

Toward a World Free of Starvation and Poverty
<<Introductory Information on the International Food
Stockholding Scheme and East Asia Emergency Rice Reserve
(EAERR)>>

Ministry of Agriculture, Forestry and
Fisheries of Japan

Poverty and Starvation

Participants in the World Food Summit, which was held in Rome in November 1996, adopted the Rome Declaration that aims at achieving global food security and halving the number of undernourished people no later than 2015. In the 21st Century, food security is one of the most important problems facing the planet, on a par with overpopulation and environmental and energy issues.

Currently, more than 800 million people worldwide are suffering from starvation or malnutrition. In Asia, about 500 million people are undernourished, a figure that represents more than 60% of the people facing malnutrition. In addition, natural disasters and economic crises in recent years have been increasing the need for food aid. Now, food security is a global matter.



Japan's Proposal on International Food Stockholding

In its December 2000 proposal to WTO agricultural negotiation, Japan tabled a feasibility study on a new international food stockholding framework (International Food Stockholding Scheme) that would supplement the existing bilateral and multilateral food aid schemes and provide developing countries with food loans to address temporary food shortages.

A Scheme of International Food Stockholding

When developing countries face food shortage due to disasters, etc., developed countries and other donors provide, at present, food aid on a bilateral basis or via international organizations.

However, the existing food aid schemes do not provide stable amounts of food due to demand/supply conditions in exporting countries and fluctuations in international prices, and these schemes are also strongly influenced by the strategic objectives of donor countries. In this sense, the present food aid schemes do not necessarily provide basic food products to those most in need.

The Marrakech Declaration in 1994 also pointed out that the least developed countries (LDCs) and net food-importing developing countries (NFIDCs) would face difficulty in obtaining the basic food products they require via commercial imports, etc., when disasters cause temporary food shortages in these countries.

To address these problems, the Scheme of International Food Stockholding aims at building up a stockpile of basic food products within each countries and providing food aid rapidly and efficiently in order to contribute to food security in developing countries, particularly LDCs and NFIDCs, and to mitigate temporary but serious food shortages due to natural disasters, etc. This last point is particularly important because food shortages caused by disasters are very difficult to address only with the present WTO approach that encourages free trade.



Rice Stock Reserve System in Asia

Rice is the most important food in Asia. Since the trade volume of rice accounts for only 4% of the total production volume worldwide (compared with about 20% for wheat and 14% for corn), fluctuations in the production and inventory levels easily send international prices either up or down. An increase in East Asian countries' rice production in recent years has pushed down the rice price and resulted in lower incomes and poverty in rural areas. On the other hand, emergency rice imports and food aid have frequently been necessary due to serious natural disasters.

As the 1976 ASEAN Declaration puts emphasis on enhanced cooperation in national and regional development activities among ASEAN member countries, five countries, Indonesia, Malaysia, the Philippines, Singapore and Thailand, established the ASEAN Food Security Reserve Board (AFSRB - original members: Indonesia, Malaysia, the Philippines, Singapore and Thailand. Current members: all ASEAN member countries. Secretariat: Thai Ministry of Commerce) in accordance with "Agreement on the ASEAN Food Security Reserve," which they concluded in 1979.



Rice Reserves in ASEAN Member Nations (reference information)

The present rice reserve stands at 87,000 tonnes, which equals 0.4 day's consumption volume (0.1% of total demand) of ASEAN countries

Brunei	3,000 tonnes	Cambodia	3,000 tonnes	The Philippines	12,000 tonnes
Indonesia	12,000 tonnes	Laos	3,000 tonnes	Malaysia	6,000 tonnes
Myanmar	14,000 tonnes	Singapore	5,000 tonnes	Thailand	15,000 tonnes
Vietnam	14,000 tonnes	Total: 87,000 tonnes			

Problems in ASEAN Emergency Rice Reserve (AERR)

As AERR is an earmarked rice reserve (i.e., member countries have promised to provide a part of their rice stocks in case of emergency), member countries are committed to provide rice from their stocks in accordance with their agreement. However, due to the insignificant volume of its rice reserve and time-consuming procedures, AERR did not work effectively to address emergencies, such as a serious rice shortage in Indonesia in 1997. It is necessary to improve and reinforce AERR.

Food Security Efforts at the meeting of the ASEAN Ministers on Agriculture and Forestry plus Three (Japan, People's Republic of China and Republic of Korea) (AMAF+3 meeting)

The July 2001 ASEAN workshop (held in Thailand) recommended that a feasibility study be made on setting up a new rice reserve system in East Asia to improve and reinforce the present AERR framework. At the first AMAF+3 meeting (in Indonesia), the ministers of member countries agreed to undertake the feasibility study on the new system.

