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SUMMARY

The world food situation and outlook, in the near future and further ahead, will be the central topic of discussion at the Geneva Conference of the Food and Agriculture Organization of the United Nations, beginning 25 August.

Needed lines of action will be decided on by representatives of some 50 nations.

Scarcity, not only of foodstuffs but of lumber and other forest products, textiles, seeds, fertilizers, draught power, and farm equipment will continue throughout most of Europe and Asia during the coming year.

Hopes of continued recovery in Europe's indigenous food supplies were checked by last winter's bad weather.

Diets in Western and Central Europe will be still lower next year, and in Asia they will remain at present very low levels, unless imports can be increased.

Even to hold the present line will require drastic action.

Twenty-eight million tons * of grain were imported into the deficit areas in 1946/47.

Minimum import needs for Europe, North Africa, and Asia in 1947/48 may be estimated at 34 to 38 million tons — without allowing for any improvement in bread rations, any additional livestock feeding, or any increase in working reserves.

Against this need, supplies of grain available for export from the surplus countries may be tentatively estimated at 30 to 34 million tons.

Even with somewhat larger supplies of certain other foods — particularly potatoes, sugar, and fats — the situation will continue to be grim.

Cessation of UNRRA activities and accumulated foreign exchange difficulties worsen the problem for nations in a weak bargaining position.

Every delay in improving this situation further impairs the working ability of labour, slows up reconstruction, adds to the physical damage caused by prolonged undernourishment, and accelerates social unrest.

Steps can still be taken to improve the 1948 harvest.

More fertilizers, farm machinery, and pesticides could be delivered within the next six months to areas of great need.

To accomplish this, the first step would be the immediate establishment of an intergovernmental committee for each main deficit area. These committees would co-ordinate the requirements of the individual nations and discuss delivery possibilities with the supplying countries.

Restoration of food output to pre-war levels is not enough.

World population is increasing by 15 to 20 millions each year, and consumer demand for food is everywhere higher than before the war.

The answer to short-term scarcity is sustained expansion of production.

In Asia, where the food problem is of long standing, the basic difficulty is overcrowding of the land.

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* Throughout this document, weights are in *metric* tons.

Agricultural modernization is needed to increase output per acre, and alternative employment must be provided for millions who will not be required on the land if agriculture is improved. Even with modernized production, Asiatic countries will need large-scale food imports to obtain adequate diets.

Long-term programmes for the improvement and reorientation of agriculture are also needed in Europe.

Two safety-valves for relieving the growing pressure of world population upon the world food supply are Latin America and Africa.

Both continents are sparsely populated, with great undeveloped or partially developed land resources.

Both could produce food far in excess of their own needs. The possibilities are as yet unexplored and uncomprehended.

A start is being made with land settlement programmes and mechanized farming. FAO is prepared to make its services available to assist in further development.

The weak link in planning to meet the overwhelming need for greater production, both now and in the future, is the fear of surpluses.

The fear is that shortage of foreign exchange will reduce demand for imports ; that in any case demand will shrink when rehabilitation needs have been met ; or again, that synthetics will displace many farm products. Therefore heavy investments in developing new production for export may not pay.

Anxiety about future markets inhibits all-out efforts to expand production of many agricultural commodities. Already producers of some products—natural rubber, for example—find their livelihood threatened.

Any international programmes for full production must include some assurance of expanding markets and reasonable prices if Governments, business, and farmers are to co-operate in carrying them out.

Intergovernmental consultation is called for in every phase of the problem —emergency shortages, long-term expansion, commodity surpluses.

To achieve this consultation, the Preparatory Commission on World Food Proposals recommended an annual review of the situation in food and agriculture, forestry, and fisheries as a regular feature of the FAO Conference. The first review will be held at the Geneva Conference this year.

The Commission further proposed an 18-nation council of FAO, *World Food Council,* which would examine the changing situation at intervals between the annual reviews and advise Governments about needed adjustments.

At the first review, discussion will centre on these activities which might be undertaken by the council during the coming year :

1. Taking over international allocation of foods and fertilizers from the International Emergency Food Council, retaining its structure of commodity committees.
2. Ensuring maximum mobilization of food for human use in 1947/48, including strengthening of food collection and food economy measures, and of efforts to ship the maximum amount of foods from exporting countries.
3. Accelerating the supply of materials needed to expand the 1948 harvest in food-deficit countries.

4. Promoting long-term agricultural development and nutritional programmes for countries and regions, and in collaborating with other specialized agencies and with the United Nations on the more general economic aspects.

5. Reviewing commodity situations in agriculture, forestry, and fisheries and promoting joint activity among Governments, including studies leading where necessary to commodity agreements. In this work the council would maintain close contact with the Interim Co-ordinating Committee on Intergovernmental Commodity Agreements.

The primary decision to be made at Geneva is whether such a council is to be established to enable FAO to carry out these functions and others that may be needed in the future.

CONTENTS

1. PERIODIC REPORTS

In accepting the Constitution of the Food and Agriculture Organization of the United Nations, the signatory nations undertook "to report to one another on the measures taken and the progress achieved in the fields of action set forth" in the Preamble to the Constitution. The present is not a time in which much progress toward these objectives can be recorded. Most nations are occupied with keeping hunger from their doors.

The periodic reports, however, offer the best possible means for Governments to present the current situation in food and agriculture and the problems they face — information that is needed if FAO is to be of service to them. Member Governments were therefore urged to prepare these reports in advance of the Geneva Conference, so that they might be used in connexion with the first annual review of the world food and agriculture situation and outlook, which it is proposed should become a main feature of the Conference of FAO in accordance with the recommendations of the Preparatory Commission on World Food Proposals [1].

Altogether, 19 reports have so far been received from member Governments and others will be available before the Conference meets. This is a gratifying response when it is remembered that such reports are a new feature in international affairs and that this is a year of exceptional political and economic difficulty. Most of them cover a wide range of subjects and many contain a wealth of valuable information which will be useful in enabling FAO to strengthen its services to Governments. Next year it is hoped that, with more ample notice in advance, all member countries will be able to submit reports.

