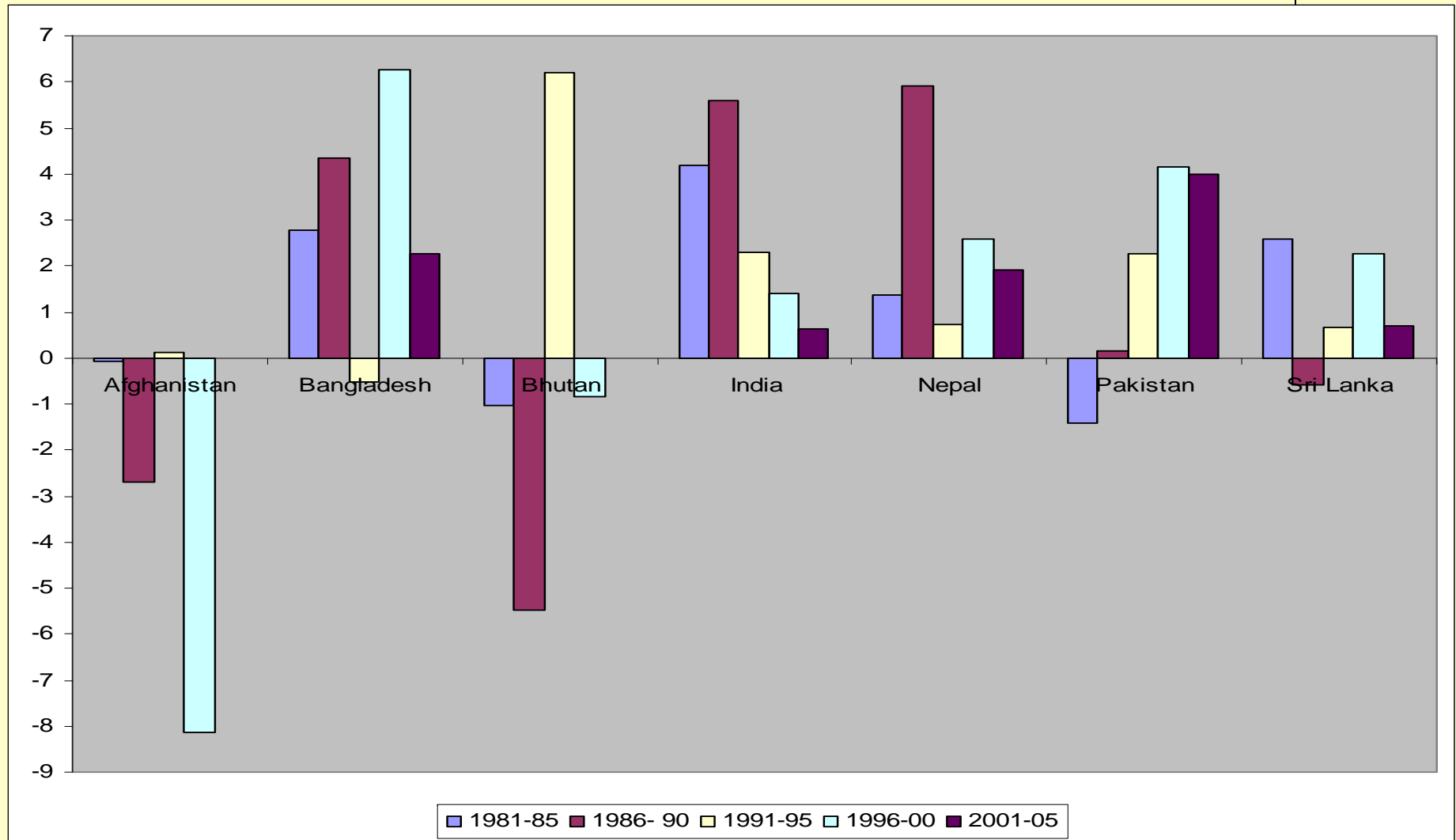
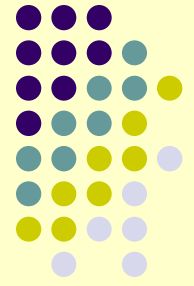


