

**T**his report comes at a time of severe economic crisis. Countries across the globe are seeing their economies slow and recede. No nation is immune and, as usual, it is the poorest countries – and the poorest people – that are suffering the most. As a result of the economic crisis, estimates reported in this edition of *The State of Food Insecurity in the World* show that, for the first time since 1970, more than one billion people – about 100 million more than last year and around one-sixth of all of humanity – are hungry and undernourished worldwide.

The current crisis is historically unprecedented, with several factors converging to make it particularly damaging to people at risk of food insecurity. First, it overlaps with a food crisis that in 2006–08 pushed the prices of basic staples beyond the reach of millions of poor people. And, although they have retreated from their mid-2008 highs, international food commodity prices remain high by recent historical standards and volatile. Also, domestic prices have been slower to fall. At the end of 2008, domestic staple food prices remained, on average, 17 percent higher in real terms than two years earlier. The price increases had forced many poor families to sell assets or sacrifice health care, education or food just to stay afloat. With their resources stretched to breaking point, those households will find it difficult to ride out the economic storm.

Second, the crisis is affecting large parts of the world simultaneously. Previous economic crises that hit developing countries tended to be confined to individual countries, or several countries in a particular region. In such situations, affected countries made recourse to various instruments such as currency devaluation, borrowing or increased use of official assistance to face the effects of the crisis. In a global crisis, the scope of such instruments becomes more limited.

Third, with developing countries today more financially and commercially integrated into the world economy than they were 20 years ago, they are far more exposed to shocks in international markets. Indeed, many countries have experienced across-the-board drops in their trade and financial inflows, and have seen their export earnings, foreign investment, development aid and remittances falling. This situation will conspire not only to cull employment opportunities, but also to reduce the money available for government programmes that are indispensable to promoting growth and supporting those in need.

Faced with the crisis, households are forced to find ways to cope. Coping mechanisms involve undesirable but often unavoidable compromises, such as replacing more-nutritious food with less-nutritious food, selling productive assets, withdrawing children from school, forgoing health care or education, or simply eating less. Based on direct interviews with people who are most affected by food insecurity, country case studies conducted by the World Food Programme (WFP) included in this year's report give an insight into how households are affected by the fall in remittances and other impacts of the economic downturn. The case studies also show how governments are responding to the crisis by investing in agriculture and infrastructure and expanding safety nets. These interventions will help to save lives and families, although given the severity of the crisis, much more needs to be done.

If global food security is to be achieved and sustained as soon as possible, the twin-track approach supported by FAO, WFP, the International Fund for Agricultural Development (IFAD) and their development partners will be crucial. This strategy seeks to address both the shorter-term acute hunger spurred by food or economic shocks and the longer-term chronic hunger that is symptomatic of extreme poverty.

To help hungry people *now*, safety nets and social-protection programmes must be created or improved to reach those most in need. Among these, national food safety-net programmes, such as school feeding or voucher programmes, should be designed to stimulate the local economy by creating jobs and increasing agriculture and local value-added food production. In addition, they should integrate best practices so as to be affordable and sustainable, with handover plans embedded and scalable in the face of crises and shocks. At the same time, small-scale farmers need access to modern inputs, resources and technologies – such as high-quality seeds, fertilizers, feed and farming tools and equipment – that will allow them to boost productivity and production. This should, in turn, lower food prices for poor consumers, both rural and urban.

To ensure that hunger is conquered in the years to come, developing countries must be assisted with the development, economic and policy tools required to boost their agriculture sectors in terms of both productivity and resilience in the face of crises. Stable and effective policies, regulatory and institutional mechanisms, and functional market infrastructures that promote investment in the agriculture sector are paramount. Investments in food and agricultural science and technology need to

be stepped up. Without robust agricultural systems and stronger global food-security governance mechanisms, many countries will continue to struggle to increase production in line with demand, move food to where it is needed and find foreign exchange to finance their food import requirements. Whenever possible, efforts should be integrated and produce a multiplier effect. For instance, local purchase of produce for school meals can generate income and guaranteed markets for smallholder farmers – both men and women – while community grain reserves can serve as a local food safety net.

The food crisis has propelled agriculture and food security, especially in developing countries, back onto the front pages of newspapers and the top of policy-makers' agendas. The *Joint Statement on Global Food Security* ("L'Aquila Food Security Initiative") produced by the G8 with partner governments, agencies and institutions, is a testimony to this renewed commitment of the global community. Nevertheless, there is a risk that a preoccupation with stagnating developed country economies and failing corporations due to the financial and economic crisis will shift resources away from the plight of the poorer countries. Yet food, the most basic of all human needs, is no more affordable, leaving more and more people without the means to consistently obtain nutritious food throughout the year. Indeed, if the food crisis was about higher prices, the economic crisis is about lower household incomes, which can be even more devastating, aggravating already unacceptable levels of food insecurity and poverty.