Material in the reports received so far has been heavily drawn upon to build a picture of the current situation and of likely developments immediately ahead. In addition to these periodic reports, FAO has used information made available at the meetings of the Preparatory Commission and at a number of other meetings convened to discuss particular situations and important commodities, as well as statistical and other data supplied directly by Governments or collected by the Organization from other sources. Details are given in a series of documents on special topics already circulated to Governments.

The purpose of the present review of *The State of Food and Agriculture* is to summarize these facts and bring out the principal issues on which the Geneva Conference will want to take decisions. These are primarily issues of national and international policy. A companion report previously sent to Governments — the *Second Annual Report of the Director-General to the FAO Conference* [2] — was mainly concerned with the work of FAO during the past year. The two documents should be considered together.

2. SUPPLIES IN 1947/48

The world still faces scarcity. In the period from July 1947 to June 1948, food output in the deficit countries may be somewhat less than in the previous 12 months. Although the output of potatoes, sugar, and fats will probably be larger, and although a modest increase in output of livestock products may occur in certain areas, all this gain may well be offset by the fall in cereals output caused by adverse weather. The gradual post-war recovery of world agriculture has this year received a temporary check in many regions on account of factors outside the control of man.

The export of food from surplus countries may perhaps be increased sufficiently to offset

[1] "Intergovernmental consultation on plans and programmes for agriculture, for nutrition, and for international trade in agricultural products should form an integral and important part of the regular sessions of the FAO Conference... We recommend that a first attempt be made to conduct such a general review at the regular 1947 session of the FAO Conference." FAO, *Report of the FAO Preparatory Commission on World Food Proposals*, Washington, D. C., February 1947, pp. 51, 52.

[2] FAO, *Second Annual Report of the Director-General to the FAO Conference*, Washington, July 1947.

reduced output in deficit countries, but hardly enough to bring any significant betterment in diets. In the deficit countries, the general state of malnutrition will persist and any minor or local improvement will not much lessen the cumulative effects of prolonged deprivation.

CEREALS

The cereals harvest in the Northern Hemisphere is expected to be lower than in 1946, because of winterkill in Europe, rust in India, drought in China, and excessive rains in the United States of America. Europe's bread grain output may prove to be from 4 to 6 million tons lower and India's wheat crop is reported to be down by about one million tons. The United States of America, although harvesting the largest wheat crop in its history, expects the outturn of maize and other fodder grains to be less than in 1946, which may mean a tight feedstuffs situation in spite of a considerable carry-over of maize. Only in the U.S.S.R. and certain other areas of Eastern Europe is a marked improvement over 1946 to be expected. The U.S.S.R. has announced the abolition of bread rationing and is understood to be contracting to export substantial quantities of grain during the coming year.

It is too early to predict Southern Hemisphere grain harvests, but with average weather the outturn should exceed the drought-affected level of recent years. Likewise with rice it is too soon to predict, but some improvement is likely. Floods have damaged rice crops in South China, but India expects a better harvest than in 1946/47. Japan's harvest may even surpass the excellent one of last year. Indo-China will probably export less but there is a prospect of improvement in Burma. Altogether rice exports, including those from the Western Hemisphere and from Egypt, may be increased by perhaps half-a-million tons [3].

POTATOES

In many countries of Europe, the potato is the next most significant food after bread. If weather conditions are average until harvest time, the coming crop, sown on a larger acreage, should be heavier than that of 1946/47. In several countries of Western Europe, because of general food shortages, potato consumption is already well above prewar, supplies having been diverted from livestock to human use. Further recovery in production this year, notably in Eastern Europe, should enable those peoples also to expand their potato consumption.

SUGAR

World sugar supplies in 1947/48 will probably be only a little better than in 1946/47 because a substantially increased output in Europe, the U.S.S.R., and the Philippines may be almost matched by the anticipated decline in Cuban production. But the restoration of production in Europe (excluding Germany) means not only an improvement in the sugar ration but also, for many countries, a saving in scarce foreign exchange.

In the Far East, Java is unlikely to be exporting any significant quantities. For this and other reasons, India, Japan, and Korea at present have to obtain their imports principally from Cuba and the United States.

Cuba, which during the war pushed production to phenomenally high levels to help the United Nations, may face considerable readjustment problems. Dollar shortages and the present high world sugar price, coupled with the recovery of production in war-damaged countries, threaten to reduce the demand for Cuban sugar substantially. Here is need for international action to seek a solution not, as before the war, by restriction but by positive programmes to remove barriers to consumption in low-consumption countries and low-income groups.

FATS

Production of fats and oils continues its slow but steady improvement and supplies in 1947/48 should be better than in 1946/47. Because both Canada and the United States promised substantial price increases, their oilseed acreage has risen sharply and a large output is expected which may put the United States in a net export position. Much heavier exports should come from the Argentine than in the disappointing season of 1946/47. Philippine copra exports will probably remain at high levels, while moderate quantities of oil may begin to flow from India and Malaya. Mediterranean Europe is likely to have a better olive-oil crop than in 1946/47, but over Europe as a whole the output of animal fats cannot expand much until more feedstuffs become available through import or

[3] An up-to-date account of the world cereals and rice situation will be prepared and made available immediately prior to the Geneva Conference.

through improvement of pasture and other indigenous fodder supplies.

If sufficient foreign exchange can be found to finance an increase in imports and if the system of allocations is maintained, consumption in most European deficit countries, apart from Germany, should reach 70 to 75 percent of pre-war consumption compared with 60 to 65 percent in 1946/47. In Latin America, India, and a few other exporting areas the increase in *per caput* consumption registered during the war is likely to be maintained, which reduces the quantities of fats and oils available for export.

LIVESTOCK PRODUCTS

Output of meat and milk in 1947/48 is likely to show only a little improvement over 1946/47 because, while in Europe and the Southern Hemisphere some increase in domestic fodder crop output may be registered, a world-wide shortage of feedstuffs continues. In Europe—including the United Kingdom, the principal importing area—livestock numbers may increase slightly but principally in the classes of breeding-stock and young animals. Meat output is expected to remain low—about 60 percent of pre-war—in Continental Europe. Milk and butter output will probably be unchanged at about two-thirds of pre-war, largely for lack of grain and oilcake.

