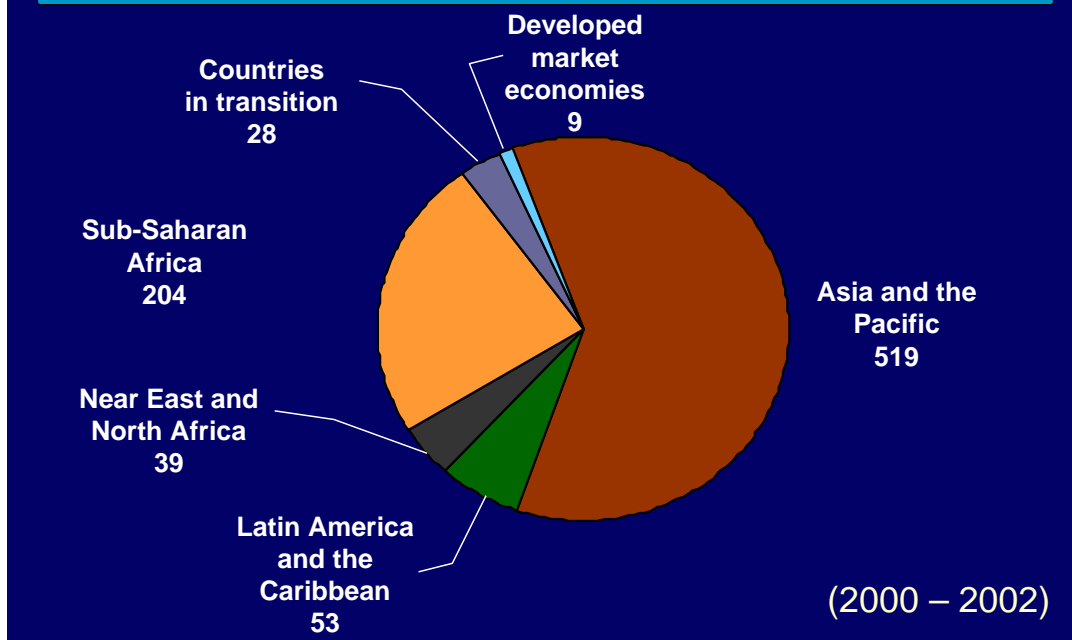


# The State of Food and Agriculture 2005

FAO Conference  
Thirty-third Session  
19-26 November 2005

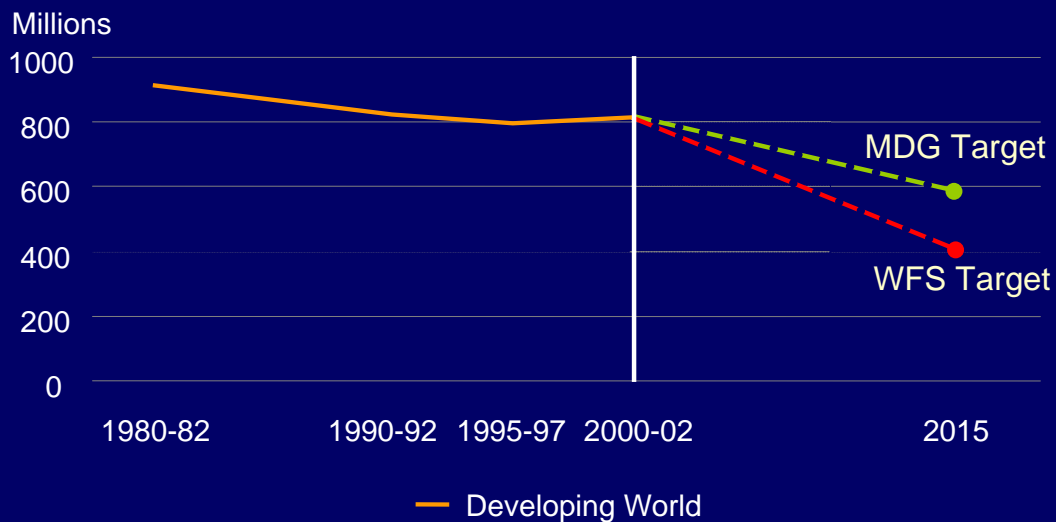
# 852 million people are chronically undernourished



According to our latest estimates, there were **852 million people undernourished in the world** in 2000-2002. Of these, 815 million were living in the developing countries. The largest numbers of hungry still live in Asia and the Pacific. However, expressed as a percent of the population, the prevalence is by far highest in sub-Saharan Africa: around 1/3 of the population.

