



# United Nations Food and Agriculture Organization

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## United Nations Food and Agriculture Organization

The Food and Agriculture Organization (FAO) was established in 1945 to stop hunger and provide proper nutrition to all people. Headquartered in Rome, Italy, the FAO is a specialized agency of the UN. This means that it acts somewhat independently, but it works with the Economic and Social Council (ECOSOC) to coordinate its work with the UN. The FAO has a large membership, including nearly every UN Member State. As of December 2015, the FAO employed more than 3,000 staff members. Sometimes, the mandate of the World Food Programme (WFP) is confused with the mandate of the FAO. In fact, the WFP was originally created as project of the FAO before becoming a separate organization. In the simplest terms, the WFP tends to provide food directly to people in need, while the FAO is focused on helping countries develop strong policies to support stable, sustainable agriculture.

The FAO has overseen many of the UN's great successes. These include the eradication of rinderpest (a deadly virus that killed off many cows and buffalo), bringing stability to global food prices, and the Codex Alimentarius, which is a list of international food standards to protect consumers. Today, the FAO continues to play an important role in achieving the Sustainable Development Goals (SDGs). Six of the sixteen SDGs, including SDG 2: Zero Hunger and SDG 14: Life Below Water, have indicators managed directly by the FAO.

## Agenda Item - Fair Trade Policies to Defeat Inequality Worldwide

### Background

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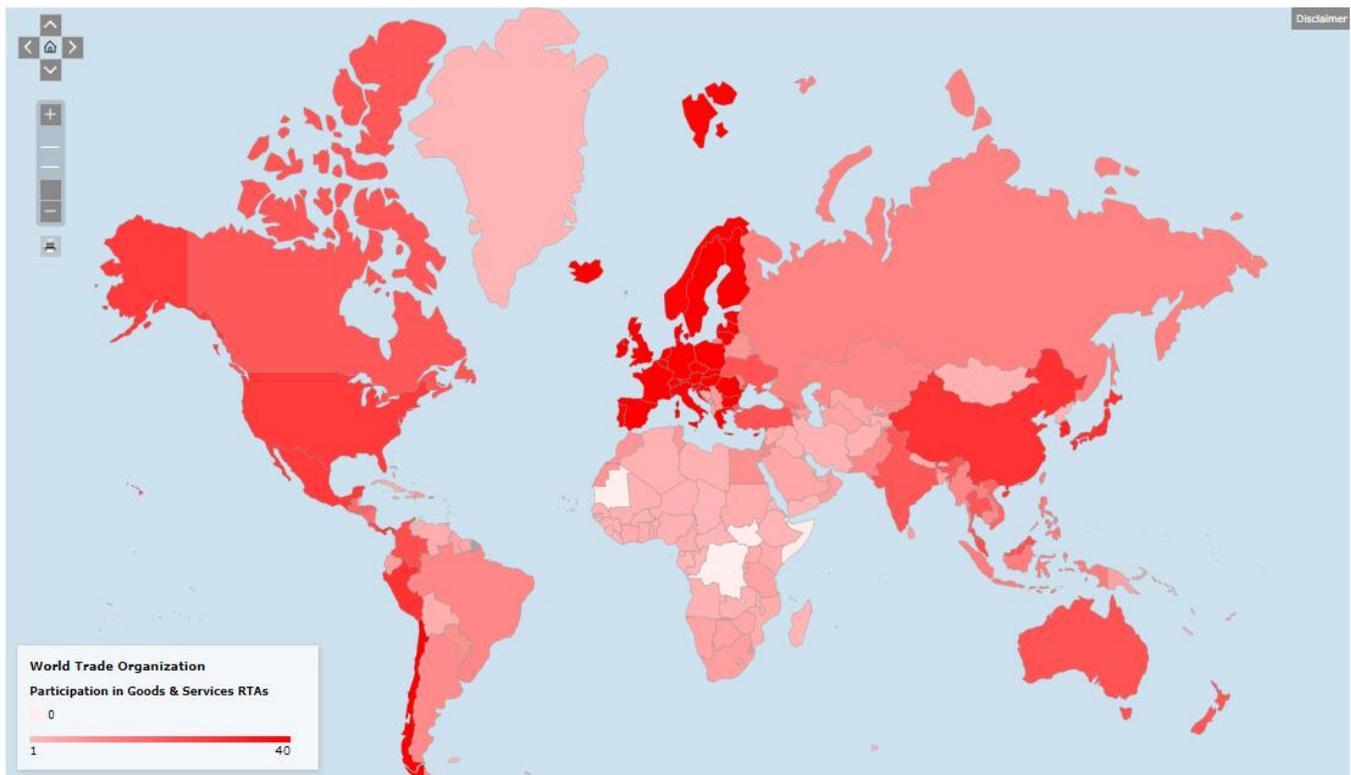
Food and trade are closely linked because hunger is not just caused by a lack of food. In many parts of the world, more food is produced than is necessary to feed the surrounding population. For example, according to FAO Director-General José Graziano da Silva, "Latin America and the Caribbean, with a population of 600 million people, produce enough food to feed 750 million people; however, 49 million of the current population still suffers [from] hunger." In other words, hunger does not come from a lack of food, but it comes from a lack of access to food, often caused by inequality.