In Southern Hemisphere exporting countries where production of meat and dairy products has remained at about pre-war levels, there may be some increase in 1947/48. In North America, output is far above pre-war and is likely to be maintained.

Foreign trade in livestock products is largely dominated by the imports of the United Kingdom, which to a great extent are covered by long-term contracts. Volume of imports should continue at no more than the previous year's levels. But imports, principally of meat and processed milk, into the countries where the United Nations Relief and Rehabilitation Administration operated will have virtually ceased with the closing of UNRRA, the countries concerned having insufficient foreign exchange to purchase such commodities at current prices.

It may be noted that there are no longer world prices for these products but rather a different price in each different contract or trade agreement. Thus, during 1946/47, Danish butter export prices have ranged from 4.19 kronen per kilogramme to the United Kingdom, up to 8.70 kronen per kilogramme to Finland. The United Kingdom paid for beef 4 to 4.5 pence per pound to Australia and New Zealand, but 21.23 pence per pound to the United States of America. In the early summer wheat was selling at $1.55 per bushel within the Canada-United Kingdom contract, at $2.50 on the Chicago market, and at anything from $3.60 to $4.80 per bushel in Argentine contracts. A diversity of prices, though less wide, characterizes the trade in several other agricultural products at the present time.

FISH

World fish production has steadily increased since the end of the war but has not yet regained pre-war levels. This recovery is expected to continue in the coming year. Apart from Japan, France, and Germany, most of the important fisheries countries should be landing catches equal or close to the pre-war quantity. In several war-damaged countries, however, the post-war transportation shortage prevents widespread distribution of fish outside coastal areas, and these difficulties will persist in 1947/48. From the nutritional viewpoint, wider fish distribution would be the readiest way of augmenting the supply of animal protein which is deficient in most urban diets. **Governments of food-deficit countries might be asked by the Geneva Conference to re-examine the possibilities of some immediate improvement in fish marketing and transportation facilities.**

International trade in fish is reverting rapidly from the fresh and frozen to the canned and salted products. Canned fish supplies for export in 1947/48 should be a little higher than in the past year, largely because of increased output in Norway and the United Kingdom. The large Japanese contribution of pre-war is still wholly missing. Salted cod exports in 1947/48 should be comparable with the 1935-1938 level as a result of a brisk revival of output in Scandinavia during the past two years. Landings from the herring fisheries, which have been curtailed during and since the war, may show some improvement, but only about 40 percent of the catch goes into human consumption, the remainder being used for oil, meal, and bait.

FIBRES AND FIBRE PRODUCTS

In this brief review of world supplies it is important to consider not merely foodstuffs but also the other principal agricultural products. They provide basic necessities—for

example, clothing and shelter—and their production involves the livelihood of many million farmers around the world.

World production in 1947/48 of the five main apparel and household fibres—cotton, wool, flax, silk, and rayon—should be a little higher than in 1946/47 but still considerably less than 1935-1939. However, carry-over stocks are so substantial that the effective supply is nearly as large as pre-war. Cotton acreage, reduced during the war in all the chief producing countries because of labour shortages or competition of food crops for the use of land, is recovering slowly. The Russian flax and the Japanese silk industries have been disorganized by the war; moreover, silk has lost a large part of its market to man-made fibres, possibly permanently. Recovery in rayon production in Italy, Germany, and Japan is held back by lack of coal and caustic soda.

On the manufacturing side, the most widespread difficulty continues to be shortage of labour, which in a period of full employment can find better-paid work elsewhere. Lack of fuel, power, and chemicals has also impeded production. Between 1939 and 1947 the price of raw cotton almost quadrupled, while the price of wool nearly doubled. Many countries find difficulty in paying for raw fibre imports, especially at current prices, although for some countries this was circumvented by arrangements to supply fibres on credit and take payment in finished textile goods for export. The United Kingdom has already announced a reduction in raw cotton purchases, and it seems likely that in 1947/48 the overall import demand for raw fibres, particularly cotton, will decline unless financial aid is made available to deficit countries. Consumption of textile goods remains low in many countries. In Far-Eastern areas, consumption is still about one-half to one-tenth of pre-war. In Europe, the output of textiles has recovered more rapidly, but in most countries consumption is still 20 to 40 percent below pre-war. Supplies should increase further in 1947/48, but it will be some years before the backlog can be made good.

FOREST PRODUCTS

Shortage of timber will continue in 1947/48 to delay many construction projects, especially housing. During the war, output and consumption of forest products rose rapidly in Canada and the United States, whilst by contrast in Europe and Japan supplies were seriously curtailed. Since the war, the timber-exporting countries of Scandinavia and Eastern Europe, producing less and consuming more, have not regained their pre-war level of exports. This, coupled with the difficulty of financing imports from North America, especially at present high lumber prices, prolonged the acute shortage in Western Europe, the United Kingdom, and Japan. In the United Kingdom, for example, consumption is little more than half of pre-war.

Last May at the International Timber Conference called by FAO at Marianske Lazne a programme was formulated to meet this situation. The Conference recommended an increase in fellings by 10 percent in European countries for the next two years and the introduction of measures to control and further economize the use of timber. It urged action to obtain for the deficit countries greater exports from Germany, the U.S.S.R., and North America.

Pulp and paper production is well above pre-war, but the increase in both output and consumption is concentrated in North America. Many European countries have less than half their pre-war supplies. Europe's output can increase in 1948 provided more coal is shipped to Scandinavian countries. But those countries try to sell their exports in hard-currency areas rather than in the deficiency countries of Europe. The supply of pit props has temporarily caught up with current demand while the use of plywood is expanding rapidly.

In the longer run, the world's supply of timber can be augmented by opening up tropical forests, particularly in Latin America. This is already commencing, but a market for the principal woods obtainable has still to be established.

The Conference may decide to endorse the recommendations of the Marianske Lazne Conference and ask FAO to keep its Council regularly informed, particularly as regards co-operation with the Economic Commission for Europe in handling immediate European problems, and as regards the development of forest policies in Latin America and the Far East.