# Progress towards the WFS target is too slow

## Number of undernourished



Progress has been made towards reducing hunger. This is illustrated for the developing countries by the full line on the graphic, which shows the declining number of undernourished people from 1980 to 2000-2002.

However, progress is still far too slow. Two international targets for hunger reduction have been established. The World Food Summit in 1996 set the target of halving the absolute number by 2015. This would mean reaching a number of about 400 in 2015. The required progress is shown by the dotted red line.

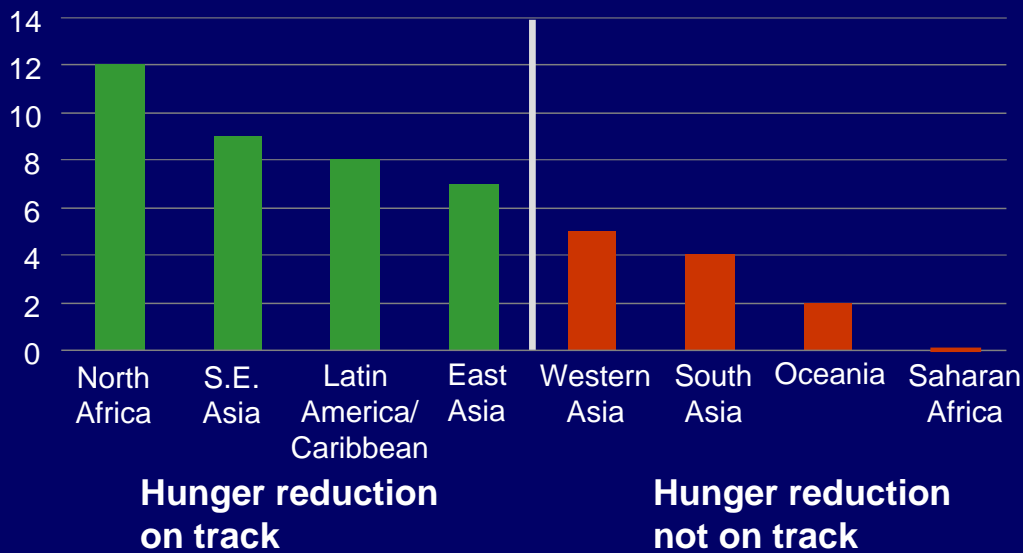
The Millennium Summit in 2000 set a somewhat less ambitious target of halving the percentage of hungry by 2015. At the expected rate of world population growth this would correspond to an absolute number of 583 million. The progress required to meet this target is shown by the dotted green line.

**The target date is drawing near, but the targets themselves are not.**

Reaching either of the two targets requires an acceleration of progress against hunger and poverty.

## Progress in hunger reduction matches progress on other MDGs

*Number of MDG targets on track (out of 18)*



**Hunger reduction is vital for achieving most of the MDGs.** It is recalled that there are 8 MDGs. They address: hunger and poverty, education, gender equality, child mortality, maternal health, HIV/AIDS and other diseases, environmental sustainability and partnerships for development. Progress is monitored through 18 targets.