Source: FAO, 2009 and WDI, 2008

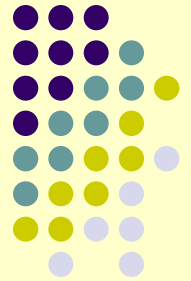


■ % AGShare in GDP 90-92 ■ % AGShare in GDP 95-97 ■ % AGShare in GDP 03-05

Annual Growth of Yields of Cereals

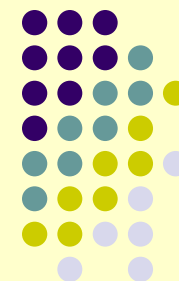


Definition of Food Security



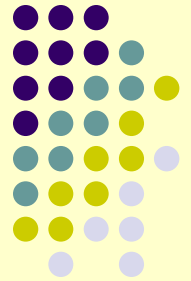
- **Food Availability** – Sufficient availability of food with the nation through domestic production, imports
- **Food Access** – Individuals capability to purchase the food and to be in reach of safety nets
- **Food Utilization** – Consumption of the food by the household in proper form.
- **Food Vulnerability**- due to physiological, economic, social or political reasons.

Status in Food Security



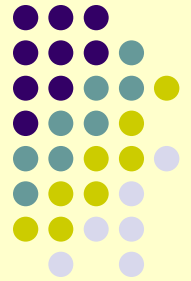
Country	Access	Availability	Utilization	Vulnerability
Afghanistan	Weak	↓	v. Poor	High
Bangladesh	√	↓	Low	High
Bhutan	Weak	↓	Declined	High
India	√	↔	Low	Low
Nepal	√	↓	Low	High
Pakistan	Weak	↔	Low	Low
Sri Lanka	√	↓	Low	High
Maldives	√	↓	Low	High

Present Solutions: Safety Nets

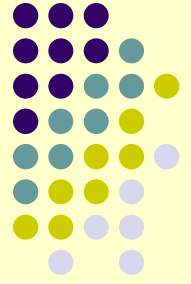


- Accessibility
 - Public Distribution System, Food for Work, Mid Day meal, NREG
 - BPL population, unemployed, children and women
- Availability
 - India- National Food security mission, Rashtriya Krishi Vikas Yojana, subsidies and price policy
 - Bangladesh- inputs policy
- Utilization
 - Maldives- Food Safety and health concerns
 - Integrated Child development Schemes- India
- Vulnerability
 - No specific programmes
 - Afghanistan- food Aid

Problems with these solutions



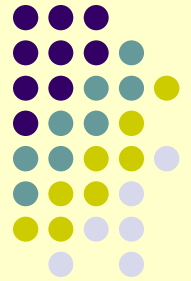
- Poor targeting
- High administrative cost
 - Buffer Stock- Price management, Food Security
 - Cash Flows Vs. Stocks
- In-accessible to many regions
- Solutions are country centric
- Policy Dilemma
 - Availability Vs accessibility i.e Production vs income
 - Self reliance Vs liberalisation



Proposed Solutions

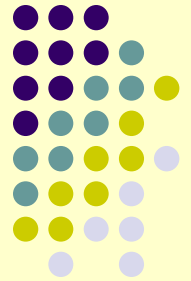
- Role of Trade
 - Inter regional trade
 - Integrating with the world market
- Regional Cooperation
- Food Bank (combination of above two)

Food Bank



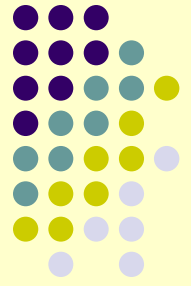
- 15th SAARC Colombo summit, August, 2008- learning from its failure of Food Security Reserve- put together their efforts to operationalise the Food Bank.
- The SAARC Food Bank's board met for the first time in Colombo in October 15-16, 2008
 - finalized the modalities for determination of price on FoB basis
 - arranging deferred payments by the requesting country
 - exemption from regulatory duties by the releasing country
 - release of food stock from facilities closest to the requesting country.
- The bank would hold 241,580 metric tonnes (MT) in rice and wheat reserves - each member country has fixed contribution proportion
 - India's with 63.42%
 - Bangladesh and Pakistan with 16.58%
 - Sri Lanka and Nepal with 1.66%
 - Maldives with 0.08%
 - Bhutan with 0.07%
 - Afghanistan's share would be decided later.