RUBBER

Recovery of natural rubber production in South-East Asia has been extraordinarily rapid. At about 1.2 million tons, the world output in 1947 has already surpassed the pre-war average, while in 1948 the output will be still

larger. The native smallholdings have naturally resumed activity faster than the estates, which face labour and other difficulties. At present, smallholdings rubber accounts for more than half the total supply.

The current output of natural and synthetic rubber already exceeds the current consumption of new rubber. Yet in 1948 output will be larger and demand smaller, since some of the present backlog in demand will have been satisfied. The impending danger of surpluses is reflected in rubber prices. December futures are below 16 U.S. cents per pound and July 1948 futures approach 14 cents. In the United States of America it has been recommended that some synthetic capacity be kept in operation and, though no quantity has yet been officially determined, total synthetic production in the United States and other producing countries is likely to be at least 500,000 tons. This, together with natural rubber, would give a world annual output of 2.2 million tons against consumption forecast at 1.6 million tons assuming high levels of prosperity. In such a situation, whether prices collapsed or restriction of production was imposed, serious difficulties would arise for those countries, for instance in Latin America, where during the war production was expanded at considerable cost. Moreover, it would bring misery to the thousands of producers and their families in South-East Asia. The possibility of dealing constructively with this problem is discussed later (see Section 5).

GENERAL FOOD BALANCE

The damage caused by the war to agriculture in Asia and Europe is slowly being repaired, but adverse weather has checked the recovery in food production this year, especially in parts of Europe. In Asia, the overall indigenous food output is likely to remain substantially unchanged compared with 1946/47. Thus, unless food imports can be raised, there seems little or no prospect of improvement over the highly unsatisfactory level of 1700-2000 calories. In the other main deficit area—namely, Western and Central Europe—indigenous food supplies are likely to be considerably smaller in 1947/48 and the already low calorie level may fall a further 5 to 10 percent unless food imports can be increased.

Fortunately, food output in the main exporting areas of the world is expected to be larger than in 1946/47. There should be more fats for export and more grain, especially from the Southern Hemisphere. In addition to the usual sources of supply, the U.S.S.R. and South-Eastern Europe should have some grain for export.

It is important to form a preliminary idea of the relation between supplies and needs and of the intergovernmental efforts that may be necessary. The Paris Cereals Conference, which met 9 July 1947, made a first approximation by estimating possible 1947/48 grain export at 32 million tons against importing countries' stated requirements of 50 million tons. This latter figure, however, includes 6 million tons for livestock feed and 3 million tons for rebuilding of stocks, as well as provision for an increase in the quality or quantity of bread rations in several countries. More modest targets will have to be set.

The matter may best be approached by taking as an objective the maintenance of cereal rations at the 1946/47 level and no more —that is to say, without any restocking or reversion to whiter flour or increase in the amount of grain fed to livestock. To accomplish this target would require 6 to 10 million tons more grain imports than in 1946/47 ; a more precise figure cannot be given until better harvest estimates are available. This is composed of 4.5 to 7 million tons for the deficit area of Europe and North Africa, plus 1.5 to 3 million tons for Asia [4]. Adding these quantities to 1946/47 total grain imports of 28 million tons, the minimum import requirements may be placed at 34 to 38 million tons [5]. Supplies available for export may be tentatively estimated at 30 to 34 million tons. Thus, even under the most favourable circumstances, it would seem barely possible to achieve the target of maintaining bread rations unless new and far-reaching action can be taken. If, however, bread rations could be maintained it would permit a modest improvement in the calorie value of the diet in certain countries, particularly in Europe, where an increase in the supply of potatoes, sugar, and fats is to be anticipated.

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[4] This would include supplies sufficient to ensure the maintenance of the official rations in countries where these were not always honoured in 1946/47. In Asia the imports are required to maintain rations in the deficit regions which are cut off for lack of transportation from surplus regions, in some of which consumption levels may improve.

[5] The 28 million tons in 1946/47 included some 3 million tons used for feeding livestock, but it probably will be impossible to prevent at least a similar quantity being used for feed in 1947/48.

It is by no means certain that such high export programmes can be fulfilled. The task confronting nations for the coming year cannot therefore be to improve the bread supply of deficit countries but rather to see what new emergency measures can be devised to ensure that the supplies are not further diminished. Efforts must be made in two directions, as in previous years. First, the deficit countries will need to achieve a more thorough and effective utilization of their grain harvests, as, for example, by tightening up farm collections, diverting feed grain to human use, and raising the flour extraction ratios wherever possible. Secondly, the exporting countries may be able to take steps to mobilize maximum quantities for export and to ensure that in each month of the crop year both inland and ocean transportation is utilized to the full.

The Geneva Conference may wish to call to the urgent attention of member Governments :

1. **Reinforcement of food collection, conservation, and economy measures.**
2. **Emergency steps in exporting countries to make still larger quantities of food available.**
3. **Continuation of international allocation for grain and certain other scarce foods for another year.**

Although the machinery of international allocation becomes increasingly difficult to operate as the post-war food shortage drags into its third year, the situation still demands such co-operation. The cessation of UNRRA activities in several countries coupled with accumulated exchange difficulties in others makes it indeed more necessary to maintain machinery which defends those which are in weaker bargaining positions. Even so, there may increasingly often be instances in which countries cannot afford to take up their allocations of essential foods. Such a decision should be interpreted as a danger signal suggesting that the foreign exchange position of the country concerned requires overall review, and that perhaps the aid of other countries and of international agencies might need to be enlisted.

The food problem of 1947/48 is not merely a matter of a certain number of boatloads of grain, although every boatload counts. It is a matter of saving human lives. In Asia several countries — Malaya, Ceylon, Indonesia, the Philippine Republic, Japan, and Korea— depend substantially on food imports. Furthermore, in India and China, the principal coastal cities as well as certain other coastal regions rely heavily on imports and, for lack of transportation and other reasons, could not be supplied from the interior, however bountiful the indigenous harvest. If imports were interrupted or curtailed, the distribution at present precariously maintained could easily break down and famine conditions ensue. Moreover, the margin between emergency subsistence diets and actual famine is much narrower in Asia than in Europe.

