

**Contents:**

- Key Articles
- New Reports/Policy Briefs
- Political/Conceptual Shifts
- Food Aid
- Food Crisis - Objective Developments
- The Food Crisis and Impacts on Poverty
- Agriculture Development Practices (corporate, IGO, NGO, gov't) with Focus on South Asia/Sub-Saharan Africa
- Biofuels
- Relationship between food/fuel prices
- Market Access

**Key Articles**

- ***Ghana seeks to convert price spikes to profit***, By Matthew Green in Accra, Financial Times, August 27 2008  
Nana Akufo-Addo, presidential candidate for Ghana's ruling party, has pledged to invest part of the country's future oil income in agriculture, hoping to turn the pain caused by the global spike in fuel and food prices into profit. Ghana, widely regarded as an example of successful economic and political reform in Africa, aims to start pumping 120,000 b/d of crude from an offshore field operated by the UK's Tullow Oil in 2010. The prospect of controlling what could amount to billions of dollars of oil revenue has raised the stakes ahead of December's presidential elections, where a close race could pose the biggest test yet of the stability of Ghana's 16-year-old democracy.  
<http://www.ft.com/cms/s/0/63adaabc-678c-11dd-8d3b-0000779fd18c.html>
- ***S Africa land reform bill shelved***, BBC, August 27, 2008  
South Africa has shelved legislation designed to speed up a land reform program by allowing the government to expropriate white-owned farms. A parliamentary committee blamed a lack of consultation and said it aimed to re-introduce the Bill at a later date. The government says it wants to redistribute nearly one third of white-owned farmland by 2014. At the end of apartheid in 1994, nearly 90% of land was owned by whites, who made up under 10% of the population. But so far just 4% has been transferred to blacks. *Critics say the legislation would be unconstitutional as it would stop people going to court if their property was taken.*  
<http://news.bbc.co.uk/2/hi/africa/7583487.stm>
- ***Uganda: Agricultural Fair Widens Farmers' Horizons***, Opinion by Jerome Mukasa, The Monitor (Kampala), 20 August 2008  
The trade show at Jinja is the biggest event in Busoga and the eastern region. Most noticeable among exhibitors at the 16th Source of The Nile Agricultural and Trade Show that ran from July 22 to July 27 at Jinja was the Ugiran Tractor Manufacturing Company, a joint venture between Uganda and Iran. The company belongs to the National Enterprise Corporation, the commercial arm of the Uganda people's Defense Forces (UPDF). Ugiran

was launched by President Museveni a few months ago with the aim of mechanising agriculture to cause an economic revolution in the rural areas. Their products go for basically half the price of machinery on the open market. Seed companies; Farm Input Care (Fica), Easeed and Victoria Seeds, and the sugar companies attracted show goers. Animal exhibitors were not allowed at this year's show because Jinja District is under quarantine due to the foot-and-mouth disease. **President Yoweri Museveni opened the show on July 22 and although his speech dwelt more on politics and complaints against FM stations, he was there to inspire farmers, and acknowledge that they contribute more to the GDP. However, farmers wanted to hear that the President would reduce the interest rate on Bonna Bagagagawale funds to 1 percent. That rural roads would be fixed so that produce gets to the markets easily and that taxes on farm implements can be waived and that the government will set up tractor hire services in villages for farmers who cannot buy tractors to hire them.**

<http://allafrica.com/stories/200808200223.html>

- Explanation of Bonna Bagagagawale - Uganda's 'Prosperity for All' credit program for rural development: <http://www.newvision.co.ug/D/8/12/550181>

- **World Water Week demands halt to food wastage**, EurActive.com, August 25, 2008  
Scientists and experts from around the world have warned that global food wastage must be halved by 2025 to meet the challenges of feeding the rapidly-growing population and preserving global water supplies. Continued high rates of food overproduction and waste will not only cause food but also water shortages, according to a report by the Stockholm International Water Institute (SIWI), the Food and Agricultural Organization of the United Nations (FAO) and the International Water Management Institute (IWMI). The study, entitled 'Saving Water: From Field to Fork – Curbing Losses and Wastage in the Food Chain', was presented during World Water Week, which wrapped up on 22 August in Stockholm.  
<http://www.euractiv.com/en/sustainability/world-water-week-demands-halt-food-wastage/article-174863>

Contact EurActive.com: +32 2 226 58 10

- **Buying the farm: Feeding its own people more cheaply<sup>1</sup>**, The Economist, August 21, 2008  
While Saudi Arabia sets up its first sovereign wealth fund, ordinary Saudis are more preoccupied with the rising price of food. This is prompting the Saudi government to consider a new direction for foreign investment: buying farms in the poorer parts of the world. The Saudis' need to import food is sure to increase. For decades, their government has poured money into farm subsidies, producing some of the world's costliest wheat. As a result, the largely desert country is self-sufficient in wheat, though it has to import rice. But the authorities have decided that, with a fast-growing population and mounting industrial needs, they cannot waste costly desalinated water in the wheat fields, so will phase out production by 2016.

