

**Address by the Director-General  
at the World Food Day Ceremony  
Rome, 16 October 2009**

*Achieving food security in times of crisis*

**Plenary Hall, FAO Headquarters, Rome, 16 October 2009**

*Your Excellency Margarita Cedeño de Fernández, First Lady of the Dominican Republic,*

*Your Excellency Salvador Jiménez, Minister for Agriculture of the Dominican Republic,*

*The Honourable Antonio Buonfiglio, Under-Secretary of State of the Ministry of Agriculture, Food and Forestry Policies of the Italian Republic,*

*The Honourable Enrique Iglesias, Secretary-General of the Ibero-American Summit,*

*The Most Reverend Monsignor Renato Volante, Permanent Observer of the Holy See to FAO,*

*Excellencies,*

*Distinguished Guests,*

*Ladies and Gentlemen,*

The events of the last three years have demonstrated how fragile our global food system is. For the first time in history, more than one billion people are undernourished worldwide. This is 105 million more than last year and it means that one in every six persons in the world suffers from hunger every day. This

recent increase in hunger is not the consequence of a poor global harvest, but is caused by the current world economic crisis which has reduced the incomes and employment opportunities of the poor and significantly lowered their access to food.

It is for this reason that the theme chosen for World Food Day and TeleFood this year is: *Achieving food security in times of crisis.*

*Excellencies, Ladies and Gentlemen,*

The current crisis is historically unprecedented in several ways.

Firstly, it follows a global rapid and sharp increase in staple food prices during 2007-2008.

The recent downward trend in international food commodity prices should not be interpreted as the end of the food crisis. As of July 2009, in sub-Saharan Africa 80 to 90 percent of all cereal prices monitored by FAO in 27 countries remain more than 25 percent higher than before the soaring food price crisis two years ago. In Asia, Latin America and the Caribbean, prices are monitored in a total of 31 countries, and between 40 and 80 percent of all cereal prices remain more than 25 percent higher than in the pre food-price crisis period. In some countries, prices of some products are still at the same level than their peak in 2007. This is the case for example for rice in Sri Lanka, Myanmar, Kenya and

Ecuador, millet and sorghum in Burkina Faso, Mali and Niger and wheat in Bolivia and Pakistan.

Furthermore, production is still hampered by the increase in the cost of inputs by 176 percent for fertilizers, 75 percent for animal feed, and 70 percent for seeds, making agricultural investment more difficult.

Secondly, this crisis is unprecedented. As developing countries are more financially and commercially integrated in the world economy, a drop in the global demand or supply and in credit availability has immediate repercussions on them.

Thirdly, because of the widespread nature of the crisis, the normal mechanisms used by governments and households to cope with economic shocks are stretched thin. Currency depreciations are not a viable tool. The IMF is telling us that Foreign Direct Investment will decline by 32 percent in 2009. Reduced employment in urban areas might force job-seekers to return to rural areas.

Migrants' remittances, which had amounted to some US\$ 300 billion in 2008, might experience a decline of around 5 to 8 percent in 2009. Foreign Aid to the poorest 71 countries is expected to decline by about 25 percent. Rural families can no longer sell assets to moderate a fall in consumption because many assets have already been sold and they cannot borrow anymore. To complete this gloomy picture, international trade volumes are expected to fall between 5 and 9

percent, and prices of exports by developing countries are projected to decline in 2009.

*Excellencies, Ladies and Gentlemen,*

The structural factors that caused the first crisis in 2007-08 are still present.

Agricultural productivity is low. The population growth rate is still high in many of the most food-insecure countries. Water availability and land tenure pose significant problems. The frequency of floods and droughts is above long-term averages.

We need to take action immediately.

In the short term, safety nets and social protection programmes must be created or improved to reach the most vulnerable populations. Options include targeted food distribution programmes, cash transfer schemes, school feeding and mother-and-child nutrition programmes as well as employment schemes. Small-scale farmers must be given access to high-quality seeds, fertilizers, farming tools and equipment. This will help to improve the food security of the majority of smallholders who do not produce sufficient food for their own consumption and therefore must buy their food needs from the market.

In the medium and long term, it is necessary to increase investment in agriculture because of the lack of investment during the last twenty years, which

is the main cause for the inability of developing countries to react adequately when the production needs to be increased.

Agriculture in developing countries needs US\$ 44 billion a year of Official Development Assistance in investment to help farmers.

