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“Breaking Down the U.S. COVID-19 Response”

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CALEB DIAMOND:

Good afternoon, everyone. I'm Caleb Diamond. I'm on the External Relations team here at CSIS. Thanks so much for calling in today.

As you all know, there have been a lot of big headlines this week: you know, potential drug treatments, vaccinations, meat shortages, and then, of course, a rise in U.S.-China tensions. So we thought we'd dive beyond the headlines today with the experts we have and just see what they're watching and what to look for going forward.

Before they begin, I'd like to introduce our speakers. Starting us off will be Steve Morrison, director of the Global Health Policy Center. Following him will be Scott Kennedy, Trustee Chair in Chinese Business and Economics at CSIS. Next up will be Stephanie Segal, the senior fellow with the Simon chair in political economy. And last, but definitely not least, will be Caitlin Welsh. She's director of the CSIS Global Food Security Project.

They'll each deliver brief opening remarks, and then we'll open it up for questions. And with that, I'll turn it over to Steve.

J. STEPHEN MORRISON: Hi. This is Steve Morrison. Thanks to Caleb for, again, organizing this briefing. And thanks to all the journalists who've taken time out to be with us today. I'll confine my remarks to three topics: quick remarks on the U.S. domestic situation, a few quick remarks on remdesivir the new therapy, and slightly longer remarks on the worsening confrontation with China.

So on the U.S. domestic situation, we know that we face a pretty haunted tableau in America: 1.2 million cases, rising 20,000, 30,000 cases per day; 73,000 deaths. Yesterday, we rose by 1,800 deaths. We're still at a pretty persistent level. The projections have been reworked recently by IHME and others that in this first wave we're heading towards 134,000 deaths by midsummer – mid-to-late summer. And the general expectation is we will face additional waves until we get to the point of a vaccine. The debate is over what that might look like. We're now one-third of the global cases, and 36 percent of global deaths, and in the midst of 30 million unemployed.

Where does this leave us? We are in the midst of a very murky and confusing transition here in the United States, as federal guidance has been lifted and many states begin to reopen their economies. There remains deep tension between public health safety on the one hand and a desire – understandable desire to exit the economic crisis and see a reopening of business and schools. American public remains very uneasy about premature lifting of shelter in place.

Overall, uncertainty remains the key watchword right now in America. And this is what we're likely to remain in for the near to medium term – an anxious, shifting, and confounding patchwork with no clear direction,

no clear consensus, with a leadership void at the federal level and struggles unfolding at the state and municipal level. That, in my view, is a formula for continued strife and instability and additional frustration.

We're seeing protests gaining momentum, gaining more media attention and legs, and getting some support, at times, from those within the White House. These include an amalgam of different folks – frustrated business owners, Libertarians, gun rights advocates, those who are making use – very sophisticated use of weaponized social media. In the midst of that is the antivaccine movement, which I think deserves a little bit of special attention at this particular moment. The entry of the anti-vaccine movement brings with it its infrastructure, its funding, its social media prowess.

And of course, what lies ahead is the biggest, most ambitious delivery of vaccine in world history on an unprecedented scale and unprecedented complexity. And so this pandemic and the response to it seems to be ushering in a new phase of contestation over the merit and value of vaccines. And I think we can expect to see that context playing itself out, along with continued attacks on science, public health, and the biomedical enterprise.

A few quick comments on remdesivir and the Gilead Sciences work in that area. This therapy has received emergency use authorization for use in shortened hospital stay. Proof was that it could shorten hospital stays from 15 to 11 days for patients with extreme illness. And it's the first therapy of promise to reach this point of getting emergency use authorization. It's come about with remarkable speed. Gilead Sciences has agreed to donate 1.5 million doses that, depending on which course – if it's a five- or 10-day course – that could bring treatment for upwards of 280,000 – between 140,000 and 280,000 people.

