

Regional approach to food security in South Asia: SAARC Food Bank

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Roadmap

- 1. Context**
2. Size of the country matters
3. SAARC Food Bank and its operationalization
4. Recommendations and Conclusions

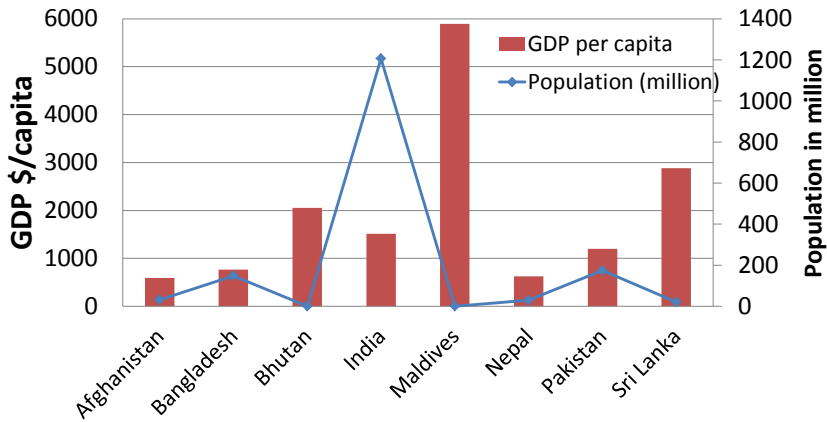
Context

- South Asia houses large proportion of undernourished people
 - accounting 16.8% of total population in Bangladesh; 17.5% India; 5.6% Maldives; 18.0% in Nepal; 19.9% in Pakistan; and 24.0% in Sri Lanka (<http://unstats.un.org>)
- Istanbul Programme of Action for the LDCs for 2011-2020 proposed joint actions for exploring the feasibility, effectiveness and administrative modalities of a system of food stockholding for emergencies (United Nations, 2011).
- Coordinated approach is necessary to address food insecurity in SAARC countries
- SAARC countries established SAARC Food Reserve in 1988 and Food Bank in 2007.
 - not yet operationalized

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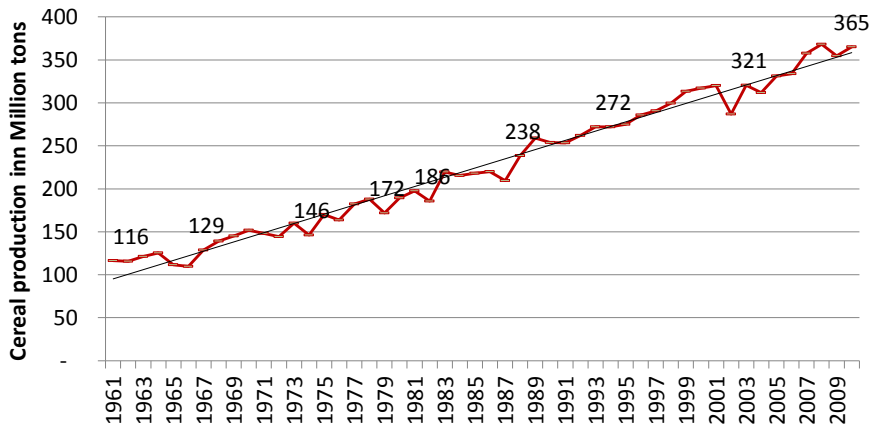
GDP per capita and population in SAARC countries



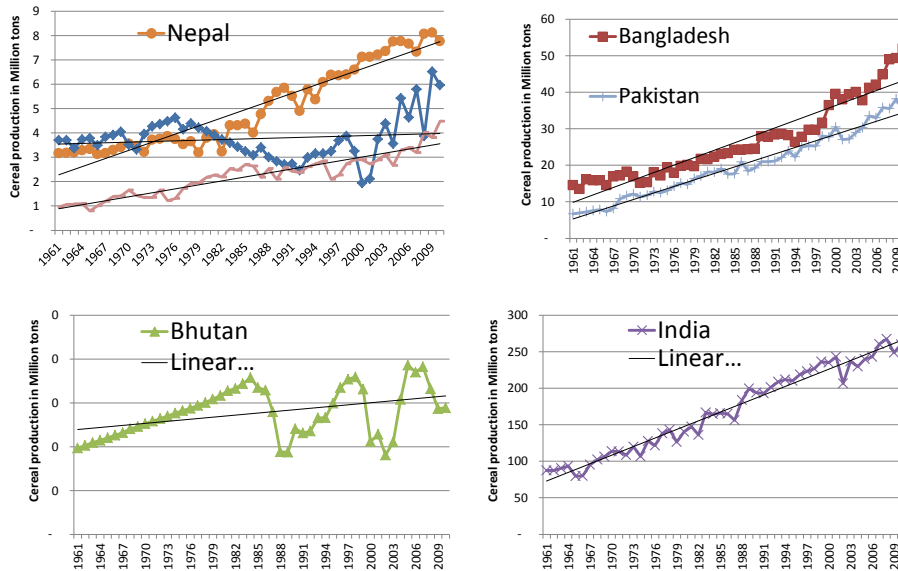
Source: IMF 2012 World Economic Outlook report