Nevertheless, for Europe, too, food is a decisive factor. The issue is whether or not 1947/48 witnesses a drift toward political disintegration or a practical start along the hard road to recovery. If the deficit countries fail to get a minimum supply of food, then the repercussions must be faced. Coal production may decline further, a large part of industry may be idle during the coming winter, and social unrest may spread through the cities. If, on the other hand, the nations severally and together can take the necessary drastic action to get food to where it is needed, then a foundation is laid on which the health and strength of the working people can be rebuilt and industrial recovery can go forward with assurance.

3. PRIORITIES FOR THE 1948 HARVEST

At the termination of hostilities there was a widespread desire to believe that food troubles would shortly end. Each year since then, many people have thought that food shortages would last only one more season — until next harvest. Consequently, very few countries have at any time taken energetic enough steps to augment the food crop of the succeeding year. If this attitude continues, not enough food will be produced next year to ensure reasonable diets in 1948/49. Extraordinary efforts will have to be made in all parts of the world and there must be no hesitancy — no fear of producing too much.

These efforts need to be made quickly if they are to have good effect. Already, when the FAO Conference meets, the stubbles will be being ploughed in the Northern Hemisphere for the sowing of winter grains. To begin with, many nations could raise their winter-grain acreage goals well above present targets and aim at getting the maximum area sown

between now and Christmas. This should be followed by a similar drive early in 1948 in both Northern and Southern Hemispheres, at that time covering all food crops.

To accomplish such ambitious programmes the deficit countries must secure more equipment and supplies. They do not have enough tractors. The 1947/48 export supply of tractors is forecast at somewhat over 100,000. This quantity may not suffice and it may not be delivered in time. Some tractors need to be delivered in the next two months and the balance not later than February. A timely delivery programme can be organized only if Governments in supplying countries are willing to see that the necessary priorities are given to foreign orders.

More fertilizers are needed, especially nitrogen. Evidence presented in the Fertilizers Review prepared for the Geneva Conference (Conference document C47/27) shows that the various countries would take 3.8 million tons of nitrogen but only hope to receive 2.9 million tons. There are plants in Europe that could produce more nitrogen if more coal were allocated to them. There are plants in North America that are operating below capacity while some are selling liquid ammonia for less essential industrial purposes. Supplies of potash are also uncertain. Deliveries may be too small or too late, or both.

There is still just enough time to revise fertilizer production programmes. If prompt action can be taken, greatly increased quantities could be delivered to farmers by February, which would be in time for the Northern Hemisphere spring dressings.

Certain agricultural seeds are in short supply. In Europe this is particularly true of the biennial root crops which suffered during the severe winter. Prompt importation of appropriate varieties, generally from neighbouring countries but in a few cases from overseas, would contribute substantially to increasing next year's per-acre yields.

The demand for pesticides outruns the supply. Not only are the traditional products, such as copper sulphate and lead arsenate, not being produced in adequate quantity but the new and much more effective pesticides evolved during the war are not yet available to many of the deficit countries. Losses of cereals, rice, potatoes, grapes and other fruit have been heavy for lack of suitable materials. A rapid survey of requirements followed by prompt placing of orders could ensure a much more adequate supply by next spring.

In all this deficiency of supplies for stimulating agricultural production, the trouble lies to a considerable extent in the slowness of industrial recovery. There could be more self-help in the provision of these supplies, particularly in the European deficit countries, if basic materials, such as coal and the chemicals, were more readily available. More coal is needed in fertilizer production and for steel mills, more steel for agricultural machinery and implements and for restoring transportation systems, more chemicals should be allocated to fertilizer and pesticides manufacture. But this cannot happen quickly, especially since one prerequisite is an increase of food rations for workers in coal mines and other heavy industries. Meanwhile, supplementary supplies of machinery, fertilizer, and pesticides must be sought in other countries, which in turn raises foreign exchange difficulties.

What is wanted is emergency action by Governments acting in co-operation. Each should state what it can do in the way of self-help and how far it can make surplus agricultural supplies available to other deficit countries. Thereupon, a consolidated statement should be prepared showing the combined needs from external sources, indicating delivery date deadlines, and setting out the relevant financial difficulties.

For food and agricultural supplies, one group of European nations is already taking action along these lines. In respect to European timber needs, this has been done at the Marianske Lazne Conference. But other nations have similar needs and it is imperative that they, too, should come together in formulating programmes. If these needs can be co-ordinated on a regional basis, taking realistically into account the delivery possibilities within the next six months, the supplying countries would be in a better position to examine what specific additional measures might help to meet the situation. **Owing to the urgency of the problem, the Geneva Conference may wish to recommend that immediately after the session, FAO convene an ad hoc intergovernmental committee in each main deficit region to accomplish this.** FAO would be prepared to assist with all the information and services which it has at its disposal.

One thing stands out clearly, namely, that the world shortage of food and several other agricultural products is not, as was thought earlier, a short-time affair of one or two years. It is stretching on through 1948, 1949, and perhaps 1950. For example, the

grain deficit will continue for at least another year since the 1948 harvest, however bountiful, will not permit the abolition of bread rationing in all countries. The report of the Rice Study Group convened by FAO in India 16 May-6 June 1947 envisages a serious rice shortage for four or five years longer. The scarcity of fats and oils and of livestock products is likely ta last at least until 1950.

The problem, moreover, is not merely the restoration of agricultural production in the devastated areas to its pre-war levels. What was regarded as "normal" in 1939 is now inadequate. The world's population has increased by about 175 millions since the outbreak of the war, and every year there are 15 to 20 million more mouths to feed. In some of the regions formerly regarded as food surplus areas, growth in industrialization has caused increases or changes in domestic food consumption and a reduction, in some cases perhaps a permanent reduction, in food exports. In many industrially developed countries, the present high levels of employment together with a considerable measure of income redistribution have greatly increased the food demands of the low-income groups.

There is, further, the increased public awareness of the importance of improved diets and the obligation increasingly acknowledged by Governments, both in price policy and in special food distribution programmes, not merely that hunger must be prevented but that diets adequate in quantity and quality for full physiological development and working activity must be brought within the reach of all classes.