The share of agriculture in total Official Development Assistance fell from 17 percent in 1980 to 3.8 percent in 2006 and is now stands at around 5 percent.

Underinvestment in agriculture is one of the root causes of the recent global food crisis and the difficulties encountered by the majority of developing countries in dealing with it effectively.

Seventeen percent of ODA is the level of investment which saved Asia and Latin America from looming famine in the 1970s. A similar level of resources is now needed to feed the more than one billion people suffering from hunger and to ensure that the world's population, set to grow to more than nine billion in 2050, will have enough to eat by then. Similarly, developing countries need to devote the necessary portion of their national budgets to investment in agriculture and rural development, in line with the sector's contribution to national GDP, employment creation and export earnings.

That amount of US\$ 44 billion of ODA that we need to devote to agriculture development is very low compared with the US\$ 365 billion spent in 2007 to support agriculture in the rich countries, the US\$ 1, 340 billion spent by the world each year on armaments and the trillions of dollars found in short order in 2008–2009 to prop up the financial sector.

*Excellencies, Ladies and Gentlemen,*

Hopefully, there are encouraging signals. The first one is the shift in policy in favour of increased production by smallholders in food deficit developing countries. The Joint Statement on Global Food Security made at the L'Aquila G8 meeting on 8-10 July this year included the decision to mobilize US\$20 billion over three years for a comprehensive strategy focusing on those small farmers. This focus, which FAO had advocated for years, is indeed good news and it is hoped that the pledge is effectively translated into concrete action. The second encouraging sign is the progress made by many countries towards hunger eradication. Ghana, Malawi, Mozambique, Uganda, Viet-Nam, Thailand and Turkey have significantly reduced the number of undernourished people in their countries over the last five years. This means that we know what should be done and how it should be done. Generally, programmes, projects and plans exist and are simply waiting for the political will and resources to become operational.

Since launching the Initiative on Soaring Food Prices in December 2007, FAO has mobilized a total of US\$ 389 million for projects in 93 countries.

Approximately US\$ 285 million has been funded by the European Union under the Food Facility Programme.

*Excellencies, Ladies and Gentlemen,*

Further to official development aid, innovative funding mechanisms will also have to be found. For example, migrants' remittances deserve attention by the international community. Out of the US\$ 300 billion in remittances in 2008 that I mentioned earlier, IFAD estimates that nearly US\$ 30 to 60 billion of annual remittances is a mix of formal and informal saving and investments, mostly in rural areas, including off-farm activities. Therefore, even if a reduction occurs this year, appropriate policy and institutional mechanisms should be developed to enhance the investment outcomes of such a huge volume of resources, towards food security, agriculture and rural development.

Not only central but also local governments, both in developed and developing countries, should support and complement this type of private investment.

Partnerships between local governments will also be necessary to cope with the fact that more than half the world population already lives in urban areas. By 2020, the developing countries of Africa, Asia, and Latin America will be home

to some 75 percent of all urban dwellers, and to eight of the anticipated nine mega-cities with populations in excess of 20 million.

Therefore, renewed emphasis will have to be given to urban and peri-urban agricultural practices within and around cities which compete for land, water, energy and labour, with the objective of contributing to the requirements of the urban population through horticulture, livestock, fodder and milk production, aquaculture and forestry.

*Excellencies, Ladies and Gentlemen,*

There is also a whole series of fundamental problems that need to be resolved like governance. The world food security governance system is inefficient and not well coordinated to address the present food crisis and the new challenges which we will have to face in the future. The current reform of the Committee on World Food Security is a real opportunity for strengthening this Committee and make it more efficient and effective as a basis for a Global Partnership on Agriculture and Food Security.

*Excellencies, Ladies and Gentlemen,*

The crisis offers an occasion to restructure national economies and trigger a positive and durable development process.

World Food Week and World Food Day 2009, provide us with the possibility to jointly reflect on the levels of food insecurity and underdevelopment, and the human suffering behind them. We have the know-how to do something about hunger. We also have the ability to find money to solve problems when we consider them important, and the present global financial crisis is a case in point.

I hope that the World Summit on Food Security of Heads of State and Government, to be held on 16, 17 and 18 November, will reach a broad consensus on the total and rapid elimination of hunger in the world, agree on increasing the share of agriculture in total development aid to its 1980 level of 17 percent and put in place an effective governance of world food security.

I thank you for your kind attention.