

Workshop 11 Commodities between boom and bust

By EU Reporter

The past two years has seen a rapid movement in the price of commodities and has had an affect on people around the world. “Although prices have fallen since last October the price shock has been felt in Europe and the developing countries,” said Louis Michel, European commissioner for development and humanitarian aid.

So, while consumers in the West complain that the cost of popular foodstuffs have increased nearly a billion people in the developing world face serious difficulties in finding enough to eat.

“Raw materials provide half of all exports for 95 developing countries,” said Michel, “And rapid price fluctuations make it extremely difficult for governments to plan fiscally.”

This instability also makes the planning for the future in the most stable of countries.

“Our products help provide food, fuel and materials for people around the world,” said Ian Hudson, president EMEA for chemicals company DuPont. “Getting the balance right in how we use land to produce these products will affect the liveability of the planet in the 21st century.”

And these differing demands can only increase as the global population grows. “In the past decade the number of people on the planet has risen by 12%, but the appetite for pork and chicken has increased over the same period by 27%, putting a greater strain on arable production,” said Hudson. “In the next 50 years such demands on the use of land will further increase.”

Frank van Lierde, executive vice president at commodities company Cargill, emphasised that the improvement in yields of the past five decades is unsustainable.

“The so-called Green revolution doubled the production of grain and oil seeds, but it did not take into account the damage to the environment,” he said. “To improve yields further we will need to make irrigation more efficient and use fertilizers more intelligently by only putting nitrogen into the ground when absolutely necessary.”

How we manage the land in the future will have a massive impact on the biodiversity of the planet and on human survival.

“Our ecological footprint is growing steadily and since the mid-80s mankind’s ecological demands have overshoot nature’s ability to produce,” said Susan Burns managing director of think tank Global Footprint Network. “We are now building up an ecological deficit and reducing our demands will be a monumental challenge. Humanity has never achieved this before.”

One solution posited by the panel was to invest in technology. “If we in the past had been as sceptical of science as now we would not have the standard of living of today. Worrying about the future, but being overly cautious is not the answer,” said Michel.

Food production is already enough to feed the world the problem is that it does not reach the mouths whose needs are the greatest. “Investment in the infrastructure is desperately needed. Forty per cent of food grown in Africa never makes it to the shipping point,” said Hudson.

Echoing Michel’s earlier point he added, “Society has to get comfortable with technology.”