Cereal production in SAARC countries

Growth rate 2.50% per annum during 50 years,
 [Population growth in last 20 years 1.87%]



Cereal production fluctuates more in the countries than in the region



Major cereal production in SAARC countries in 2010

Paddy, wheat and maize contributes 87% of the cereals in the region.

	Paddy (1000 tons)	Wheat (1000 tons)	Maize (1000 tons)
Afghanistan	672 (0.36)	4,532 (4.08)	301 (1.46)
Bangladesh	49,355 (26.50)	901 (0.81)	887 (4.29)
Bhutan	62 (0.03)	4 (0.00)	55 (0.27)
India	120,620 (64.76)	80,710 (72.70)	14,060 (68.05)
Maldives	0 (0.00)	0 (0.00)	0 (0.00)
Nepal	4,024 (2.16)	1,557 (1.40)	1,855 (8.98)
Pakistan	7,235 (3.88)	23,311 (21.00)	3,341 (16.17)
Sri Lanka	4,301 (2.31)	0 (0.00)	162 (0.78)
Total	186,268 (100)	111,015 (100)	20,662 (100)

Notes: Figures in parentheses are percent to the total production in the region.

Source: FAOSTAT, 2010.

India is the main contributor of cereal production in the region

Contribution of members to cereal production and population

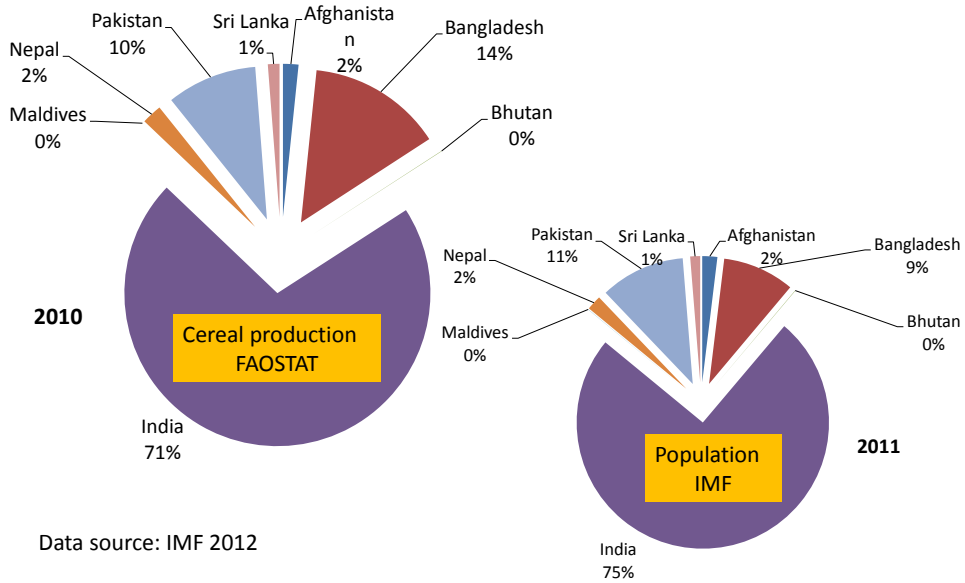
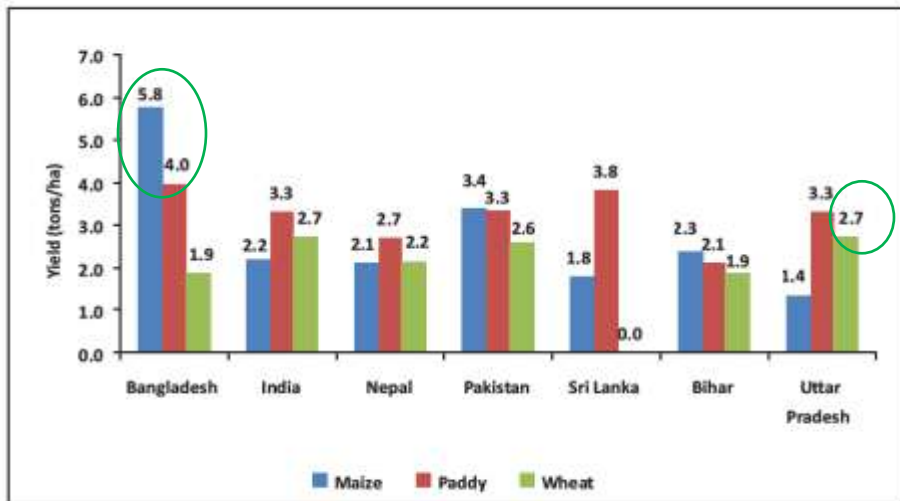