Dan O'Day, the CEO of Gilead, has been very visible and has gotten good marks for a very thoughtful approach in which he's thinking long term and thinking about how to reach different populations that will want access to this and how to avoid mistakes of the past in terms of Gilead's coming under intense criticism over hepatitis C, over Sovaldi, over the PrEP HIV therapy Truvada.

Gilead has come under intense pressure to maximize doses to Americans. It's in negotiations right now with the White House. The outstanding question is will it be able to take a broader approach or not? It's seeking opportunity to bring some of these therapies to low-income countries in partnership with UNICEF.

The Gilead management is going to be pressured from all directions, from those who are going to push for equity access and transparency in a global level; those that are going to push to meet – for the U.S. to meet

U.S. national sovereign needs here at home; and from shareholder pressure to turn this into a profit.

Up to now it's not clear that Gilead's strategy is even to maximize profits at all in its approach to this. That seems to be still an open question. But what I do think we're going to see in the near term is a move toward a mixed-tier pricing approach. We'll see commercial pricing for the next round of production for wealthier countries, and we'll see licensing of production of generics for low-income countries. But I'm – I'll be very cautionary here. It's going to take time to bring those online, particularly the mass-produced generics, to meet demand in the developing world.

And I think what we're staring at, even under the best of scenarios, is a situation in which it's going to – the actual supply is going to fall far short, at least in the near to medium term, against the demands. And that's going to stir some amount of criticism and frustration. But we can hope for the best.

Now, on China, my other colleagues will have much to say on this, particularly Scott. This week we saw an intensification and worsening of the U.S.-China confrontation as the core dimension of the U.S. international approach to the coronavirus pandemic. And what does this spell? This says that the virus has not triggered in the United States international posture a turn to collaboration, across collaboration with the full spectrum of interests that are involved in this biomedical enterprise and the public-health response. Quite the contrary, it has triggered a narrowing and an exceedingly confrontational response with China, much like what we're seeing in other America First approaches taken by the Trump administration – to climate change to the Iran nuclear deal, and further.

The public-health biomedical dimension as a response has now joined these other critical areas in the deterioration of relations with China; that is, our frayed relations on security, on IT and the like. Now side by side with that is public health and biomedical. There's been a sharp ratcheting up of toxic record on – rhetoric on both sides, with ever – little restraint and lots of accusations, personal attacks and wild allegations, often along conspiratorial lines. It's become a mutual blame game.

We see claims of intelligence proof on a Wuhan accidental release as the source or origin, and then the secretary walking that back, secretary of state. We've seen continued anti-WHO rhetoric, accusing it of being an accomplice to China duplicities and disinformation. We've seen China labeled as the source of the attack. This is being seen as a sort of deliberate source of attack compared with Pearl Harbor.

And we see pressure – open pressure for Taiwan to be included as an observer in the May 18th-19th World Health Assembly. And there the diplomacy has reached out to Japan and also efforts to enlist the

Australians, the British and others into this. That may – my guess is when we get to WHA on May 18th and 19th, if this is carried forward, it will trigger quite a fierce counterreaction from China and escalation.

Now, we are seeing a signal. In terms of U.S. posture here, the U.S. is signaling not just that it's going to channel its energies into this confrontation with China but that it's going to go its own way in terms of the development of vaccines, therapies, and diagnostics – that it's going to walk back from a more international response and pursue more of an “America First” agenda in that way. We see that the U.S. boycott of the May 4th session called by the EU, which raised – the pledging session that raised 8 billion (dollars), it boycotted the April 24th WHO session. That was the planning session for that pledging, and it boycotted the G-20 health ministers meeting on April 19th. It has launched Operation Warp Speed.

What does this foretell? What this seems to suggest is that we're heading into a kind of arms race mentality around these technologies. We're seeing, in terms of the EU convening this week, that the Europeans are moving things out on their own, building a coalition with the U.S., Russia, and China absent.