[http://www.economist.com/world/mideast-africa/displaystory.cfm?story\\_id=11975452](http://www.economist.com/world/mideast-africa/displaystory.cfm?story_id=11975452)

Print Edition August 23-29<sup>th</sup> 2008, Pg. 39

<sup>[1]</sup> Follow-Up to *UN Warns of food 'neo-colonialism'*, Financial Times; See August 21 News Brief pg. 2

- **U.S. wheat sinks on global supply; corn/soy choppy**, By Christine Stebbins, Reuters, August 27, 2008

CHICAGO (Reuters) - U.S. wheat prices dived 3 percent by late morning Wednesday on outlooks for more wheat to move into global marketing channels, traders said. The U.S. Agriculture Department is forecasting that the world wheat producers will harvest their largest crop in history -- more than 670 million tonnes, up nearly 10 percent from 2007/08. That outlook is beginning to have more of an impact on prices. Additionally, leading wheat exporters Australia and Argentina were expected to benefit from much-needed rains for their crops. "Record global wheat production is starting to materialize and *people are starting to wonder why wheat is still at \$8,*" Terry Reilly, an analyst with Citigroup, said. <http://www.reuters.com/article/GCA-Agflation/idUST26222120080827>

- **BURUNDI: FAO predicts serious food shortages**, (IRIN), August 27, 2008  
Parts of eastern and southern Burundi are threatened with acute food shortages following low agricultural yields compounded by an influx of returning refugees, an official of the UN Food and Agriculture Organization (FAO) has said. <http://www.irinnews.org/Report.aspx?ReportId=80024>

#### New Reports/Policy Briefs

- ***Speculation and World Food Markets***, IFPRI (International Food Policy Research Institute) Forum, July 2008 (12 pgs)  
*As food prices continue to rise, threatening the livelihoods of many poor people around the world, some observers have pointed a finger at speculation as a culprit in the price run-up. What role is speculation playing in the current food crisis and how can markets be calmed?* <http://www.ifpri.org/PUBS/newsletters/IFPRIForum/if22.pdf>
- Food Prices and The AIDS Response, IFPRI (International Food Policy Research Institute), Policy Brief, August 2008 (2 pgs) <http://www.ifpri.org/renewal/pdf/RFbrief01.pdf>
- ***New Opinion Research Shows American Voters Reject "Going It Alone", Embrace International Cooperation***, United Nations Foundation - Press Release, August 27, 2008  
**Cross-listed:** See Section 'Political/Conceptual Shifts' Below in this News Brief

#### Political/Conceptual Shifts

- ***Rich or poor? New faultline in U.N. climate talks***, By Alister Doyle, Environment Correspondent – Analysis, Reuters, August 28, 2008 4:00pm EDT  
ACCRA (Reuters) - Rich countries are pushing developing nations with the strongest economies to do far more to combat climate change, opening a faultline between rich and poor in U.N. talks on global warming. The European Union, for instance, says that some developing nations such as Singapore, Argentina and some OPEC states have grown richer than some developed nations which have to shoulder the burden of cuts in greenhouse gas emissions. "We want some of the developing nations to do more," said Brice Lalonde of France, who led the EU delegation at August 21-27 talks among 160 nations on a broader new climate treaty to be agreed by the end of 2009.  
"There needs to be more differentiation among developing nations," he said. <http://www.reuters.com/article/environmentNews/idUSLS64442520080828>

- ***New Opinion Research Shows American Voters Reject "Going It Alone", Embrace International Cooperation***, United Nations Foundation - Press Release, August 27, 2008  
WASHINGTON, DC — The United Nations Foundation and its sister organization, the Better World Campaign, released today the results of a six-month public opinion research project indicating shifts in the issues Americans are concerned about internationally and the approach they want the United States to take. The research shows a sharp swing in public concern about international economic issues (dependence on foreign oil and trade) a dramatic decline in the landscape of foreign policy and national security concerns and a new national security agenda and outlook that is significantly different from the one in the period after 9/11.

