

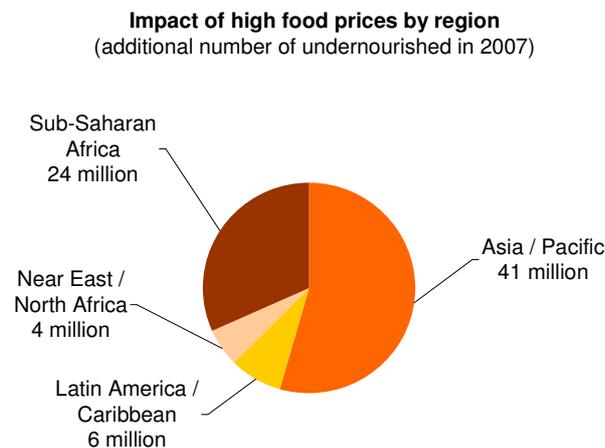
Briefing paper: Hunger on the rise

Soaring prices add 75 million people to global hunger rolls

The impact of high food prices on hunger

Provisional FAO estimates show that the number of undernourished people in 2007 increased by 75 million (figure 1), over and above FAO's estimate of 848 million undernourished in 2003-05, with much of this increase attributed to high food prices. This brings the number of undernourished people worldwide to 923 million in 2007, of which 907 million in the developing world (Figure 2). Given the continued and drastic increase in prices of staple cereals and oil crops well into 2008, the number of people suffering from chronic hunger is likely to have increased further.

Figure 1



The impact of rising food prices on the prevalence of hunger is even more striking. Progress toward the MDG hunger target in the developing world had been steady from almost 20 percent in 1990-92 to less than 18 percent in 1995-97 and just above 16 percent in 2003-05. However, FAO's estimates through the end 2007 show that progress has since been reversed, with the proportion of hungry people in the developing world sliding back towards 17 percent, about the same level as a decade ago (Figure 3). Meeting the internationally agreed hunger-reduction goals in the few years remaining to 2015 is becoming an enormous challenge.

At regional level, the largest increases in the number of undernourished people as a result of rising food prices have taken place in Asia and in sub-Sahara Africa, the two regions, which combined, already accounted for 750 million, or 89 percent of the hungry people in the world in 2003-05. FAO estimates that rising prices have plunged an additional 41 million people in Asia and 24 million in sub-Saharan Africa below the hunger threshold. Although the numbers affected are smaller, other regions have also seen increases in hunger as a result of rising food prices. In the case of Latin America, this represents a sharp reversal after more than a decade of steady progress towards the WFS goal.

Figure 2: Number of undernourished people in the developing world (WFS target)

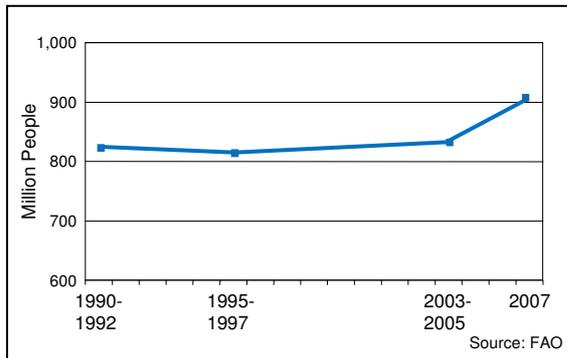
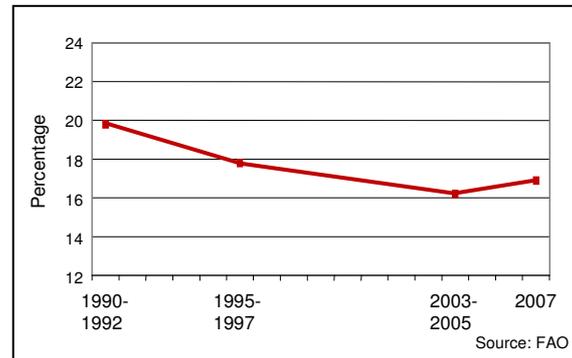


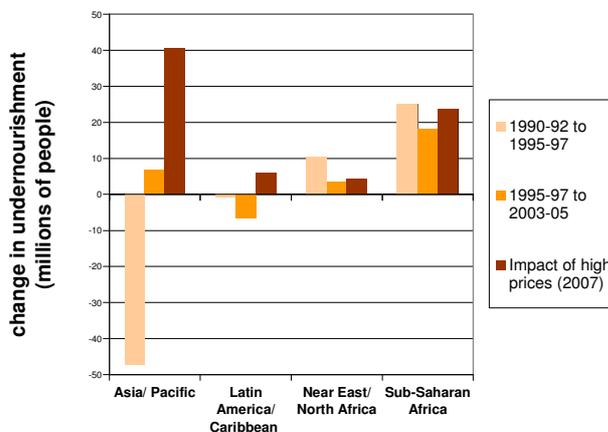
Figure 3: Proportion of undernourished people in the developing world (MDG target)



