

June 2011



منظمة الأغذية
والزراعة للأمم
المتحدة

联合国
粮食及
农业组织

Food and
Agriculture
Organization
of the
United Nations

Organisation des
Nations Unies
pour
l'alimentation
et l'agriculture

Продовольственная и
сельскохозяйственная
организация
Объединенных
Наций

Organización
de las
Naciones Unidas
para la
Agricultura y la
Alimentación

CONFERENCE

Thirty-seventh Session

Rome, 25 June - 2 July 2011

Twenty-seventh McDougall Memorial Lecture

Lecture in honour of Frank L. McDougall

delivered by

Mr Kofi Annan

Chairperson of the Board

Alliance for a Green Revolution in Africa

Delivering Global Food and Nutrition Security - The Challenge of our Time

Introduction

I am honoured to be here and for this opportunity to address the FAO Conference.

You meet at a time of critical importance. The challenges, immediate and long-term, that the FAO faces have never been greater.

In many ways, the world has changed enormously since the FAO was set up in 1945. Overall, we enjoy greater prosperity and opportunity, but this progress has not been shared.

Hundreds of millions of our fellow citizens continue to live in fear and poverty.

And despite the ambitions of those who founded the FAO, food and nutrition insecurity continue to lie at the heart of this injustice.

Delivering the last McDougall lecture, Olivier De Schutter drew attention to the fact that, for the first time in history, the number of hungry in the world had passed one billion.

He spoke in the aftermath of a record surge in food prices and when the global financial crisis was hurting economies and people across the planet.

It would be comforting if, two years later, we could say that such a shameful record would never again be reached.

But there is a real prospect that we may break the one billion mark once more – and that in the long-term this number will continue to rise.

This document is printed in limited numbers to minimize the environmental impact of FAO's processes and contribute to climate neutrality. Delegates and observers are kindly requested to bring their copies to meetings and to avoid asking for additional copies. Most FAO meeting documents are available on the Internet at www.fao.org

Rising Food Prices

1. There is no need, for this expert audience, to go into detail about the surge of food prices and its impact on people's well-being.
2. Although higher prices can have positive effects, the extreme volatility we are witnessing today – and the uncertainties it creates - is causing great hardship.
3. And the shockwaves go far beyond individual misery. The inability of families to feed themselves has been a major factor in the political instability seen in some regions of the world.
4. In a world of volatile prices and food shortages, however, it will not just be repressive regimes which will feel the heat of frustration and anger.
5. As Lester Brown wrote recently, food has become the hidden driver of world politics, with the potential to fuel conflict within countries and also between them.
6. What is even more worrying is that while prices may fall from their present record peak, this relief may only be temporary.

Long-term trends

7. For the price of food is being driven by long-term pressures which will continue to boost demand yet make increasing production to meet it difficult.
8. The global population has just passed seven billion. The latest report from the UN Population Division warns that numbers may not stabilize at nine billion, as it forecast only two years ago, but could reach 10 billion.
9. At the same time, greater prosperity in developing countries will see three billion people moving up the food chain – an expanding middle class with a growing appetite for meat and dairy products.
10. Grain once used to feed people is increasingly being switched to feeding animals.
11. Population growth and increasing prosperity could alone lead to demand for food increasing by 70% by 2050.
12. This is one half of a dangerous equation. But there are also new and linked constraints on food production which cover land, energy, water and climate.
13. Rising oil prices, for example, have brought greater competition from heavily subsidised agro or bio-fuels.
14. As oil prices continue to rise, the conversion of grain to fuel becomes even more attractive, no matter our grave doubts about its ethics and sustainability.
15. Water resources are being exploited at an unsustainable pace. Lack of water is behind the two-thirds cut in grain production in Saudi Arabia in the last decade.
16. And as the FAO's Director-General has pointed out, we cannot automatically rely on science delivering larger yields as in the past.
17. In developed countries, we have reached a limit on the impact that innovation and technology can have on increasing cereal harvests.
18. To all these pressures on our food supply, we must add the catastrophic impact of climate change with its effect on temperature, rainfall, productivity of land and the frequency of extreme weather.
19. In Russia last summer, higher temperatures and drought led to a 40% fall in its harvest and a damaging ban on grain exports.
20. Some experts are warning that we may still be badly under-estimating the long-term impact of climate change on yields.

