

Mr. Chairman

President of the Republic of Italy,

Secretary General of the United Nations,

Director General of FAO,

Excellencies,

Distinguished Participants,

Ladies and Gentlemen,

I greatly value this opportunity to present Sri Lanka's views on the crisis in global food supply that has taken center stage in world affairs. It is a crisis with the potential to have a crippling effect on the smaller, less developed countries with restrictions on the availability of arable land and financial resources. A crisis in food becomes all the more serious as it impacts most severely on the most vulnerable sections of a community, - namely, those living in poverty who constitute around one billion of the world's population. As a global community we need to act fast and take short term emergency measures to ensure that the poorest and most vulnerable sections of our people do not go hungry.

It is regretted that warnings of this crisis, although seen, were largely ignored, until it assumed today's magnitude. It is a crisis that has come from the growing demand for fuel, the failure to act in time on climate change, the ravages of terrorism, and problems of distribution.

Sri Lanka, like many other developing countries, is affected by all of these factors – namely – the total dependence on imported fuel; success in agriculture being dependent on changing weather patterns; and problems of storage and distribution. We are also faced with the fourth factor where food production is made difficult or

even hazardous due to the threat of terrorism. Much arable land has been neglected due to land mines being laid by terrorists for over two decades.

While a combination of all these factors, no doubt, has resulted in the present crisis, there is also another set of factors, - socio - political in nature, - to which I would like to direct our attention. Let me explain, Mr. Chairman, by drawing on the experience of my own country, which is not very different from that of many other developing countries of the world.

Before the economy of our country was opened to the play of global market forces, the focus of social and economic development was the rural sector. The granaries of the nation which produced the food for our people and consisting of thousands of villages where 77% of the people live today, were then the main focus of economic development and concern. Rural incomes, rural well being, rural infrastructure, rural transport, rural health, rural education and other rural services constituted the main goals and objectives of social development. Development was focused on enhancing the productivity, well being and dignity of the peasant and small farmer who produced the food for our people.

With advent of the open economy, the focus of development activity shifted - in stages no doubt - from the village to the town. It shifted from that larger part of the country where rural people toiled to produce food for us all, to the urban centres of commerce and industry where goods and services are produced largely for export to high income countries.

The international economic pressures of that time coupled with some domestic political compulsions made us, as a country, shift our focus of development and

concern, away from the rural economy and rural society, away from agriculture and food production to manufacture, commerce and services, away from a concern for the dignity and well being of those who produce the food for our people to a concern for those who came to the cities and towns to be engaged in non - farm employment.

We opened our doors so wide to the global market forces, that while we reaped several of the benefits of globalization, we failed at the same time to protect several of our national interests, - in particular, those relating to our food security - from the negative impact of the global market. The earlier development goal of self reliance in food which we had almost reached, and in some years even exceeded, was severely weakened as my country gradually opened even the production and supply of our food requirements to the free play of global and domestic market forces.

The country progressively dismantled its buffer stocks of rice and wheat flour - a then abiding feature of our food security - which cushioned the food supply from the shocks and uncertainties of crop failures on the one side and price fluctuations on the other. As the State for all practical purposes started reneging its responsibility for providing food to the people at an affordable price, the supply and price of food became more or less a market responsibility.

I will not elaborate too much on the reasons for this crisis. We all know that global food stocks have reached an all time low and prices have escalated to unexpected levels. Sadly the world is conditioned by forces which are beyond the control of poor countries. From a situation of an excess of food supplies, only a few years ago, we have entered an era of shortages.

We needed a change in our policy on development. We have therefore launched an integrated national drive called 'Api Vavamu Rata Nagamu' meaning, 'Grow more food towards prosperity', through which all arable lands in the country are being brought under cultivation. At the same time, during the last two years, we have provided a substantial fertilizer subsidy to rice farmers, at a huge cost to the government to increase farm productivity. This is continuing despite ever increasing global fertilizer prices and I must say that this bold initiative has paid significant dividends in terms of enhanced production.

We are giving lands to farmers who do not have lands for cultivation. We have already initiated a number of multi - purpose irrigation schemes to transform therwise dry lands into fertile agricultural settlements. Seed production programmes in the country have been strengthened to ensure that good quality seeds are available to farmers at cheaper prices, as well as to increase overall seed production in the country. We have also strengthened our market network for agricultural produce by re-establishing the Paddy Marketing Board to purchase paddy from farmers at a guaranteed price.