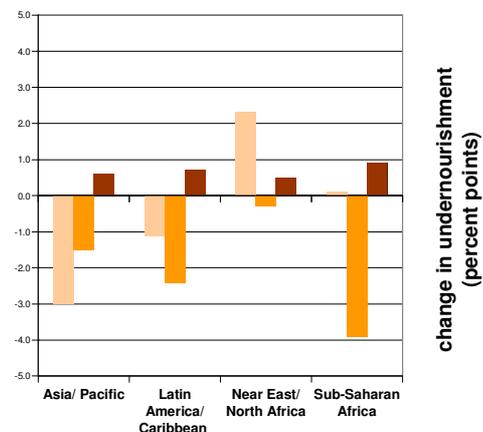
Before the upsurge in food prices, FAO estimates for 2003-05 show that all four developing regions were making progress in reducing the prevalence of hunger. However, progress has been reversed in every region, resulting in increased hunger prevalence for the entire developing world for the first time since the World Food Summit (Figure 4).

Figure 4

Changes in numbers of undernourished by region (selected periods)



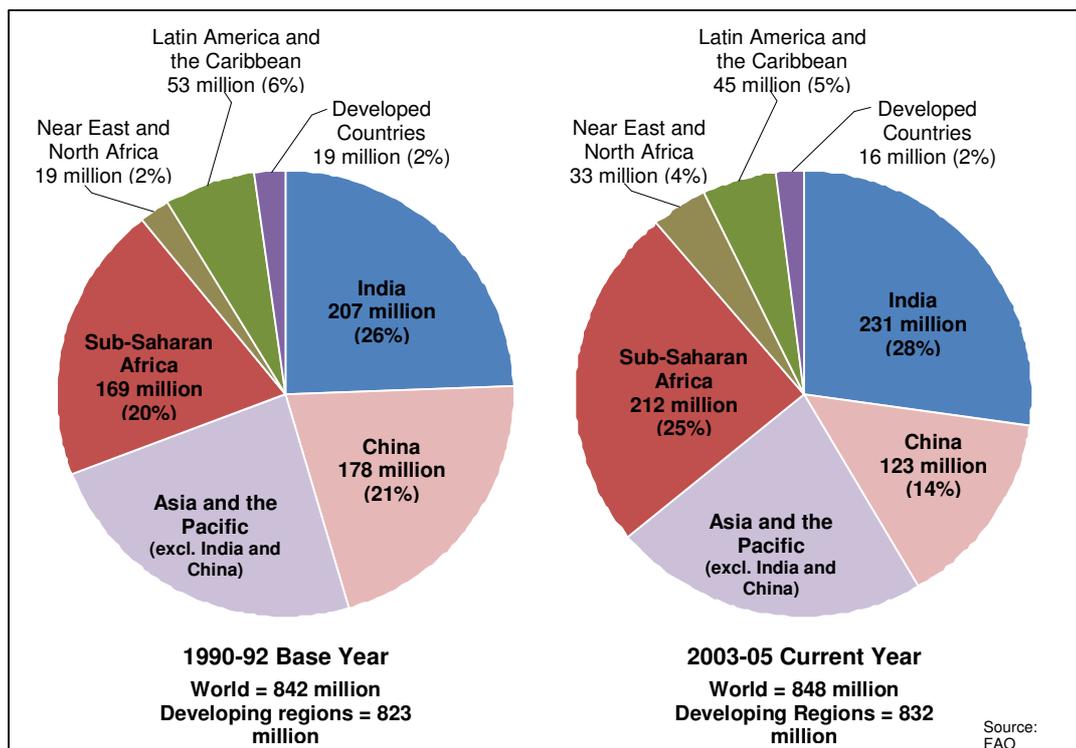
Changes in prevalence of undernourished by region (selected periods)



Progress towards World Food Summit (WFS) and Millennium Development Goal (MDG) hunger reduction targets

FAO's latest estimates show that even before the recent surge in food prices, worrisome long-term trends towards increasing hunger were already apparent. FAO estimates that 848 million people suffered from chronic hunger worldwide in 2003-05, representing an increase of six million from the nearly 842 million in 1990-92, the World Food Summit baseline period, against which progress is measured (Figure 5). With the number of chronically hungry people in the world now higher than during the baseline period, the World Food Summit target of reducing that number by half by the year 2015 may be unreachable.

Figure 5: Trends in global Undernourishment, 2003-05 compared with 1990-92



Most of the increase in undernourishment since the WFS benchmark period (1990-92) took place in sub-Saharan Africa (Figure 5) where the absolute number (WFS indicator) of hungry people increased by 43 million, from 169 million to 212 million.

