

CHAPTER 1

FOOD POLICY IN 2017–2018

Progress, Uncertainty, and Rising Antiglobalism

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The year 2017 was marked by increasing uncertainty amid mixed signs of progress. The world enjoyed a strong economic recovery following a period of stagnation, but global hunger increased as conflicts, famine, and refugee crises persisted. The global landscape continued to change, as antiglobalization sentiment threatened international trade and investment as well as the flow of people and knowledge. Major global events evidenced a shift away from the decades-long trend toward greater global integration. These events included the failure to reach agreement at the World Trade Organization (WTO) Ministerial Conference as well as bilateral actions of the United States and the United Kingdom, all signaling the potential rise of isolationism and protectionism. These changes create uncertainties for global food security and nutrition.

LOOKING BACK AT 2017

ECONOMIC RECOVERY, YET RISING INEQUALITY

Following weak global economic growth in 2016, the weakest since the 2008 global financial crisis, 2017 saw an economic turnaround. Strong economic growth and recovery were supported by a positive global financial environment and the momentum of recovery in advanced economies and several emerging economies.¹

While it is too early to measure changes in poverty in 2017, the global recovery bodes well for the world's poorest. However, rising inequality within countries may dampen the prospects for poverty reduction. Over recent decades, income inequality within almost all countries increased, although at different speeds, with the lowest levels of inequality in Europe and the highest levels in the Middle East. Global inequality has risen sharply since 1980, as the income of the richest individuals in the world—the top 1 percent—has grown twice as much as that of the bottom 50 percent. Despite promising growth in emerging economies, global inequality is expected to continue increasing if countries hold to “business as usual” policies.²

UPWARD TREND IN HUNGER AND FOOD INSECURITY

Global hunger increased after nearly a decade of prolonged decline. The number of undernourished people globally rose from 777 million in 2015 to 815 million in 2016. Much of the worsening trend in global hunger can be linked to persistent conflicts, which have been exacerbated by climate shocks.³ The global community dealt with famine as an estimated 38 million people in Nigeria, Somalia, South Sudan, and Yemen faced severe food insecurity, and Ethiopia and Kenya suffered significant droughts.⁴ While the global prevalence of stunting





among children under age five fell from almost 30 percent in 2005 to 23 percent in 2016, stunting remained a significant issue, with 155 million children affected. If the current trend continues, 130 million children will be stunted in 2025, 30 million above the World Health Assembly target.⁵ To significantly reduce stunting and hunger by 2030 if not sooner, many countries will need to accelerate progress. At the same time, overnutrition continues to be a growing concern, for example, in Central Asia, where all countries saw increases in overweight and obesity.⁶

STRONG FOOD PRODUCTION AND DECLINING FOOD PRICES

Global food prices remained relatively high for most of 2017, largely driven by higher prices of meat, dairy, and sugar, following low prices in 2015 and 2016. After three months of consecutive increases around midyear, prices declined steadily in the last months of 2017, with a steep decline in December from falling dairy, vegetable oil, and sugar prices.⁷ Global cereal production for 2017 is projected at 2,627 million metric tons, a 0.6 percent increase over 2016. Much of the increase is from higher production of coarse grains, forecast at

1,371 million metric tons, a 24-million-ton increase for the year. Contributing to this growth were record-high production in Indonesia and increases in US maize production. Global wheat and rice production are forecast to be marginally lower than 2016 levels.⁸ With global food commodity prices expected to remain low as a result of strong production and slowing demand growth in emerging economies, much of the world's poor population, who spend a large portion of their income on food, may experience improvements in food security and reductions in poverty.⁹

ANTIGLOBALISM ON THE RISE

Major events in 2017 pointed to a rise in antiglobalization sentiment in the international community. The United States announced its withdrawal from the Trans-Pacific Partnership trade agreement early in the year and later from the Paris Agreement on climate change, marking a shift away from multilateral and international agreements. In Europe, the United Kingdom continued its "Brexit" process, introducing the "Great Repeal Bill" and beginning negotiations for withdrawal from the European Union in 2019. Further, the failure to reach an agreement on a joint Ministerial Declaration at the

2017 FOOD POLICY TIMELINE

G20 COMMITS TO SUSTAINABLE WATER USE

At their conference in Berlin, G20 agriculture ministers commit to protecting water resources by ensuring sustainable and efficient water use in food and agricultural production.

NORWAY CREATES FUND TO REDUCE DEFORESTATION

During the World Economic Forum, Norway launches a US\$400 million fund to protect land and promote deforestation-free agriculture.

CHILD MALNUTRITION REMAINS ALARMING

2017 estimates for child malnutrition show that stunting is declining too slowly and overweight is rising, especially in Africa and Asia.