21. What is already certain is that, combined with unsustainable farming practices, climate change is turning vast areas of productive land into dust bowls.
22. Climate change is a terrible legacy for our children and future generations. Yet so far, our generation of leaders has failed to find the vision or courage to tackle it.

Challenges for FAO

23. So this is the sombre background against which you are meeting over the next few days.
24. There is a real threat that a serious crisis will turn into a permanent disaster, putting in danger the lives of many millions of people.
25. There would be one other important casualty of this failure – the global sense of community which the ambitions of this organisation symbolise.
26. For if countries cannot come together successfully to deliver food security – this most basic of human needs – our hopes for wider international co-operation look doomed.
27. Yet even on food, there has been in recent years an ominous retreat from the idea of a common purpose based on shared values.
28. We have seen a worrying rise in protectionism, unilateral export bans, land grabs and exclusive deals that meet the food needs of the rich but not the poor.
29. That's why I passionately believe that, along with tackling the linked problem of climate change, delivering global food and nutrition security is the challenge of our time.
30. But daunting as the barriers are, they are not insurmountable. We have, after all, doubled food production before, so we must not despair.
31. And higher food prices – ironically – might actually provide the foundation to help us build a better and fairer food future.

Higher prices can boost food production

32. For as this audience understands, it is not the increase in food prices which is having the most damaging impact, but the extraordinary rate at which they have risen.
33. Indeed, while this may be controversial in some quarters, there is a strong case to be made that food prices had to be rebalanced, provided volatility is tackled and the vulnerable protected.
34. Food prices, aided by increased production, have been falling in real terms for much of the last three decades.
35. While this has been good news for consumers, particularly in the developed world, it has damaged many rural communities and the long-term global supply of food.
36. If prices are artificially low, farmers are denied a fair return as well as the incentive and means to increase food production.
37. This has been particularly damaging for small-holder farmers, who together with their families, still make up nearly half of the global population.
38. In contrast, more stable higher prices can encourage investment and help communities, but only if farmers share in the benefits.
39. So in the long-run, a fair price now can stimulate production to help meet increased demand and hold down prices in the future. But we must do more to protect the vulnerable from dangerous price volatility.

Additional barriers

40. While fairer prices can provide the launch pad, there are plenty of other barriers at national and international level which must be overcome to deliver food security.
41. Higher food prices alone won't close the shortfall in agricultural investment in regions where we can make the biggest impact in increasing food production.
42. For overall there has been no shortage of investment in farming and food.
43. It is just that most of this money is spent by wealthier countries protecting their own agricultural sector – often at the expense of farmers in the developing world.
44. The OECD calculated that in 2009 agricultural support from richer countries to their own farmers totalled over \$385 billion dollars.
45. This, according to Oxfam, was nearly 80 times the money spent in development aid to agriculture – a figure which had fallen by over 70%, in real terms, in the previous two decades.
46. It is re-assuring that both national governments and international organisations, thanks in part to the FAO's efforts, understand this trend has to be reversed.
47. We have seen countries and regional groups such as the African Union pledge to increase investment in their own agricultural sector.
48. Richer countries have also promised, not least through the L'Aquila G-8 initiative, to make more resources available to farming in the developing world where the greatest potential to increase food production exists.
49. Ladies and gentlemen, these promises must be kept and must involve additional funds rather than the repackaging of existing commitments.
50. We must also encourage increased investment from the private sector and open up access to credit for farmers.
51. This is particularly needed for women who make up, in many regions, the majority of farmers and who can find themselves cut off from capital by lack of title rights and prejudice.
52. There must be increased investment as well in research and development – something that is at the heart of this organisation's work.
53. New crops and techniques, particularly in the developing world, are critical to boosting harvests and ensuring land can stay productive despite climate change.
54. Yet despite the efforts of the FAO and partner organisations, nowhere near enough resources are being spent on the agricultural challenges of developing regions.
55. Regrettably the research of major agro-businesses is still concentrated on the needs of large farming enterprises in the developed world.
56. The \$500 million annual budget for CGIAR, which does such important work, continues to be dwarfed by the investment in Research and Development by major producers of seeds and agro-chemicals.
57. Additional investment in research must also be matched with a new flexibility in patent rights so the benefits of innovation can be shared more widely.
58. It would be a costly tragedy, too, to ignore the importance of conserving biodiversity given its ability to help us cope with as yet unknown diseases and pests.
59. Investment is also essential to improve infrastructure including irrigation, transport links and storage facilities.
60. When more food is produced, we must get it to where it is needed or wanted.
61. There must be investment in people as well to help them adopt and adapt the new techniques.