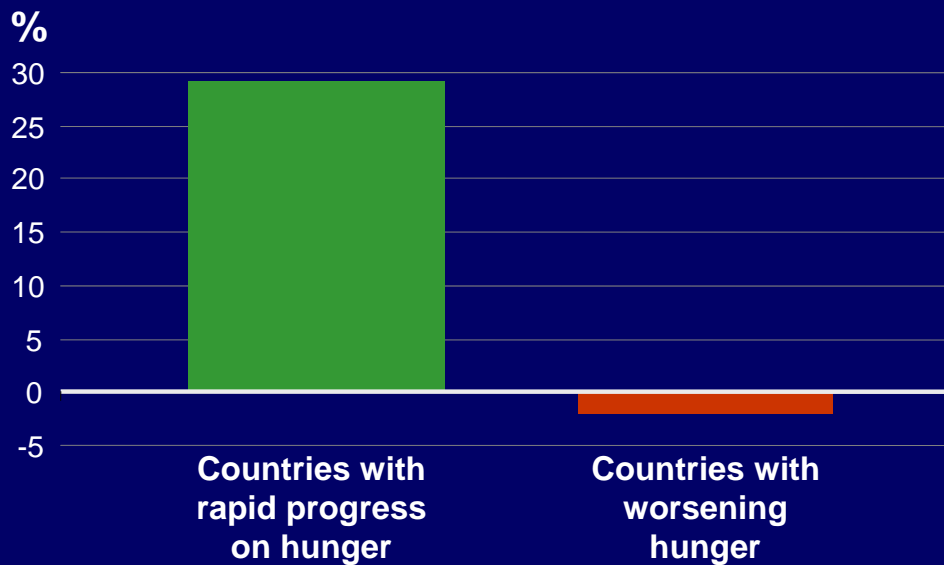
The current slide illustrates progress towards the MDGs for various sub-regions. The bars show the number of MDG targets for which the sub-regions are on track. On the left (in green) are the sub-regions which are on track to achieving the MDG hunger reduction target. North Africa, South-East Asia, Latin America and the Caribbean and East Asia are on track for hunger reduction and are also making progress on the highest number of the other MDG targets.

The situation is quite different for: Western Asia, South Asia, Oceania and Sub-Saharan Africa (shown in red). These sub-regions are not on track to the MDG hunger target. They are also making progress on a smaller number of other MDG targets and in the case of sub-Saharan Africa on none of them.

In conclusion: without rapid progress in reducing hunger, reaching the other MDG targets will be difficult, if not impossible.

## Hunger reduction leads to lower child mortality

### Average reduction in child mortality (1990 – 2003)



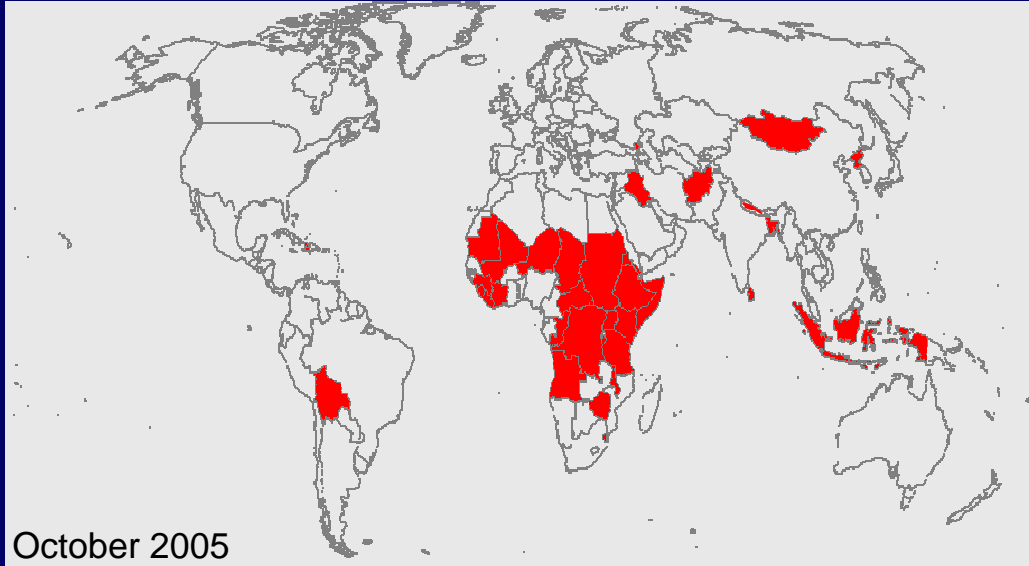
Let me illustrate this point with just one example. **Hunger and malnutrition are the main cause of 5-6 million child deaths every year.** The slide shows changes in child mortality rates for two groups of countries grouped according to the progress they have made in reducing hunger.

The left bar (in green) shows a 30 percent decline in child mortality between 1990 and 2003 in those countries that have made rapid progress in hunger reduction over that period.

On the right (in red) is the change in child mortality in countries that have seen a worsening of hunger. This country group has even seen a slight increase in child mortality.

I should note that we are of course aware that such correlation does not necessarily indicate a one to one causality.