**Example Statistic:** 80% of voters believe that working with major allies, and through international organizations, is a wiser strategy for achieving U.S. international affairs goals.  
[http://www.unfoundation.org/media\\_center/press/2008/pr\\_82708.asp](http://www.unfoundation.org/media_center/press/2008/pr_82708.asp)

- ***Migrant market has a lot to offer***, by Mathabo Le Roux, Business Day (South Africa), August 23, 2008  
Weekend Business Edition; Economy, Business & Finance; Pg. 5  
The formidable financial muscle of economic migrants who are sending money back to their countries of origin is grabbing the attention of development institutions and governments alike. Consider this: in an increasingly integrated world, about 200-million people work outside their countries of origin and send money back home regularly to sustain family members who still live there. **Outstripping development aid and fast approaching the size of foreign direct investment in developing countries, migrant finance is now being recognized for its significant social effect in receiver countries, as well as its potential to further boost economic growth and investment.** With a large portion of these transfers still taking place in an informal manner - through friends travelling abroad, or taxi drivers - estimates of the size of the remittances market vary. The Aite Group puts it at \$369bn last year, and growing at 8% a year. The World Bank believes the market is worth \$250bn a year. An International Fund for Agricultural Development (Ifad) report says some \$300bn is remitted yearly, while an International Monetary Fund report puts the flow of remittances to developing countries at \$188bn (in 2005). Africa's portion of the global market is estimated at \$39bn a year, with a significant chunk of it intraregional. One in 10 of the world's population benefits from the transfers. For some small and vulnerable countries, migrant finance is virtually the backbone of their economies. Remittances constitute almost a quarter of Lesotho's gross national product for instance, while the figure is as high as 38% for Eritrea.  
<http://www.businessday.co.za/Articles/TarkArticle.aspx?ID=3300321>

### Food Crisis - Objective Developments

- ***Food riots as Indian floods destroy 250,000 homes, Dawn (Pakistan), August 27, 2008***  
PATNA, Aug 27: Food riots erupted on Wednesday in eastern India, where more than 2 million people have been forced from their homes and about 250,000 houses destroyed in what officials say are the worst floods in 50 years. One person was killed in Madhepura district when angry villagers fought among themselves over limited supplies of food and medicines at overcrowded relief centers. "Time is running out for me and there is no relief in sight and I have not eaten for days," a message from flood victim Sanjeev Kumar read.

<http://www.dawn.com/2008/08/28/int8.htm>

- ***Left behind***, By Joe Leahy and Arush Chopra in Mumbai, Financial Times, August 25, 2008  
A few years ago, Kalawati Bandurkar was just another Indian farmer eking out a back-breaking existence from a few acres of land. Life was hard - but this was true for everyone in the village of Jalka in Vidarbha region, a remote corner of India's western Maharashtra state. Then events took a tragic turn. Kalawati's husband, Parashuram, who had long been preoccupied by the family's crippling debt burden, began acting strangely. Often he would just sit by the road, running over the numbers in his head, wondering how he was going to repay his loans as well as marry off his seven daughters and buy seeds for the next cotton crop. When he took his own life, he joined an estimated 5,000 farmers to have done so in Maharashtra since 2004, many of them in Vidarbha, which today is known as India's farmer suicide region. "He used to always walk around tense with his head in his hands, saying 'What am I to do?' - and then he did what he did," says Kalawati, sitting flanked by her family at her mud-and-thatch home.

**Article Includes Statistical Analysis of Agriculture's proportional decline in India's GDP**

<http://www.ft.com/cms/s/0/02e92f5c-723c-11dd-a44a-0000779fd18c.html>

### The Food Crisis - Impacts on Poverty

- ***The growing opportunity***, by Richard Synge, The Africa Report, August-September, 2008 issue  
Acting on agricultural potential requires fundamental shifts in both perception and policy. The leader of the African Development Bank thinks the decline of agriculture can be reversed by taking advantage of current high commodity price points while instituting a fertilizer subsidy. He thinks that Africa can take advantage of current food prices if governments shift attention away from a stagnating modern/urban center and towards incentivizing farmers to produce.  
[Digital copy of the article available upon request](#)
- ***The Economist debate: Rising food prices***, The Moderator's (John Parker) Winner Announcement, Aug 8th 2008  
After an animated fortnight of debate, the votes have been cast. You have voted in favour of the proposition clearly, though not overwhelmingly.  
**By a margin of 56% to 44%, this house believes that "There is an upside for humanity in the rise of food prices."** I would like to thank our two speakers, Homi Kharas of the Brookings Institution and Joachim von Braun of the International Food Policy Research Institute for leading us through what is often an emotive and controversial subject. I think it is fair to say both of them agreed on some basic and important points: that high food prices are here to stay; that prices provide strong incentives for farmers to produce more food; that government policies often get in the way of markets clearing. Both men also agreed that the world would be much better off if governments were to help smallholders raise productivity through various sorts of public investment.  
[http://www.economist.com/debate/index.cfm?action=summary&debate\\_id=10](http://www.economist.com/debate/index.cfm?action=summary&debate_id=10)
- ***Rat meat in demand in Cambodia as inflation bites*** Reuters Wednesday, August 27, 2008  
PHNOM PENH (Reuters) - The price of rat meat has quadrupled in Cambodia this year as inflation has put other meat beyond the reach of poor people, officials said on Wednesday.