Mixed progress was achieved in reducing the prevalence of hunger (MDG indicator; Figure 3). From 1990-92 to 2003-05, the proportion of undernourished in sub-Saharan Africa dropped from 34 percent to 30 percent, representing an overall 12 percent drop in prevalence compared to a 19 percent drop globally.

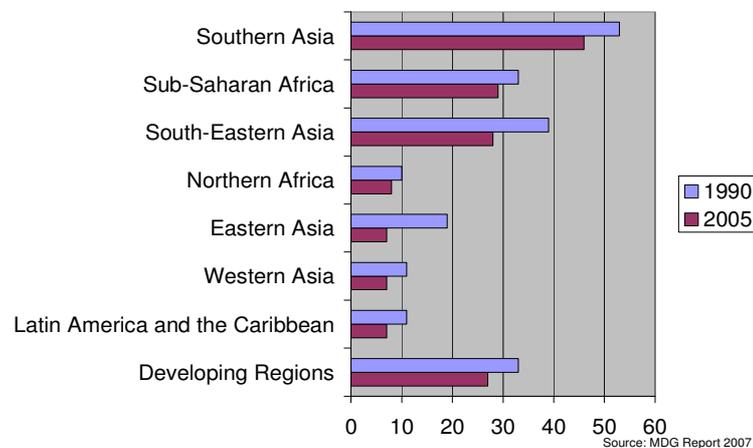
Asia and the Pacific Region recorded modest progress in reducing the prevalence of hunger from 20 percent to 16 percent, as well as a moderate reduction in the number of hungry people from 582 million to 542 million. Asia and the Pacific Region is home to over half of the world's population and to nearly two-thirds of the world's hungry people.

By virtue of their size, China and India alone account for 42 percent of the chronically hungry people in the developing world. In India, despite rapid economic growth, the number of hungry people

increased by over 20 million compared to the baseline period. This can be partially explained by the fact that life expectancy in India has increased from 59 to 63 years since 1990-92, which has had an important impact on the overall change in population structure with the result that in 2003-05 the growth minimum energy requirements had outpaced that of dietary energy supply. China has continued registering a steady reduction in undernourishment, with a 31% drop in the number of undernourished from 178 million in 1990-92 to 123 million in 2003-05.

The second hunger-related MDG indicator is the prevalence of children who are underweight. In developing regions as whole¹ during the period 1990-2005 the proportion of underweight children under five years declined from 33% to 27%. Eastern Asia showed the greatest improvement. Significant progress was also achieved in Western Asia and Latin America and the Caribbean, where the prevalence of underweight children dropped by more than one third. The greatest proportion of underweight children remains in Southern Asia, sub-Saharan Africa and South-Eastern Asia (Figure 6)².

Figure 6: Prevalence of children under 5 years of age who are underweight



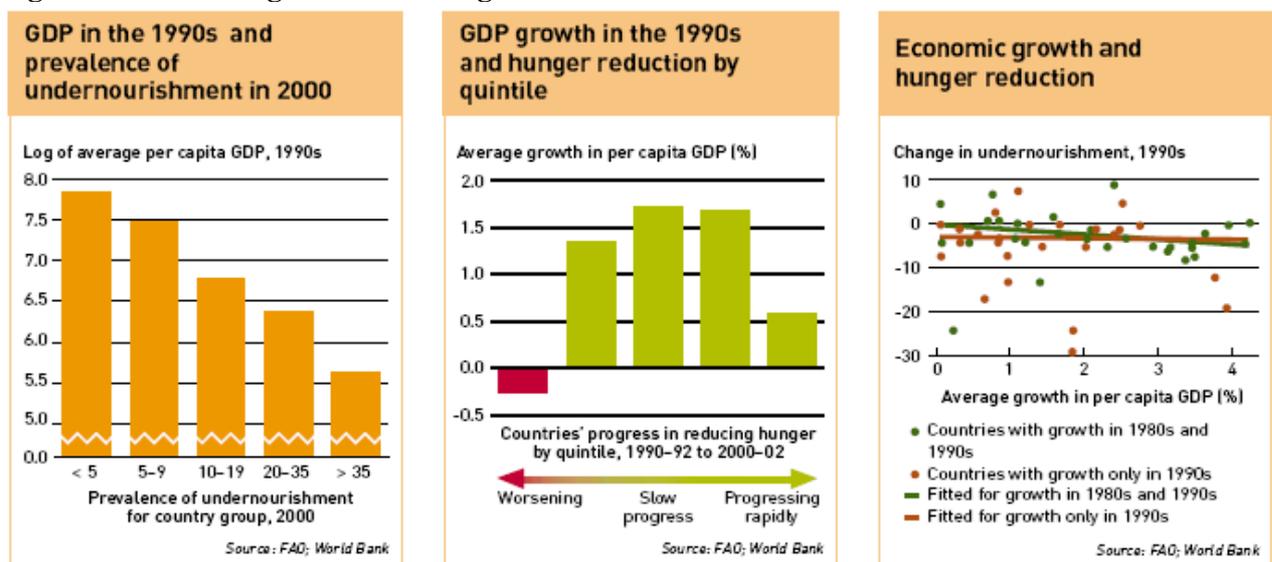
¹ Developing regions does not include countries in transition.

