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*for a world without hunger*



# The State of Food Insecurity in the World 2008

## High food prices and food security – threats and opportunities

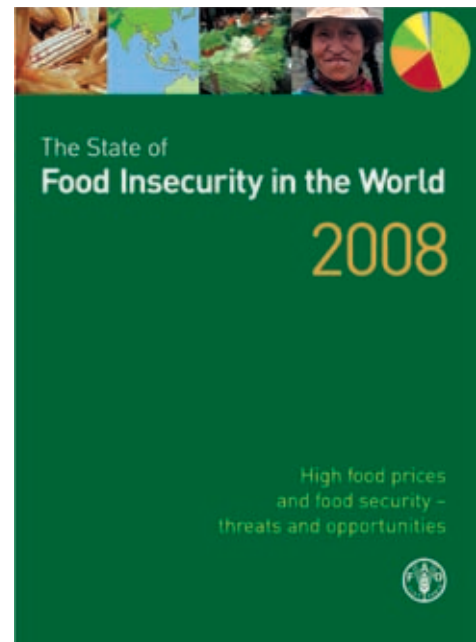
In mid-2008, as international food prices peaked following two years of rapid increases, the international community was mobilized to avert an imminent global food-security crisis. FAO estimates that between 2003–2005 and 2007 high food prices contributed to an increase of 75 million in the number of undernourished people, bringing the total number to 923 million.

**Soaring food prices resulted in the highest single increase in hunger since 1990–92**, the base period for the World Food Summit's and the Millennium Summit's hunger reduction targets. This sharp increase in hunger has also thrown into reverse earlier progress towards achieving the first Millennium Development Goal (MDG 1) in that the *proportion* of undernourished in all major developing regions in the world has now risen.

**Who are the primary victims of the dramatic increases in food prices?** The vast majority of poor households – both urban and rural – are net buyers of food and have been hit hardest by the sharp increase in food prices. Among the poor, landless and female-headed households are the most vulnerable. On the other hand, rural households specializing in agriculture and with access to land have been able to cope better with food price increases.

### KEY MESSAGES

- **World hunger is increasing.** FAO's most recent estimates put the number of hungry people at 923 million, an increase of more than 80 million since the 1990–92 base period.
- **High food prices share much of the blame.** FAO estimates that between 2003–05 and 2007, 75 million more people were added to the total number of undernourished.
- **The poorest, and landless and female-headed households are the hardest hit.** The vast majority of both urban and rural households in the developing world rely on food purchases for most of their food and stand to lose from high food prices.
- **Ad hoc policy measures to deal with the effects of high food prices, such as price controls and export restrictions, are likely to be ineffective and unsustainable.** They also exacerbate market volatility.
- **High food prices present opportunities for agriculture.** Most developing countries have not taken advantage of such opportunities.
- **A comprehensive twin-track approach is required to address the impact of high food prices on hunger:** (i) measures to enable the agriculture sector to respond to the high prices; and (ii) targeted safety nets and social protection programmes for the most food-insecure and vulnerable.



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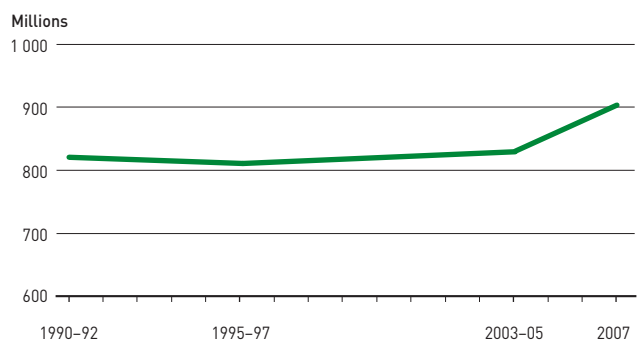
**Food security, Agriculture,  
Development economics**

*The State of Food Insecurity in the World* raises awareness about global hunger issues, discusses underlying causes of hunger and malnutrition and monitors progress towards hunger reduction targets established at the 1996 World Food Summit and the Millennium Summit. The publication is targeted at a wide audience, including policy makers, international organizations, academic institutions and the general public with a general interest in linkages between food security, human and economic development.



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### Numbers of undernourished people in the developing world, 1990–92 to 2007



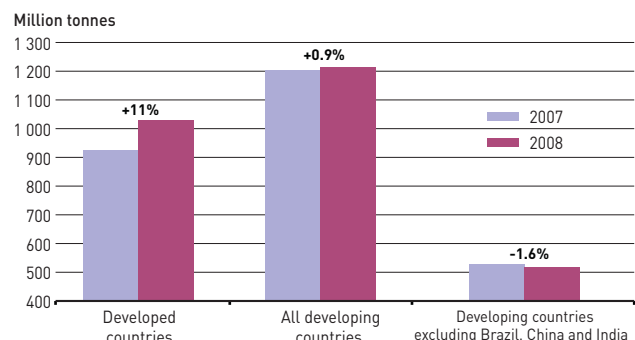
Source: FAO.

**Risk of increased malnutrition.** Evidence and historical experience point to high food prices causing increased malnutrition among poor households – with a greater impact on households with already low levels of dietary diversity. The sudden loss in purchasing power leads to changes in both quantity and quality of food items consumed. In striving to maintain minimum levels of food intake, households may be forced to reduce expenditure on health care and education, and sell productive assets, further compromising their chances of climbing out of poverty.

**Production increased mainly in developed countries.** The potential for high food prices to help relaunch agriculture has not been fulfilled in most developing countries. FAO estimates show (when the largest countries – Brazil, China and India – are excluded), that cereal production in developing countries is expected to decrease by 1.6 percent in 2008. High input prices, lack of access to essential infrastructure, research and technology, and limited access to credit are the underlying causes of this lack of supply response by developing countries to high food prices.

**A twin-track approach to dealing with the short- and long-term effects of high food prices.** To address the devastating effects of high food prices on the most vulnerable and reduce the likelihood of future food crises, both short- and long-term measures are needed. Those households that are most vulnerable to food insecurity need urgent assistance in enhancing their ability to access or produce food. Social protection and sufficient access to inputs are needed if small farmers are to increase production and incomes. In the longer term, the agriculture sector's potential to respond to higher prices must be strengthened through productivity-enhancing measures, including increased access to land and water, technology, markets, infrastructure and credit.

### Increase in cereal production in 2008 occurred mainly in developed countries



Source: FAO.

**International prices of staples and other foodstuffs have fallen.** In September 2008, the FAO Cereal Price Index fell to 228 points – down 18 percent from a peak in April but still 10 percent higher than during the same period in 2007. The decrease is partly due to record harvests and favourable weather. The effects of the recent financial turmoil may also have contributed. It would be a serious mistake, however, if the recent decline in international food prices were to detract attention from the need to intensify efforts towards increasing agricultural productivity. First, prices remain high in many developing country markets; second, projected global population and socio-economic growth will double food demand by 2050. To meet these challenges without major pressures on food prices, cereal yields in developing countries will need to increase by 40 percent, irrigation water requirements will rise by up to 50 percent and some 100–200 million hectares of additional land may be needed.

**The future remains uncertain for the most vulnerable.** As the world is dealing with effects of high food prices, other major challenges have to be faced: the financial crisis and the potential effects on the developing countries of an economic slowdown, ongoing conflicts and climate change. The need to remain vigilant and continuously monitor the most vulnerable countries and populations has never been greater. The eradication of world hunger and the need to foster growth in agricultural productivity should remain high priorities on the development agenda.