

DRAFT (24 January 2009)

High-Level Meeting on “Food Security for All”

Madrid, 26-27 January 2009

Address by Jacques Diouf

**Director-General of the Food and Agriculture Organization
of the United Nations (FAO)**

Excellencies,

Ladies and Gentlemen,

I should like, first of all, to express my deep gratitude to His Excellency José Luis Rodríguez Zapatero, President of the Spanish Government, who, well aware of the importance of food security, is kindly hosting this meeting in Madrid, as he had proposed last June at the FAO High-Level Conference on World Food Security. On behalf of the Organization and all of you, I should also like to thank the Government and the people of Spain for their warm welcome and their generous hospitality.

Much has changed since the High-Level Conference on World Food Security in June. The world is now in serious financial and economic crisis. This is added to the food crisis that has shaken the international agricultural economy and has highlighted the fragility of world food security.

In 1996, the World Food Summit made a solemn commitment to halve hunger and undernutrition and adopted a programme to achieve sustainable food security. That commitment was reaffirmed at the Millennium Summit in 2000, at the ‘World Food Summit: five years later’ in 2002 and more recently at the High-Level Conference in June 2008.

Those commitments manifest the deep conviction of world leaders and the international community that eliminating hunger is not only essential on the ethical and humanitarian level, but is also a prerequisite for economic and social development. The events of the last two years have shown us that food security is also a required condition for world peace and security.

Regrettably, despite all the international commitments, the latest figures on world hunger and malnutrition compiled by FAO reveal that the present situation is even more worrying than in 1996.

The causes of the food crisis have been sufficiently explained, so I shall not reiterate them. As for the consequences, they are dramatic. The FAO report of 2008 on 'The State of Food Insecurity in the World', which I presented on 9 October last year, shows that in 2007 – mainly because of soaring prices – the number of hungry people in the world rose by 75 million, instead of falling by 43 million to reflect the commitment of the World Food Summit of 1996.

With an expected increase of 40 million in 2008, the world is now estimated to have 963 million malnourished people. That means that almost one billion of the world's population of 6.5 billion people are suffering from hunger.

Almost all the world's undernourished population lives in the developing countries where the number of malnourished people represents 98 percent of the world total. In Asia and the Pacific, the crisis of 2007 plunged an additional 41 million people into chronic hunger. In sub-Saharan Africa, 24 million people suffered the same fate.

FAO's latest figures indicate that global cereal production in 2008, estimated at 2 245 million tonnes, reached a new record, which should in theory be enough to cover projected needs for 2008/09, estimated at 2 198 million tonnes, and to allow a modest rebuilding of world stocks. But with only 431 million tonnes, the cereal stocks-to-utilization ratio of 19.6 percent is at its lowest level for 30 years.

The increase in cereal production in 2008 was accomplished by the developed countries. In response to more attractive prices and thanks to a greater elasticity of their supply in relation to demand, they increased their cereal output by 11 percent. The developing countries, on the other hand, only scored an increase of 1.1 percent. In fact, if we exclude China, India and Brazil from the group, production in the rest of the developing world actually fell by 0.8 percent. That is compelling evidence of the level of agricultural underinvestment in those countries in the last 20 years.

Cereal imports by developing countries are estimated at 78 billion dollars in 2007/08 against 34 billion in 2005/06, which is an increase of 127 percent during the course of two years.

After remaining unchanged in 2008, global meat production could rise slightly (1%) in 2009 to 281 million tonnes, because of continuing strong demand in Asian developing countries and the expected fall in cost of animal feed. Global trade in meat products should increase by about 2.5 percent in 2009 to 24.5 million tonnes.

World dairy production, estimated at 693 million tonnes in 2008, should increase by 2.5 percent in 2009, as a result of continued growth in Asia and also in South America. Growth in international trade of dairy products is expected to be modest this year (1.6%) to 41 million tonnes.

This particularly serious international food insecurity situation is, however, but the chronicle of a disaster foretold. Five years after the Summit of 1996, we already had to reconvene a summit in 2002 to draw the international community's attention to the fact that resources to finance agricultural programmes in the developing countries were falling, not rising, and that the target of halving world hunger by 2015 might well not be reached. Indeed, under prevailing trends, that target would only be reached in 2150, instead of 2015.

Concerned by rising food prices and the emerging issues of climate change and bioenergy, we proposed in 2007 that a High-Level Conference on World Food Security be held in June 2008. At that event, the delegates of 181 countries – including 43 Heads of State and Government and more than 100 ministers – reaffirmed the need to produce more, particularly in the low-income food-deficit countries, and therefore to invest more in agriculture.

Although it was not a pledging conference, 11 billion US dollars were promised. If we add the other announcements made before and after the Conference, we have a total of 22 billion dollars. A most encouraging figure for sure. Very high-level contacts were made to facilitate the mobilization of those resources which are to be channelled through the normal routes of official development assistance. And I venture to hope that our meeting today and tomorrow will serve to make significant progress in the mobilization of those additional resources, not only for the benefit of food aid, which has been the overwhelming case in recent months, but also for the vital short-, medium- and long-term investments.

Clearly, the present international situation marked by serious crisis of the financial system does not facilitate our task. Although there are encouraging signs, such as the European Union's approval of the 'Food Facility for Developing Countries' amounting to 1 billion euros, the replenishment of IFAD's resources and greater credit to the agricultural sector from the World Bank, the financial resources for intervention still fall far short of the level required.

FAO has however already undertaken several actions under the 'Initiative on Soaring Food Prices' which it launched on 17 December 2007 with a budget today of 131 million US dollars. At the formal request of the governments of 95 countries, seed and fertilizer distribution was initiated as early as summer 2008.

