



Public Policy and the New Situation of International Food Prices ¹

Author: Fernando Soto Baquero

Executive Summary

Latin American nations have taken immediate policy measures and mobilized resources in order to reduce the impact of the international rise in food prices on the population's purchasing power and promote greater internal production of basic foods.

Governments have strengthened existing programs and/or created new ones geared towards strengthening social protection systems and reducing internal prices. They also have strengthened and created coordination and cooperation initiatives with their neighbors in order to facilitate the sale of food and agricultural supplies and gain access to new sources of financing in an effort to increase investment in agriculture and promote food production.

If the global economy does not suffer a significant deceleration, the prices of basic foods should fall, but this will set a new floor from which they will not easily descend, meaning that risks of food and nutritional insecurity will continue to exist. Reducing the vulnerabilities of households and governments is not something that can be attained solely by taking short-term steps. It requires a long-term vision and strategy.

The vulnerabilities of households, governments and the international food system that have been exposed by the increase in international food prices have returned the issue of food and nutritional security to the political agenda. Evidence of this is the priority and greater responsibility placed on public policy

¹ This working paper has been originally published in Spanish: Soto Baquero, F. "Políticas públicas y la nueva situación en los precios internacionales de los alimentos". Diálogo Rural Iberoamericano, San Salvador, Septiembre 2008. Documento de Trabajo N° 19. Programa Dinámicas Territoriales Rurales. Rimisp, Santiago, Chile. This document can be accessed through the following link www.rimisp.org/dtr/documentos.

in order to ensure the internal availability of basic foods. The result of this is reduced dependence on imports; increased access to food by impacting prices and the incomes of the most vulnerable sectors; stability of the stock of food over time and throughout each country; and better measures for dealing with chronic childhood malnutrition.

A long-term agenda for food safety policies must focus on the development of more competitive, efficient and equitable agro-food markets and a pattern of agricultural development that looks to grow with social inclusion, banking on the increase in productivity of small-scale agriculture, stock of popular food items and a social protection system that covers the rural sector. This kind of agenda cannot be implemented without overcoming the weaknesses of the rural territorial and agricultural institutionality, strengthening the effectiveness of the public sector and recognizing rural producers and inhabitants as entities of public interest with rights and responsibilities in public policy.