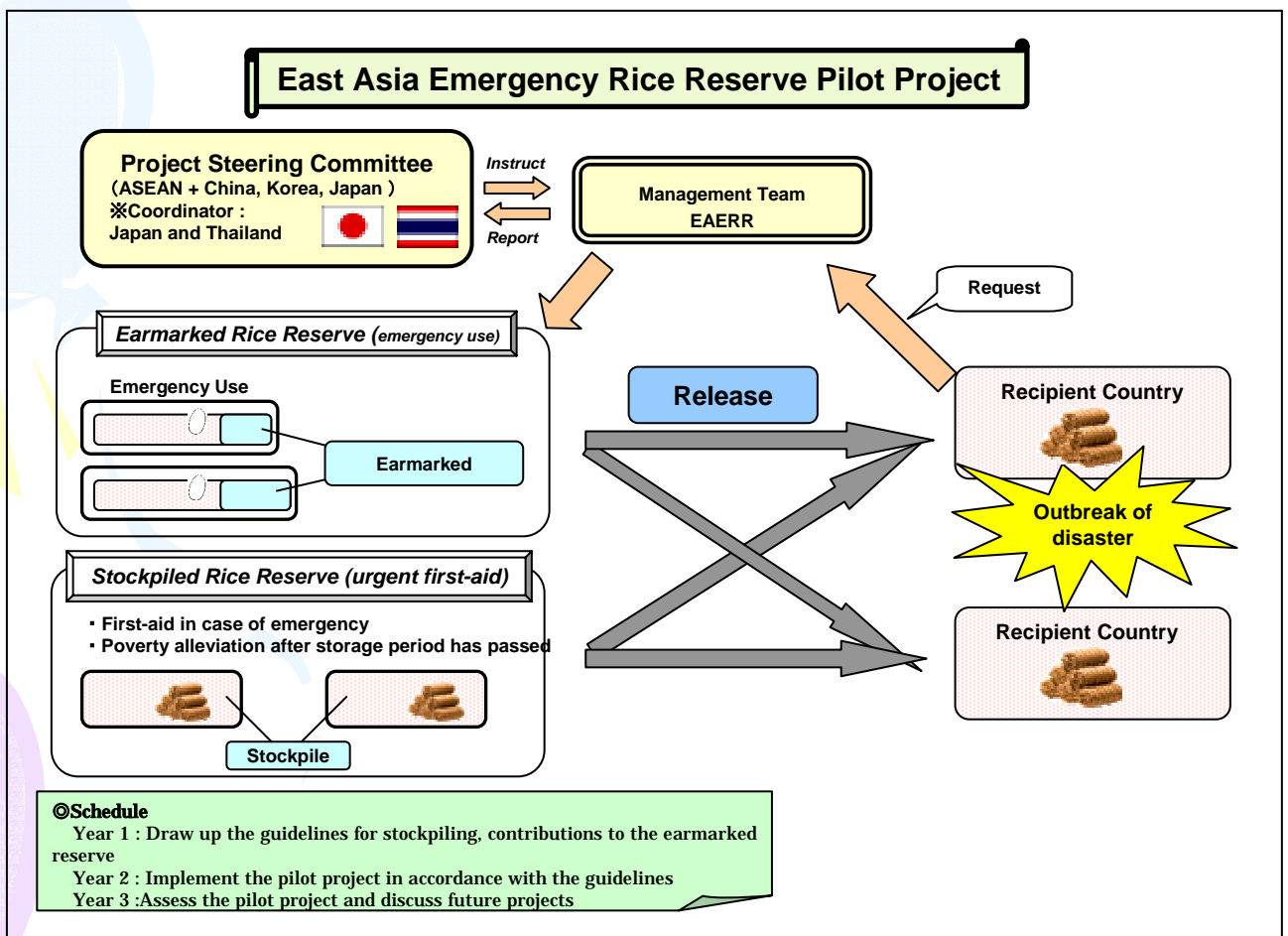
Based on the outcomes of this feasibility study, the ministers that attended the second AMAF+3 meeting (in Laos) agreed to launch a pilot project (East Asia Emergency Rice Reserve Pilot Project. Secretariat: Thailand), which aims at better food security and poverty reduction in East Asia.

This pilot project started in FY2004 as a three-year program.

Outline of East Asia Emergency Rice Reserve Pilot Project

Under the East Asia Emergency Rice Reserve (EAERR) Pilot Project scheme, the following new rice reserve mechanism to prepare for and to cope with a large-scale disaster and other emergency cases in East Asia region in the framework of voluntary endeavors by EAERR member countries.

- (1) Earmarked emergency rice reserve (a certain quantity of rice which member country voluntarily designates for EAERR within or over-and-above the national stock reserve for the purpose of meeting emergency requirements)
- (2) Stockpiled emergency rice reserve (a certain quantity of rice which member country voluntarily donates to EAERR, and used as an emergency stock to provide preparedness for an emergency situation)



What kind of support does MAFF (Ministry of Agriculture, Forestry and Fisheries, Japan) provide to EAERR?

As a coordinator country of the EAERR Pilot Project, Japan provided about ¥40 million (about US\$380,000) in FY2004 to finance the secretariat's operating expenses and will also provide the same amount of financial support in FY2005.

Note: See the following website for more information on EAERR.

<http://www.eaerr.org> (in English)



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