



COMMITTEE ON WORLD FOOD SECURITY
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STATEMENT BY MR J. DIOUF, DIRECTOR-GENERAL OF FAO

Mr Chairperson and Members of the Committee Bureau
Madame President Michelle Bachelet
Mr Chairman of the Council
Mr President of IFAD
Madam Executive Director of WFP
Prof. Swaminathan, Chairman of the Steering Committee of the High-Level Panel of Experts,
Members of the Advisory Group
Distinguished Ministers
Honourable Delegates and Observers
Excellencies, Ladies and Gentlemen

First of all, let me express my appreciation for your participation in the Thirty-seventh Session of the Committee on World Food Security. Your presence here in ever-increasing numbers demonstrates the importance you attach to the work of this revitalized Committee.

The more inclusive, interactive, and results-oriented CFS has now been in action for two years since the Reform was approved in 2009. The Committee is steadily becoming a point of reference for policy convergence and a platform which facilitates the coordination of expertise and coherence in action in the fight against hunger in the world. The political legitimacy of the CFS which is derived from its multi-stakeholder composition is growing, while its ability to make informed decisions is strengthened by the High-Level Panel of Experts (HLPE) on Food Security and Nutrition.

The Committee has to live up to the many current and emerging challenges facing food security and agriculture.

Scant progress has been made in reducing hunger in the world with an estimated total number of undernourished people at 925 million, which translates into a hunger prevalence rate of 16% in the developing world. Structural problems continue to underpin widespread hunger, food insecurity and poverty that affect poor people and poor countries most. In addition to chronic

hunger, a total of 32 countries are in a state of serious food crisis requiring emergency food assistance.

Of special interest is the famine situation in the Horn of Africa, and particularly in Somalia. About four million people are in need for food assistance in the country.

The economic and food crises of recent years are severely challenging our efforts to achieve the internationally agreed goals related to hunger reduction. A looming economic and financial crisis afflicting large parts of the industrialized world risks to put serious obstacles in the much needed intensification of the fight against hunger. In an increasing globalised world, an economic crisis in one of its parts reverberates throughout the global system through trade, aid and financial links.

Volatility in food prices is challenging the very fundamental human right to adequate food. High and volatile prices not only increase, but also deepen poverty and food insecurity. Their impact falls heaviest on the poorest – especially the urban poor and the landless – who may spend as much as 75 percent of their income on food. High food prices reduce their purchasing power, and even temporary spells of undernutrition may lead to irreversible harm. They reinforce poverty traps as physical and human capital is eroded and spending on education and health is cut.

For poor food producers, price volatility increases uncertainty and deters the investment that is essential to increasing food production and reducing vulnerability. At national level, rising and volatile food import bills threaten exchange reserves and disrupt development budgets and slow growth and development.

Good policies are essential. Investing in agricultural productivity growth and resilience is paramount to addressing food price volatility. Increased public and private investment in agriculture, with emphasis on initiatives that support smallholders - the main food producers in many parts of the developing world, remains critical to increasing the resilience of agriculture to shocks and enhancing sustainable long-term food security.

Existing trade rules conceived in times of low and stable food prices seem to offer little protection against soaring prices and volatility, and may even exacerbate them.

Biofuel mandates strengthen the link between the food and energy markets, making food markets more volatile. Increasing interest from financial investors in agricultural commodity futures markets can also contribute to price volatility in the short term.

Your Excellencies, Ladies and Gentlemen, in the aftermath of the 2006-2008 global food security crisis, the analysis of policy responses, as shown in this year's State of Food Insecurity in the World (SOFI), provides us with key lessons.

An important one is that not all countries were affected equally by high and volatile prices. Large countries with strong economies and budgets were able to insulate themselves from international price volatility and its deleterious effects on vulnerable groups through social protection schemes. Small food importing countries, particularly in Africa with weak economies and thin budgets were unable to protect their domestic markets from price surges and their vulnerable people from the negative impacts. SOFI shows that, for the first group of countries, the number of undernourished remained practically flat while the latter group experienced a sharp increase.

