

## **Food Security: An Agenda for Action**

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Global progress in ensuring food security has been slow in past decades, has been undermined by the 2007-08 food price crisis and is further threatened by the financial crisis and its implications for development and growth. Priorities for action must address the immediate food needs of poor people priced out of food markets, correct failures in agricultural, climate and energy policy, and at the same time build preparedness for future challenges. Three sets of complementary policy actions should be taken to this effect: (i) reduce market volatility, (ii) support pro-poor agriculture growth, and (iii) invest in social protection and nutrition.

### **1. Reduce market volatility**

- To calm markets and reduce food prices, it is essential to correct the existing biofuel quotas and subsidies and make more grains and oilseeds used for biofuel production available for food consumption. A correction of these **policies for biofuels** based on grains and oilseeds would reduce the volatility, increasing links between energy prices and food prices and could bring food prices down by 20-40%.
- A club of global leaders in food exports should be formed to address the new trade issues in agriculture: this club of Governments (G8+5+some others) should use joint action to **eliminate agricultural export restrictions** which make international markets smaller and more volatile. The elimination of export bans will stabilize grain price fluctuations, reduce price levels by as much as 30%, and enhance the efficiency of agricultural production.
- A reformed global governance system for food security should become part of a new global development architecture that serves the poor. As part of that, a **virtual global food reserve** should be established to intervene in grain markets in efficient ways when there is a price crisis. Resources would be promissory or virtual, not actual budget expenditures. Intervention in futures market, if needed, would be guided by a yet to be established high level technical commission. A small global physical emergency reserve (managed by the World Food Program, codified by a new Food Aid Convention) would complement the agenda.
- In addition to policies for reducing volatility, action and innovations are needed for connecting millions of small farmers better to markets, and especially to new processing and retail **value chains** by infrastructure investments, including in information and communication with content relevant for the small food and farm businesses.

### **2. Support agriculture growth in developing nations**

- **Fast-impact food production programs** should be undertaken in key areas and investments for sustained agricultural productivity, including agricultural science policy, should be scaled up. Support payments for inputs and output price guarantees should be part of the schemes where infrastructure and markets are weak. Scaling up agriculture development investments from international development agencies is needed.
- Trade policy needs to be combined with new attention to **agricultural finance and banking** as well as **foreign direct investment (FDI)** in agriculture from countries that are short in land and water but rich in capital. Such FDI should be facilitated, yet a sound

code of conduct needs to be developed and enforced in LDCs: the code should include focus on sustainable land and water use, protection of customary property rights by current land and water users, training and capacity strengthening to facilitate employment effects of the investments, and adherence to trade policy of the country.

- **Doubling investments in public agricultural R&D** in developing countries from about US\$ 4.6 billion to US\$ 9.3 billion (including doubling Consultative Group on International Agricultural Research - CGIAR from US\$ 0.5 to US\$ 1.0 billion) 2009-2015 is needed. Overall agricultural growth would increase from 0.5 to 1.1 percentage points a year, and about 280 million people would be lifted out of poverty by 2020. “Best bets” with substantial payoffs for a large number of beneficiaries should have investment priority. A set of 14 such best bets have been identified by CGIAR (<http://www.ifpri.org/pubs/ib/ib53.pdf>).

### 3. Invest in social protection and nutrition

- A 2008 Lancet article shows that boys benefiting from a randomized **nutrition intervention** at a young age had wages 50% higher – 30 years later – than boys who did not benefit from such intervention. If high food prices prevent infants and young children from getting the specific nutrients they need for physical and cognitive development, the negative health and economic consequences for the individuals and society would be lifelong. Sound nutrition interventions including for healthy diets (micro-nutrients) need to be scaled up.
- Social protection interventions should give specific emphasis to **women, and the poorest**. Appropriate measures include both protective actions to mitigate short-term risks and preventative actions to preclude long-term negative consequences. Protective programs such as conditional cash transfer programs, pension systems and employment programs exist in many low-income countries and should be scaled up.
- Where such intervention schemes are missing, targeted cash transfer programs should be introduced in the short term. Preventative health and nutrition programs targeted to vulnerable population groups should be strengthened and expanded to ensure **universal coverage**. In addition, school feeding programs play an important role in increasing school enrollment, retaining children in school and enhancing their learning achievements.

### Implementation of actions and governance must be sound

- Investment in the proposed actions will have large humanitarian, economic, political and security benefits, but it will also require **additional international resources** and reallocation of resources at the national level.
- The design of specific national strategies must be **country-driven and country-owned**, with specific prioritization and sequencing. Policy actions should be combined with investments in implementation capacity and participation by the poor.
- **Transparency and accountability** will also be crucial, which calls for independent monitoring and assessment and strengthening governance practices.

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The views expressed in this article are those of the author and not necessarily those of the World Economic Forum.