What will this mean in practice in terms of U.S. biomedical agencies, BARDA, NIH, U.S. industries, U.S. foundations? The biomedical enterprise that creates these innovations – vaccines, therapies, diagnostics – is a complicated honeycomb of interests that brings in U.S. agencies, international organizations, foundations, private industry, regulatory bodies. It's not clear to me how we extricate ourselves from that and go it alone entirely.

One thing that, in terms of the consequences of this “go it alone” approach and high confrontation with China, is that we're not – we're failing to prepare the ground for informed decision-making when the most promising vaccine candidates come forward and we can begin to see which are safe and efficacious, regardless of their national identity. There's going to be a decision point not far off in which we need to make choices on what is most safe and efficacious, not what is most tied to a national identity.

This kind of phenomenon we're seeing is going to result in far less transparency, not less (sic). It's going to alienate a good part of the world. And it's going to leave many of the poor less-well-positioned countries fearful that they will be left on the sidelines. And it leaves open the whole question of how do we manage our interdependence with the Chinese, both our interdependence on provision of key things like PPE, protective gear, swabs, medical glass, ventilators, but also in the production of essential medicines.

I'll pause there. Thank you very much.

MR. DIAMOND: Scott, we'll turn it over to you.

SCOTT KENNEDY: OK. Sure. Thank you so much and I'm glad everybody's joined.

And Steve's remarks are really unbelievable. But it's hard to believe that we're there. I'm, unfortunately, not going to be able to say anything that is inconsistent with what Steve says, but I'm going to add to it and talk about the U.S.-China relationship briefly before turning things over to Stephanie.

The U.S.-China relationship is unraveling full stop, the entire relationship. Both sides are now talking about and acting as if the other is an existential threat to themselves, and we are seeing this across the board. Instead of seeing the type of cooperation that Steve explained is necessary to deal with the pandemic, we're seeing quite the opposite.

In technology, the U.S. has continued to come forth with greater restrictions and export controls to China, has in the dock new actions against Huawei meant to really scupper their abilities in 5G, and other elements of this tech competition that they are ready to unfold.

On the pandemic, Steve has talked about the issues that divide the two. He did not mention reparations but this is something that the White House is discussing and working on. They've looked at the case from Missouri that the attorney general there filed and they're thinking about different things that they might do including just simply presenting the Chinese with a big tab for a number that has a T next to it, as in trillions.

The phase one deal is on, you know, the edge of a cliff. On Tuesday, the U.S. Commerce Department issued data on American exports in the first quarter, including to China. It has details about all elements – all tariff lines of American exports. And instead of American exports rising to China by the expected or hoped-for amount of 37 percent, they in the first quarter fell by 10 percent overall. And for some categories, like in energy, the fall was extremely dramatic and coming nowhere close to the targets.

The data from Tuesday did not include services – that data always takes longer to be compiled and public – and that's a huge part of the trade – the phase-one deal. And we can be darn sure that when those numbers eventually do appear, they will be horrid because of almost no tourism from China in the first quarter, Chinese students leaving American universities. And so the services – and then, also, with reduced manufacturing. That means reduced royalties and licensing fees to the innovators in those supply chains, which are typically American companies.

So the overall performance on purchases is horrid and there's no chance China's going to make those targets. The U.S. could – I guess has three options now with regard to the phase-one deal.

They could initiate the formal process that's called for in the agreement by having a stepwise level of consultations at the staff level, at the deputies level, and principals level to submit a complaint and ask for renegotiated terms, and if they can't receive those then institute some types of penalties. That's a 70-day process if the U.S. goes through the whole thing.

Second option would be for the U.S. just simply to quit the deal. The U.S. can give 60 days' notice and just walk away from it, and just say that the Chinese aren't living up to their obligations.

A third option would be for the U.S. just simply to ignore these unfulfilled commitments on purchases, recognizing that because of the pandemic China's economy came to a stop in the first quarter, and domestic demand and imports fell a lot in China, and that as China's economy recovers over the rest of the year its imports will tick up. And China is implementing most of the other elements of the deal.

There are pluses and minuses to each of these options.

