"Hunger is a problem of access."



José Graziano da Silva

FAO representative for Latin America and the Caribbean

Solange Monteiro, Rio de Janeiro

When he takes over as director general of the United Nations Food and Agriculture Organization (FAO) in January, José Graziano da Silva will build upon the strategies to eradicate hunger he has been defending since 2006 as the FAO representative for Latin America and the Caribbean. An agronomist educated at the University of São Paulo state and the University of Campinas, he will be the first Brazilian to lead the FAO. In 2003 and 2004 Graziano served in the Luiz Inácio Lula da Silva cabinet as Extraordinary Minister for Food Security, implementing the Zero Hunger program, which brought 28 million people above the national poverty line. But the FAO budget amounts to less than half of the initial budget for Zero Hunger, so "FAO needs to be very efficient in using its resources." In Graziano's opinion, "The world already produces enough food; with few exceptions, hunger is a problem of access: lack of money to buy food."

The Brazilian Economy — **Last October the UN report on the world food crisis predicted that high and volatile food prices would persist. What measures should be agreed at the global level to mitigate the consequences for food security?**

José Graziano da Silva — High and volatile prices benefit neither producers nor consumers. High prices threaten the food security of poor households that spend most of their income on food purchases, and unpredictability discourages the investment needed to increase production, affecting farmers' families. The starting point must be a more efficient global governance framework with a stronger Committee of World Food Security. This is already happening with the inclusion of representatives from the private sector and civil society, greater market transparency, and information on inventories, for example, stocks of vaccines. The world produces enough food to meet the needs of all its population, yet about one billion

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people do not eat properly. With few exceptions, hunger is a problem of access: lack of money to buy food. It is therefore important to strengthen social safety nets and food production in developing countries, where 70% of the malnourished population live in rural areas.

FAO, the International Fund for Agricultural Development (IFAD), and the World Food Program (WFP), which issue the report, suggest that ever closer links between the agricultural and energy markets, with the growth of the biofuels market, aggravate the food crisis. Is Brazil wrong in developing green energy, especially ethanol?

To quote former President Lula: like cholesterol, there are good and bad biofuels. The positive and negative impacts of production and use of biofuels vary according to the geography of each country and the types of inputs used. ... Brazil has shown that it is possible to increase the production of biofuels from sugar cane and food at the same time. And it can also benefit small farmers, as does biodiesel production. The situation is different when we produce biofuels from corn, vegetable oil, and other raw materials that are also used as food or in food products. In this case, although there is an increase in the aggregate supply, there may be an impact on food security. Also, the production of biofuels in the U.S. and Europe is economically viable only with subsidies to production. We argue that these countries should revise their policies. With respect to the contribution of biofuels to reducing greenhouse gases, ethanol from sugar cane produces about eight times the energy consumed in its production, while the ratio of corn to ethanol is practically one to one.

Recently you mentioned that the current crisis will have less effect on the malnourished population than in 2008 (it is expected to generate 40 million, compared with 100 million in 2008) and on developing countries. The situation in Europe, however, is critical. How do you think that will be reflected in the southern hemisphere?

In general, countries are better prepared to face current high food prices than they were in 2008 because that crisis came at the end of a long period of declining food prices, more or less from the early 1970s, which depressed investment in agriculture and saw the dismantling of institutional rural support in developing countries. When prices soared, many countries had nowhere to run. This time, several countries have established or strengthened social safety nets and increased support for local food production, especially for family farming, ... so initial World Bank projections indicate a smaller impact. Undoubtedly, the financial crisis in developed countries adds an

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element of uncertainty and places additional pressure on poor and developing countries. It is difficult to predict the impact; that will depend on the duration and depth of the crisis and how countries will react. Brazil, for example, is in better condition than many other countries because it relied on maintaining domestic demand through countercyclical policies and such programs as the real increase in the minimum wage and the Family Grant (Bolsa Família). This shows how social policy can have a positive impact on the economy.

The elimination of developed country subsidies for agriculture is important if agriculture in developing countries is to be profitable.

Pascal Lamy, World Trade Organization (WTO) director general, has said that because of the current financial crisis, developed countries will be more protectionist at the December WTO meeting. Faced with more restrictions on international trade, what alternatives do you see for emerging economies?

I am cautiously optimistic. I believe there are conditions to reach a minimum acceptable agreement for developed and emerging countries, which would essentially be to eliminate export subsidies that distort international food prices. ... First, food prices are at record levels and the trend is that they will remain so. Second, because developed countries have to cut public spending to address the crisis, it is difficult for governments to maintain agriculture subsidies. The elimination of subsidies is important if agriculture in developing countries is to be profitable.