Food Bank



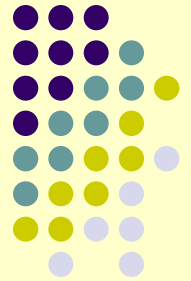
- Considered to increase the existing volumes of food bank
 - food crisis, increasing population pressure and huge demand in the SAARC region
- The main issue
 - quick and effectively access to the foodgrains in this food bank in times of emergency
 - simplifying the operation of the food bank.
 - How much to be maintained in stocks? Avoid storage losses
 - Develop storage and transportation capacity at least possible cost
 - Priority to connectivity with vulnerable regions, remote and inaccessible areas.
 - A wider political cooperation, dispute settlement mechanism
 - integration of public-private partnership.
 - On the price setting less rigid procedures and norms have to be adopted.
 - Responsive Distribution system
 - non-political environment

Local Initiative- Grain Bank in Madhya Pradesh



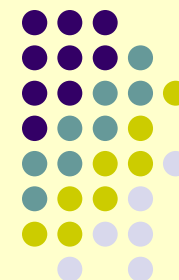
- Self-help group of women, farmers and youth came together in 2001
- Covers 30 villages, 700 households- 85% households belong to the poorest section.
- Benefits
 - Provides immediate access to food during emergencies
 - Reduces or eliminates borrowings from moneylenders
 - Provides access to grain markets in case of a surplus and also helps in reducing the dependence on government-supplied grain.
 - Each village community has developed its own unique, independent and self-reliant system of managing grain banks.
- Main idea
 - It should be locally controlled and managed
 - involves high level of community involvement
 - Compulsory for the women to make up 50 percent of every grain bank committee
- Functioning
 - collective decision regarding distribution.
 - Each individual family gets an equal share of grain.
 - surpluses, the latter can either be sold for cash, or distributed in the village itself to prevent it from getting spoilt.
 - It can also decide to distribute foodgrains and money to families in an emergency.
 - Interest rate, which are decided by community for both grain and money borrowed are quite negligible in comparison with what money lenders charge.

Regional Cooperation



- Establishment of Food Bank is a solution for the emergency situation.
- Region to have long run strategy for region and individual countries- Unless each country of the region is food secure, regional security is not easily achievable.
 - increasing production and productivity
 - Development of seed bank
 - agricultural investment in research and development
 - agricultural extension activities
 - transfer of technology
 - natural resources management- issue of climate change should not be overlooked.

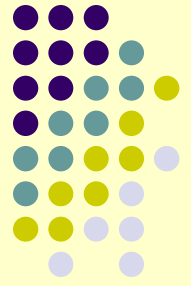
Intra-regional Trade and Agricultural Trade: 1995-2004



Country	Value of Trade (US\$ million)				Main Market(s)
	1995	1998	2001	2004	2004
Bangladesh	6.85 (77.5)	10.36 (23.0)	11.52 (18.4)	21.85 (19.55)	Pakistan, India
Bhutan	15.25	15.68	NA	NA	India, Bangladesh
India	486 (28.3)	642 (38.2)	486 (23.7)	872 (21.2)	Bangladesh, Sri Lanka
Maldives	9.8 (87)	11.44 (88)	13.92 (92)	13.97 (77)	Sri Lanka
Nepal	14.81 (31)	26.08 (17)	62.40 (19)	34.79 (10)	India
Pakistan	87.96 (34)	266.03 (63)	74.99 (20)	87.85 (17)	India, Sri Lanka
Sri Lanka	39.42 (45)	53.44 (42)	43.62 (28)	51.32 (10)	India, Pakistan, Maldives

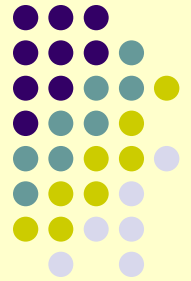
Source: Samaratinga and Thibbotuwawa (2006)

Role of Trade



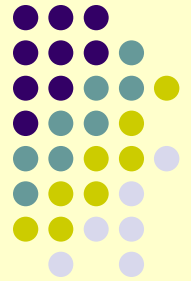
- Evidences of bilateral trade
- Need to address issues of internal trade restrictions
 - non-tariff barriers
 - joint marketing strategies.
- Nations need an effective inter-regional trade
- Inter-country movement of foodgrains from surplus nations to deficit nations with minimal tariffs and restrictions
- In this context India has to play a major role in enhancing the food security in the region.

