



Enabling the rural poor
to overcome poverty

CHECK AGAINST DELIVERY

ECONOMIC AND SOCIAL COUNCIL

SPECIAL MEETING ON THE GLOBAL FOOD CRISIS

Statement delivered by

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New York, 20 May 2008

Mr. President,
Your Excellencies,
Distinguished Delegates,
Ladies and Gentlemen

It is my honour to address the Economic and Social Council (ECOSOC) today on behalf of the International Fund for Agricultural Development (IFAD) as the Council debates one of the most pressing issues of our times: the global food crisis.

Today, the world is facing a “triple scourge” of poverty, soaring food prices and climate change that is threatening the lives of the 720 million extremely poor people who live in rural areas and depend on agriculture for their livelihoods. Yet, this scourge does not strike all people equally. Sub-Saharan Africa and parts of Asia are disproportionately affected as are women and indigenous peoples who are among the most vulnerable and are already facing increased incidence of hunger and malnutrition because of rising food prices.

In addressing the global food crisis, special attention needs to be given to smallholder farmers. According to the International Food Policy Research Institute, 85% of farms worldwide (or 450 million farms) measure less than two hectares, and the average farm size is getting smaller. Small holder farmers have a huge potential of increasing food production and are central to any solution to today’s global food crisis and the long term problems of hunger and poverty. Yet, many smallholder farmers and most landless labourers are not just producers but also net buyers of food. With rising energy and fertilizer prices, the capacity of smallholder producers to respond to the food crisis by growing more food, both for themselves and to sell on the market is being compromised.

Focus also needs to be turned to the urgent need to take short term measures to boost agricultural production; however, such initiatives should be within a medium term framework that will enable farmers to increase their productivity and output/incomes on a sustainable basis. A three-pronged approach is needed: first, emergency food aid needs to be increased to feed the hungry today; secondly, immediate short-term support needs to be provided to agricultural producers, such as seeds and fertilizer, to allow smallholder farmers to plant next season’s crops. I am pleased to report that IFAD is already making up to US\$ 200 million available to support poor farmers preparing for the forthcoming cropping season.

Lastly, there is a need to increase investments in agriculture and rural development to enhance agricultural productivity, promote food security and eliminate the root causes of hunger. While rising food prices is a culmination of many factors, such as the rising oil prices, the use of grain for biofuels, and climate change, none is as striking as the fact that investments in agriculture, especially in developing countries, has been neglected in the past thirty years. The figures tell the story: 20% of ODA went to agriculture in the early 1980s, but that figure fell to 2.9% by 2006.

This fact is difficult to understand in light of agriculture's proven record as an engine for economic growth and poverty reduction. The World Bank's World Development Report 2008 noted that growth in agriculture is up to four times more effective in reducing poverty than growth in other economic sectors. Yet support to the sector remains low. We have to invest in a global system that is strong, resilient and can absorb the sort of shocks we're seeing today. It's in the interest not only of human dignity, nutrition and food security at national level, but also of global stability and international security. In countries where 50-60 % of most people's income goes on food an increase of 50% or 100% in food prices means a slide back into poverty and malnutrition and the reversal of decades of progress in development.

Mr. President,

The immediate response, and rightly so, is to feed hungry people. The most urgent call has been to restore the purchasing power of the World Food Programme so they can feed the 17 million-plus people in their care. But while all of that is sorely needed, of course, I see a risk from a global perspective. If we forget the 450 million smallholders and their potential, we actually may get a situation where, while meeting the world's immediate supply targets, we wind up with an even greater imbalance in the global supply system. Yes, we must gear up an emergency response to feed people and provide input support to ensure higher productive output for the coming harvests, but we must not forget medium- and long-term investment in policies, institutions, productivity, irrigation and soil fertility. It's absolutely vital to ensure medium- and long-term investment in a sustainable, climate-proofed agricultural sector in developing countries, focusing on smallholders.

At IFAD, we will ensure that the next growing seasons yield increased production and we will keep up our fight to strengthen smallholder-based agricultural systems, especially in Africa and parts of Asia. In Ghana, for instance, IFAD supports a short term initiative to capitalize on raising food prices through public-private partnerships in maize production

to improve value chain development. In Benin, a specific food security program has been launched to stimulating production in time for the 2008 cropping season. The programme intends to increase the agricultural productivity of the targeted producers by 30%; and to commercialize village food surplus. Lastly, in Cote d'Ivoire IFAD is contributing to the national emergency rice development programme in favour of 10,000 small farmers. The overall objective is to increase rice production by 70,000t by improving farmers' access to seeds, fertilizer and other inputs.

Concerted and comprehensive action must be taken by the international community to meet the challenges posed by the global food crisis. IFAD is committed to working with all partners to ensure that agricultural and rural development and food security are properly brought back to the center of the development agenda to ensure that poor rural people are enabled to overcome their poverty.

Thank you.