For these reasons nations have to plan not simply to surmount an emergency situation, but permanently to increase levels of food output. It follows that the measures taken to combat the shortages cannot all be short-term in character. Many have to be long-term programmes for expansion of production which will mature over a period of years. These raise long-term policy issues and in some people's minds a fear of eventual surpluses.

Thus the short-run and the long-run problems have become intermingled and it will be dangerous henceforth to treat them separately. There needs to be, as the Preparatory Commission emphasized, a single forum in which Governments can discuss all these questions of production and marketing, shortages and surpluses, in relation to one another. The Commission recommended that opportunity be provided at the annual session of the FAO Conference and that a council of FAO be established to deal with these problems between sessions. **If at the Geneva Conference such a council is established, it should probably be asked to take over and co-ordinate with its other activities the functions now exercised by the International Emergency Food Council.**

4. AGRICULTURAL DEVELOPMENT

Governments are rightly preoccupied with getting next year's food and the materials to augment next year's harvest. Vitally important though that is, it is not enough. Even the temporary shortages cannot be overcome solely by these makeshift emergency measures. Besides, there are the long-term shortages which find expression in the chronic malnutrition of half the world's population. Long-term programmes for expansion of production are needed if the diet of Europeans is to be raised from 2300 calories to a desirable level of perhaps 2800 or 3000 calories. How much more are they needed if a start is to be made on raising the dietary standards of hundreds of millions who have not at any time had more than 2000 to 2200 calories ! Such programmes must comprise arrangements whereby at the same time consumer purchasing power and the output of other consumer goods expand in due proportion.

In every quarter of the globe there is need of comprehensive programmes for orderly expansion of agricultural production. For example, there are the densely populated underdeveloped countries. In these there is desperately little land available to feed the population. In India there is half-an-acre (0.2 ha.) of cultivated land *per caput,* and in 40 years' time, because of the increase in population, there will be less than one-third of an acre (0.13 ha.). In developed countries, with comparatively high standards of farming, it takes 1.5 acres (0.6 ha.) to feed a man. It follows that in India, China, and other crowded countries, although minor additions to the cultivated area can perhaps be made, technical agricultural aid must be chiefly directed toward increasing output

per unit of area. Even if the farming standards of the most advanced countries could be reached and passed there would still be insufficient food, and to obtain adequate diets these Asiatic countries would have to become large-scale food importers.

The Government of India has published nutritional targets and is developing a plan for agriculture. China, in her periodic report, indicates ambitious production goals. Siam, subject to approval of her application for membership, has requested FAO to send a technical mission to advise on agricultural expansion. The findings of the recent Rice Study Group, whose report [6] is before the Conference for consideration, emphasize the urgent need for increasing supplies of that basic food, and FAO, if the Conference approves, will take steps to provide special services for the rice-producing areas. Owing to the rapid rate of population increase, every year's delay makes these problems more intractable. The revolutionary army of agricultural scientists and technicians must move in quickly.

Quite different is the case of the sparsely populated underdeveloped countries. Here the economic problems are less intricate and the scope for agricultural expansion is large. Vast areas of land remain unsettled, chiefly because engineers and doctors have not yet been put to work to make them habitable. Recently, one or two projects have been launched which represent a foretaste of what can be done. For instance, the British and French Governments have each announced plans for large-scale mechanized cultivation of peanuts for oil in their African territories. These programmes, if successful, will yield very substantial tonnages of oil, yet they relate to only a tiny fraction of the cultivable land. Or again, certain Latin-American Governments — for example Brazil and Mexico — have announced large immigration programmes which involve opening up new lands for settlement and agricultural production.

In both continents pioneering has to be undertaken. In both there is a vast frontier to be pushed back. The possibilities are as yet quite uncomprehended. What is involved is large-scale primary developments of roads, railways, rivers, agriculture, and industry. New lands have to be settled. Sparsely settled lands could be opened for development by drainage or irrigation or disease control measures. Both continents could produce food far in excess of their needs and they could become granaries for supplying densely populated regions of the world. But if they are to be asked to invest heavily in production for export they must have some assurance that the eventual products will be bought at reasonable prices. They may hesitate and hold back unless the nations can develop satisfactory international arrangements for disposing of all the food that is produced.

Finally, there is a group of agriculturally more advanced countries in which also much remains to be done. There is still scope for far greater application of scientific methods to everyday farming, for greater concentration on products which yield a high return, for mechanization and for improvement in labour conditions, for modernization of marketing and of the food-processing industries. The French agricultural plan includes specific targets in all these fields.

All these types of programme for the different continents have as their common aim what, in the words of the Copenhagen resolution [7], was described as " developing and organizing production, distribution, and utilization of basic foods to provide diets on a health standard for the people of all countries. " This central problem of development was specifically referred to the Preparatory Commission on World Food Proposals whose report is before the Geneva Conference [8]. In this field the Commission reported at some length and made numerous valuable recommendations to member Governments and to FAO.

The services provided by the staff of FAO in connection with development programmes can take various forms : technical aid in the shape of missions, special regional services through which FAO can co-operate directly and continuously with administrators and technicians on the spot, and meetings of representatives of small or large numbers of Governments to study or recommend on proposals of mutual concern. In addition FAO, as so strongly recommended by the Preparatory Commission, is prepared to cultivate every appropriate opportunity of co-operating with the United Nations and the various specialized agencies, notably the International Bank for Reconstruction and Development,

[6] FAO, *Report of the Rice Study Group,* Washington, August 1947.

[7] FAO, *Report of the Second Session of the Conference,* Washington, December 1946, p. 5.

[8] FAO, *Report of the FAO Preparatory Commission on World Food Proposals,* Washington, February 1947.

the International Labour Organization, and, when established, the International Trade Organization, in regard to the more comprehensive plans of Governments for over-all economic development.