In April 2008, the UN Secretary-General set up the High-Level Task Force of the United Nations system, the Bretton Woods institutions and other international organizations, to provide a unified response to the food crisis. He graciously appointed me Vice-Chairman of this Task Force, and it is in that capacity that I am attending the opening of this important conference of Madrid.

The Task Force prepared a 'Comprehensive Framework for Action' which defines the common position of its members on actions to be implemented in the short, medium and long term to deal with the crisis and to improve food and nutritional security at national, regional and global level, with a focus on two fronts – in the immediate term, resolving emergency food problems; in the long term, promoting agricultural production and productivity. The Framework was presented by the Secretary-General to the G8 Summit in Japan and to the General Assembly of the United Nations last September.

Governments and donors are urged to support implementation of the Comprehensive Framework for Action in its various aspects – supporting WFP so that it can maintain its food aid activities and supporting FAO, IFAD, the World Bank and other partners so that they can successfully implement their agricultural development plans and programmes aimed at increasing small-farmer production and productivity, notably in low-income food-deficit countries.

Although given a time-bound mandate and without replacing existing organizations, the High-Level Task Force has proved to be an effective mechanism for coordinating the agencies, programmes and funds of the United Nations, the Bretton Woods institutions and the OECD. We should all be proud of our achievements, for we have worked together not only to harmonize visions, plans and programmes, but also to determine needs on the ground in close collaboration with the governments concerned.

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Ladies and Gentlemen,

The reduction in food prices that we have observed since July should not be interpreted as the end of the food crisis. This crisis is not only still with us, but could still worsen.

Plummeting prices and economic uncertainty could discourage some farmers from investing in means of production. There could be less planting next season, leading to a significant fall in output in 2009/10 and a steeper price surge than in 2007/08 if it is not tempered by the impact of economic recession on incomes.

If we include higher demand for feedstock from the bioenergy sector, it is very likely that the determinants of supply and demand will aggravate the risks of food insecurity in developing countries, particularly in low-income food-deficit countries. These are experiencing rapid urbanization and population growth, which will increase demand for food and alter dietary habits.

The financial crisis could also have a profound impact on several developing countries. The tight credit situation will restrict their access to the financing they need to purchase on markets to cover their food requirements.

But beyond the factors currently aggravating the world food situation, there is a complex of substantive issues that need to be resolved, including governance, assistance institutions, farmer support, official development assistance, national budgets, private sector investment, and food quality and safety.

That is why, in my congratulatory message to the new President of the United States, Barack Obama, I proposed the convening, at the level of Heads of State and Government, of a World Summit on Food Security in 2009 to forge a broad consensus on the final and rapid eradication of hunger in the world. This same proposal has been submitted for consideration to the Heads of State and Government of the FAO Member States.

Given the current international context, this meeting in Madrid is very timely. We must encourage mobilization of the resources that were promised in Rome. Indeed, those commitments should quickly translate into significant new and readily available resources. That was the reason for the appeal launched by the UN Secretary-General at the General Assembly held last September.

There have also been recent appeals in different forums, including the FAO High-Level Conference in June 2008, the G8 Summit in July in Japan and the Special Session of the FAO Conference last November, to strengthen the governance of food security. Proposals have focused on establishing a High-Level Panel of Experts on food and agriculture, charged with conducting scientific analyses and a Global Partnership to enhance dialogue with all partners and thus facilitate coordination and implementation of the action plans.

The Special Conference of FAO unanimously decided on 21 November last year to charge FAO with establishing the High-Level Panel of Experts. In this connection, I have just written to all FAO member countries to send them a preliminary document to discuss the terms of reference of this Panel of Experts and to start identifying personalities to be part of this network of several hundred members, including experts from research centres and civil society. The FAO Conference also requested that the Committee on World Food Security (CFS) – open to all Member States of FAO and the United Nations and to representatives of other international institutions, NGOs, the private sector and civil society, and mandated to monitor the world food security situation – be able to fully play its role in the new system of global governance.

Debate on the establishment of a global partnership should be opened. The approach should be inclusive. All stakeholders – governments, regional and global institutions, economic and financial partners, agricultural professional organizations, the private sector, non-

governmental organizations, foundations and civil society – must be closely involved in this process.

When building this global partnership, we must also ensure that the wishes and sensibilities of all countries, without exception, are respected and duly considered. This will mean working with all the member countries and their duly authorized representatives. This will in turn mean working methodically, taking the time to inform and explain, and organizing debate between governments and with partners. That is how we can engage in the search for constructive consensus.

I am convinced, and this has often been said and repeated, that there is no need to create new bodies. The need is to improve, reinforce, coordinate, in other words to reform what exists so as to render our action more effective.

Excellencies,

Ladies and Gentlemen,

It is my hope that this high-level meeting will constitute a further step in affirming the full political will needed to foster coherent, effective and lasting action for the food security of humanity and future generations. It presents an excellent opportunity for an initial exchange of views on recent developments and prospects for world food security. It is above all a most favourable opportunity for concrete announcements of contributions, in compliance with the 22 billion US dollars pledged by donors on the occasion of the FAO High-Level Conference on World Food Security last June in Rome.

The fight against food insecurity requires rural infrastructures and modern production inputs, especially in the developing countries.

Our challenge is not only to ensure adequate food for 963 million hungry people in the world, but also to feed 9 billion people in 2050. That will mean doubling world food production with the financial resources needed for investment in agriculture.

Thank you for your kind attention.