

The Way Forward on Food and Nutrition Security
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The world is facing protracted and especially difficult food and economic crises, and climate change will increasingly provide serious challenges. Hunger is on the rise and the lives and health of millions of people are being compromised. Now more than ever, a global response to the problems facing poor people is needed. This includes new institutional arrangements.

Focusing on narrow issues will not be sufficient. Fortunately, the G-20 and the UN are calling for a “comprehensive approach” to achieving food security. A truly comprehensive approach for supporting the poor in managing growing food-security risks must include agricultural productivity enhancement, strengthening market and trade opportunities, insurance opportunities, and social-protection opportunities. [see von Braun, *Food security Risks Must be Comprehensively Addressed*; <http://www.ifpri.org/publication/food-security-risks-must-be-comprehensively-addressed>]

Food security risk prevention will not be achieved without accelerated innovation, and therefore at a global level the investments in agricultural research, especially in the Consultative Group on International Agricultural Research (CGIAR), have to increase. This must be complemented by four priorities that need to be addressed now in the context of a comprehensive approach:

1) Investing in Nutrition

Despite extensive research demonstrating the overwhelming social and economic benefits of improved nutrition, this issue remains a step-child. Nutrition interventions are rarely discussed, much less vigorously pursued, by developing-country policymakers, in part because nutrition does not fit neatly within any one government sector. In addition, because undernutrition is a quiet crisis of the poorest and their children, ignoring it rarely imposes political costs on leaders. Nevertheless, nutrition programs are often the most cost-effective inventions. Improving nutrition contributes to productivity, economic development, and poverty reduction by improving physical work capacity, cognitive development, school performance, and health. The economic costs of malnutrition are very high—several billion dollars a year in terms of lost gross domestic product. [see Ruel and Hoddinott, *Investing in early childhood nutrition*; <http://www.ifpri.org/publication/investing-early-childhood-nutrition>]

2) Improving Market Access

Lack of market access for small-scale farmers is one of the biggest barriers to rural development, especially in Sub-Saharan Africa. Without a reliable market for their products, farmers have little incentive to increase their productivity. Additionally, farmers need reliable price information, contracts enforcement, and other measures to allow them to compete effectively. Government policy to facilitate market access requires strengthening. Increased investment in rural market infrastructure is key. For example, evidence from China and Uganda shows that low-cost forms of infrastructure, such as rural feeder roads, often have the highest payoff per unit of investment in terms of growth and poverty reduction. Access to good seeds and fertilizer also require public policy in environments of market malfunctioning, with targeted support in transition periods until infrastructure and financial institutions are in place [see Minot and Benson, *Fertilizer subsidies in Africa*; <http://www.ifpri.org/publication/fertilizer-subsidies-africa>].

3) Reducing Food Price Volatility

The food price crisis that raged throughout 2008 and still lingers in 2009 had several causes, including stagnant agricultural productivity growth due to low investment in agricultural research, rising demand for food and feed and biofuels, and high oil prices. A number of countries reacted by restricting grain exports that only worsened the crisis, and some adopted retail price controls, creating perverse incentives for producers. Speculative price spikes have built up, and the gap between cash and futures prices has risen. These reactions impede the free flow of food to where it is most needed and undermine the flow of price signals to farmers, and impose enormous efficiency losses on the global food system, hitting the poorest countries and people hardest. To counteract these problems, IFPRI has proposed a new global institutional arrangement that would consist of two prongs: (1) a minimum physical grain reserve for humanitarian assistance, and (2) a virtual reserve and intervention mechanism to calm markets under speculative situations, backed up by a financial fund. Implementing this risk mitigating instrument of real and virtual reserves would go a long way to prevent future price spikes. [see von Braun and Torero, *Implementing Physical and Virtual Reserves*; <http://www.ifpri.org/publication/implementing-physical-and-virtual-food-reserves-protect-poor-and-prevent-market-failure>]

4) Adapting to Climate Change

Developing countries will be hit hardest by climate change and will face bigger declines in crop yields and production than industrialized countries. Small-scale farmers will suffer the most. Without new technology and support for adjustments by farmers, climate change will significantly reduce yields. Consequently, 2050 wheat prices could increase globally by up to 194 percent, i.e. 150 % more than in a scenario without climate change. Investment of about US\$7 billion per annum will be needed to facilitate adaptation that would at least not increase child undernutrition [see Nelson et.al. *Climate Change: Impact on Agriculture and Costs of Adaptation*; <http://www.ifpri.org/publication/climate-change-impact-agriculture-and-costs-adaptation>]. Specific language regarding agriculture and food security in a desired decision statement at the Copenhagen Conference on Climate Change should include the following:

Investment for agricultural adaptation to climate change shall be increased in order to improve food security under climate change and therefore agriculture and forestry, especially in developing countries, shall benefit from a fund at appropriate scale (drawing on public-private partnerships and other funding sources) for results oriented investments that enhance food security and livelihoods.

Nations are encouraged to provide incentives for mitigation through carbon sequestration associated with documented changes in land use, agricultural and forestry practices and for agricultural GHG emission reductions as an integral part of the global climate change regime. Such incentives shall be designed in ways that would not put food security at risk.

An international public research network for climate change related technology generation and sharing shall be established and funded to operate as an independent consultative group, with a focus on knowledge related to both adaptation and mitigation. It shall complement innovations that are property rights protected. In the field of agriculture, forestry and land use and land cover change as well as water related research it shall draw on the CGIAR (and other resources as appropriate).

In closing, it is important to remember that the world has achieved great successes in agricultural development that have fed billions of people [see Spielman and Pandya-Lorch, *Millions Fed: Proven Successes in Agricultural Development*; <http://www.ifpri.org/publication/millions-fed>]. Investment in agriculture is accelerating, and it is important that forums such as the World Summit on Food Security help to assure that these investments are done well and contribute to substantially reducing hunger.