## Numerous countries face serious food shortages in 2005

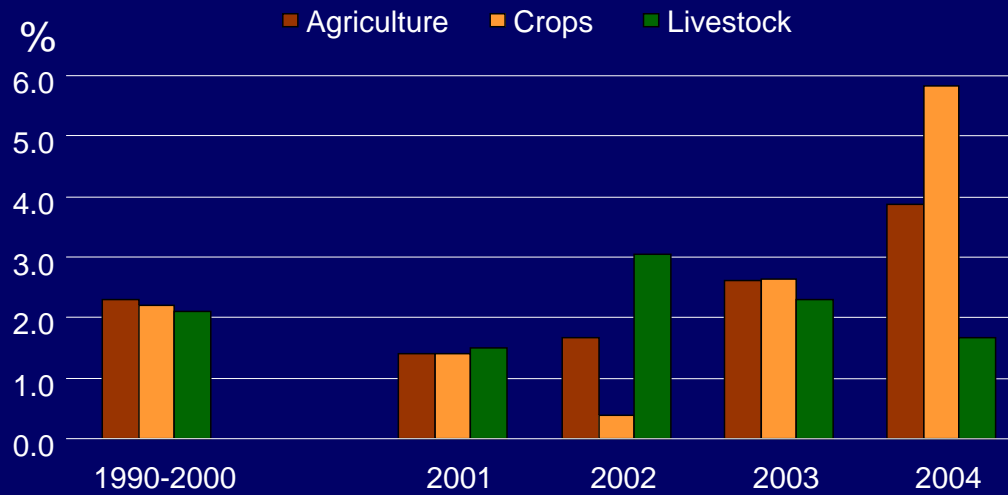


In addition to the persistence of chronic hunger, **food emergencies** also continue to be far too frequent. As of October 2005, the number of countries facing serious food shortages throughout the world stood at 39, with 25 in Africa, 11 in Asia and the Near East, 2 in Latin America and 1 in Europe.

The causes are varied and include both conflict and natural disasters of various types.

# World agricultural production increased in 2004

## Average annual growth



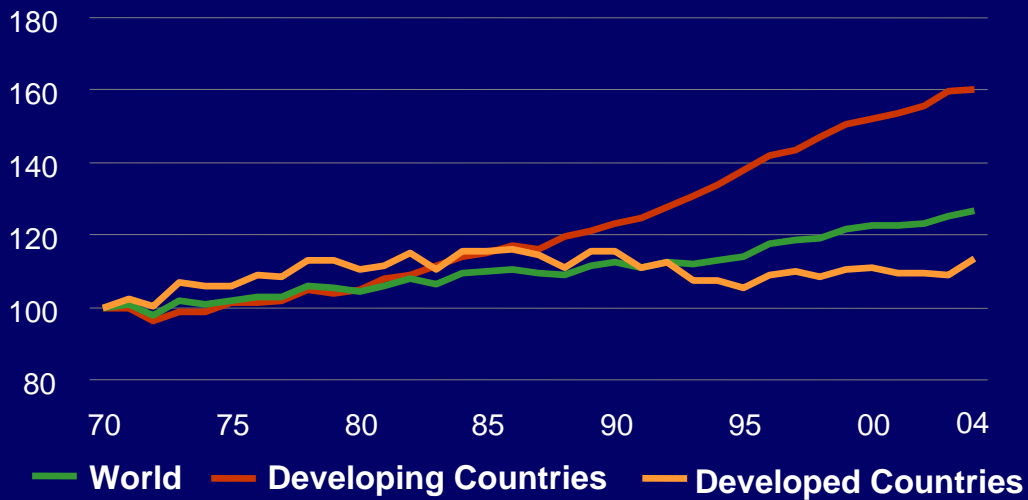
Let me now turn to some of the more recent developments in global agriculture.

**Global crop and livestock production** increased over the past two years at rates above the average of the previous four decades. In 2004, global output growth accelerated further and reached almost 4 percent.

