


The Secretary-General's High-Level Task Force on the Global Food Security Crisis

Global economic turmoil intensifies the food crisis.
Immediate action is required to secure adequate long-term
global food supply.

Food Crisis Fact Sheet - Key Points:

- Food prices have come down, but remain high relative to their historic levels.
- More people are suffering from hunger and malnutrition.
- Global slowdown takes a toll on food security.
- Declining investment in agriculture is leading to long-term food supply shortages.

Food prices declined from their peaks in 2008, but remain high

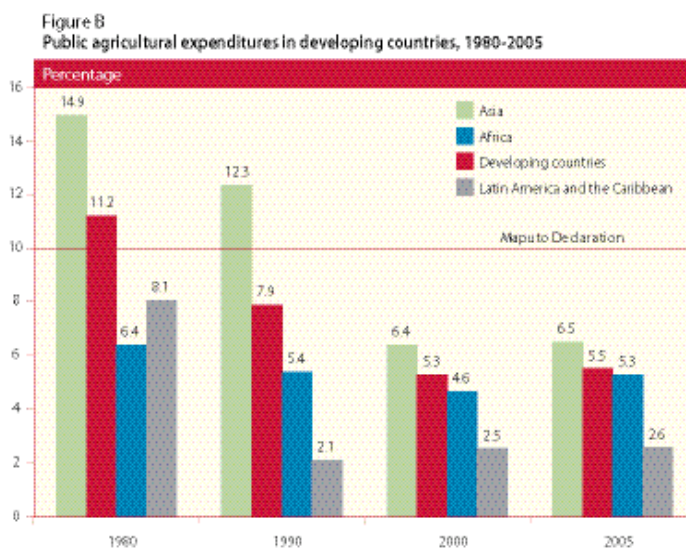
- FAO's cereal index fell 37 percent from its highs in early 2008, but food prices remain high relative to their historic levels. In December, the cereal index was 67 percent above its 2005 level and 105 percent above its 2000 level, and the FAO Food Price Index was 28 percent and 61 percent above its 2005 and 2000 levels, respectively.
- Cereal stocks remain low, despite the recent decline in demand. According to the Food and Agriculture Organization of the UN (FAO), the cereal stocks-to-use ratio in 2008/2009 is at its second lowest in three decades, providing support for high prices.
- The cost of food in many places has either remained static, or is continuing to rise: in Afghanistan, the price of wheat is three-quarters higher than this time last year and in Sudan, food price inflation remains high at 18 per cent. (World Food Programme - WFP)

World hunger status

- FAO estimates that 33 countries are in critical situations due to food supply shortfalls.
- The number of undernourished people in the world has risen to 963 million, compared to 923 million in 2007, according to FAO's December 2008 release.
- WFP has urged governments to support a "Human Rescue Package" for the world's hungriest. WFP says that a 1 per cent of the money that governments have allocated to financial rescue and stimulus packages could fully fund the agency's US\$5.2 billion work programme to feed 100 million people in 2009. Without funding, places such as Haiti, Democratic Republic of Congo, Ethiopia, and Kenya could run out of food assistance by the end of March.
- The majority of undernourished people live in developing countries, with about 65 per cent living in India, China, Democratic Republic of Congo, Bangladesh, Indonesia, Pakistan, and Ethiopia, according to the FAO.
- The highest proportion of undernourished people is in sub-Saharan Africa, where 1 in 3 people are considered chronically hungry. (FAO)

The global financial crisis impacts household income levels and intensifies hunger issues

- Household income levels will be impaired as a result of the financial crisis, which is expected to significantly hurt employment. Lower income levels, along with still high food prices, reduces access to food for many households.
- The financial crisis also impacts government social services, trade, investment, aid, remittances, and exchange rates, making food less accessible and imports more expensive.
- The global credit crunch, along with commodity price volatility discourages new investment in agricultural infrastructure. (World Economic Situation and Prospects 2009, UN DESA)
- On a macroeconomic level, an estimated 50 countries are facing a weakening in their balance of payments. To date, net food importers in Africa, Central America and Mexico, the Caribbean and Western Asia have been the most affected by high prices, suffering deterioration in their terms-of-trade and current-account balances. (WESP '09)
- The run-up in food prices has already caused damage to nutrition, education, and food stocks. According to the International Fund for Agricultural Development (IFAD), consumers are responding by eating less and shifting to lower priced and less nutritious foods.



Source: *World Economic Situation and Prospects 2009*, UN Department of Economic and Social Affairs (UN DESA)

Agricultural infrastructure investment is on a decline, paving way for long-term food supply shortages

- There has been less attention on government and donor support for infrastructure investment and research and development of new agricultural technology. Sub-Saharan Africa has been considerably impacted by the recent food crisis due to its inadequate social and physical infrastructure.
- Official development assistance (ODA) for agriculture fell from 13 percent in early 1980's to 2.9 percent in 2005-2006. (OECD Development Assistance Committee)
- Insufficient infrastructure investment stalled agricultural productivity growth in many developing countries and production fell short of demand growth. Without addressing infrastructure investment, food prices will likely continue their long-term upward trend. (WESP '09)
- Recent commodity prices have been very volatile – peaking in mid 2008 and declining thereafter. This volatility is a disincentive to long-term investment in the production of grains and other foods. (WESP '09)
- IFAD experience indicates that helping smallholder farmers can contribute to a country's economic growth and food security, as small farms are often efficient and have growth potential. Using this approach, Viet Nam, has gone from a food-deficit country to the second-largest rice exporter in the world.
- Agriculture needs to be a central part of the development agenda if we are to keep on track for the Millennium Development Goals. Some one billion women, children and men – 75 per cent of the world's poorest people – live in rural areas and depend on agriculture and related activities for their livelihoods.