

Statement by Hon'ble Sharad Pawar, Minister for
Agriculture, Consumer Affairs, Food & Public Distribution,
Government of India

Mr. Chairman, Director-General, distinguished dignitaries on the dais, ladies & gentlemen,

1. High prices of food grains have been a cause of concern for the world community. The reasons for the rise have been well analyzed by FAO secretariat. While there may be some difference of opinion about relative contribution of various factors, there is a fair amount of consensus about the factors that have been responsible for rise in prices of food grains.

2. It is generally expected that these price levels are likely to remain high for some time to come. These price levels, however, need to be looked at in proper perspective. Though, it sounds counter intuitive, the challenge of high food grains prices offers us an opportunity to look at the relevant issues more closely for an affirmative action to ensure that food is available to all at affordable prices and that farmers also get remunerative returns on their investments.

3. Mr. Chairman, a lot is being said about the impact of higher consumption in emerging economies on world food prices. FAO data clearly shows that recent high commodity prices have not originated in these emerging economies. It also appears that additional demand for maize and rapeseed as feed stock for production of ethanol and bio diesel and high input costs particularly energy prices have had the strongest impact on prices.

4. While the quest of the world community for finding sustainable alternatives to fossil fuels is well appreciated, manufacture of bio-fuels at the cost of food grains needs to be examined in more depth. As one study indicates, converting all of the world's grains into ethanol may yield only about 11 per cent of total world oil demand. Simply put, even if we decided to convert all of world's grain into motor fuel we will still need to use a lot of fossil fuel and will not be having anything left to eat.

5. Given a scenario like this, the impact of diversion of land which grows cereal for human consumption into production for bio-fuels is likely to be self-defeating. Our policy has been for the use of non-cereal biomass, crop residues and for cultivation of jatropha on degraded and waste land for bio-fuel production. Conversion of food grains and edible oil seeds for producing bio-fuel, prima facie, is fraught with food security concerns as is evident already.

6. Climate has always played a decisive role in agriculture. So far, farmers, to a considerable extent, have been able to adapt to climatic shocks. It is, however, unclear how they might cope with more persistent climatic changes. Conservation of Agro-biodiversity will be a key element for adaptation to climate change. In order to mitigate the effect of losses due to trans boundary movement of pests which is going to be of higher dimension we need to revisit our bio-security policies and systems. There is an urgent need for synergetic action to deal with it for strengthening our regulatory system, infrastructure, expertise and research by using collective wisdom and resources at regional level.

7. I must compliment DG, FAO for taking various initiatives in the context of soaring food prices and associated issues and also having convened this high level conference to deliberate and try to find solutions to the problem through collective action.

8. Mr. Chairman, to my mind, solutions to the problem before us could begin with giving agriculture the importance it deserves in economies of various countries. The World Development Report 2008 has already brought out clearly that bringing agriculture centre stage in development agenda is essential for enhancing food security, boosting growth and overcoming poverty. The crux of the problem is producing enough in a sustainable manner and ensuring its equitable distribution. What is needed is increasing investments in rural infrastructure and agricultural research and development and transferring new technology to farmers to enable them to cope with challenges of climate change. The use of frontier technologies in conjunction with sound conventional approaches and enhancing input use efficiency will go a long way in mitigating the effects of climatic change in the context of increasing food grains production and productivity. The CGIAR and other international research organizations have an important role to play.

There is an urgent need to enhance investment in research in public sector and making the research products easily available to the farmers.

9. While I am concerned about the rising prices of food grains, our experience in India gives me confidence that the challenges can be met by the world community. India has been feeding seventeen per cent of the world's population on less than five per cent of the world's water and three per cent of its arable land. Over a period of time, we have taken several measures to increase agricultural output and food security. Notable among these are the green revolution and the white revolution, a vast network of agricultural research and educational institutions, revitalization of extension system with the help of information and communication technologies, empowering the farmers through easy availability of rural credit along with a farmer friendly price support mechanism and a well functioning public procurement and distribution system. We are now ushering in the gene revolution for an evergreen revolution.

10. The emphasis my government continues to place on agriculture is giving good dividends. We have had a record food grains production of over 227 million tonnes during 2007-08 with record Rice and Wheat production of more than 175 million tonnes. Procurement of food grains for public distribution system has already touched 47 million metric tonnes. The increase in prices in India has also been moderate with 7 and 8 per cent respectively for Wheat and Rice as against the global price increase of 161 and 76 per cent respectively during the last one year. Thus, India has been able to manage food security both in terms of availability and price level in a reasonably satisfactory manner. Our endeavor is to revitalize our agriculture to not only produce enough for our growing population and meeting its nutritional requirements but contribute to the global kitty commensurate with our economic and political status. I assure you, Mr. Chairman, that subject to our domestic and international commitments, my country will be too happy to work with world community in addressing the challenges facing us.

11. I may add that food and livelihood security are major concerns of the developing countries being addressed in Doha development round of negotiations in the WTO. While India is

committed to a successful pro-development conclusion of the Doha round, trade liberalization in agriculture must adequately take into account the livelihood and food security concerns of poor and vulnerable farmers in the developing and least developed countries.

12. Mr. Chairman, I am aware of the good work done by FAO and other international organizations in the past in advocating and catalyzing world-wide action for achieving food-security and for eradication of poverty. We need a new global compact between the developed and the developing countries, between the land surplus and labour surplus economies, between food exporters and food importers. I am confident that the deliberations at this Conference and the resulting declaration and plan of action will further this collective resolve.

Thank you.