



INSTITUTE FOR AGRICULTURE AND TRADE POLICY
PRESS RELEASE

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About IATP

Institute for Agriculture and Trade Policy works locally and globally at the intersection of policy and practice to ensure fair and sustainable food, farm and trade systems. IATP is headquartered in Minneapolis, Minnesota with an office in Geneva.

New Report: Grain Reserves Hold Promise in Stabilizing Global Agriculture

Reserves Return to Global Agenda as Hunger Rises

MINNEAPOLIS – Grain reserves could be an effective tool to address global hunger and stabilize agriculture markets, finds a new report by the Institute for Agriculture and Trade Policy (IATP).

Grain reserves have been in use for thousands of years, but fell out of fashion in recent decades. They have returned to the global policy agenda with rising hunger around the globe (now affecting over 1 billion people worldwide) and recent sharp declines in food aid. At the G-8 meeting in Rome this July, heads of state called for international institutions to explore the use of food reserves to bring some stability to incredibly volatile agricultural commodity markets. IATP and Action Aid are hosting a public briefing on food reserves in Washington, D.C. on October 15 to contribute to this discussion.

“Given the extreme volatility we’ve seen in agriculture in recent years, grain reserves deserve another look,” said Sophia Murphy, author of *Strategic Grain Reserves in an Era of Volatility*. “There are no magic bullets. Reserves alone will not end chronic hunger, and many reserves have been poorly run. But with sufficient resources, clarity of purpose, and effective governance, reserves can play a key part in a food system designed to eradicate hunger.”

The report looks at historical and current experiences with grain reserves at the national, regional and international level. Traditionally, grain reserves have been used to ensure a steady supply when harvests are uncertain, and to smooth out inherently volatile agricultural commodity markets by purchasing grain when there is a glut on the market, and releasing grain during lean times. Well-run reserves help ensure food is available in emergencies, and stabilize prices paid to farmers as well as costs for consumers.

The paper analyzes a number of different types of grain reserves being proposed at the international level including reserves based on cash, virtual reserves and regional physical reserves for emergencies.

“De-regulated agriculture markets have contributed to the rise in global hunger we’ve seen in the last few years,” said Murphy. “It’s time for governments and international institutions to play a more active role in ensuring that people have enough food in the short term, and that there is enough certainty in food production and marketing that people can expect a decent income from agriculture, and have the access to land and other resources they need to grow food.”

The paper is released a day before a public briefing on food reserves in Washington, D.C. on October 15. That meeting will include representatives from Brazil, West Africa, Mexico, Canada and the U.S. to discuss their experiences with food reserves and how a new system of reserves might work.

You can read the report and find out more about the food reserve conference at www.iatp.org.

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