62. We need to do more to attract young people – with their energy and openness to new ideas – into farming and to set up agro-related enterprises in rural areas. This would also help us slow the drift to our over-crowded cities.
63. I know this is all high on the agenda of this organisation. You have been crucial in encouraging investment, in supporting R &D and helping ease access to credit.
64. But there is a great deal more to do to meet past and chronic investment shortfalls.

Africa – opportunities and challenges

65. Ladies and gentlemen, there is nowhere where the legacy of past mistakes has had a more damaging impact nor the opportunities for the future greater than Africa, where my own efforts are focused through AGRA.
66. Farmers across the continent have paid the price of this lack of investment and interest in agriculture over many decades.
67. Cereal yields in Africa are less than a quarter of the global average – and have barely increased in 30 years.
68. This is not because of a lack of effort by Africa's farmers but a lack of knowledge, resources and infrastructure to support their hard work.
69. The result is that Africa is the only continent which fails to produce enough food to feed its own citizens.
70. A worrying situation not just because the continent already contains one third of the world's hungry but also because Africa is where the biggest growth in population will come.
71. But at the same time, Africa is the continent which has perhaps the greatest opportunities to help find solutions to global food insecurity.
72. It is blessed with abundant land, containing some 60% of the world's uncultivated arable land.
73. Even within existing cultivated land, a doubling of cereal yields would turn Africa into a major food surplus region.

Importance of smallholders

74. So how do we harness this potential in Africa and elsewhere and do so in ways which are sustainable?
75. For in increasing production, we must prevent any repetition of the environmental and social damage attributed to the Asian green revolution.
76. First, smallholder farmers must be at the heart of the uniquely African green revolution we need to develop.
77. Their crucial role in providing food security has, of course, already been recognised by this organisation.
78. This is not a matter of romanticising small-holder farmers. It is recognition both of their numbers and their potential.
79. Even today, after the drift to the cities, four out of five Africans depend on farming and related activities to provide for their families.
80. We can't increase food production at the speed and scale we need without mobilising this army of small-holders.
81. History also shows, as was the case in Asia, that such a green revolution can provide a springboard for wider economic growth.

82. But this will only happen if we put a new emphasis on enabling them to grow food commercially and sustainably.
83. Subsistence-orientated farming is, of course, vital in feeding and employing poor people. We must maintain support for it.
84. But it is by unleashing the pent up entrepreneurial spirit that we will have the biggest impact on food supplies, on jobs and incomes in both the farm and rural non-farm economy.