The Geneva Conference may wish to recommend that Governments which have not yet reported on the subject include in their next annual report to FAO some statement as to whether they have long-term agricultural development programmes completed or in preparation. Furthermore, as a first step in helping to prepare the technical groundwork, the Conference may approve the proposed establishment during the coming year of regional centres in the Far East, Latin America, and the Middle East. The Governments in each region should be able to use these centres as a forum for discussion of their food and agricultural problems.

There is a vast amount to do. The world's population is increasing rapidly, and food production must increase more rapidly. Soil erosion must be stopped, waste lands made fertile, and science applied to farming and to forestry. In all countries the production goals must be set high.

Last year FAO published in the *World Food Survey*[9] some interim nutritional targets. To reach these within the next 15 years world production would have to be expanded by some 20 percent for cereals, 35 percent for fats, 45 percent for meat, 100 percent for milk, and over 150 percent for fruits and vegetables. These may seem ambitious goals, but mankind has today the technical tools wherewith to make revolutionary changes in agricultural practice. It is now possible to make a successful attack on the world's poverty and malnutrition.

In bringing these tools effectively to work, mankind also has to deal with economic problems which by their nature affect many nations. No Government acting alone is likely to be able to reach successful solutions of these problems. Indeed, to attempt to do so is likely to exacerbate both the national and international difficulties. FAO is predicated on another assumption. The nations established FAO so that each country could utilize fully the experience gained by others, and could have regular opportunities for intergovernmental consultations. The machinery is now ready to be used and a proposal has been made to strengthen it by setting up a Council of FAO.

Although the Governments are engrossed in short-term emergency issues, they cannot ignore the long-term challenge of malnutrition and poverty. Civilization has to demonstrate that it can bring its benefits to all the peoples of the world.

5. LOCAL SURPLUSES

In the midst of this attack on short- and long-term scarcity, warning notes can already be heard. It may seem untimely to talk of surpluses when shortages are lasting so long, and paradoxical to call them "surpluses" when hundreds of millions of people still lack many of the basic necessities of life. Surpluses when they emerge are "local" and "temporary" in the sense that they cannot readily be sold in a particular place or at a particular time. The people who want the product may not be able to afford to buy it, or institutional barriers may keep them from getting it.

In several quarters the view is held that agricultural surpluses are not far distant. Shortages of foreign exchange may reduce the demand for imports. Present programmes for expanding export supplies may lead to surpluses when the present abnormal demand of Asia and Europe begins to recede. Some of the reports from Governments show deep concern with this problem. Indeed, these fears are already causing some Governments and farmers to tone down their production programmes to something less than maximum output. In some countries, less than the maximum grain acreages have been sown through fear of the magnitude of readjustment that might be called for later. In certain areas where fish is already in surplus, fewer boats will put to sea. And there are the big development projects urgently needed for Asia, Africa, and Latin America, many of which may never be put in motion if this anxiety about future markets persists.

Some agricultural products are threatened by the forward march of technology. As already mentioned, the producers of natural rubber, mostly small-scale farmers, economically defenceless, who have responded speedily to the world's urgent post-war demand for production, find their livelihood threatened by the improvements in their own

[9] FAO, *World Food Survey,* Washington, 5 July 1947.

production methods and by the great technical advances in synthetic rubber. In a similar way, silk is being displaced by man-made fibres, and cotton and wool producers may face a similar threat from a further expansion of output of these fibres.

It is easy to deal with such situations, as was done before the war, by international restriction schemes which penalize both producer and consumer. That is a negative approach and should be resorted to only on rare occasions. The Preparatory Commission on World Food Proposals gave much time to this question and developed a twofold answer.

On the one hand, reorientation of agricultural production must constitute the central feature of any positive programme for aiding farmers whose product has become really " surplus ". Instead of paying farmers more to produce less of the surplus product, it is advantageous to the community and to the farmers themselves to find other agricultural enterprises or other occupations in which the redundant producers can turn out goods that are wanted. The framing of a reorientation programme often poses difficult technical problems of agricultural science and practice, economic problems of fitting the new enterprises into the general market structure, and social problems of modifying long-established patterns of life. Since all this takes time, whereas market situations may change rapidly on account of the speed of present-day technological progress, many Governments are assisting farmers who have to cope with these problems of adjustment and reorientation. Such problems are likely to be increasingly frequent in the future. Where Governments wish to seek technical aid or advice from outside, FAO is now equipped to provide these services.

The second series of recommendations put forward by the Preparatory Commission concerned intergovernmental commodity agreements. The Commission considered such agreements to be a useful type of administering machinery for dealing with surpluses. In the Commission's view, it is not intergovernmental agreements that are bad, but restriction. Agreements may and should be concluded for positive purposes : to expand production, reduce costs, increase consumers' purchasing power, and achieve a supply-demand balance at a high level.

Intergovernmental consultation is as desirable and necessary for the expansion of production as it is for dealing with surpluses ; indeed, surpluses are just an occasional and local offshoot of expansion and it may often be convenient to bring Governments together to deal comprehensively with both. The importance of international action for orderly expansion as well as for surplus disposal is now recognized in the Geneva draft of the charter of the proposed International Trade Organization (Draft Charter, Chapter VII). Under the terms of that chapter, restrictions would be imposed only when burdensome surpluses or unemployment or under-employment exist or are expected to develop. What the chapter emphasizes is the value of formal or informal commodity agreements for a wide variety of purposes. In the case of certain agricultural products there might, for example, be no more than agreement to exchange statistical information through FAO. There might be a joint programme of regional activities — irrigation, soil conservation, crop estimating, marketing reform, nutritional education — such as are contemplated, for instance, in the Rice Study Group's report. There may be a permanent intergovernmental study group to watch and advise on changes in the world market situation for a particular product. Or there may be a fully elaborated commodity control agreement.

FAO can be of service in all these fields. It will keep Governments regularly informed of changing world commodity situations, and the annual Conference will provide all members with an opportunity to discuss the issues as they arise. The Conference can be used as a forum for the examination of many aspects of commodity problems : the expansion of production, the stimulation of consumption, the modernization of marketing. There is advantage in examining these various aspects concurrently, whether in the annual Conference or in a study group. For example, effective progress in achieving an expansion of production may, in many instances, depend on some guarantees and assurances being given in respect to export markets. Conversely, the positive remedy for a condition of burdensome surplus on the international market may frequently lie in agricultural reorientation or in special programmes for stimulating consumption.