Another key lesson is that the price spike of 2006-2008, and some of its effects on hunger, could have been largely avoided if an effective system for policy coordination and sharing of information had been in place. Volatility was exacerbated by a lack of accurate information on the global supply and demand situation. The food price episodes of 2008 and 2010 exposed a number of weaknesses in market information systems and transparency as well as in coordinating actions and policy responses. Globally, there is no effective mechanism to identify abnormal food market situations. This results in the absence of synergies between information, alerts and coordinated policy response.

At the same time, uncoordinated responses to the crises made it so that successes in protecting the economies of some countries from price volatility resulted in increasing volatility in other markets, thus further aggravating the situation for others.

Increasing market transparency is crucial. That is why the creation of the Agricultural Market Information System, known as AMIS. Recommended by the inter-agency report to the G20 is extremely important. AMIS, which will be *inter alia* discussed in this meeting, addresses such weaknesses in information and in coordination. Better information on global markets and enhanced transparency will reduce the incidence of panic-driven price surges, and will permit better informed policy decision-making. The launch of the Rapid Response Forum signifies an important step towards strengthening our ability to respond to food price crises in a coordinated manner. The Forum aims to promote early exchange of key information on, and discussion of, measures to both prevent and respond to crises among policy-makers.

The CFS, as the foremost inclusive international and intergovernmental platform dealing with food security and nutrition, has a crucial role to play by bringing countries and relevant actors together to debate and agree on important policy decisions. Close collaboration with the Rapid Response Forum will encourage the implementation of efficient and effective policies, and will help avoid potentially damaging policy choices.

Your Excellencies, Ladies and Gentlemen, Dear Friends, The need for coherence in policy and action across wide ranging stakeholders striving to improve food security cannot be overemphasized. This is the fundamental underlying purpose of the CFS. However, we all know how complicated and demanding the process of achieving meaningful coherence and coordination is in practice. All stakeholders will have to go beyond their individual objectives and agendas to make progress on key issues.

Coherence requires addressing the fragmentation of responsibilities for food security among various stakeholders at all levels - national, regional and global through transparent information, open dialogue and negotiation.

It is reassuring to note that important policy challenges will be debated during your work this week and that these issues are high on this year's agenda of the G20, and feature prominently at national and international levels.

Through the Chairman of the Steering Committee of the High-Level Panel of Experts, my dear friend Prof. Swaminathan, who is with us today, I wish to thank and congratulate all the members for preparing the Panel reports that will be presented to us later today.

I also am pleased to note the impressive turnout by representatives of the private sector who will be proposing a mechanism to strengthen their interaction with the CFS. This is a significant and welcome development, given the importance of the private sector in the entire food security and nutrition value chain.

I am happy that they are joining our friends from NGOs and the Civil Society.

Mr. Chairperson, Honourable Ministers and Delegates, Excellencies, Ladies and Gentlemen, ensuring adequate access to food and nutrition has become an increasingly complex challenge. The many and diverse options for improving access to food and natural resources need to be assessed in the context of a globalized and highly interconnected environment. Such challenges can no longer be managed by nations acting in isolation. Greater cohesion is required among all concerned stakeholders to attain an adequate and stable food supply at global, regional and national levels.

I am extremely pleased to witness the progress made by the CFS towards its vision of *“constituting the foremost inclusive international and intergovernmental platform for a broad range of committed stakeholders to work together in a coordinated manner and in support of*

country-led processes towards the elimination of hunger and ensuring food security and nutrition for all human beings.”

I wish to thank all those who have contributed towards this. My sincere gratitude goes to the members of the CFS Bureau under the guidance of its Chairperson Mr. Noel De Luna, to the Bureau’s Advisory Group, and to the joint Secretariat, for their dedication and hard work.

I wish to assure you of FAO’s continued support to the reformed Committee as a key player in the fight against hunger.

I trust that the outcome of your deliberations will reinforce and accelerate our progress towards a world free of hunger.

I thank you for your kind attention and wish you every success in your work.