

Small import-dependent countries, especially in Africa, were deeply affected by the food and economic crises. Indeed, many countries are still in crisis in different parts of the world, particularly the Horn of Africa. These crises are challenging our efforts to achieve the Millennium Development Goal (MDG) of reducing the proportion of people who suffer from hunger by half by 2015. Even if the MDG were to be achieved by 2015 some 600 million people in developing countries would still be undernourished. Having 600 million human beings suffering from hunger on a daily basis is never acceptable. The entire international community must act today, and act forcefully and responsibly to banish food insecurity from the planet.

This edition of *The State of Food Insecurity in the World* focuses on food price volatility. Our organizations continue to monitor food prices, and have alerted the world through a number of analytical reports on food price trends and ongoing volatility in recent years, as these continue to be a matter of concern for governments and people around the world. Indeed, high and volatile food prices are widely expected to continue in the future. Thus, we are pleased that in 2011 the Group of 20 Finance Ministers and Central Bank Governors (G20) have been actively pursuing policy options for reducing food price volatility.

By using previously unavailable data sources and studies, this report digs underneath the global-scale analyses to find out what happened on domestic markets and to draw lessons from the world food crisis of 2006–08. In particular, the report emphasizes that the impact of world price changes on household food security and nutrition is highly context-specific. The impact depends on the commodity, the national policies that affect price transmission from world markets to domestic markets, the demographic and production characteristics of different households and a range of other factors. This diversity of impacts, both within and between countries, points to a need for improved data and analysis so that governments can implement better policies. Better and more predictable policies can not only reduce unwanted side-effects on other countries, but can simultaneously reduce food insecurity and domestic price volatility at home. This report also distinguishes clearly between the level of food prices and fluctuations in food prices (price volatility) because the costs and benefits of high food prices are very different from the costs of price volatility, especially when the fluctuations are not predictable.

We also continue to highlight the importance of the twin track approach – improving both short-term access to food and food production in the medium term – in achieving long-lasting improvements in food security. In the short term, it is critical to design cost-effective safety nets that deliver the right targeted assistance to the right people at the right time. These short-term interventions are important to poor families because even temporary interruptions in intake of energy, protein, vitamins and minerals during the first 1 000 days of a child's life can lead to permanent reductions in cognitive capacities and, hence, earnings potential. In some cases, this will be consumers whose disposable income is severely affected by higher food prices. In other cases, it will be poor smallholder farmers who need help to cope with high input prices that, in the absence of well-functioning credit markets, may prevent these farmers from boosting their production and providing much-needed supplies on domestic and global markets, as well as increasing their income.

In the long term, investment in agriculture and improving resilience among farmers remain key to providing sustained access to food for all and reducing vulnerability to price volatility and natural disasters such as drought. Improved seeds and farm management techniques, as well as irrigation and fertilizer, that sustainably increase productivity and reduce production risk must be delivered to farmers, especially smallholders, by both the private and the public sector. Governments must ensure that a transparent and predictable regulatory environment is in place, one that promotes private investment and increases farm productivity. We must reduce food waste in developed countries through education and policies, and reduce food losses in developing countries by boosting investment in the entire value chain, especially post-harvest processing. More sustainable management of our natural resources, forests and fisheries are critical for the food security of many of the poorest members of society.

We are optimistic that global food security will be achieved. We have made progress in the past and will make more progress in the future, but only if we are committed to favourable policies, market information transparency, sound analysis, good science and adequate funding for appropriate interventions. The entire international community must commit to raising the profile of

the agriculture–food system not just for the next few years but until the time when everyone, at all times, has physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. And even then, agriculture and food security must continue to be a priority for both national governments and the global community to ensure sustainability of achievements. Increased investment in agriculture, safety nets targeted at the most vulnerable, and measures to reduce food price volatility need to be an integral part of this commitment.

This is the third edition of this report that has been produced collaboratively between FAO and the World Food Programme (WFP) in what has proved to be a fruitful venture. This year, for the first time, the International Fund for Agricultural Development (IFAD) has joined in this collaboration. With our three organizations working together we expect the report to continue to grow in the relevance of its analysis and robustness of its results. We also thank the United States Department of Agriculture for its continued willingness to share its expertise and contribute to this report.



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The State of Food Insecurity in the World 2011 was prepared under the overall leadership of Hafez Ghanem, Assistant Director-General, and the guidance of the management team of the Economic and Social Development Department. The technical coordination of the publication was carried out by David Dawe (who was also the technical editor of the report), Kostas Stamoulis and Keith Wiebe of the Agricultural Development Economics Division (ESA). Michelle Kendrick provided coordination for all the editorial, graphics, layout and publishing services. Anna Doria Antonazzo provided excellent administrative support throughout, and the staff of the Statistics Division (ESS) generated the underlying data on undernourishment.

This is the third edition of this report that has been jointly prepared by FAO and the World Food Programme (WFP). In addition, the International Fund for Agricultural Development (IFAD) has also joined as a co-publisher this year. Lynn Brown (WFP) and Geoffrey Livingston (IFAD) coordinated the support from their respective institutions. Kevin Cleaver and Shantanu Mathur of IFAD also provided encouragement to this joint venture.

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