If we go through the formal process, that signals to the Chinese that we're committed to the agreement that we negotiated, including the bilateral dispute resolution process which we invented and pushed on them to accept instead of saying that we would go through the WTO. Of course, that means it would take time, and the president doesn't tend to have a lot of patience, as neither do his critics.

If the U.S. just outright quits the deal and walks away, that means that the U.S. and China will quickly resume an escalatory process on the trade front coming at a time when Americans, including farmers, are facing unprecedented difficulties and would see this conflict hurt them economically quite quickly. In addition, it would signal to America's other trading partners that are waiting in the wings to sign deals with the U.S. that the U.S. can't – won't live up to its word, and it'll make it harder to complete those deals.

If the U.S. just ignores the lack of Chinese compliance on the purchase front, that would recognize the reality of the economic tough times we're in, but it would open up the president to domestic political attacks from Capitol Hill and from his rival in the presidential campaign, who will say that his strategy failed and he doesn't – and he's not as tough as he says that he is.

So none of those options are really good choices. A fourth, which the president wouldn't choose, would be to admit that managed trade,

quantitative metrics are bad, and to go back to a free-trade approach. That would actually probably be the best step for the United States. The multilateral system, MFN, the WTO have been very helpful and good to the American economy, to advanced and developing countries alike. But the U.S. isn't going to go there, unfortunately.

So where are we heading? I do think that escalation is very likely over the coming months, with the U.S. and China both taking a variety of steps with regard to economic sanctions, visa restrictions, tariffs, and other things, including the Chinese perhaps launching boycotts of American goods. This could get much more nasty. I do not think, though, that in the short term we are going to see what people are calling a full-scale decoupling of the two economies. I think that's really unlikely. We're just going to – because American businesses don't want to do that, and America's trading allies don't want to do that. So if the U.S. continues to push down this front what's most likely is an isolated U.S., not an isolated China.

On the military front, I don't think that the difficulties that we've discussed so far are going to translate into conflicts over Taiwan or the South China Sea. But those issues will eventually become more difficult and problematic as the rest of the relationship collapses, unless there's some fundamental change in the American approach, and a better way to deal with the pandemic and our friends, as well as potential foes alike.

Let me stop there and turn things over to Stephanie.

STEPHANIE SEGAL:

OK. Thanks, Scott.

There's a lot of economic news, both on the domestic front and the international front. I'll try to cover both in five minutes or less here. Let me start with the U.S. first. We had a lot of jobs data in particular this week. Yesterday we got the private payroll data from the ADP April survey, which showed a decline of more than 20 million jobs. That was the worst monthly report in the survey's history, which dates back to 2002. The thing that's striking is that report actually covers data through April 12th. And we know from the weekly unemployment insurance claims data that that number of job loss for the month of April is actually much greater.

We got this morning the Department of Labor's unemployment insurance weekly claims. This is data through May 2nd. It showed another 3.17 million Americans filing jobless claims in the weekend and May 2nd. That was a little bit higher than had been anticipated. But I think if we're – I mean, one thing with this data is it's the counterpart to what Steve presented in kind of the health outcomes.

To the extent there's any good news to be found in these labor reports, the Department of Labor release also included the four-week moving

average, which is showing a declining trend on job losses. So, yes, we are still accumulating the job losses. The four-week moving average, though, is down to just over 4 million, 4.2 million. That's down from about 5 million as of April 25th, and 5.8 million as of April 20 – 18th – excuse me. So that suggests that there – we may have passed peak job loss. But it's still hard to see too much good news in data when we're still losing jobs at a pace of more than 3 million a week.

The DOL data also included an advance on the unemployment rates. At 15.5 percent for the week ending April 25th. And we'll be getting the official unemployment report for April tomorrow. Estimates of that – I think we can view that 15.5 percent numbers as a floor. Estimates are as high as up to 20 percent. And I just flag that number because at the start of really appreciating the economic fallout from the crisis going back to kind of early March, there was some talk of unemployment rates as high as 20 percent. That was kind of the extreme view.