SAARC Development goals



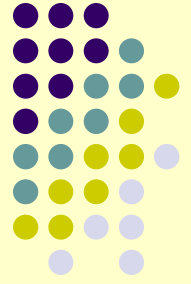
- Livelihood SDG's

- Goal 1 Eradication of Hunger Poverty
- Goal 2 Halve proportion of people in Poverty by 2010
- Goal 3 Ensure adequate nutrition and dietary improvement for the poor
- Goal 4 Ensure a robust pro-poor growth process
- Goal 5 Strengthen connectivity of poorer regions and of poor as social groups
- Goal 6 Reduce social and institutional vulnerabilities of the poor, women, and children
- Goal 7 Ensure access to affordable justice
- Goal 8 Ensure effective participation of poor and of women in anti-poverty policies and programmes



Is there a Way Forward?

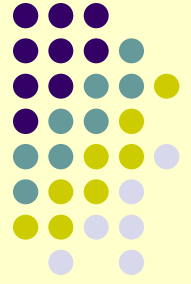
- Political Economy
 - India - Pakistan
 - Track II- Institutional linkages
- Declining Productivity, shrinking land, increasing population dependence
 - Inter sectoral linkages
 - Skill development
- Low liberalization and competitiveness
 - Privatisation ?
 - Food prices vulnerable
 - Subsidies
 - Fragmented and high terrains



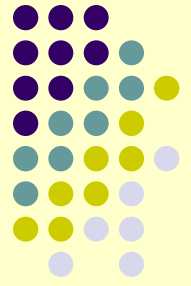
Possible Way Forward

- To move forward, there is a need to look forward for coherent policy and implementation environment.
- Multidimensional and complex thus both domestic and international ends should be looked to tackle the problem.
- Lessons to learn from each other

Ensuring Availability



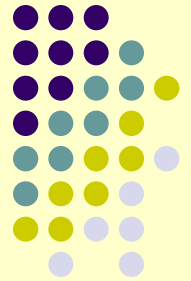
- Balance allocating area for food security crops and income security crops
- Efficient use of inputs, R&D, Extension, Investment, Infrastructure development
- Pro farmer policies- timely price market information to help stabilize markets
- Development of human resources to provide trained manpower
- Climate change- biofuel strategy should be revisited.
- National and regional level food security has to be handled with a combination of domestic food production and trade.
- The “self sufficiency model” of the past does not have an economic appeal in today’s context of globalization.



Ensuring Accessibility

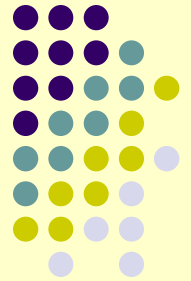
- Social security and equity-based distribution systems for income, opportunities, employment and food to be strengthened.
- Improve public distribution, Increasing access to market and employment
- Safety nets- poor and least privileged citizens.
- Poverty eradication though employment and human capital formation should be factored in the growth strategies.
- Evaluate the present safety nets- Can't afford duplication in policies and interventions

Ensuring Utilization and Vulnerability



- Population of the areas under conflict, regular natural disasters and high terrain regions are most vulnerable to food security.
- Social issues affecting intra-household food insecurity such as alcoholism have to be addressed through social interventions and nutritional education
- Policies should be devised to mitigate the impact of natural disasters and unforeseen circumstances on food access.
- Enhance women's access to resources, children and other vulnerable groups to have an access to food.
- Strengthen the Food Bank

Ensuring Food Security



The Region needs to adopt an integrated strategy encompassing the increased domestic production, expanded social safety net programmes, collaboration with South Asian countries for establishment of SAARC Food Bank, Revisit trade policies

Thank you

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