² Data is from the 2007 Millennium Development Goals Report 2007. Please note that the regional groups used in the MDG report differ, to some extent, from those used throughout this report. Developing regions does not include countries in transition

Relationship between hunger and poverty

In contrast to the common expectation that economic growth will automatically lead to hunger reduction, cross-country analyses conducted across the developing world suggest that economic growth alone, in the absence of specific measures to combat hunger, may leave large numbers of hungry people behind for a long time, particularly in rural areas. These analyses have also shown that economic growth has a far greater impact on hunger when it occurs in rural areas and in countries that have already created fertile conditions through rural and human resource development. As might be expected, the group of countries where hunger increased during the 1990s also registered the worst economic performance (Figure 7). Far from growing, their per capita gross domestic product (GDP) shrank at an average rate of 1.4 percent per year. Every other group recorded gains. Among these other groups, there is no evident correlation between the pace of economic growth and the rate of progress in reducing hunger. Paradoxically, the group that made the most rapid progress in reducing hunger registered relatively slow economic growth.

Figure 7: Economic growth and hunger reduction



Source: SOFI 2005

Similarly, if changes in GDP for individual countries during the 1990s are plotted against progress towards the MDG target of reducing the proportion of people who suffer from hunger by half, the trend line is almost flat (Figure 7). Examining changes over a longer period, however, reveals evidence that economic growth and hunger reduction are indeed related. If progress towards the MDG target is plotted for countries that registered positive economic growth during both the 1980s and 1990s, the trend line is clearly steeper, indicating a stronger correlation between the pace of economic growth maintained over a longer period and the rate of progress in reducing hunger. This trend suggests that sustained growth may have a cumulative and stronger impact on hunger reduction.

It could also be interpreted as evidence that the impact of economic growth on hunger only becomes evident over time. An FAO study found that it takes longer for economic growth to have an impact on hunger reduction than for improved nutrition to stimulate economic growth. Certainly the relationship between economic growth and hunger reduction flows in both directions. An examination of the costs of hunger in *The State of Food Insecurity in the World (SOFI) 2004* concluded that the present discounted value of the loss of productivity over the lifetimes of people whose physical and cognitive capacities are impaired by low birth weight, protein-energy malnutrition and shortages of essential vitamins and minerals adds up to 5 to 10 percent of GDP in

the developing world. Another FAO study analysed the relationship between nutrition intake and economic growth in Sri Lanka. It found that GDP growth responds quickly to improvements in nutrition, with a 1 percent increase in protein intake yielding a 0.49 percent increase in GDP in the long run. More details on the relationship between poverty and food insecurity can be found in SOFI 2004.

Breaking the hunger-poverty trap: the twin-track approach

Reducing the number of hungry people by 500 million in the remaining seven years to 2015 will require an enormous and resolute global effort and concrete actions. To break the hunger-poverty trap, action is urgently needed on two fronts: (i) making food accessible to the most vulnerable and (ii) helping small producers raise their output and earn more.

FAO's twin-track approach aims to create opportunities for the hungry to improve their livelihoods by promoting agricultural and rural development. It also involves policies and programmes, such as social safety nets, which enhance direct and immediate access to food by the hungry. In December 2007 FAO launched its Initiative on Soaring Food Prices to help vulnerable countries put in place urgent measures to boost food supplies and provide policy support to improve access to food.

The Initiative includes emergency projects, either ongoing or planned, in at least 78 countries worldwide. Immediate activities include distribution of seeds, fertilizer, animal feed and other farming tools and supplies to smallholder farmers.

Urgent, broad-based and large-scale investments are needed to address in a sustainable manner the growing food insecurity problems affecting the poor and hungry. No single country or institution will be able to resolve this crisis on its own.

High returns

According to FAO, the countries hardest hit by the current crisis, most of them in Africa, will need at least US\$30 billion annually to ensure food security and revive long-neglected agricultural systems. But hunger reduction has big payoffs and should be a top development priority. Reducing the incidence of hunger worldwide will greatly improve the chances of meeting the MDGs related to poverty reduction, education, child mortality, maternal health and disease. Public spending on reducing hunger is an investment with very high returns.