## Per caput food production has increased steadily

### *Per caput food production*

Index (1970 = 100)



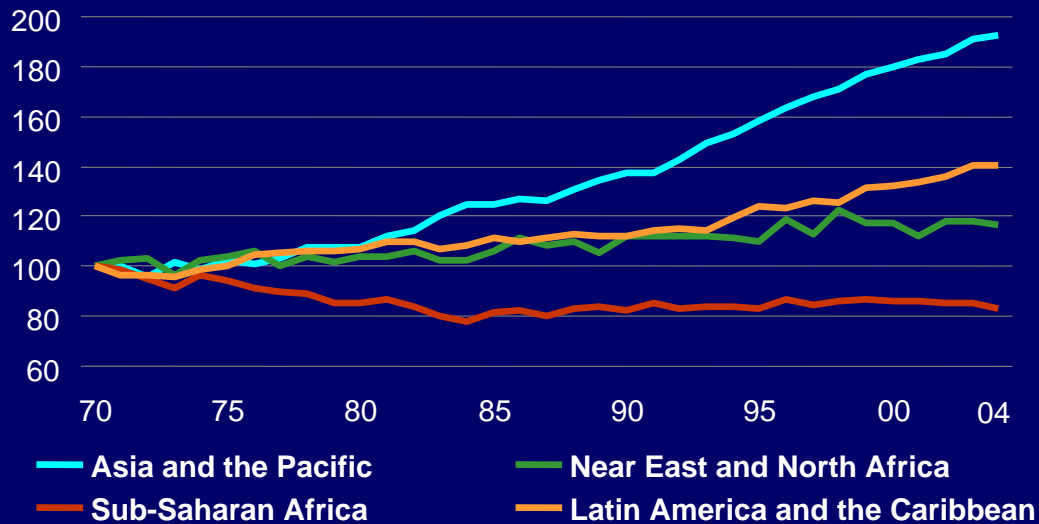
At the global level, **per caput food production has been increasing steadily over the past 30 years** (shown by the green line). Over the last decade, the average annual growth rate has reached 1.2 percent.

Per caput food production has been expanding more rapidly in the developing countries (shown by the red line on top) than in the developed countries (shown by the yellow line at the bottom).

## The developing country regions have not all made equal progress

### *Per caput food production*

Index (1970 = 100)

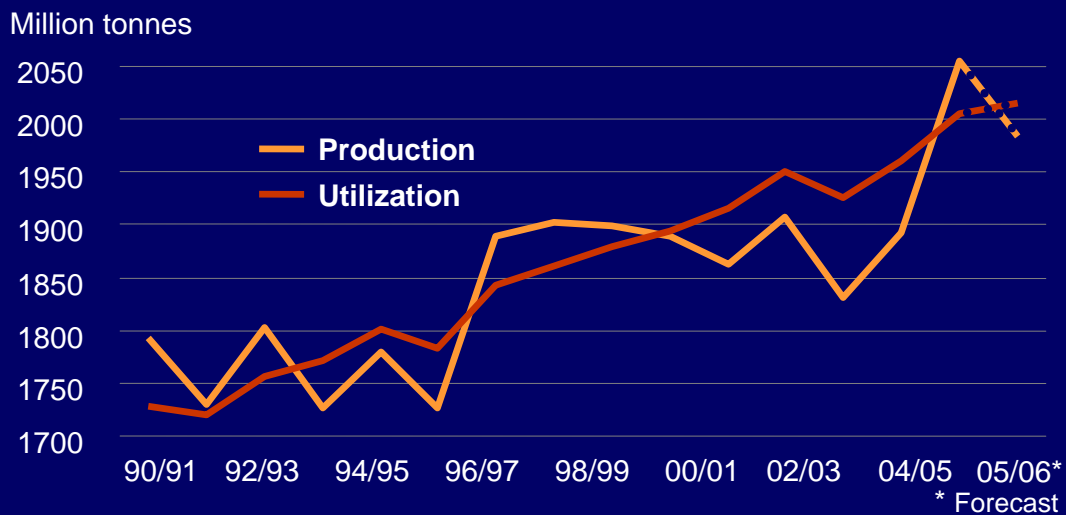


**Almost all the developing country regions** have shared, to different degrees, in this long-term progress in per caput food production.

Only in sub-Saharan Africa (shown by the red line) has food production failed to keep up with population growth. Per caput food production actually declined over the period from 1970 to the early 1980s. Today, per caput food production in the region remains well below the levels attained in the 1970s.

Fortunately, rising food imports and food aid have enabled the African region to increase per caput consumption during that period, in spite of stagnating per caput production.