I think that high of a number is actually moving more into the mainstream. And it could be the case – and this kind of goes to Steve's point too about the uncertainty and the path forward here – that goes to what we're going to see in the way of starting to reopen, how much reopening we're actually going to see, what's the balance between the health considerations and these very dire economic numbers? And the ultimate unemployment rate, by the time we get to year end, is going to be a function of where we see policies going and this balancing act between health considerations and economic considerations.

One other thing I'll add on the domestic side and then switch over to a few international items that were following is the fact that these job losses are coming at a time when we have had, through various programs – in particular the Paycheck Protection Program, we've seen a very high use and reliance on that facility, but we know that the funds that have already been topped up once are pretty much claimed at this point.

The way that that program is designed is to give relief and to cover essentially salaries, but that the clock is ticking on kind of the duration of the funding that was set aside there. And so there's kind of a timing element here. We've had unemployment surge. We've had these PPP programs kind of step in to maintain employment levels. But that resource is not infinite. That's something that puts kind of additional pressure then on the side of opening up the economy unless there were to be kind of a further top-up of those sorts of programs. So again, that's just a sign that there is a lot of pressure being placed on reopening the economy in light of the resources that have already been allocated.

Switching over onto the global side, where I don't think the news is too much better, so Scott already walked through the tensions, U.S.-China tensions, and the state of the U.S.-China deal. I would say one other – just add one other detail to Scott's presentation there, which is the

implications of that deal unraveling would be a re-imposition of some of the tariffs.

And we know that the way the market has responded in the past to the increase in tariffs is to put more pressure on the Chinese currency, downward pressure on the currency. And we also know from past experience that that has typically been destabilizing for global financial markets. So there's kind of the knock-on effects, global knock-on effects, to an escalation of U.S.-China tensions. But that's certainly – looking at the global landscape, U.S.-China tensions are kind of first on the list.

The second thing that I would flag – and I know Heather Conley on previous calls has talked about the situation in Europe. There were developments coming out of Germany and its constitutional court on Tuesday that raised questions about the European Central Bank's ability to continue to purchase bonds. This is actually related. It's not specifically in response to its corona actions. It's actually more of a legacy decision. But it has implications for the ECB's ability to purchase bonds into the future. And it's really a question of governance within the European system and whether national courts have priority or not over regional governance authorities.

And anyone that was following these issues through the European sovereign debt crisis, and issues with Greece in particular, will know again that something that's a European issue actually does spill over to global financial markets. So that's another area, kind of potential hot spot, that has some potentially destabilizing effects.

And then the third thing that I'll mention – this is more on the trade front – but Scott alluded to the kind of activism, I guess, when it comes to using some of the trade tools. That's been throughout the administration. But just this week alone we've seen two additional Section 232 investigations launched, one that was announced on the 4th into various inputs into our energy infrastructure, and then one that was announced just yesterday into mobile crane imports.

I cite those because there's been a lot of concern about rising protectionism associated with – in response to the economic slump. And we also know from history that that is a response that tends to actually make the economic situation even worse. So there are some troubling trends there, I think, for the U.S. economy and the global economy, that we're seeing kind of continued actions that push in this protectionist direction.

So, with that less-than-optimistic assessment, let me go ahead and pass to Caitlin.

CAITLIN WELSH:

Great. Thank you so much, Stephanie. Can everyone hear me OK?

MR. DIAMOND: Yep, you sound great. Yeah.

MS. WELSH: Great. OK, thanks, Caleb. And thanks again, Stephanie.

I'd like to address the issue of a potential meat shortage from a couple of different angles, but I want to start out by noting that the meat industry story that we're seeing today is one in a succession of headlines about the food industry and food security in the United States that we've seen during the pandemic, whether it's about empty shelves at grocery stores, miles-long lines at food banks, on-farm food loss, the demise of the U.S. restaurant industry, or historic rates of hunger among children. So this is an issue that's been at the forefront since the pandemic has hit.