JAN

FEB

MAR

APR

MAY

JUN

OVER 20 MILLION AT RISK OF FAMINE

The United Nations appeals to the international community to help avert devastating levels of food insecurity in parts of Nigeria, Somalia, South Sudan, and Yemen.

UN ADOPTS INDICATOR FRAMEWORK FOR SUSTAINABLE DEVELOPMENT GOALS

The United Nations Statistical Commission formally adopts an indicator framework to track progress toward the 2030 Agenda for Sustainable Development.



US ANNOUNCES WITHDRAWAL FROM CLIMATE AGREEMENT

The US president announces plans to withdraw from the 2016 Paris Agreement committing countries to act to limit the global temperature rise.



CHINA ISSUES NATIONAL NUTRITION PLAN

China launches new plan for achieving health and nutrition goals between 2017 and 2030 that includes regulations, research, and monitoring.



BANGLADESH ROLLS OUT NEW ACTION PLAN FOR NUTRITION

The 2016–2025 plan aims to improve the population's nutritional status and reduce all forms of malnutrition, with a focus on children, adolescent girls, pregnant women, and new mothers.

G7 COMMITS TO PROTECT FARMERS

The G7 Agricultural Ministerial Meeting focuses on protecting farmers' incomes amid market crises, natural disasters, and climate change.

WTO FAILS TO REACH AGREEMENT

The 11th Ministerial Conference of the World Trade Organization ends in discord after members fail to reach agreement on farm and fisheries subsidies and other issues.

ECONOMIC INEQUALITY IS WIDESPREAD AND GROWING

The first *World Inequality Report* finds that income inequality has increased nearly everywhere in recent decades but varies from region to region, suggesting that policies have an impact.

JUL

AUG

SEP

OCT

NOV

DEC

WORLD HUNGER IS RISING

The State of Food Security and Nutrition in the World 2017 estimates that the number of undernourished people rose from 777 million in 2015 to 815 million in 2016.

INDIA LAUNCHES NATIONAL NUTRITION STRATEGY

The strategy commits to ensuring that every child, adolescent girl, and woman attains optimal nutritional status by 2022.

HURRICANES DEVASTATE CARIBBEAN

Two back-to-back category 5 hurricanes and other storms displace hundreds of thousands of people, destroy infrastructure, and cut off access to food and water supplies for weeks.

DONORS PLEDGE MILLIONS TO FIGHT GLOBAL MALNUTRITION

The Global Nutrition Summit draws \$640 million in new funding commitments from governments and donors to battle the world's nutrition-related challenges.

UN CLIMATE CHANGE CONFERENCE

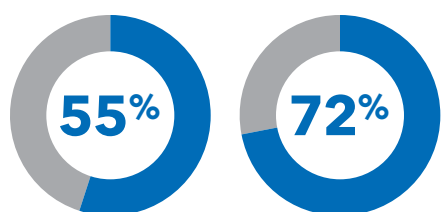
Amid political shifts and extreme weather events, the 2017 UN Climate Change Conference brings together signatory governments of the Paris Agreement and UN Climate Change Convention.

THE GLOBAL ECONOMY IS RISING

The latest Ifo Institute survey finds that the current economic situation in all regions except for the Middle East and North Africa is better than at any time since 2011.

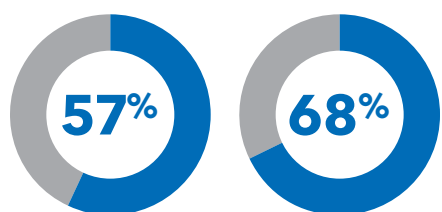
2018 SURVEY

FOOD POLICIES



are **dissatisfied** with global food policies.

are **dissatisfied** with food policies in their own regions.



are **dissatisfied** with progress in global food and nutrition security.

are **dissatisfied** with progress in food and nutrition security in their own regions.

Over 1,000 individuals from 105 countries responded to the 2018 *Global Food Policy Report* survey on perceptions about food policy and food security now and for the future, and on the impacts of globalization.

HUNGER & UNDERNUTRITION

41%

of respondents think global hunger and undernutrition **can** be eliminated by 2025.

8%

think global hunger and undernutrition **will** be eliminated by 2025.

13%

of youth think global hunger and undernutrition **will** be eliminated by 2025.

44%

of respondents think hunger and undernutrition **can** be eliminated by 2025 in their own regions.