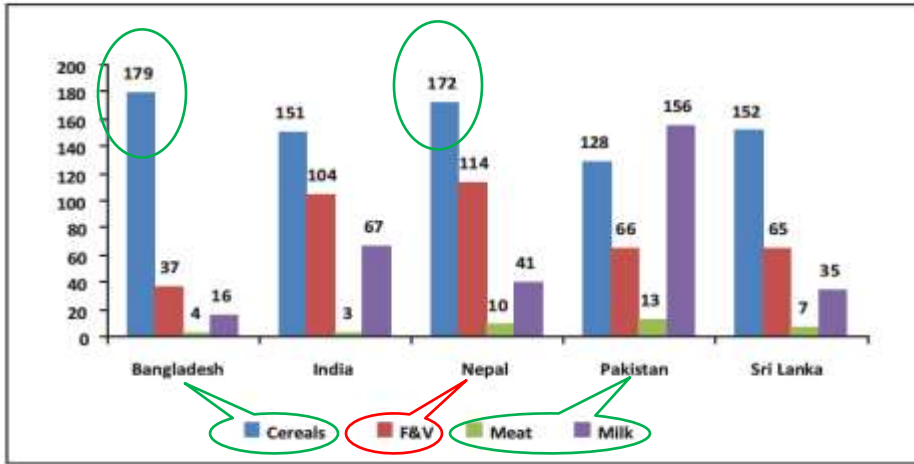
Figure 1.4 Comparison of cereal yields across South Asian countries and some states of India (TE 2008)



Source: FAO, 2010 for country level yields & .MoA, Govt (various years) for yields of Indian states

Source: USAID 2010 Ensuring food and nutritional security in Nepal

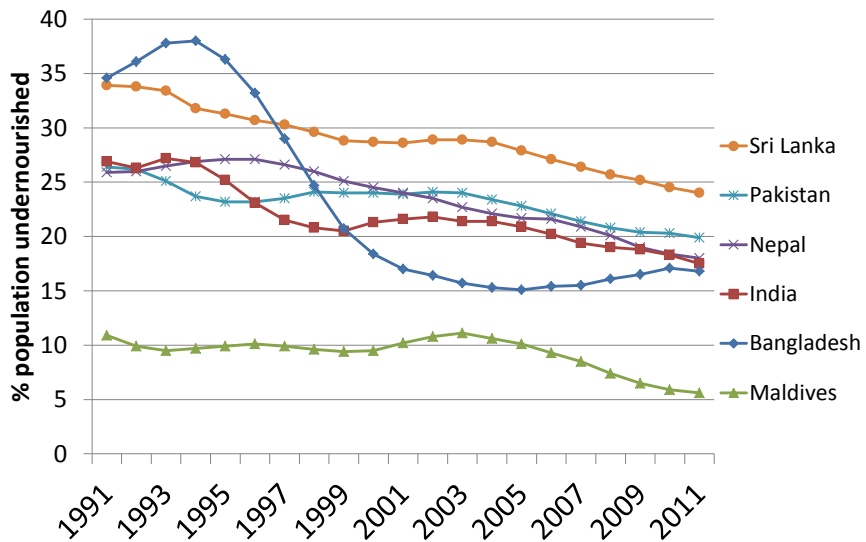
Figure 1.5 Per capita availability of cereals, fruits & vegetables (F&V), meat products and milk in South Asian countries (kg/capita/year) (TE 2007)



Source: FAO, 2009. Note: Corresponding figures were unavailable for Bhutan.

Source: USAID 2010 Ensuring food and nutritional security in Nepal

% population undernourished



Data source: <http://unstats.un.org>

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Possible regional approaches for food security

- a. Sharing food production technology
- b. Migration
- c. Food trade
- d. Food aid
- e. Seed banking, exchange and genetic materials
- f. Food banking**



SAARC with too many ladders

SAARC Food Bank

- SAARC Food Reserve (1988) not operationalized in 20 years
 - Condition of declaring emergencies.
- SAARC Food Bank (2007)
 - For food shortages and emergencies
 - aimed to provide regional support to national food security efforts,
 - foster inter-country partnerships and regional integration, and
 - solve regional food shortages through collective actions.

