



## Food Security for the Americas

Permanent Council of the Organization of American States

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### Addressing Food Security

In the last year, a wide range of stakeholders have raised food security as a strategic issue on the global agenda. In addition to IICA, international organizations such as the Food and Agriculture Organization (FAO), International Food Policy Research Institute (IFPRI), International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP) have held events addressing various aspects of

the issue related to food, agriculture, nutrition and poverty. One of the latest is the *High Level Meeting on Food Security for All*, which recently took place in Madrid, Spain. It reaffirmed the concern about the negative impact on food access and availability fluctuations exacerbated by the current financial crisis on the livelihoods of the poorest and most vulnerable in the world.

Governments, civil society groups and producers who met in Madrid, were convinced of the urgent need to strive even harder to achieve international commitments for substantially increasing financial resources and official development aid, particularly in relation to nutrition, food, agriculture and hunger related programs and policies.

Many stakeholders have shown their support at the global and national levels for a new approach on agriculture and food security. For example, the Chicago Council on Global Affairs conducted a survey of American public opinion in 2008. It showed that support for addressing hunger, health, and agricultural productivity was stronger than for poverty or development.

Among the countries that are determining how best to address this issue is the United States. Senators Casey and Lugar have reintroduced legislation entitled, the “Global Food Security Act.” It is designed to: 1) increase resources for

#### Basic Facts on Food Security

- World population will reach 9.2 billion by 2050, 3 billion more than 2000. It is projected that such growth will require a doubling in farm output, yet growth rates in food production in some regions have stagnated.
- Millennium Development Goals (MDG) are at risk. 130 million additional people are in a state of hunger due to the Crisis (Sheeran, 2008) and according to the World Food Programme, 100 million will return to poverty.
- Estimates of the total number of people living in hunger are more than 900 million. World Food Programme identifies 923 million people as food insecure.
- Funding for international agricultural research has not increased in real terms since 1976. (Consultative Group on International Agricultural Research-CGIAR, 2008)
- Agriculture is an effective engine for growth for most agriculture-based countries because they need to produce most of their own food, and they are likely to keep a comparative advantage in agriculture at least in the medium term. (World Bank, World Development Report 2008)
- Regarding an environmental dimension, a quarter of the world’s farmland is now seriously degraded. Farmers presently use 70% of the world’s readily available fresh water to grow food. Fossil fuels may be unavailable for agriculture globally within 20-30 years, either through scarcity or high prices. Population growth will put increasing stress on land, water, and energy supplies, and will exacerbate the effects of climate change. (Australian Centre for International Agricultural Research-ACIAR, 2009)
- As a result of food prices, Latin America and the Caribbean (LAC) have also experienced increases in hunger. With 58 percent of the population suffering from chronic hunger, it has one of the highest levels of undernourishment in the world. (The State of Food Insecurity in the World. FAO, 2008)

long-term rural development and poverty alleviation; 2) enhance human and institutional capacity through higher education for agriculture and extension; 3) establish a global food security strategy overseen by a special coordinator for global food security and; 4) improve U.S. emergency response to food crises. In this regard, the Act urges increases in authorized levels for agriculture, rural development and nutrition in

addition to funds otherwise available for such purposes; increasing \$750 million in Fiscal Year 2010 to \$2.5 billion in FY2014.

In his statement to the Thirty-second Session of the Governing Council of IFAD, the President of the International Fund for Agricultural Development, Lennart Bage confirms that the food and financial crises of 2008 have been followed by what is emerging as a once-in-a-lifetime global economic crisis. Even before this crisis, almost one in six already lived in hunger and poverty. That number is now rising. Another 100 million people have been added over the last year. At the same time, agricultural productivity which grew at 4 to 5 per cent in the 1970's and early 1980's, has fallen to 1-2 per cent today.

A recent World Bank 2008 World Development Report makes the case that investments in agriculture are a necessary component to addressing poverty: *“Agriculture alone will not be enough to massively reduce poverty, but poverty reduction will not happen without agriculture.”* World Bank estimated that agricultural sector growth positively impacts the incomes of poorest people 2 to 4 times more than the economic growth of other sectors.

According to IFAD, the necessary incremental funding for food assistance, social protection, agriculture development, as well as budget and balance of payment support is estimated to be between US\$25-40 billion per annum to maintain progress towards achievement of the Millennium Development Goals. Approximately one-third of such an amount would be needed to finance immediate requirements in terms of food assistance, agricultural inputs and budgetary balances of payments support. Two-thirds is therefore needed to invest in building longer-term resilience and contributing to food and nutritional security.

Despite the significant and growing need for agriculture investment and development, it has been reported that official development assistance to agriculture declined by about 66% in real dollar terms between 1985 and 2002. Agriculture became marginalized in both bilateral agencies and development banks. World Bank agricultural lending fell from 30% in 1980 to 6% in 2008. In 2002, only 3% of the loan portfolio of the Inter-American Development Bank was devoted to the food and agricultural sector in the Americas.