While focusing more specifically on agriculture and food production, we are also implementing a Village Upliftment Programme - 'Gama Neguma'. Through this programme we hope to see all villages of our country emerge as micro centres of growth on modern lines while retaining the impressive strengths and features of rural life. My government seeks to ensure that our country's villages which produce food for our people will have electricity, a common telecommunication system, drinking water, irrigation water for the rice fields, access roads, infrastructure, schools with adequate resources, electronic knowledge centres known as 'Nena

Salas' or e-libraries, health centres, market centres, paddy stores, fertilizer stores, rice mills, pre-schools, play grounds, a village forest, and other amenities and factories to generate off farm and non farm employment.

We will continue to give the highest priority to increased agriculture, dairy farming and fisheries to face up to the challenge of ensuring adequate food for our people. Yet, being an island nation, we are faced with the threats to food security from high oil prices and the changing patterns of cultivation abroad – with bio-fuels made more attractive than food crops.

In the prevailing competition between food and fuel, Sri Lanka is firm in the decision that no land that can be used for food will be used for bio-fuel whatever the commercial attraction may be. It is our belief that food for the people should have the highest priority, and not the running of gas-guzzling vehicles.

At national level therefore, even before the issue of global food security had reached a crisis level, my government had already launched an integrated drive towards ensuring our country's food security. But while we act at national level, we need to recognize the fact that in the highly interconnected world of today the causes of the world's food crisis have to be confronted at regional and global levels as well.

While focusing on specific issues relating to the food crisis, we shall welcome the FAO to monitor - systematically and continuously - the production of food in the world. By doing so, FAO will be able to forecast shortfalls and price fluctuations well in advance so that countries and regions can act well in time to mitigate their adverse effects on the people, and a crisis is prevented from suddenly striking them

in the face.

It is our considered position that a regional approach to food security within a global framework is essential, since food habits and production are region specific in nature. I would like to request the FAO to initiate a global mechanism for developing regional buffer stocks of staple food. We, in the SAARC region are home to nearly one fifth of the world population. A regional buffer stock of staple food will take pressure off governments in the SAARC enabling them to concentrate on other issues such as reducing poverty and enhancing quality of life of their peoples.

A regional buffer stock would also cushion individual countries against the fluctuations in food production, caused by the uncertainties of the weather made worse by recent climatic changes. And for regions that may lack adequate financial capacity for such a project, international support will be required. These buffer stocks could be maintained nationally or by regional agencies but be funded internationally. We can explore different options, including through instruments generated by international financial institutions, for funding such mechanisms.

In the midst of all these, I believe there are some countries in the world which have been able to build a surplus of staple foods. These countries are affluent and therefore should move towards helping build the regional buffer stocks by contributing through supply at low cost. That will be a good start and also will help to build a meaningful global cooperation towards reducing vulnerability of many small developing countries.

Creating a regional buffer stock would be meaningful only if adequate food stocks could be moved to needy countries in a short time. In the past we have witnessed instances where adequate shipping space or other means of transport had been hard to come by. Low freight, minimal handling charges and of course the waiving off of country specific customs and other duties when such emergency food stocks are being exported is crucially important if we are to make this suggestion workable.

I recognise that buffer stocks became an unpopular concept since New International Economic Order of the seventies. But the changed global circumstances, in particular the skeletal fingers of hunger, require changed approaches for the sake of humanity.

As much as we are concerned about food security, attention must also be given towards enhancing productivity in the entire agriculture, fisheries and livestock sector. One impediment experienced by the farmers in my country is the severe shortage of plant seed and other planting material. As this is common to many other developing countries, it must be remedied fast with the help of the international organizations. Establishment of seed banks with state of the art technology is one solution to this problem. In the fisheries sector, there is a serious concern because our ocean's harvest is being poached by foreign fishing vessels thereby reducing the supply for our people.

Most important of all, I strongly commend to the world leaders gathered here to seriously consider the setting up of a Global Food Crisis Fund that will have contributions from all countries and from large business organizations that transcend geographical boundaries, and from financial institutions and philanthropists of the world, among others. The mechanics of such a fund will have

to be worked out in keeping with the goal of assisting countries faced with serious dangers to food security and also in funding initiatives for greater food production.

We are also of the view that in addition to such a Global Food Crisis Fund or working together with it, there should be Regional Food Security Funds drawing the financial and technology resources within a region to expand food production, improve storage and distribution and also come to the assistance of regional neighbours that may need help in the event of a food crisis as we see emerging today.

In conclusion, let me thank the UN Secretary General and the FAO for bringing this conference together and affording us an opportunity to share our views and experiences across the globe. My country will support you to develop a global action plan to face the crisis in the short run while at the same time to prevent a food crisis of this nature from recurring in the future.

May the Triple Gem Bless You All!