## World cereal production has picked up

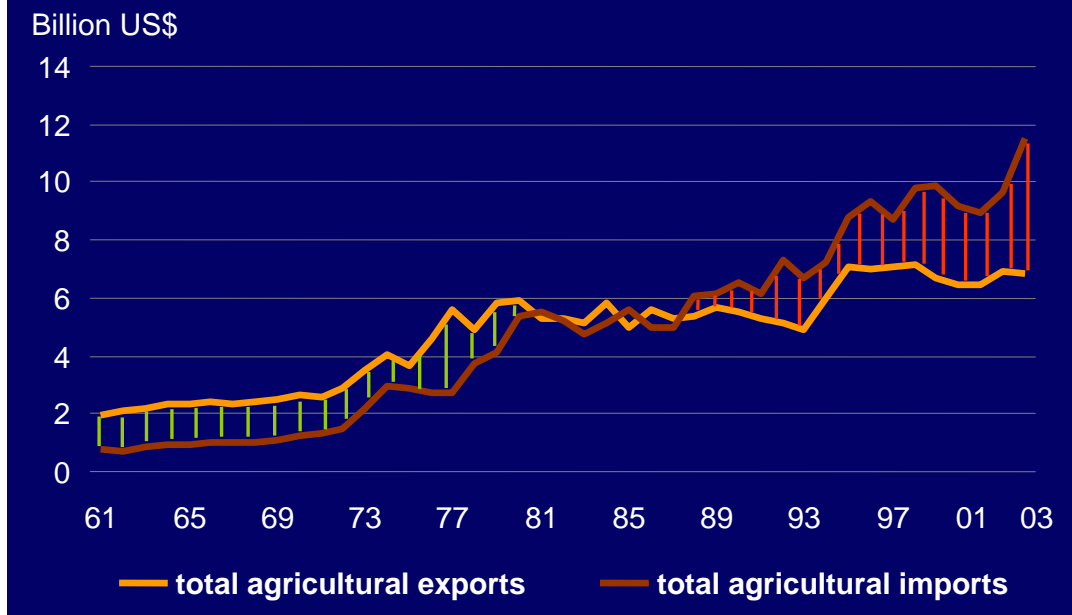


**Cereals provide close to 50 percent of global calorie intake**, although the share has declined over time. After several years of stagnation, global cereal output (shown by the yellow line) grew strongly in 2004 to reach a record level of 2057 million tonnes. In the marketing year 2004/2005, production thus exceeded utilization (shown by the red line) for the first time since 1998/99.

Latest information points to a likely reduction in global cereal production this year. Production levels would remain above those of two years ago, but would again fall below utilization in the marketing year 2005/06.

It is worth noting that the global stock-to-use ratio has declined during that period. Thanks, *inter alia*, to better communication and transportation systems, the globalizing world grain economy has nevertheless managed to avoid excessive price volatility.

## The agricultural trade deficit of LDCs is widening



I turn now to agricultural trade.

**We note that an ever larger share of agricultural output is traded internationally.**

To highlight just one aspect: since the beginning of the 1990s, the developing countries have seen their agricultural trade surplus shrink. FAO projects that as a group the developing countries will move further into a rising net agricultural trade deficit.

This trend is particularly evident in the Least Developed Countries. The current graphic shows agricultural exports (in yellow) and imports (in red) of this country group. As can be seen, they have moved from a position as net agricultural exporters to one as net agricultural importers, and since the late 1980s their agricultural trade deficit has widened rapidly.