On the issue of a potential meat shortage, I want to start with the impacts on meat-processing plants, and with one of my main points, which is that we don't have a crisis in supply right now but a crisis with supply chains. Populations of animals are ample to meet U.S. demand, but we're experiencing problems throughout supply chains.

For example, with pork, across the United States processing capacity has dropped by about 50 percent. On Monday, one company, Tyson, reported that its own processing capacity had fallen by 50 percent. Industrywide, the number is slightly less than that. The New York Times reports that about 700,000 pigs across the nation can't be processed each week and must be euthanized. And one story about one plant in one state, in Minnesota, reopened one of its locations to euthanize hogs this week. That plant anticipated being able to euthanize about 13,000 hogs a day, and that's in comparison to – normally, that plant would be slaughtering 20,000 pigs a day for consumption. So it's euthanizing 13,000 a day because they can't be processed; normally, they'd be processing 20,000 for consumption by consumers.

With beef, last week was the fourth week in a row that the number of cattle slaughtered fell below 500,000, and that's down more than 35 percent from average beef production. Bloomberg reports that about 10 percent of plants were offline as of last week. And the United Food and Commercial Union estimates that 22 meat-packing plants have closed in the last two months, impacting more than 35,000 workers.

And with chicken, one company, Delmarva Poultry Industry, which is a large processing – chicken-processing company in Delaware and Maryland, killed 2 million chickens in April because worker shortages left them without employees to slaughter and butcher the animals. And The Chicago Tribune reports that a single chicken processor is smashing 750,000 unhatched eggs every week.

I'll note quickly dairy. The – (laughs) – New York Times is reporting that in, quote, "good news," that waste is dissipating. Today we are – farmers are dumping about 1.5 million gallons of milk per day. Again,

that's good news in comparison to the beginning of April, when farmers were dumping almost 4 million – it was 3.7 million – gallons of milk every day.

So what's causing this? There are two main pressures, one from a falloff in orders and another from worker illness.

So in terms of a falloff in orders, on the one hand panic buying that we saw early in the pandemic produced a small spike in prices in March, but even at peak buying frenzy this uptick in sales at grocery stores didn't make up for restaurant orders and orders from other places – from colleges and universities, sports arenas, caterers, production facilities, et cetera, et cetera, et cetera, falling off of a cliff. Over the last two weeks – which is, I think, very interesting – the number of restaurant reservations made on OpenTable is zero.

And then on worker illnesses, as of May 5th there have been at least – at least 10,800 reported positive cases tied to – of COVID-19 tied to meat-packing facilities in 167 plants in 29 states, and at least 45 reported worker deaths at 24 plants in 15 states. So, clearly, this is a nationwide problem.

More broadly, I think the U.S. meat industry is a victim of its own consolidation. Almost 100 percent of poultry and nearly 40 percent of pork-producing companies are vertically integrated, so that individual farmers are contracted by big companies and often don't own their animals, which means that they don't have the freedom to sell their animals in alternative markets. And with nowhere for farmers to sell their livestock, we have millions of animals – chicken, pigs, and cattle are being depopulated and will continue to be depopulated because of the closure of our processing facilities.

And, finally, consumers are feeling the impact of this at grocery stores. We saw this week that Costco, Kroger, and Wegmans are beginning to limit the amount of meat products you can buy. For example, at Costco you can – there's a three-product cap on purchases of beef, chicken, and pork. Fast-food restaurants are feeling this, too. On Monday, over 10,000 – sorry, over 1,000 Wendy's locations were sold out of hamburgers and the shortage was a result of a reduced amount of beef being slaughtered in the U.S.

The impact on nutrition, I think, is not as – is not headline worthy. United States consumes the most meat per capita of any country in the world. So I don't predict an immediate impact on nutrition for most Americans. I think that, ultimately, Americans might supplement their diets with meat – with plant-based sources of protein like legumes or plant-based meats for people who can afford those.

