

**Statement**  
**IICA-OAS Food Security Conference - 1 October 2009**  
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WFP is thankful for the IICA and OAS invitation to this conference and feels privileged for the opportunity of working jointly with these and other key actors in response to the current global crisis. We would like to congratulate IICA for all the good work and leadership in the organization of this conference.

As it has been recognized by various international organizations and academic institutions, the high food prices of 2007 and 2008 had serious effects on the food and nutritional security of vulnerable populations throughout the world as well as for macroeconomic stability and political security. Although global food and fuel prices have reduced significantly in recent months, they remain higher than 2-3 years ago when the price crisis began, and the decline has not necessarily translated to food prices in local markets.

According to the UN Food and Agriculture Organization (FAO), by June 2009 following the rise of food prices in 2008 and the international crisis, the number of hungry people in the world has reached a historic record of 1.02 billion, which represents an increase of 100 million people compared to 2008.

In Latin America and the Caribbean while the efforts of Governments and the international cooperation to fight hunger have paid off during the period of 1990-2006 when 8 million people were able to overcome malnourishment, current estimations from FAO indicate that the advances of the past 15 years in reducing hunger could be lost in only 3 years due to the economic and food prices crises. In this region, the number of malnourished people reached 52 million in 2009, which represents an increase of 12.8% compared to the previous year. The availability of food in local markets and the increasing number of hungry people suggests that the relation between supply and demand has suffered a structural change, in which food prices remain higher, and create a greater challenge for achieving food security, even in the long term.

The current economic slowdown and the financial crunch have decreased investment in agriculture, at a time when it is urgently needed and has reduced households' income generated by the reception of remittances, having immediate effects on their spending in education and health, as well as in the quantity and quality of food they consume. Particularly in rural areas of LAC region, where 34 million people are indigent, small farmers often face dramatic situation of undernutrition and chronic food insecurity and are generally excluded from formal social protection schemes, pushing their families, and in particular their children, into the almost irreversible cycle of indigence and inter-generational undernutrition.

Women, children and indigenous peoples are most vulnerable and vastly suffer the consequences of the crises, aggravated by the effects of climate change and recurrent natural disasters. Poor families in developing countries spend between 50 and 80 percent of their income on food, so a rise in prices - or a loss of purchasing power of the family - poses irreversible consequences for their health and future development. Women have a crucial role both in addressing food and nutrition security and in the implementation of long term solutions for the recovery of small farming agriculture sector in Latin America and the Caribbean. In the short term, however, women in rural marginal areas particularly need the support from nutritional and social protection schemes, as they have the direct responsibility for their children and the household economy in their critically vulnerable context.

Investments in nutrition are amongst the most profitable available, especially considering that the social cost for not intervening in fighting hunger and undernutrition is extremely high. According to the "Cost of Hunger" study elaborated jointly by WFP and ECLAC in 2007, the derived costs of malnutrition in health, education and loss of productivity in the region are equivalent to 6.4% of the GDP in Central America and the 2.6% of GDP in the Andean region. The highest costs estimated are for Guatemala (11.4%) and Bolivia (5.9%). As it is widely recognized, among the key factors hampering the food security and nutritional status of vulnerable populations in the region is the insufficient access to food.

In L'Aquila Summit this past July, Heads of State, Government and International and Regional Organizations recognized that "[a]ccess to adequate and affordable nutritious food is a critical aspect of food security", and that "[i]t is necessary to improve access to food through more equitable income generation and distribution, employment creation and income prospects in developing countries."

At the Summit, leaders of the G8, emerging economies, African countries, and international organizations signed the "L'Aquila Food Security Initiative" (AFSI), outlining their common vision and approach to global food security and committing to globally mobilize US\$20 billion over three years through a "coordinated, comprehensive strategy" that is "focused on sustainable agriculture development, while keeping a strong commitment to ensure adequate emergency food aid assistance."

The AFSI initiative, which will be managed by the World Bank through a multi-donor trust fund, aims to increase agricultural productivity and improve access to markets in low-income countries through medium and long term investments. It is going to be a major support and will provide a thrust to the on-going activities implemented by governments and key stakeholders throughout the developing world.

We are pleased to see the advances made since the L'Aquila Summit in July and the particular commitment by the G20 in the Pittsburg Summit where additional countries affirmed their shared approach to achieving food security and stated "to work with donor

and target countries, foundations and private sector actors to further develop the implementation plan for this initiative”.

In 2009, WFP signed a crucial agreement with the Inter-American Institute for Cooperation on Agriculture (IICA) to contribute to all efforts in response to the crisis and to particularly take action on agricultural production of poor farmers, food access and climate change mitigation and adaptation.

In the context of this agreement and considering the importance to link agriculture production with improved access at household level, WFP is proposing all key actors to join the WFP-IICA collaboration in the Purchase for Progress initiative to help small scale agricultural producers generate income and have access to markets to sell their products at competitive prices. The initiative, supported by the World Bank, IICA, governments, UN Agencies and private foundations, creates an advantageous situation for all participants. As it has been best stated by our Executive Director, “[w]e help our beneficiaries, who have little or no food, and at the same time we help local agricultural producers who have little or no access to markets where they can sell their harvests.” (Josette Sheeran, 2009).

Building on the experience of purchasing 80% of its food in developing countries, WFP has demonstrated that this strategy stimulates local economies and gives agricultural producers an incentive to increase the level and quality of their production. For example, in 2008, WFP invested almost US\$230 million in food purchases in Latin America and the Caribbean.

The ultimate goal of the local purchases strategy, is that small-holder farmers will increase their incomes through increased yields (from utilizing better technology) and through better prices for their produce. The initiative will also focus on developing local opportunities for the processing, management, storage, distribution and marketing of the foods produced – all with a view to increasing the availability of nutritious products in local markets. This will guarantee the project’s sustainability and improve the quality of life of small agricultural producers and their families. The key objective of local purchase interventions will be to connect small-holder farmers’ production to nutritional and social protection programs – as supplementary feeding programs, school feeding – implemented by WFP and national programs managed directly by governments. The stable demand for food commodities deriving from the nutritional and food security components of social protection schemes will ensure a sustainable market for local small holder farmers and consequently optimize the overall domestic social benefit of these programs.

Our vision is that by 2015, agricultural markets will have developed in such a way that many more low-income or smallholder farmers will produce food surpluses, sell them at a fair price and increase their incomes. With this cash, the farmers are then able to purchase services such as education and healthcare that improve their livelihoods.

WFP acknowledges that there is the need to continue working together in response to the crisis in order to help vulnerable people to overcome hunger and restore livelihoods’

sustainability, and would like to thank once again the organizers for the kind invitation to participate in this conference, which will certainly provide important conclusions and recommendations for us all.