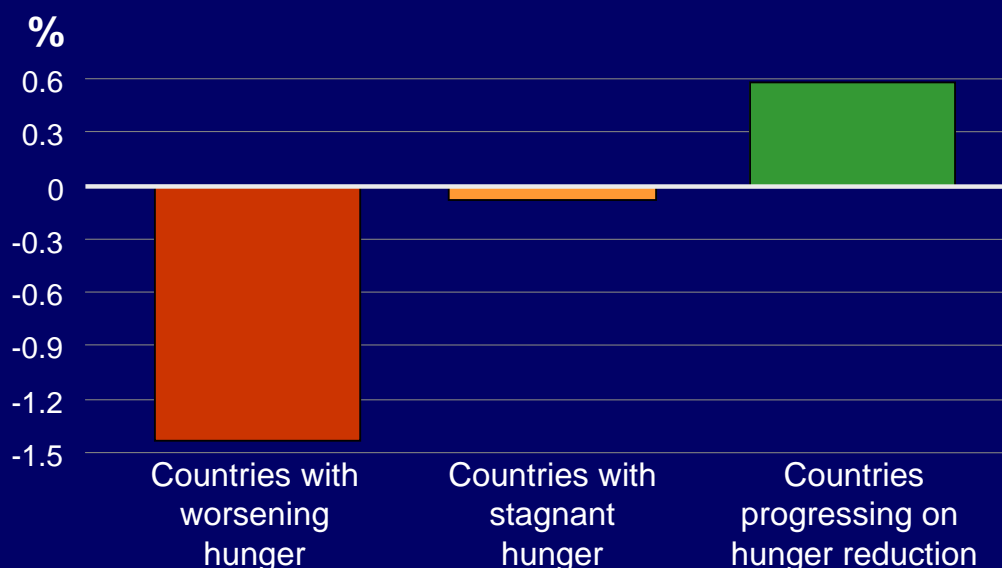
This deficit represents a major challenge for the poorest countries. They need to either reduce this gap by increasing the competitiveness of their domestic agriculture or be able to finance the deficit through non-agricultural exports. In most of these countries, the first of these two options is more promising. Focusing on increased domestic food production can also contribute decisively to poverty reduction, since most of the poor live in the rural areas.

Many of the LDCs face severe supply constraints. FAO has therefore always emphasised that freer trade alone is not a sufficient condition for these countries to participate more fully in international trade. To become more competitive; they also need to build capacity and invest in rural infrastructure and agricultural productivity growth. The alternative for the poorest countries will be increased reliance on external assistance and increased indebtedness.

Finally with regard to trade: FAO has been assisting the developing countries in getting well prepared for the **forthcoming Ministerial Conference of the WTO in Hong Kong**. We hope that the Ministerial will become a success, because failure would be very expensive for the world.

## Agricultural growth is fundamental for eradicating hunger

### Average annual growth of agricultural GDP (1990s)



I would like to close my presentation by reverting to the **positive link between agricultural and rural development and food security**.

We note that this link has been given explicit recognition in paragraph 46 of the Outcome Document of the recent World Summit of the General Assembly.

**The importance of agricultural growth for food security** is illustrated by the current slide. It shows average rates of agricultural growth over the 1990s for countries grouped according to the progress they have made towards the MDG hunger target.

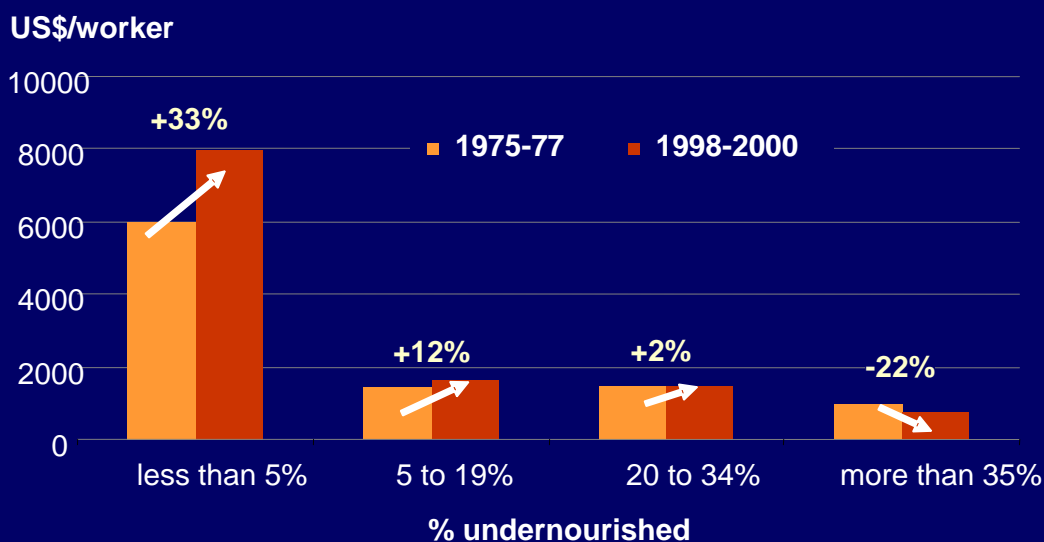
The green column on the right shows the positive growth of agricultural GDP in countries that have progressed towards the MDG hunger target.

