

FAO Director-General's Message for World Food Day 2009

Achieving food security in times of crisis

The events of the last three years have been particularly tragic as they have demonstrated the fragility of our global food system. For the first time in history, more than one billion people are undernourished worldwide.

This is about 100 million more than last year and it means that one in every six persons suffers from hunger every day. This recent increase in hunger has not been the consequence of a poor global harvest, far from it, but was caused by the world economic crisis, which has reduced incomes and employment opportunities of the poor and significantly reduced their access to food.

It is for this reason that the theme chosen for World Food Day and TeleFood this year is: Achieving food security in times of crisis. At a time when the fallout from the global economic crisis still dominates the news, it is important to remind the international community that the crisis is stalking the small-scale farms and rural areas of the world, where 70 percent of the world's hungry live and work.

The current crisis is historically unprecedented in several ways. First, it follows a global rapid and sharp increase in staple food prices, during 2006-2008. The recent downward adjustment should not be interpreted as the end of the food crisis. In sub-Saharan Africa, 80 to 90 percent of all cereal prices monitored by FAO in 27 countries remain more than 25 percent higher than before the food price crisis began two years ago. In Asia and Latin America and the Caribbean, prices are monitored in a total of 31 countries, and between 40 and 80 percent of cereal prices remain more than 25 percent higher than in the pre-food-crisis period. And at a local level, in certain countries, prices for basic food products have not decreased at all.

Furthermore, production is still hampered by the increase in the cost of inputs -176 percent for fertilizers, 70 percent for seeds, 75 percent for animal feed, making agricultural investment extremely difficult. Such increases put these vital inputs far beyond the reach of millions of farmers.

Second, from a financial and commercial point of view, developing countries are now more financially and commercially integrated in the world economy, which implies that a drop in global demand or supply and in credit availability has immediate repercussions on developing countries.

Third, because of the global nature of the crisis, the normal mechanisms used by households to cope with economic shocks are stretched thin. Foreign Direct Investment, including in agriculture, is forecast to decline by more than 30 per cent in 2009. Reduced employment in urban areas may force job-seekers to return to rural areas. Migrants' remittances, which had previously seen annual growth rates up to 20 per cent, totalling US\$ 300 billion in 2008, might experience a decline of around 5 to 8 percent in 2009. Foreign Aid to the poorest 71 countries is expected by the International Monetary Fund to decline by about 25 percent. Credit on financial markets might not be available due to tighter risk assessment and it will carry increased risk premium.

The stark fact is that unless substantial and sustained remedial actions are taken immediately, the World Food Summit target of reducing the number of hungry people by half to no more than 420 million by 2015 will not be reached.

Fortunately, there are encouraging signals of a shift in policy. The Joint Statement on Global Food Security at the L'Aquila meeting of the G8 in July this year approved a radical change in strategy with the priority of increasing the production of

smallholder farmers in food-deficient developing countries. For this reason, the mobilization of US\$ 20 billion over three years is foreseen for the financing of such a programme. Now this pledge needs to be translated into concrete action. It is a step encouraging the international donor community to devote an increased percentage of Official Development Assistance to agriculture, and hopefully to reach the 1980 level of 17 percent. It is important to recall that this was the level of investment which saved Asia and Latin America from looming famine in the 1970s. A similar level of resources is now needed to feed the more than one billion people suffering from hunger and to ensure that the world's population, set to grow to more than nine billion in 2050, will have enough to eat then.

It is not only financial resources that are needed. Beyond the factors that exacerbate the current crisis, there is a whole series of fundamental problems that need to be resolved, in particular how aid is channelled and how to make it reach smallholder farmers effectively, as well as reform of the world food security governance system for more coherence in the action of governments and development partners, the share of national budgets dedicated to agriculture and private sector investment.

It is vital, particularly in times of crisis, that support to agriculture not be reduced. Only a healthy agricultural sector, combined with a growing non-farm economy and effective safety nets and social protection programmes will be sufficient to face the global recession as well as eradicate food insecurity and poverty. The World Summit on Food Security to be held in Rome from 16 to 18 November aims to keep the challenge of food insecurity on top of the international agenda so that the right to food, the most basic of human rights, be respected.

On this World Food Day, let us resolve once and for all that achieving food security, in times of crisis or not, is indeed a global priority.