With consumer price inflation at 37 percent according to the latest central bank estimate, demand has pushed a kilogram of rat meat up to around 5,000 riel (\$1.28) from 1,200 riel last year. Spicy field rat dishes with garlic thrown in have become particularly popular at a time when beef costs 20,000 riel a kg. [1USD=4,194.96 Riel on 8/28/08]

<http://www.washingtonpost.com/ac2/wp-dyn/NewsSearch?sb=-1&st=agriculture&>

### **Agriculture Development practices (corporate, IGO, NGO, gov't) with focus on South East Asia/Sub-Saharan Africa**

- ***Mangoes From Above rescue farmers in semi-arid region***, By Oliver Musembi , Daily Nation (Kenya), August 27 2008 at 18:00  
*A German organization known as EED is funding a scheme that aims at equipping farmers with skills to process, market and initiate savings and credit schemes for members by organizing them into self-help groups.* Dubbed "Mangoes From Above(MFA)", it targets 1,200 farmers in four selected divisions of Machakos, Thika, Kirinyaga and Embu districts. The families that engage in horticultural farming and poultry using organic methods, have so far earned a total of Sh30 million. Although the three-pronged scheme derives its name from mangoes, it supports farmers across the board. *Sustainable Agriculture Development Programme*, a Thika-based non-governmental organization, spearheads the project. Beneficiaries of the marketing, savings and credit scheme have built homes, educated children and saved some cash for a rainy day. Ms Joyce Nzuki of Yatta division in Machakos says before they came together, they used to get a raw deal from middlemen. "Since acquiring skills in marketing, we now get better prices for our products and [I] am now able to feed and clothe my family and take care of our small needs without bothering my husband," she says.  
<http://www.nation.co.ke/magazines/money/-/435440/464438/-/view/printVersion/-/kbmd4w/-/index.html>

#### **Contact information for mentioned organizations:**

- **EED 'Making Development More Effective' Initiative** (Faith Based)  
<http://www.eed.de/enen/en.eed/en.eed.news/en.news.57/index.html>
- **Sustainable Agriculture Development Programme** - Thika, Kenya  
<http://www.un.org/africa/osaa/ngodirectory2/dest/countries/printNGO.asp?lang=ENG&country=24&ngo=KEN134>
- ***Zimbabwe: Harare Agricultural Show roars into life***, Fresh Plaza: Global Fresh Produce and Banana News, August 29, 2008  
The week-long Harare Agricultural Show roars into life today and runs until Saturday amid high expectations over the revival of the agricultural sector. Exhibitors were yesterday busy putting final touches to their stands as they displayed their goods and services while farmers showcased their produce and animals. The Zimbabwe Agricultural Society's efforts this year are directed at addressing inefficiencies and help create a conducive environment that would ensure the agricultural sector keeps abreast of challenges affecting farmers. **As such, the 2007 showcase will also provide an opportunity for farmers to reflect on strategies to arrest the decline in production and come up with solutions and options for sustainable improvement.** Exhibitors ranging from individual farmers, small-scale entrepreneurs to large-scale commercial farmers have taken up more than 450 stands. Equatorial Guinea President, Mr Teodoro Obiang Nguema Mbasogo will visit some stands accompanied by President Mugabe before he officially opens the show on Friday afternoon.

The overwhelming response by exhibitors was an encouraging sign of the importance many stakeholders [put on the annual agricultural showcase for] the economy. The show is now in its 97th year.