And, for me, I think the big picture – three points, in conclusion. The big picture is, number one, the failure of our food systems, as we've established them over the past several decades, to adapt during this crisis. We've found that our food systems are efficient but they're not flexible.

The second one I want to close with is that we're seeing the concurrence of historic rates of food insecurity due to unemployment, scarcity of food at food banks, and outdated social safety net systems with on-farm surpluses that farmers have no choice but to waste. And research that was released Wednesday shows a rise in food insecurity without modern precedent. Nearly a fifth of young children are not getting enough to eat, according to surveys that the Brookings released, and this rate is three times higher than in 2008, which was at the peak of the Great Recession then.

And my third point is just that I'm seeing a lack of a comprehensive response by the federal government. In my time in covering global food security I have never seen headlines like the ones that we're seeing today, and, again, every week it's something different. We have seen responses by USDA. So every couple of weeks the USDA is launching a new program and putting money behind those programs. But I think that these responses are piecemeal and we've seen no evidence of effort by the federal government to address all of these challenges that I've mentioned comprehensively. We, certainly, were not prepared for this crisis and I hope that as part of our response we'll be able to envision the future crises and create contingency plans for when other crises hit us.

Thank you.

MR. DIAMOND:

Great. I think we can open up to questions now.

OPERATOR:

Thank you.

(Gives queuing instructions.)

And we will take our first question from the line of Howard LaFranchi, and your line is open.

Q:

Yeah. Hi. Thanks for doing this. All very interesting.

My question is for Caitlin, and I might just tell you that I'm working from home from Hershey, Pennsylvania, and I saw that you grew up in Erie so I guess we're some sort of compatriots or something.

But, anyway, I wanted to ask you if you could – I realize that you are focusing and probably, I guess, in your work focusing on the United States. But could you go a little more broadly and – because I know that in your past you worked on food security issues internationally. And what are you seeing from this pandemic more broadly, globally, in terms

of food insecurity and any effort to address, you know, food insecurity internationally?

MS. WELSH:

OK. Great. Thank you for that very good question.

What we're seeing right now is that the World Food Programme recently estimated that because of COVID-19 an additional 135 million people worldwide will be at risk of acute food insecurity, and I want to put that in historical context. The last major global food crisis was in 2007 and 2008. And as a result of that crisis, which was a sudden increase and the spike up of several food commodities, 40 million people were thrown into acute food insecurity. So the numbers right now are we're seeing that about – sorry – a little over three times as many people are at risk of food insecurity – acute food insecurity because of COVID-19 as were at risk at the last crisis point.

And in response – in response to the last crisis, you saw a huge and sudden mobilization of effort, and agreement around principles to follow to address food insecurity worldwide, and money put behind those efforts. So many, many billions of dollars put towards addressing global food insecurity. At this point, we haven't yet seen that mobilization. I'm not saying it's not going to happen, but in the last crisis this happened through the G-20 and through the G-7. There's a chance that those things will happen throughout the rest of this year. Haven't seen them yet, which is disappointing. But I do hope – I do hope that we see some mobilization.

Last point that I'm going to make is that the response to the last crisis had to do with increasing agricultural productivity for a lot of reasons. A lot of investment in ag productivity, which was very important at that time. Right now the response that this crisis called for is looking at food systems – looking at food issues systemwide in developing countries, so not just on farm production but many other points across the system – food transportation, labor, food processing, storage, and then marketing. So I think that the response that we're going to see I hope is a different one, and broader than the response to the last crisis.

Q: Great.

Thank you.

OPERATOR:

Thank you.

(Gives queuing instructions.)

And allowing a few moments, I'm showing no further questions in queue. Please continue. And, speakers, I'm showing no questions in queue at this time.

MR. DIAMOND:

So, yeah. If there are no further questions, I think we can end the call here. We'll get a transcript out shortly, and it'll be posted on our website

and emailed to all of you. Please let me know if you have any further questions. I'd be happy to set up a one-on-one interview. And with that, just want to thank you all for calling in and thank our experts for joining us today. Thank you.

(END)