

The future of world food and nutrition security

Investing in smallholder agriculture – an international priority

Over the past five years, the world has been hit by a series of economic, financial and food crises that have slowed down, and at times reversed, global efforts to reduce poverty and hunger. Today, price volatility and weather shocks – such as the recent devastating drought in the Horn of Africa – continue to severely undermine such efforts. In this context, promoting livelihood resilience and food and nutrition security has become central to the policy agendas of governments. Smallholder farmers need to be at the centre of this agenda, and to play a leading role in the investment efforts needed to achieve it.

The 1996 World Food Summit in Rome defined food security as existing “when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.”

At the time, it seemed realistic to expect to halve the proportion of chronically undernourished people by 2015. This goal was at the heart of the Rome Declaration on World Food Security, and formed the basis of the first Millennium Development Goal.

But today, with just under 1 billion people going hungry every day, we still have a long way to go.



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Some of the roots of today's food insecurity can be found in declining public investment in developing country agriculture. In 1979, official development assistance (ODA) aid to agriculture was 18 per cent of total ODA. By 2009, it was just 6 per cent. In developing countries, government investment in agriculture also fell in this period, by one third in Africa and by as much as two thirds in Asia and Latin America.

The problem is not just declining public investment. Particularly in low-income countries, this has been accompanied by the dismantling of – often costly and inefficient – public instruments supporting agriculture, with new mechanisms involving the private sector slow to emerge. Enabling policies for private (including farmers') agricultural investment have also remained lacking or poorly developed.

The global food price spikes since 2006 are thought to be part of a

long-term trend of higher and more volatile food prices, driven by an imbalance between food demand and supply, exacerbated by more erratic and extreme weather and by poorly functioning agricultural markets. The strengthening of the link between food and energy prices is also a factor.

The projected growth in the world's population to 9.2 billion by 2050 adds an extra challenge for food security. Burgeoning populations mean more demand for food, water and land at a time when the natural resource base for agriculture is being degraded, large areas of farmland are being diverted from food crop production, and climate change threatens to further reduce agriculturally viable land.

To address these challenges, robust and carefully targeted investment is needed, along with comprehensive policy frameworks at global, regional and national levels.

KEY FACTS

- There are an estimated 925 million hungry people in the world.
- Around 1.4 billion people live on less than US\$1.25 a day.
- The world population is expected to reach 9.1 billion by 2050.
- Food production will need to nearly double by 2050 in developing countries.
- About 40 per cent of the world's arable land is degraded to some degree and will be further affected by climate change.
- There are about half a billion small farms in the world, supporting around 2 billion people.
- GDP growth generated by agriculture is up to four times more effective in reducing poverty than growth generated by other sectors.
- Poor people spend between 50 and 80 per cent of their income on food.

LINKS

IFAD

<http://www.ifad.org/>

FAO

<http://www.fao.org/>

WFP

<http://www.wfp.org/>

Secretary-General's High-Level Task Force on the Global Food Security Crisis

<http://www.un.org/issues/food/taskforce/>

IFAD Stories from the Field

<http://www.ifad.org/story/index.htm>

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The importance of smallholder agriculture

There are about half a billion smallholder farms worldwide. In many developing countries, the overwhelming majority of farms are small and family-run, and they produce most of the food consumed locally. Smallholders are also by far the main investors in agriculture in most of the developing world.

Smallholder farmers can significantly contribute to economic growth, as well as to reducing poverty and ensuring food and nutrition security. For example, Viet Nam went from being a food-deficit country to the second largest rice exporter in the world, largely by developing its smallholder farming sector. In 2008, the poverty rate fell below 15 per cent from 58 per cent in 1993.

However, smallholder farmers need more secure access to land and water, and better access to financial services to pay for seed, tools and fertilizer. They need better functioning markets that provide incentives to invest in improving production, with less risk; roads and transportation to get their products to market; and access to technology for up-to-date and reliable market information. They need agricultural research and technology to raise productivity and to improve their resilience to natural resource degradation and climate change. And they need stronger organizations to pool their resources, better manage risk, have greater bargaining power in the marketplace, and influence agricultural policies and public investments.

Above all, they need a long-term commitment from their governments and the international community to developing the potential of smallholder agriculture.

What is IFAD doing?

All IFAD-funded programmes and projects address food and nutrition security in some way. IFAD has supported more than 400 million poor rural women and men over the past three decades.

In India, for example, an IFAD-funded project in the North Eastern Region has improved natural resource management, increased productivity and ensured sustainable farming and harvesting practices. More than 230,000 rural people have seen dramatic improvements in their living conditions. They now have substantially higher incomes and regular, more nutritious meals.

"I still remember the days when we ate only pumpkin and bamboo shoots every year for two to three weeks because we had run out of rice," says Mitharam Maslai, a farmer from Khwarakai village. "Now we have enough food all year round." The government is scaling up the project to reach an additional 400 villages. The aim is to reach a further 100,000 people by 2015.

In Ghana, IFAD has financed projects to boost the production and processing of many food crops, including cassava, maize and yams. By promoting improved varieties, better practices and public-private partnerships along the food supply chain, the country programme has contributed to more food production and better food and nutrition security. IFAD has been the main donor supporting cassava – a staple of the Ghanaian diet – on a large scale.

As a knowledge institution, IFAD is dedicated to improving global understanding of rural poverty and hunger and disseminating effective responses. IFAD's *Rural Poverty Report 2011* offers a comprehensive analysis of challenges and opportunities for overcoming rural poverty in a world where rural areas are rapidly changing, and agricultural markets are becoming more integrated. In January 2011, experts and practitioners from all over the world gathered at IFAD to reflect upon "New directions for smallholder agriculture".

IFAD's key partners are developing country governments, and poor rural women and men and their organizations. In addition, at the international level IFAD works with a range of partners to draw global attention to food and nutrition security and to support smallholder agriculture. It works closely with the other Rome-based UN agencies and plays an active role in the United Nations High-Level Task Force on the Global Food Security Crisis. IFAD is also on the steering committee of the Washington-based Global Agriculture and Food Security Program, established in the wake of the 2009 L'Aquila Food Security Initiative and the G20 Pittsburgh summit. In 2012, IFAD continues to contribute to international processes on food security and food price volatility issues.



IFAD is an international financial institution and a specialized United Nations agency dedicated to eradicating poverty and hunger in rural areas of developing countries.

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