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# THE STATE OF FOOD AND AGRICULTURE



## Leveraging food systems for inclusive rural transformation

One of the greatest challenges today is to end hunger and poverty while making agriculture and food systems sustainable. The challenge is daunting because of continued population growth, profound changes in food demand, and the threat of mass migration of rural youth in search of a better life. This report analyses the structural and rural transformations under way in low-income countries and shows how an “agroterritorial” planning approach can leverage food systems to drive sustainable and inclusive rural development.

The world’s 500 million smallholder farmers risk being left behind in structural and rural transformations. Small-scale and family farmers produce 80 percent of the food supply in sub-Saharan Africa and Asia, and investments to improve their productivity are urgently needed.

Urbanization, population increases and income growth are driving strong demand for food at a time when agriculture faces unprecedented natural-resource constraints and climate change. Moreover, urbanization and rising affluence are driving a “nutrition

transition” in developing countries towards higher consumption of animal protein. Agriculture and food systems need to become more productive and diversified.

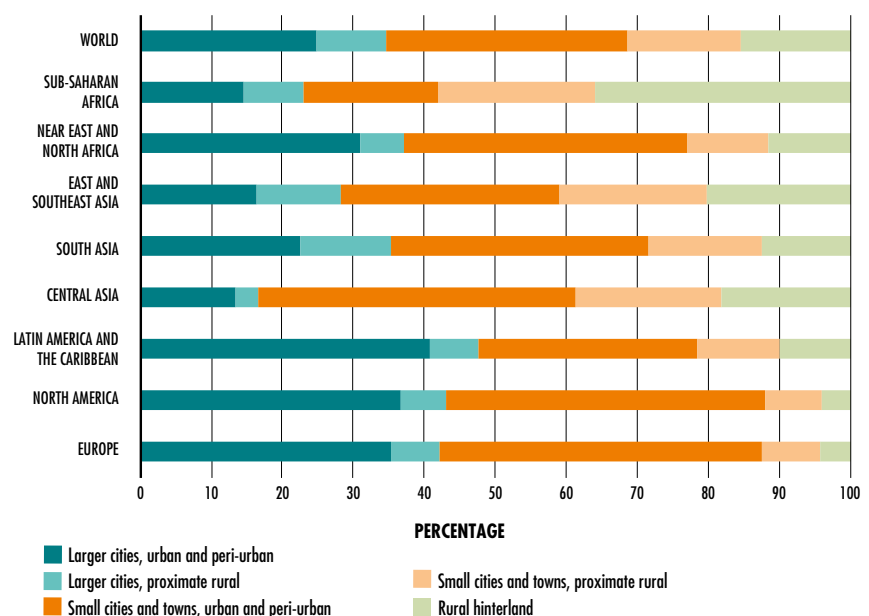
### Small cities and towns can play a catalytic role in rural transformation

Rural and urban areas form a “rural–urban spectrum” ranging from megacities to large regional centres,

market towns and the rural hinterland. In developing countries, smaller urban areas will play a role at least as important as that of larger cities in rural transformation.

Agroterritorial development that links smaller cities and towns with their rural “catchment areas” can greatly improve urban access to food and opportunities for the rural poor. An agroterritorial development »

DISTRIBUTION OF POPULATION ALONG THE RURAL–URBAN SPECTRUM, GLOBALLY AND BY REGION, 2000



- » approach seeks to reconcile the sectoral economic aspects of the food sector with its spatial, social and cultural dimensions.

**The key to the success of an agroterritorial approach is a balanced mix of infrastructure development and policy interventions across the rural–urban spectrum**

The five most commonly used agroterritorial development tools – agro-corridors, agroclusters, agro-industrial parks, agro-based special economic zones and agribusiness incubators – provide a platform for growth of agro-industry and the rural non-farm economy.

Governments have a key role to play in reducing the costs of doing business, providing incentives for investment, and creating conditions for the development of inclusive economic activities in the food system of a targeted territory. Government also has a role in promoting farmer organizations, financial vehicles that support farmers and agribusiness, and technical assistance to build enterprise capacities.

To meet growing food demand, it is necessary to develop more productive and sustainable farming systems. Agriculture will need substantially increased investment in order to meet the growing demand for food, adjust to changing dietary patterns and make farming systems sustainable. Mechanization and advanced inputs are essential for the transformation of farming systems.

**Billions of people still face pervasive hunger, poverty, joblessness, environmental degradation, disease and deprivation**

Achieving the Sustainable Development Goals of ending hunger and poverty while making agriculture and food systems

sustainable will require food system transformations and strategies that leverage the food system to boost economic growth in countries where industrialization is lagging. Economic development of rural areas is as important as that of urban areas in reducing overall levels of poverty. Resources need to go to rural areas not only because that is where most of the poor and hungry live, but also because broad-based rural economic development is a powerful force for change. Understanding the drivers of rural–urban migration, and its cost and benefits, should be high on policy agendas. A territorial development approach can help address the drivers of rural out-migration.

Fostering rural entrepreneurship and employment diversification, especially for women and youth, requires the development of skills. Skills are complementary to technology and necessary for accessing better-paid jobs. Social protection programmes foster a healthier, better-educated population and a more skilled workforce capable of responding to changing demand and joining the transition to higher levels of productivity.

In a rapidly transforming world, the food system rooted in specific territories is a valuable asset that can be leveraged for a more-inclusive rural transformation. Fostering rural–urban linkages through appropriate territorial strategies can create both a favourable business environment for farmers – small and large – and the non-farm income opportunities vital for building prosperous and sustainable rural economies. ■

**KEY MESSAGES**

➔ Economic growth in rural areas has helped millions escape poverty and, when supported by policies for social protection, infrastructure development and the promotion of local economies, will be critical for ending hunger by 2030.

➔ Urbanization and dietary changes in both rural and urban areas are driving the transformation of food systems and strengthening rural–urban linkages.

➔ Modern information and communication technologies are giving farmers multiple options for buying inputs, selling outputs and improving their access to information.

➔ In countries with rapid population growth and limited prospects for industrialization, creating jobs for youth will require dynamic growth of decent employment in on-farm and off-farm activities, such as food processing, services and agritourism.

➔ Interconnected functional rural–urban territories are key to creating on-farm and off-farm jobs, eradicating poverty, ensuring food and nutrition security, providing alternatives to rural outmigration, and achieving sustainable management of natural resources.