The FAO plays an important role in promoting fair trade policies around the world. There is much debate about what should be considered "fair trade," though. Many economists advocate for "free trade," which is trade without any tariffs (taxes on imports and exports). Free trade allows people to purchase goods cheaply from other countries, increasing the overall availability of food. However, others argue that the lack of tariffs hurts the business of farmers in less developed countries who may not be able to compete with foreign goods. This makes countries rely more on foreign countries for food, and if the prices go up, they are in a difficult position. Economists do not agree on what the ideal of "fair trade"

is, and it is an area of active research and debate. Furthermore, because the agriculture industry typically employs some of the world's poorest workers, agriculture tends to be a topic with many different opinions in these debates.

The FAO prioritizes helping countries to create and develop trade agreements that will be fair to everyone. In recent years, the FAO has helped countries draft more regional trade agreements (RTAs). These agreements establish small free trade zones in regions, usually where there are various developing countries. This helps protect farmers from cheap competition from highly developed countries like the United States, but also helps developing countries rely on each other regionally to prevent famines. These trade agreements may also place policy requirements on the countries that sign them. For example, an RTA might require that the workers involved in agriculture be paid a minimum wage shared between countries so that one country cannot make its goods cheaper by paying its workers less. Ultimately, it is up to the countries involved to determine the conditions of the trade agreement with the support and guidance of the FAO.

There is a direct relationship between food insecurity and economic inequality. For example, many poor agricultural workers do not have regular access to food and thus cannot achieve food security. The undernourishment of the workers decreases their productivity, contributing to the overall lack of food. Other inequalities are also evident. For example, women comprise 43% of the global agricultural workforce, yet receive only 7% of total agricultural investment. Addressing social inequalities like these cannot only improve the livelihoods of those affected, but it can also boost agricultural production and increase food security.



*Map showing the number of RTAs by country*

## Recent Developments

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Most recently, tensions have continued to rise with the growing number of trade disputes in which the United States has been involved. The United States has started increasing tariffs (taxes on imports and exports) on some of its major trading partners due to what it claims are unfair trade agreements. Although many different industries have been targeted, agricultural products feature heavily in these disputes. China has increased tariffs on US products including canola, soybeans, maize, pork, and other goods. Canada has applied tariffs to beef, chocolate, yogurt, and more. The effect of these tariffs is almost always to reduce the amount of goods traded between countries, forcing people to find other sources of that good. These trade disputes have significant impacts for any other countries that are also involved in trade agreements. For example, if China buys significantly less maize from the United States, then that maize gets sent to another country, which could drive prices lower there and put local farmers out of business, or it might not get sold at all, harming the farmers in the United States. These disruptions can have many unintended consequences, and the global community is still adapting to the effects of the new US tariffs.

## Treaties & Agreements

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When it comes to trade agreements, the World Trade Organization (WTO) is of particular importance. The WTO is an organization where countries can decide trade agreements and raise trade disputes against other countries. It is not officially part of the UN System, but it does work closely with UN agencies. The WTO is often closely involved in the development of RTAs, and is therefore an important organization for protecting the economic interests of developing countries.