Role of commercial farms

85. This focus on small-holder farming does not mean we must turn our back on larger commercial farms.
86. I believe they can play a crucial role, for example, in developing Africa's agricultural potential, particularly in land-abundant countries like Zambia and Angola.
87. But they can't operate in isolation. Nor can we sanction the kind of speculative land grabs which have seen communities evicted in order for food to be grown not for local people but to meet future needs in other countries.
88. It is very disturbing that a recent report found that agricultural land that adds up to the size of France was bought in Africa in 2009 alone by hedge funds and other speculators.
89. It is neither just nor sustainable for farmland to be stolen from communities in this way nor for food to be exported when there is hunger on the doorstep.
90. Local people will not stand for this abuse – and neither should we.
91. If, however, large commercial farms integrate their activities within the community, serving as hubs that link smallholders to value chains, sharing knowledge and best practice, they can play an important and positive role.
92. We must continue to emphasise to agri-businesses the benefits and importance of supporting small farmers.

Research and Development

93. So this is not about big versus small. It is about inclusion and ensuring all farmers have the chance to grow more food in a sustainable way.
94. Such sustainable intensification requires access to crop varieties that perform well with relatively low levels of external inputs – and the latest techniques of soil and water management.
95. As we have already discussed, this will need more investment in research and more support so farmers can adopt the new technologies.
96. We must also ensure they have efficient markets for their crops– at local, regional and global levels.
97. At the moment these markets are too often distorted or unreliable with farmers finding they are neither certain of a fair price nor profiting when prices do rise.

International action

98. Here the FAO, its partner UN agencies and international trade bodies must step up efforts to develop a fair and sustainable framework to tackle hunger and deliver food security.
99. We need you to help drive improvements in both global governance and policies including an overhaul of unfair trade rules and restrictions.
100. Continued slides towards the beggar thy neighbour attitude we have seen in recent years will only worsen the crisis and instability.

101. There is a need, too, for structural reforms such as improved social protection schemes against price spikes to protect the poorest.

102. It is clear as well that if global and regional food stocks were both more transparent and maintained at higher levels, price volatility and speculation would be dampened.

103. As a first step to bring about these changes, the FAO can take the lead by compiling more accurate and accessible information on the quantity and quality of these stocks, something which is still missing.

104. You must be at the forefront, too, of developing a deeper understanding of the relationship between international, local and farm-gate prices to ensure both fairness and the right incentives are in place.

105. Along with your continued and crucial support for innovative agricultural research, this is a big agenda.

106. This needs even greater co-operation and collaboration between the FAO and other agencies working in this area.

107. At AGRA, we have benefited from the way the three Rome-based organisations have worked closely together with us on projects including the Emergency Food Production Programme for Zimbabwe.

108. But there is still a real need for bigger and better partnerships, particularly throughout the wider CGIAR system.

109. I hope this will include rigorous research into the benefits and costs of crop-based bio-fuels which includes their impact on food and nutrition security and environmental sustainability.

110. Let me address, too, the Agriculture ministers who are gathered here today.

111. I know your work-loads are already great. But it is you – in your respective countries and Cabinets – who must spearhead the efforts to overcome the challenges which I have outlined.

112. It is you who must win wider Government commitment for the investment and transformation needed for global food security – and foster the international co-operation required to deliver it.

Conclusion

113. Ladies and gentlemen, I understand that some of my former colleagues were bemused – and a little amused – at my decision on leaving the UN to put agriculture at the top of my agenda.

114. I can see why the move from Secretary-General to Farmer Kofi was met with smiles. It was perhaps not the most obvious choice for me.

115. But I know this audience, above anyone else, understands both the seriousness of the challenge and the urgency of finding solutions.

116. The survival of one billion people – the weakest and most vulnerable on the planet - depends upon us finding answers now to hunger.

117. The future of nine billion plus people depends on putting in place the right policies and systems to deliver food security within a few decades.

118. So, too, do our hopes for a just and peaceful world in which we work together as peoples and nations to overcome common challenges and achieve shared goals.

119. You are at the forefront of these efforts. If you and your partner agencies fail, we all fail.

120. I wish you courage and vision in the course of your discussions this week.