According to a recent study by IFPRI in Washington, D.C., if total investments in agricultural research and development in Sub-Saharan Africa were increased to \$2.9 billion annually by the year 2013, the number of poor people living on less than \$1 per day in the region would decline by an additional 144 million by 2020. If annual agricultural research and development investments in South Asia were increased to \$3.1 billion by 2013, a total of 125 million more citizens in this region would escape poverty by 2020, and the poverty ratio

**Outlook of the Hunger in Latin America and the Caribbean in 2008: Preliminary Report (FAO, April 2008)**

- In a region that produces some 30 per cent more food than one would need to feed all of its habitants, the problem of hunger still persists, affecting approximately 52 million people. Nine million of whom are children under the age of five.
- It is expected that by 2015 there will be close to 41 million undernourished people in LAC, despite the goal of an equivalent 30 million set at the World Food Summit.
- The highest incidence of hunger and undernourishment is in the rural areas, especially in the mountainous and marginal regions of Central America and the Andean region. For the most part, it is affecting the most vulnerable segments (children, women and the elderly) among indigenous groups and people of African descent.
- For the developing countries, the direct costs are estimated to be US\$30 billion as of this year. Whereas the indirect costs, which cover protein-calorie malnutrition, low birth weight and micronutrient deficiencies are estimated at five to ten per cent of GDP. On the other hand, the benefits of reducing malnutrition, in terms of increased life expectancy, are estimated at US\$120 billion a year.
- In accordance with estimates for Central America and the Dominican Republic (Economic Commission for Latin America and the Caribbean-ECLAC/WFP, 2007) global undernourishment in recent decades is supposed to have cost US\$6.7 billion in 2004 as a result of increased medical costs, inefficiencies in educational processes and a loss in productivity. This accounts for 6.4 percent of GDP in seven countries in that year, a range of 1.7 to 11.4 per cent.

in the region would decrease from 35 percent to 26 percent. In the case of Latin America, similar effects could be expected.

### **The Position of the Inter-American Institute for Cooperation on Agriculture (IICA)**

IICA proposes more than a new green revolution. It advocates a new development model; one that recognizes its contribution to food security, energy security, employment, the preservation of the environment and natural resources, and the provision of social peace and social stability. This proposed model requires a new paradigm that values our natural resources and the rural sector as key areas for investment and for the generation of wealth. The policies for these developments are not agricultural policies, but national policies that recognize the complex nature of development. In this regard, the Chicago Council on Global Affairs estimates that every 1 percent increase in per capita agricultural output tends to lead to a 1.6 percent increase in the incomes of the poorest 20 percent of the population.

Since 2002, IICA incorporated food security as one of three pillars of our mission. We are conscious that food is a basic need of every citizen of the world and that our democracies are not sustainable if a considerable percentage of our population does not have access to the basic necessities of life such as food, shelter, healthcare and education.

IICA is convinced that food security is based on human beings having physical and economic access to food from stable sources. Food should be safe, nutritious, and wherever possible, keeping with cultural preferences.

The mission of the IICA, acknowledged as the specialized agency for agriculture and rural development in the Americas, is to provide innovative technical cooperation to its 34 Member States aimed at achieving food security, rural prosperity and competitive agricultural sectors in the countries concerned. For over 65 years IICA has been dedicated to improving agriculture in this hemisphere through its offices network in 34 member countries.

#### **IICA's Course of Action**

IICA believes that food security must become a central component of development planning and must be linked to agricultural development policies that are part of a country's national development goals. In other words, agricultural development policy and food security issues cannot be left to sectoral management. They must be part of the broader economic and social policy agenda.

IICA has established a Center for Leadership, and has promoted initiatives with organizations such as the University of California-Berkeley, Cornell University and the United States Department of Agriculture (USDA) to stimulate extension services, youth and professor exchanges, and other initiatives.. The Chicago Council on Global Affairs says it is important to support students as well as young teachers and researchers and policymakers seeking to study agriculture at American universities; increase the number and extent of American agricultural university partnerships with foreign universities; and provide direct support for agricultural education, research and extension for young women and men through rural organizations, universities, and training facilities, among others.

Through IICA's involvement as an institutional partner in the Summit of the Americas Process and as a result of different proposals from several countries, food security has been included by the 34 Member States of the Organization of American States (OAS) in the *Declaration of Commitment of Port of Spain*. The Declaration establishes that feeding our people is now the most immediate challenge confronting our Hemisphere and, indeed, the world. With the support of IICA and other international agencies, the member states committed to developing new national and regional approaches under AGRO Plan 2015 and instructed Ministers of Agriculture to adopt strategic actions to facilitate the implementation of this Plan based on the consensus of their 2007 Hemispheric Meeting in Guatemala.