The red column on the left represents countries with worsening levels of undernourishment. These are countries that have seen a declining agricultural GDP.

Countries with stagnant agricultural growth are shown in the middle. These are countries in which the prevalence of hunger has also stagnated.

## Investment in agriculture lags where hunger is most prevalent

### *Agricultural capital stock per agricultural worker*



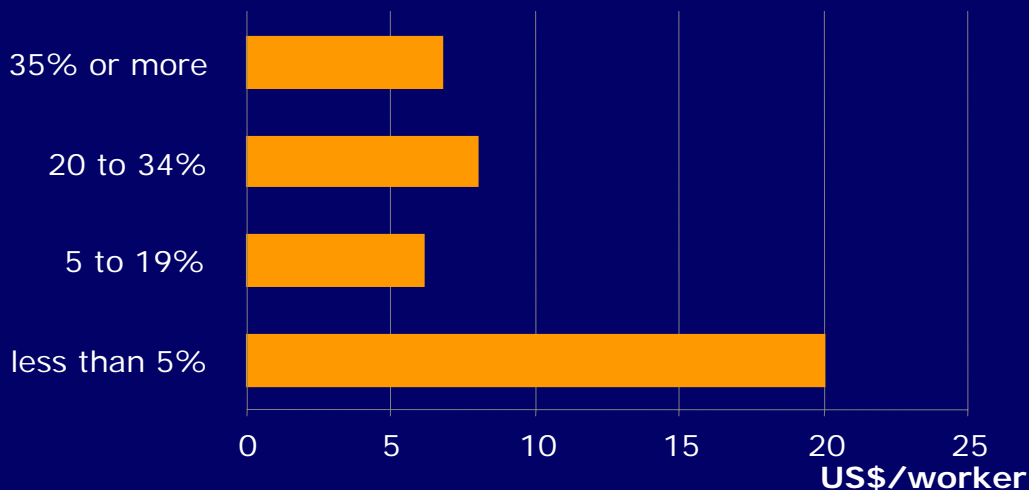
**Investment in agriculture is essential to promote agricultural growth.** This graphic shows FAO's estimates of capital stock in agriculture in US\$ per worker: Two periods are shown: 1975-77 (in yellow) and 1998-2000 (in red). The countries are grouped according to prevalence of hunger in the population. Countries with lowest levels of undernourishment are shown on the left. They have by far the highest levels of capital stock per worker and they have even seen the capital stock increase over the past 25 years.

The countries with the highest prevalence of undernourishment are shown on the right. They not only have very low levels of capitalization in agriculture, they have also seen it decline over the 25-year period.

## Development assistance does not target the neediest countries

*External assistance to agriculture per ag. worker (1998–2000)*

% undernourished



The graphic shows that **external assistance to agriculture does not target the most food insecure countries**. The bars show the amount of external assistance to agriculture in US\$ per agricultural worker. At the bottom are the countries with the lowest percentage of undernourished people (less than 5 percent). External assistance to agriculture per worker in this group of countries is far higher than for the countries with higher prevalence.

# Conclusions

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- Agricultural production is growing strongly in developing countries
- Agricultural trade is again expanding
- Progress in hunger reduction must be accelerated
- Food emergencies remain pervasive
- Hunger reduction is needed also to reach other MDG targets
- More resources to agriculture and rural development are required
- Particularly for the most needy countries

**In conclusion**, we have seen that:

- Agricultural production is growing strongly in the developing countries
- Agricultural trade is again expanding

However:

- Progress on hunger reduction must be accelerated if we are to reach the MDG and World Food Summit targets
- Food emergencies remain pervasive

Looking to the future we must also conclude that:

- More rapid progress towards hunger reduction is needed, and this also to reach other MDG targets
- More resources to agriculture and rural development are required
- Particularly for the most needy countries
- LDCs in particular face a rapidly growing net agricultural trade deficit. They need to increase their competitiveness and overcome supply side constraints to meet their growing food demand.