



# MENNONITE CENTRAL COMMITTEE

## WASHINGTON OFFICE

### **The Global Food Crisis**

The world continues to face a global food crisis that is unprecedented in its scale, reach and devastation. Here are some talking points to address the issue.

#### Key Problems

- *Neo-liberal economic policies* are a major contributor to the global food crisis. Economic policies imposed on poor countries by international financial institutions have worked to devastate local economies and people's livelihoods. Countries that were once self-sufficient food producers are now 'net food importers' and as global prices in commodities and fuel rose; the most vulnerable were left without food.
- *Investor speculation* has played a role to raise prices in the commodities and fuel markets. Speculative investing is when an investor buys a product (i.e. commodities or fuel) for re-selling rather than for use and every time the product is re-sold, the price goes up. Investors have banked millions of dollars, while millions of people world wide have gone hungry, unable to keep up with increased prices in a volatile market.
- *Bio-fuels*. Increase in demand and production of bio-fuels has contributed to the global food crisis. Nearly a fourth of U.S. corn production this year is expected to be used for ethanol. Across the globe, countries in Latin America and Asia, land previously used to produce food is now being converted to produce bio-fuel crops.

#### Solutions

- Governments and NGOs need to continue responding to the crisis by providing emergency food aid, where needed. Emergency response must take effective rapid measures so that more people do not die of hunger. Food aid policy must, however, be evaluated and monitored so that it does not interfere with local markets.
- The United States must fix the loopholes that have caused unregulated investor speculation in the commodities and fuel markets.
- The United States must work to curtail the use, demand and production of bio-fuels. The country's energy demands should not be at the cost of people's lives.
- Governments and international financial institutions must end practices that destroy markets and livelihoods in the global South. Nations must be allowed to decide their own food security strategies and design policies that will effectively address the problem in their local context. Nations should not be penalized for wanting to protect their agriculture markets.