



# United Nations Food and Agriculture Organization

Distr.: Upper Elementary – Sept 2020

Original: English

## United Nations Food and Agriculture Organization

The Food and Agricultural Organization was established in 1945 and its headquarters are in Rome, Italy. As a specialized agency of the UN, the FAO 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 World Food Programme (WFP) is confused with 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 most important functions of the FAO are to:

- Promote the common welfare and raising levels of nutrition and standards of living of the people around the world
- Improving the production and distribution of all food and agricultural products
- Improving the condition of rural populations
- Contributing to an expanding world economy
- Ensuring humanity's freedom from hunger

The FAO has had many UN's great successes. These include the wiping out of rinderpest (a deadly virus that killed off many cows and buffalo), helping to keep global food prices stable and consistent, and the Codex Alimentarius, which is a list of international food standards to protect consumers.

Today, the FAO is important to help achieve the Sustainable Development Goals (SDGs). Six of the sixteen SDGs, including SDG 2: Zero Hunger and SDG 14: Life Below Water, have measurements managed directly by the FAO.

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

### Background

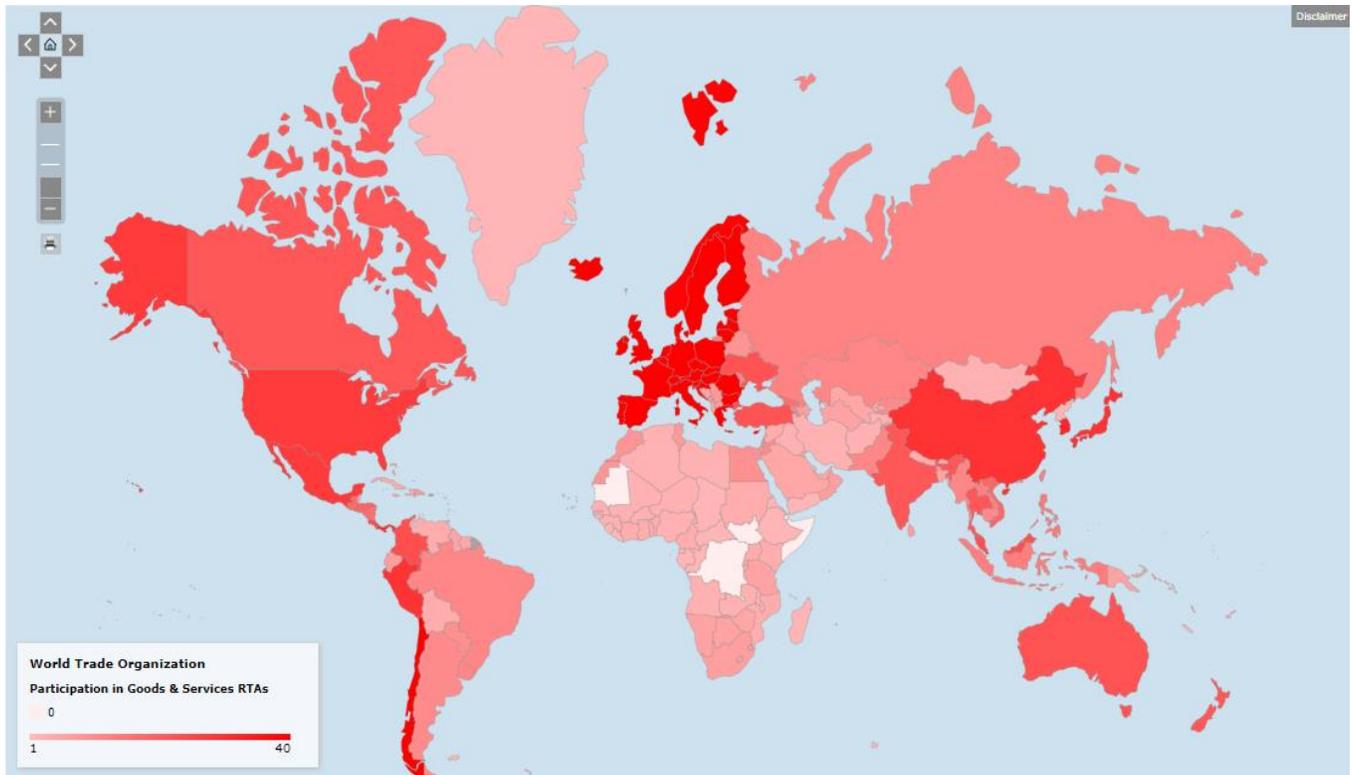
Food and trade are closely linked because hunger is not just caused by a lack of food. In many parts of the world, more food is produced than is necessary to feed the population. For example, according to FAO Director-General José Graziano da Silva, "Latin America and the Caribbean, with a population 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. Not being able to get food is often caused by inequality.

The FAO plays an important part in promoting fair trade policies around the world. There is much disagreement about what should be considered “fair trade,” though. Many economists call 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. This can increase the availability of food. However, others argue that the lack of tariffs hurts the business of farmers in less developed countries. These farmers may not be able to compete with foreign goods. This makes countries depend more on foreign countries for food. 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 puts to use some of the world’s poorest workers, agriculture tends to be a topic with many different opinions in these debates.

The FAO works hard 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 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 create policy requirements (rules) 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. By working on these social inequalities, the FAO can improve the livelihoods of those affected, and also increase agricultural production and food security.



*Map showing the number of RTAs by country*

## Recent Developments

Most recently, tensions have increased with the increase in 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 are a big part 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 impact other countries that are also involved in trade agreements. For example, if China buys 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.

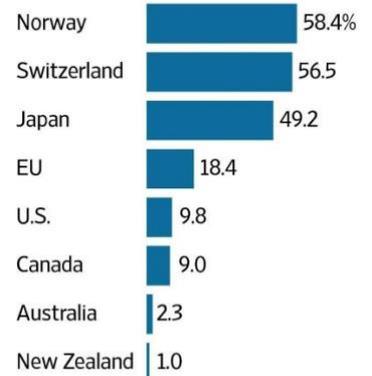
Agriculture subsidies (payments) are a type of government support in which farmers are paid to produce certain goods. This is usually done to either help reduce the price of certain goods (since farmers don't need to make as much money if they are getting government aid) or encourage farmers to change 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 agreement was made to protect farmers in developing states, as export subsidies 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 decrease after the Nairobi Package was signed. New Zealand and Panama ended 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 income 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.