Considering these conditions, IICA has identified and consolidated three strategic guidelines which will focus IICA's work regarding food security:

1. Institutional innovations for a new paradigm of the technological change in production and diversification of food;

*Strategy: i) to promote agricultural technological innovation; ii) to support the mobilization of technologies for the small-scale and family agriculture, and iii) to provide information and knowledge sharing in support of technological developments for Food Security.*

The World Bank Group created a new \$1.2 billion rapid financing facility—the Global Food Response Program (GFRP)—in May 2008 to speed assistance to the neediest countries. As of February 12, 2009 GFRP has disbursed \$497 million out of \$866 million in 30 countries. An additional \$288 million is being earmarked for programs in eight countries.

2. Institutional services to strengthen the capacities of small and medium scale agricultural producers and family agriculture to integrate into markets;

*Strategy: i) to improve the capacity of the small and medium scale producers; ii) to facilitate their integration into the agro food value chains, and iii) to improve their agricultural marketing systems.*

3. Analysis, monitoring and diffusion of policies and information about the situation and perspective of food security;

*Strategy: i) to monitor and disseminate information on the situation and perspectives of food security; ii) to develop methodologies and analyze policy implications, and iii) to analyze institutional development experiences.*

### **A Proposed Agenda for this Hemisphere**

Because food is a basic need in the world, the food and agricultural sector must become a central component of the development agenda of every country and must be given the appropriate resources for its development and sustainability. The agricultural sector can no longer be marginal to the development process. UN Secretary-General Ban Ki-moon urges action in the form of long-term solutions to fight the global food crisis. According to Ban, approximately \$2.5 billion is needed for just a short-term solution to the food crisis.

Food Security implies a set of interwoven issues with political, economic, social and environmental dimensions, which cannot be resolved by the application of short-term measures. Instead they require medium to long-term strategies that are carefully designed and implemented, in order to enhance:

- a) *Recognition of the importance of agriculture as a tool for development, that needs to be expressed not only by words, but by better and larger investments.* This should include reversing the negligible amounts of resources being allocated for research and innovation. Agriculture has been proven effective to reduce poverty and promote economic prosperity.
- b) *Knowledge based sustainable agriculture means the promotion of a new paradigm supported in environmentally friendly technological innovation.* The limited investment for research and development in the range of only 0.54% of GDP will not be sufficient. The intensive use of information and communication technologies; irrigation, biotechnology, organic production, among others that can promote a sustainable agriculture, must be included. Managing risk is essential to

making proper decisions in the face of uncertain weather and market risk. For example, insurance programs can play an important role for farmers to address these types of risks.

- c) *New differentiated policies and stronger institutions.* Any intervention in LAC must be flexible and adjusted to the conditions of each country. Most of its institutions in weak positions need to be refurbished so they can respond to the crisis and improve income for farmers.
- d) *More value added agriculture, diversification and social inclusion.* In most cases, agriculture in LAC is concentrated in just a few commodities and with low added value which can cause higher levels of vulnerability. There is a need to expand the variety of commodities, link farmers more directly with markets to improve the level of entrepreneurship and competitiveness of small and medium size producers. Incorporating family farming inside value added food chains will improve income opportunities for farmers and discourage income concentration in societies.
- e) *Agricultural trade:* Countries must find solutions to the current trade issues and find viable solutions regarding subsidies and price controls. The food and global financial crisis should not be reasons to discourage achieving such goals.
- f) *Promotion of sustainable biofuel production without putting into risk food production.* Recognizing the limited resource of petroleum based fuels (some argue no more than three decades); biofuels present a large opportunity for farmers to increase their income while participating in an innovative industry that meets climate change goals for reducing greenhouse emissions. (See Australian Centre for International Agriculture Research-ACIAR, 2009 and International Federation of Agriculture Producers-IFAP, 2009).

In response to mandates issued at the 2007 Hemispheric Meeting in Guatemala, IICA will continue working to ensure that agriculture is being considered a key issue for national, regional and hemispheric development. Through focusing and strengthening its technical cooperation, IICA reaffirms its commitment to support Member States, and to promote different initiatives that help to create the following conditions.

Therefore we call upon all nations in this hemisphere to:

- Place food security as a long-term top priority in this hemisphere, not only to address needs now, but to prevent a worsening situation in the near future;
- Improve investments in agriculture production through knowledge sharing and applied research to implement better farming practices, better market based decisions on crop selection, and more cost efficient value chains that help small and medium sized farmers to compete successfully in the market place;
- Reverse the trend of continual budget reductions in international development agencies by asking for more assistance in agriculture;
- Institute a new development model that includes a restructuring of the Ministries of Agriculture to also address food and food safety;
- Develop an inter-institutional strategy that plays to the strengths of organizations in a collective and collaborative way and;

- Raise the awareness of the global community to the needs and benefits of investing in this region. The return on investment will be substantial and much quicker than in many other parts of the world. In turn, this region can be a greater source of assistance to other suffering parts of the world.

IICA is convinced that food security, if not adequately addressed, will become an issue of national security. Poverty will increase and more drains on a country's limited resources will result. Hunger will increase and it will only be a matter of time before political and civil unrest will result.

Now is the time to develop and implement proper policies that encourages investment in the rural sector. Strengthening agriculture is strengthening the economy and should therefore become a long-term strategic imperative for every country.

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