[http://www.freshplaza.com/news\\_detail.asp?id=6589](http://www.freshplaza.com/news_detail.asp?id=6589)

## Biofuels

- ***Bangchak Puts B10 Billion Into Alternative Fuels***, By Yuthana Praiwan, Bangkok Post, August 28, 2008  
Bangchak Petroleum Plc (BCP), the majority state-owned oil refiner, is to invest 10 billion baht to develop a fully integrated alternative fuels complex in order to diversify risk from the oil refining business. This will include developing a one-billion-baht plant for B100, or 100% biofuel, which is due to come online in mid-2009 with an initial daily capacity of 300,000 liters. An additional 600 million baht will be injected to double the B100 project's capacity to 600,000 liters. Bangchak will also invest in a facility to upgrade glycerin, a B100 byproduct, to supply the cosmetics industry and it aims to develop palm plantations to supply raw materials for a fully integrated biofuel operation. Ethanol also features in its plans, pending a comparative study between refining from sugarcane juice and cassava.  
[http://www.bangkokpost.net/280808\\_Business/28Aug2008\\_biz27.php](http://www.bangkokpost.net/280808_Business/28Aug2008_biz27.php)

## Relationship between food/fuel prices

- ***"A Note on Food Prices,"*** by Donald Mitchell, April 8, 2008 *Paper on Biofuels and their impact on food prices*  
The World Bank's index of food prices increased 140 percent from January 2002 to February 2008. This increase was caused by a confluence of factors but the most important was the large increase in biofuels production in the U.S. and E.U. Without the increase in biofuels, global wheat and maize stocks would not have declined appreciably and price increases due to other factors would have been moderate. The export bans and speculative activity would not have occurred because they were responses to rising prices. Higher energy and fertilizer prices would have still increased crop production costs by about 15 percent in the U.S. and lesser amounts in other countries with less intensive production practices. The back-to-back droughts in Australia would not have had a large impact because they only reduced global grain exports by 4 percent and other exporters would normally have been able to offset this loss. The decline of the dollar has contributed 20 percentage points to the rise in food prices. ***Thus, the combination of higher energy prices and related increases to fertilizer prices, and dollar weakness cause food prices to rise about 35 percent from January 2002 until February 2008*** and the remaining three-quarters of the 140 percent actual increase was due to biofuels and the related consequences of low grain stocks, large land use shifts, speculative activity, and export bans. The growth of grain consumption (excluding biofuels) was 1.7 percent from 2000 to 2007 while yields grew 1.3 percent and area grew by 0.4 percent.

## Food Aid

- ***Japan's promised rice aid fails to emerge***, By Michiyo Nakamoto and Roel Landingin, Financial Times, August 25 2008

When rice was trading above \$1,000 a tonne in June, Yasuo Fukuda, Japan's prime minister, told a United Nations world food security summit his country would release at least 300,000 tonnes of warehoused imported rice to ease global pricing pressures. On the sidelines of the meeting, Japan opened talks with the Philippines, its nearest needy neighbor and the world's largest rice importer, about selling 200,000 tonnes from Tokyo's 1.3m tonne stockpile. Soon after, Sri Lanka asked to get in on the rice sale too. Nearly three months later, not a grain has moved as Japan has not reached agreement on any sale. Rice prices have eased, but Tokyo may have missed an opportunity to burnish its international reputation by providing swift leadership in easing regional rice shortages. Japan's rice stocks should have provided a ready reservoir for aiding hard-pressed developing countries. After years of heavy US pressure to open its rice market to imports, Tokyo has been buying about 770,000 tonnes a year from the US, Thailand, China and Australia. The catch is, little of the rice is released into the domestic market, with the bulk warehoused or used for animal feed or foreign aid.

<http://www.ft.com/cms/s/0/96f310b4-7200-11dd-a44a-0000779fd18c.html>

### Market Access

- ***India, Asean ink free trade deal***, The Times of India, August 29, 2008  
NEW DELHI: India on Thursday concluded negotiations on a free trade agreement (FTA) with the Asean bloc, which will ensure lowering of duties and free flow of trade in goods. PM Manmohan Singh will sign the agreement at the East Asia Summit in Bangkok in December, which is much more strategic in scope, particularly as South Block sees it. The FTA is the centerpiece of India's diplomatic footprint in the region which New Delhi intends to be a heady cocktail of trade, political contacts, social and cultural linkages, connectivity and military ties. The agreement will create a market of over 1.5 billion people in the region. The main countries that will be included in the new trade bloc are India, Thailand, Indonesia, Malaysia, Myanmar, Vietnam, the Philippines and Indonesia. India and Asean countries have a trade volume of \$38 billion in 2007 and expect it to touch to \$50 billion by 2010. The pact was delayed because of differences over products that India wanted to exclude from tariff cuts. India had submitted a list of 1,414 products, while the Asean were ready to accept only around 400 products for the exclusion.  
[http://timesofindia.indiatimes.com/Business/India\\_Asean\\_ink\\_free\\_trade\\_deal/articleshow/3418869.cms](http://timesofindia.indiatimes.com/Business/India_Asean_ink_free_trade_deal/articleshow/3418869.cms)  
[More Detailed Preliminary Tariff Rates Available Here](#) via The Hindu Business Line