In the latter connection, the attention of the Geneva Conference is especially drawn to the proposal of the Preparatory Commission concerning special price sales. This type of arrangement would, in the Commission's view, " improve the nutritional standard of recipient countries during their period of development and might avoid the necessity on the part of

exporting countries of curtailing production or diverting surplus food products to non-food uses." [10] Special price sales, although negotiated between pairs of countries, would be brought within the framework of commodity control agreements. Provision for the possibility of such sales was made in the draft international wheat agreement discussed last April in London. **The Geneva Conference may wish to ask FAO and its council to give this subject further study particularly in respect to any products which may become the subject of commodity agreement negotiations during the ensuing year.**

6. THE PROGRAMME REVIEW AND THE COUNCIL OF FAO

The state of food and agriculture in 1947 calls for an all-out effort to increase supplies. It requires short-term programmes to be put in hand immediately, but as the only final answer it requires for all countries and continents long-term expansion programmes, and these should include as an appendage machinery for dealing with such local surpluses as may arise.

The state of food and agriculture calls for more frequent intergovernmental consultation and over a wider range of problems than heretofore. Co-operation is wanted not merely for such tasks as the allocation of foods in short supply or the estimation of needs of particular war-damaged regions — important as these are — but equally to mobilize supplies for the next harvest and to make a start on the longer-term answers to today's shortages.

For this to come about and be effective it will be necessary to have : (1) better sources of information provided by Governments to FAO in regular communication of statistics and in periodic reports ; (2) reliable analyses of the available facts which FAO should increasingly be able to provide ; and (3) a forum in which Governments can discuss the evidence and decide on action.

It was the need for such a forum which the Preparatory Commission had in mind when it recommended the annual programme review and the establishment of a council of FAO, *World Food Council.* In the words of the Commission [11], the purpose of the programme review would be to consider :

"(1) The situation and outlook for production, trade in and consumption of those agricultural commodities which widely affect the interests of producers and consumers.

"(2) The domestic policies and programmes which member nations have adopted or intend to adopt and their effects upon the economies of other nations.

"(3) Requests submitted for initiation of special-price programmes and in all matters relevant thereto.

"The great merit of this annual review will be that it will enable responsible officials of the member nations *(a)* to consider how well their respective national programmes fit together into a coherent world picture, and *(b)* to form an appreciation of how far changes might be needed in national programmes or intergovernmental commodity operations to make them more consistent with one another."

The Preparatory Commission felt, however, that, in the present unsettled state of economic affairs, it would not be sufficient to review the world's food and agriculture problems merely once a year. It recognized the necessity for more frequent intergovernmental consultation and consequently proposed the establishment of a council of FAO to serve as a connecting-link between policy discussions at the annual programme reviews. The Commission described the purposes of such a council as being "to keep under constant review matters within the competence of the annual programme review, and to tender advice on such matters to member Governments of FAO, to intergovernmental commodity councils, and to other specialized international agencies." In particular, the council should :

"(1) Examine current developments in proposed and existing intergovernmental agricultural commodity arrangements, particularly those developments affecting adequacy of food supplies, utilization of food reserves, famine relief, changes in producing or pricing policies, and special food programmes for undernourished groups ;

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[10] FAO, *Report of the FAO Preparatory Commission on World Food Proposals*, p. vii.

[11] *Ibid.*, p. 57.

"(2) Promote consistency and co-ordination of agricultural commodity policies, national and international ;

"(3) Advise on emergency measures such as those relating to the export and import of materials or equipment needed for agricultural production." [12]

The Preparatory Commission thus intended the council to deal with all phases of FAO activity : the emergency short-term measures for providing needed equipment and supplies, the longer-term agricultural policies for development, and the international studies or agreements made for particular products.

For the first year it is desirable for the council to be particularly concerned with the urgent issues raised in the preceding pages. Some issues present themselves as primarily regional in character, and the council may be able to deal with them on that basis with the assistance of the Governments of the region and of the regional services which FAO is organizing. Others are primarily commodity issues. The council will have to develop its own procedures to suit the various phases of its work and the changing situation.

In directing attention to the outstanding problems of 1947/48, the Geneva Conference may wish to recommend that the council :

1. **Consult with member Governments to ensure a maximum mobilization of food for human use in 1947/48, including the strengthening of food collection and food economy measures.**
2. **Undertake on behalf of the Conference the functions now performed by the IEFC and continue the international allocation of food and fertilizers in short supply, taking over the remaining IEFC Commodity Committees in order to ensure continuity.**
3. **Take action to accelerate the supply of materials needed to expand the 1948 harvest, including the co-ordination of needs and, if necessary, the making of special arrangements for procurement.**
4. **Assist member Governments in promoting longer-term agricultural and nutritional development programmes for individual countries and for regions, and in regard to the general economic aspects collaborate with the United Nations and various specialized agencies.**
5. **Review agricultural, forestry, and fisheries commodity situations and where necessary promote joint activity among Governments while maintaining close contact with the Interim Co-ordinating Committee.**

No doubt in the course of time the council will develop other important activities, but these seem to be the ones demanding highest priority in the coming year.

The council and the annual programme review should enable Governments to become closely and continuously associated with the development of FAO's work and services and should make it possible for them to exchange views on the many and varied issues of food and agriculture around the world. In the years immediately ahead, the nations will be facing difficulties of quite exceptional character, and it is imperative to develop international procedures for handling them. The problems which arise on all sides cannot be left unsolved. We can no longer afford to be defeatists about the abolition of poverty and hunger, because, were we to be defeated in this, it would be the defeat of civilization. It is now for the first time possible to devise programmes fully utilizing the world's expanding productive capacity for the purpose of meeting people's needs. Food, clothing, and shelter are the most basic of those needs and it will be the responsibility of member Governments working through FAO to meet this challenge.

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[12] Abbreviated summary. The full version of the proposed functions of the council may be found in paragraph 252 of the *Report of the FAO Preparatory Commission on World Food Proposals.*