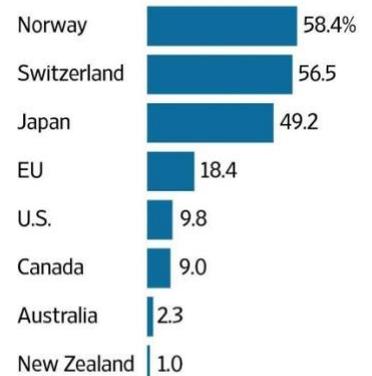
Agriculture subsidies are a type of government support in which farmers are paid to produce certain goods. This is usually done to either help reduce the price of certain goods (since farmers don't need to make as much money if they are getting government aid) or encourage farmers to change what they grow or produce. In 2015, the member states of the World Trade Organization (WTO) passed the "Nairobi Package," which pledged to eliminate export subsidies on agricultural products by 2018. This move was taken to protect farmers in developing states, as export subsidies threatened to lower their wages. The FAO welcomed the Nairobi Package while still stressing the "need for a global trade framework in which countries can balance the pursuit of their national food security and development objectives without harming their trading partners."

However, agricultural export subsidies have only seen a slow decline after the Nairobi Package was signed. New Zealand and Panama eliminated their export subsidies quickly, but other countries have been slow to do the same. Switzerland, in fact, even increased export subsidies on some products. There are also fears that the growing trade conflicts with the United States might lead the US and other countries to increase export subsidies. Again, this damages the livelihood of farmers in developing countries and threatens their food security.

### Uneven Pasture

Agricultural subsidies vary widely across the globe

#### Government support to farmers as a percentage of revenue



Note: As of 2014

Source: OECD

THE WALL STREET JOURNAL.

## Guiding Questions

1. Is your country a member of any free trade agreements or RTAs?
2. What are your country's major agricultural products? Which countries are competitors to your country for these products?
3. Have any of your country's major agricultural products experienced major price changes over the last few years?
4. Is your country currently involved in any trade disputes with another country?
5. Does your country provide agricultural subsidies to farmers? What kinds of subsidies are provided, and why has your country's government said that it provides those subsidies?
6. What percentage of your country's population is reliant on one or a small number of agricultural products?
7. What are some of the economic and social inequalities experienced in the agriculture industry in your country?

## Resources

Title	Hyperlink	How is it helpful?
<b>FAO</b>	<a href="http://www.fao.org/about/en/">http://www.fao.org/about/en/</a>	Web page describing the history and mission of the FAO
<b>FAO</b>	<a href="http://www.fao.org/3/a-i5160e.pdf">http://www.fao.org/3/a-i5160e.pdf</a>	A deep article that explores the different ways that economists evaluate trade agreements
<b>FAO</b>	<a href="http://www.fao.org/news/story/en/item/372986/icode/">http://www.fao.org/news/story/en/item/372986/icode/</a>	Article summarizing how the Nairobi Package affects the global food trade in particular.
<b>FAO</b>	<a href="http://www.fao.org/trade/en/">http://www.fao.org/trade/en/</a>	An overview of how trade affects food security written by the FAO.
<b>Financial Times</b>	<a href="https://www.ft.com/content/90721170-7b89-11e8-8e67-1e1a0846c475">https://www.ft.com/content/90721170-7b89-11e8-8e67-1e1a0846c475</a>	Newspaper article that describes how the trade wars involving the USA can have impacts that affect surrounding countries, even if they are not directly involved in the new tariffs.
<b>The Rural Blog</b>	<a href="http://irjci.blogspot.com/2015/12/wto-deal-to-scrap-agricultural-export.html">http://irjci.blogspot.com/2015/12/wto-deal-to-scrap-agricultural-export.html</a>	A technical blog post about the Nairobi Package that pledged to eliminate agricultural export subsidies.
<b>WTO</b>	<a href="https://www.wto.org/english/tratop_e/region_e/rta_participation_map_e.htm">https://www.wto.org/english/tratop_e/region_e/rta_participation_map_e.htm</a>	Displays a map of the number of RTAs that countries around the world have engaged in.
<b>WTO</b>	<a href="https://www.wto.org/english/news_e/news17_e/agcom_13jun17_e.htm">https://www.wto.org/english/news_e/news17_e/agcom_13jun17_e.htm</a>	A brief article from the WTO that reviews different countries' progress on achieving the goals laid out in the Nairobi Package.