Contributions to SAARC Food Bank

Country	Food reserve (1000 tons)	%
India	306.00	63.01
Bangladesh	80.00	16.47
Pakistan	80.00	16.47
Nepal	8.00	1.65
Sri Lanka	8.00	1.65
Afghanistan	2.84	0.58
Maldives	0.40	0.08
Bhutan	0.36	0.07
Total	485.60	100.00

Source: SAARC Secretariat 2012

Qualifying for drawing from Food Reserve

- No member declared food emergency
- Withdraw in case of food shortage due to production shortfall and /or storage shortfall (Article V , #3).
- But, the necessary condition for this shortfall is that the production must be 8% lower than the average of the last 3 years.
- 8% shortfall cannot be fulfilled by the Food Bank
- It is not clear how the storage shortfall be measured.
- SAARC Food Bank Board can decide and recommend necessary procedure on the basis of unanimity (Article X).

Procedure for drawing from the reserve

- For getting food from the Bank a country has either to declare emergency or give prior notice of food shortage.
- Drawing from own reserve
 - **Emergency:** a member can withdraw food from its share of the reserve by serving a notice to the Board and other members.
 - **Food shortage:** food grain can be withdrawn only after three months from the date of the notice (Article VIII).
- Drawing from other members
 - notify the amount of food grains required through its designated Nodal Point.
 - The country receiving the request for food is to take immediate steps for speedy release of the requested food grains (Article VI).
 - No clearly specified provision for food transportation mechanism, border formalities and institutional mechanisms for swift delivery of the food.

No direct access of private sector

- Private sector is not allowed to transact the food grain from the Bank. The Nodal Point is responsible for transacting all activities on behalf of the private sector importers as well (Article X).
- Lengthy process of price determination, need to negotiate the prices, terms and conditions of payment for each request that may take long time. For facilitating the process of negotiation the Board is to approve a guideline (Article IX).
- Broad principles of price determination includes that the price should be lower for the members than to the non-members and shall represent market price.
- Lack of motivation of the member to withdraw food.

Issues on operationalization

- Terms and conditions set for the withdrawal of the food grains, boarder facilitations, transactions and transportation are not conducive.
- Pricing mechanism for the food is not clear.
- Cumbersome work necessary for changing the stock of food grain that is necessary for avoiding the quality loss.
- No specific strategy is available to link the PDS with the regional food bank. No special arrangement is found for the LDCs in the operation of SFB.

Food consumption compared to SAARC Food Bank

Element	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Food consumption (1000 tons) (FAOSTAT, 2007)	28,529.80	177,681.65	4,846.32	22,480.07	2,853.17
SAARC Food Bank as %	1.56	0.24	7.48	1.83	15.23
Supply per day	85.55	555.85	17.80	72.70	8.74
Days SAARC Food Bank enough for	5.68	0.87	27.30	6.68	55.61
8% of domestic production	2,429.83	16,987.53	488.26	2,642.71	172.04

- a. The full size of the SAARC Food Bank is 485.60 thousand tons
- b. If food production fall short in India, the entire Bank is not enough for 1 day.
- c. If a 8% shortfall in food production, the food in the Bank is not enough for India, Bangladesh and Pakistan

LDC Issues in SAARC Food Bank

- LDCs are more vulnerable to the food insecurity
- LDCs have low level of technology to increase food production and adaptation to the shocks of natural calamities.
- Importance of regional collective actions is high for LDCs.
- But, no special and differential provision in the SAARC Food Bank.

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Recommendations To the Members

- Increasing access to the SAARC Food Bank can reduce the amount needed for national reserve.
- Members need to earmark the stock at closer locations to other members and notify the storage from where the food can be released.
- Nodal Point needs to be strengthened for cooperating with the SAARC Food Bank Board and PDS.
- A built-in mechanism such as a food check is necessary to avail food from the Bank at reasonable cost.

To Food Bank Board

- Authorize Nodal Points to decide and draw foodgrain from its own reserve using a food check.
- Nodal Point needs full authority to request its counterpart in other members to release food
- Needs a pre-established mechanism for pricing, releasing, transportation, border crossing and distribution of the foodgrain
- Rice or wheat production shortfall should be considered
- Special preference need to be given to the LDCs in food pricing, releasing and border crossing.

To SAARC Secretariat

- SAARC Food Bank Board needs to be empowered to link the Food Bank to international institutions (IFPRI, IFAD, etc) for securing funds for smooth and efficient operations of the Food Bank.
- The agreement needs to be revised to introduce special and differential provisions for LDCs.

Thanks for your patience