Brazil is considered an agricultural powerhouse thanks to its abundance of water, good climate, and investments in research and technology. How can we contribute to global food security?

Brazil has two important contributions to make here. The first has to do with the unquestionable weight that Brazil and the Mercosur countries have in the global food market. We are among the leading exporters of grain and meat. That in itself is a contribution to world food security because it increases availability. Second, Brazil has a wide range of experience and technologies that it can share with other countries. For instance, take the Brazilian Agricultural Research Corporation (Embrapa). All its experience with tropical agriculture — adaptation techniques, effective tools and agricultural inputs, new varieties of drought-resistant seeds for semi-arid regions — can be very useful for African countries with geographical and climatic characteristics similar to ours. Other developing countries can make other contributions. For example, about 90% of cereal production in Argentina uses a no-till technique, which helps preserve soil and water and

can be adapted to Africa. South-South cooperation and triangular cooperation are central lines of work that I will carry out in the FAO.

One of the regions most affected by hunger is Africa. Could China's purchase of land in Africa result in a sustainable agriculture for supplying the local population?

The main problem in Africa is not the purchase of land by foreigners, it is the combination of prolonged drought, lack of investment in agriculture, lack of institutions to support rural activities, and in some cases political instability. To reverse this situation, you must invest, ensure quality inputs to farmers and access to technologies adapted to the climatic and geographic conditions where they live, offer training, work to promote adaptation to climate change and soil erosion, and improve rural infrastructure. The purchase of land by foreigners responds to the legitimate concern in some countries to ensure food security for their citizens. The question is whether it generates economic and social benefits to the local community. FAO is promoting an extensive international consultation to create voluntary guidelines on responsible governance of land, fisheries, and forests. This document will support governments setting out to regulate issues relating to access to these resources with a focus on protecting vulnerable communities and ensuring minimum rights for the population.

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Could agricultural commodity prices decline? Do you think it is risky that Brazil's exports are concentrated in these commodities?

FAO and OECD expect that agricultural commodity prices will remain high and volatile for years to come. We should pay special attention to volatility to prevent a sudden price fall that affects farmers. Two other issues are also very important: First, ensure that economic growth contributes to social inclusion of the poorest. Second, move to more sustainable models of production, with less intensive use of agricultural inputs and natural resources like land and water. I call this a doubly green revolution that increases productivity at a lower environmental impact.

What factors favored your candidacy for FAO director general?

My victory is a victory of hope. Many countries are inspired by the way Brazil succeeded in reducing hunger and poverty rapidly in a short period. For instance, child malnutrition alone declined 61% from 2003 to 2010. This is the result of the commitment of former President Lula and President Rousseff to fight hunger and poverty. Symbolically, this was the great attraction of

my campaign. Equally important was the cohesion of the countries of Latin America and the Caribbean. Virtually the entire region supported my candidacy. I had also strong support from the community of Portuguese-speaking countries. But as I said immediately after the election, I will be a director-general of all countries. The challenge is to build together a world without hunger. We believe that is possible.

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At the time of your election, newspapers highlighted the low FAO budget. How will you reverse this situation?

The financial and economic crisis affects not only countries but also international organizations whose budgets depend on national resources. This year, for example, the UN Secretary-General called for a 3% cut in the UN budget. A small increase has been approved for FAO, which receives about US$500 million a year for work around the world — less than half the Zero Hunger budget in the first year of the Lula government. The FAO must therefore be very efficient in using resources to carry out its mission of eradicating world hunger. The perception of several member countries is that FAO is slow, bureaucratic, and inefficient. We are in a long process of internal reform that I hope to conclude in 2012. Completing it on good terms is very important for the organization to accomplish its mission.

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You said you will introduce a new era in FAO. What does this mean?

My campaign program was based on five pillars: eradicate hunger; promote sustainable production and consumption of food; set a fair and effective governance framework for world food security; complete reform of the FAO; and expand partnerships and South-South cooperation. The central focus is the eradication of hunger. The other pillars help to achieve this goal. And while the FAO budget is small, I am convinced we can use our resources much better. We cannot simply transplant Zero Hunger or any other program to other countries. For many years, for example, we tried to impose on developing countries technologies and inputs that were not adapted to their specific conditions or were not accessible to small producers. ... However, there is no doubt that various policies of Brazil and other developing countries can inspire or be adapted to third parties. This is already happening with some Brazilian policies, such as buying products from family farming for school meals.