Domestic Support Rules to Promote Food Security, Climate Action, and Healthier Diets.

IISD-IFPRI Webinar, Wednesday, September 27, 2023 (1:30–2:45 p.m. CET)

Christophe Bellmann, Head of Policy Analysis and Strategy, TESS





Food and nutrition security: support people not commodities

Where the objective is to promote food and nutrition security, increasing the purchasing power of poor consumers is a superior instrument :

- Allows to targets vulnerable segment of the populations (e.g. elderly, women with young children);
- If carefully designed, can contribute to improving calorific intakes and delivering more balanced and healthier diets;
- Stimulate local or regional economy;
- Encourage imports when domestic supply is not available.

Ensuring food and nutrition security in times of high prices

Pros and cons of different policy instruments

Instrument	Pros	Cons
Price control (e.g. putting a cap on price levels)	Direct effect, immediately visible	 Disincentives domestic production Not targeted Difficult to undo at a later date
Production support (e.g. price support, input or output subsidies)	Encourages investment	Slow response to high pricesUntargeted
Import encouragement (e.g. reducing trade barriers to imports)	Rapid and effective in relieving shortages if trade barriers are high	 Untargeted, tends to benefit urban consumers May contribute to increasing price spikes on world markets
Stock release	Rapid and effective	High cost of maintaining stocksRelease decision politically difficult

Possible approaches to consumer subsidies

- Food distribution by the government to the population:
 - E.g. Indian Public Distribution System:
 - Provides subsidized food grains mostly rice and wheat -to more than 800 million (2/3 of total population);
 - Covers more than 500,000 fair-price shops across the country which act as a control on the prices charged by private retailers ;
 - 7% of the central government's annual budget,
- Food stamps, or vouchers that can be used for the purchase of food without the need to build or use a public distribution system:
 - E.g. US Supplemental Nutrition Assistance Program (SNAP) (Food stamps programme):
 - 41.9 million people in 22.2 million households (12.5% of the total population);
 - Include any food with the exception of hot food, pet food, tobacco products and alcoholic beverages;
 - \$119.4 billion spent on SNAP in 2022.

Food distribution experiences in developing countries: a focus on healthy and nutritious food

Brazilian National School Feeding Programme (PNAE)

- 44 million students per year, across 5,568 municipalities.
- Access to adequate and healthy food (including low carbon meals) during 200 school days to cover at least 15% of the student's daily nutritional needs.
- Guidelines for elaborating menus, conforming with nutritional references, feeding habits, culture, and food traditions in each place.
- At least 30% of the purchase of food should be from family farmers.
- Over 1 billion USD per year transferred to states and municipalities.

Food stamps programmes in developing countries

Lessons from experiences in Sri Lanka, Jamaica, Mexico, Colombia, Trinidad and

Tobago, Chile, Honduras since the 1970s':

- Critical importance of targeting the beneficiaries:
 - Based on income levels or indicators (e.g. housing quality) (Sri Lanka, Mexico);
 - Based on population categories (e.g. elderly, women with young children, families with primary school aged children) (Colombia, Venezuela, Honduras).
- Important administrative burden to prevent gross abuse, leakage or ensure that intended consumers are aware of the programme.
- Denomination of the stamps in nominal terms often eroded by inflation.
- Limited financial resources and insufficient targeting tend to prevent the government from raising the value of the stamps along with inflation.

External supports for consumer subsidy programmes

Towards a global food stamps programme?

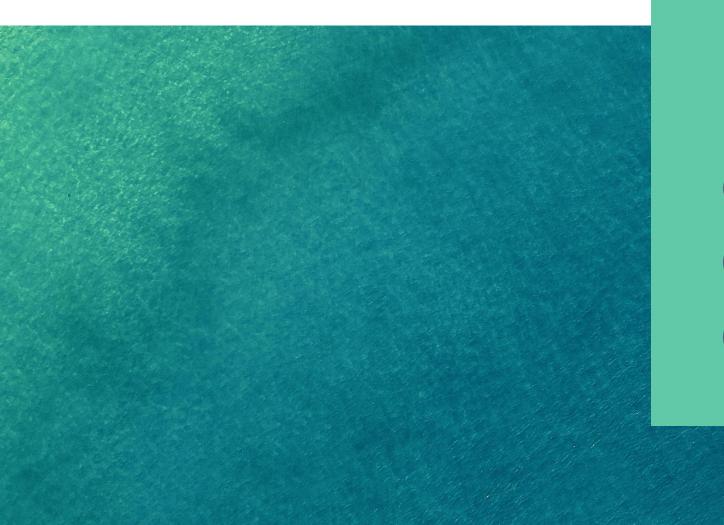
- Early proposal by the World Food Council in 1980 for and International Food Entitlement Scheme (IFES):
 - Included technical assistance in the development, administration, monitoring and assessment of needs.
- Elaborated in a 2011 proposal by Tim Josling.
- World Food Programme increasingly considers cash and voucher transfers in the area of nutrition and hunger-alleviation programmes.
- An idea worth exploring further?

Possible features of a global food stamps programme

Key Features	
Objective	Contribute to food and nutrition security by transferring purchasing power to vulnerable groups of consumers.
Target Groups	Elderly, poor, pregnant women and families with young and school-aged children.
Method	Distribution of cash cards that can be used for the purchase of foods. Cards linked to individual accounts.
Administration	Electronic transfer of credit monthly to these accounts. Existing commercial and public distributional channels used.
Finance	Payments through subscription from national governments in developed and emerging countries. Scale of payments could be linked to production or export status of donor countries and level of world prices.
Effectiveness	Monitoring of participation, food consumption, leakage to non-eligible groups.
Accountability	Recipient country would give accounts of payments and disbursements.

Source: Adapted from Josling, T (2011), "Global Food Stamps: An Idea Worth Considering?", International Centre for Trade and Sustainable Development, Geneva, Switzerland.

TESS Forum on Trade, Environment, & the SDGs



Thank you!

christophe.bellmann@graduateinstitute.ch



tessforum.org



info@tessforum.org

) @TESSForum