Past economic crises have typically led to declines in public investment in agriculture. However, history tells us that there is no greater engine for driving growth and thereby reducing poverty and hunger than investing in agriculture, complemented by programmes that ensure people can access the food that is produced. Despite the difficult global economic conditions, support to agriculture should not be reduced; indeed, it must be increased. A healthy agriculture sector, combined with a growing non-farm economy and effective safety nets and social-protection programmes, including food safety nets and nutrition-assistance programmes, is a proven way to eradicate poverty and food insecurity in a sustainable manner.

This year's *State of Food Insecurity in the World* is a true collaborative effort between our two organizations, combining our different strengths to create new insights and a publication that benefited tremendously from our joint cooperation. Collaboration with the United States Department of Agriculture on certain parts of the report has also been instrumental and is highly valued; we thank them for their efforts and willingness to share their expertise.



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*The State of Food Insecurity in the World 2009* was prepared under the overall leadership of Hafez Ghanem, Assistant Director-General, and the guidance of the management team of the Economic and Social Development Department. The technical coordination of the publication was carried out by David Dawe, who was also the technical editor of the report, Kostas Stamoulis and Keith Wiebe of the Agricultural Development Economics Division (ESA). The staff of the Statistics Division (ESS) generated the underlying data on undernourishment, including the estimates for 2008.

This is the first edition of this report that has been jointly prepared by FAO and the World Food Programme (WFP). Valerie Guarneri, Director of Programme and Design, and David Stevenson, Director of Policy, Planning and Strategy, both from WFP, provided valuable insights and support. Joyce Luma and Arif Husain of WFP served on the Editorial Board.

The chapter "Undernourishment around the world" was prepared by the Economic and Social Development Department with key technical contributions provided by Gustavo Anriquez, André Croppenstedt, Ali Arslan Gürkan, Mark Smulders and Alberto Zezza (ESA); and Cheng Fang, Kisan Gunjal and Henri Josserand of the Trade and Markets Division (EST). The main text in the section "Quantifying the food security impacts of the economic crisis", along with the box on "Impact of higher prices on African producers" was contributed by Shahla Shapouri and Stacey Rosen of the Economic Research Service of the United States Department of Agriculture (USDA). Michael Hamp of the International Fund for Agricultural Development (IFAD) contributed the box on microcredit.

The chapter on case studies was prepared by WFP under the technical coordination of Joyce Luma. Claudia Ah Poe, Jean-Martin Bauer, Henk-Jan Brinkman, Monica Cadena, Mariana Castillo, Agnes Dhur, Arif Husain, Alima Mahama, Adriana Moreno and Issa Sanogo, all from WFP, contributed the specific country case studies along with Lorena Aguilar of the Famine Early Warning System Network (FEWSNET).

The chapter "Towards eliminating hunger" was prepared by the Economic and Social Development Department with key technical contributions from Gustavo Anriquez, Mark McGuire and Julian Thomas (ESA); Ugo Gentilini (WFP) on safety nets and Jean Balié, Barbara Ekwall, and Mauricio Rosales on the right to food. Boxes on Brazil were contributed by Carlos Santana from Embrapa (Brazilian Agricultural Research Corporation) and Flavio Valente, Secretary-General of the FoodFirst Information and Action Network (FIAN).

Ricardo Sibrian produced the Technical annex with support from Cinzia Cerri, Seevalingum Ramasawmy and Nathalie Troubat in ESS.

Valuable external comments, suggestions and inputs from John Hoddinott (International Food Policy Research Institute [IFPRI]), Richard King (Oxfam GB) and Nancy Mock (Tulane University) were extremely helpful, as were comments from Luca Alinovi (ESA), Lorenzo Giovanni Bellù (Policy Assistance and Resource Mobilization Division) and Marie-Claude Dop (Nutrition and Consumer Protection Division). Adam Barclay made major improvements to the readability of the publication. Anna Antonazzo, Marina Pelaghias, Anne Rutherford and Sandra Stevens provided excellent administrative support, and Aminata Bakouan, Katia Covarrubias, Federica Di Marcantonio, Panagiotis Karfakis, Rafik Mahjoubi and Cristian Morales-Opazo provided invaluable research support.

A special thank you is due to the Electronic Publishing Policy and Support Branch of the Knowledge and Communication Department (KC), which provided editorial, language editing, graphic and production services. Translations were provided by the Meeting Programming and Documentation Service of KC.

Overall funding was provided under the FAO interdepartmental programme on Food Insecurity and Vulnerability Information and Mapping Systems (FIVIMS).