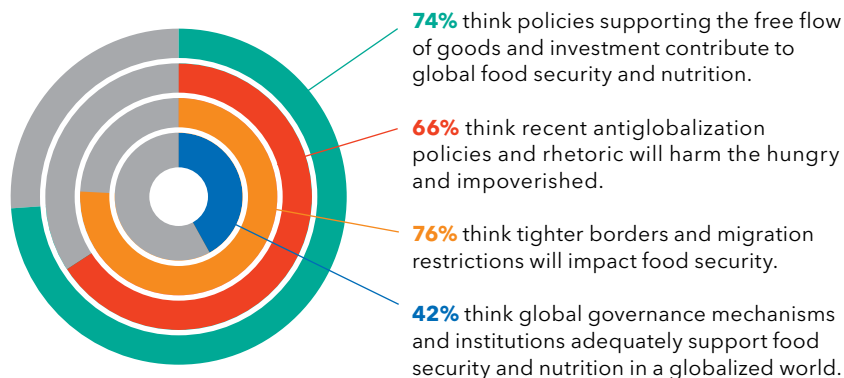
18%

think hunger and undernutrition **will** be eliminated by 2025 in their own regions.

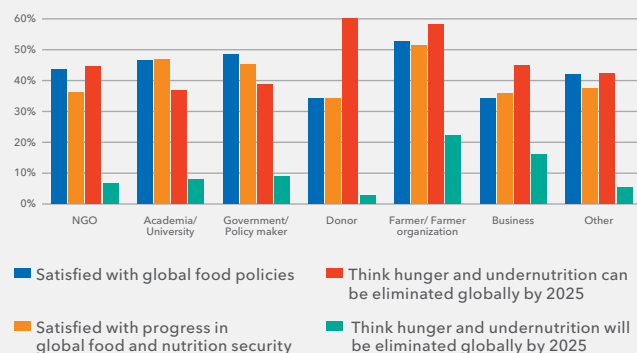
24%

of youth think hunger and undernutrition **will** be eliminated by 2025 in their regions.

PERSPECTIVES ON GLOBALIZATION

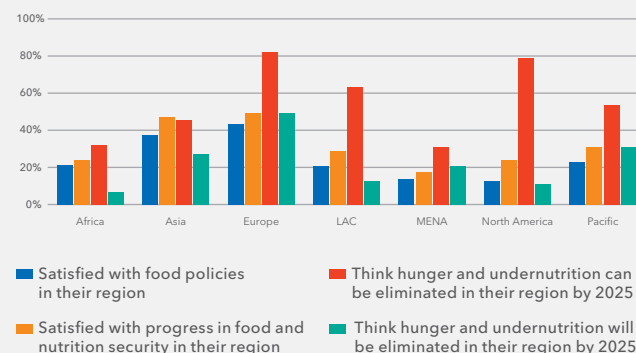


STAKEHOLDER PERSPECTIVES



Source: The survey was conducted online, from January 4-18, 2018.

REGIONAL PERSPECTIVES



Eleventh WTO Ministerial Conference in Buenos Aires highlighted critical setbacks, including for agriculture in terms of addressing domestic subsidies, public food stocks, and special safeguard mechanisms, which may presage a new era of isolationism and protectionist policies.¹⁰

Nevertheless, growth in international trade and investment indicated a continued overall trend toward global integration. World trade grew by 3.6 percent in 2017, a substantial increase from the 1.3 percent growth of 2016. Trade growth was largely driven by recovering import demand in Asia and North America.¹¹ Global investment flows saw a modest recovery and were forecast to increase to US\$1.8 trillion in 2017. While foreign direct investment to developing economies fell by 14 percent, flows to developed economies increased by 5 percent, and flows to transition economies nearly doubled.¹²

CONTINUED MOMENTUM FOR SUSTAINABLE DEVELOPMENT

Several major global policy developments in 2017 helped to maintain momentum toward creating a sustainable future, and were marked by an increased focus on using a food systems approach to tackle the multiple challenges of hunger, climate change, inequality, jobs, and growth.

G20 leaders committed to the sustainable use of water in food and agricultural production at the 2017 Agriculture Ministers' Conference in Berlin, with an emphasis on governance and coherence of water-related policies; water-use efficiency and resilience; water quality; and information, innovation, and collaboration.¹³ The G7 Agriculture Ministerial Meeting focused on protecting farmers' incomes from market crises, natural disasters, and climate change, and noted the links between agriculture, migration, and rural development. The meeting in Milan called on governments not only to safeguard farmers' incomes but also to promote cooperation among farmers and diversification of production. The discussions highlighted the importance of providing concrete financial tools for farmers, such as risk management strategies, through investments in research, innovation, information, communication, and training.¹⁴

The Global Nutrition Summit galvanized governments and donors together to pledge US\$640 million in new funding to address the challenges in nutrition facing nearly every country. The summit brought together a wide range of stakeholders to accelerate the global response to malnutrition and launched the *Global Nutrition Report 2017*.¹⁵

Progress toward the 2030 Agenda for Sustainable Development continued, as the United Nations Statistical Commission formally adopted the indicator framework to track progress on meeting the Sustainable Development Goals (SDGs). This coincided with the adoption of the Cape Town Global Action Plan for Sustainable Development Data, which calls on governments, policy leaders, and the international community to work collectively toward improving data for the SDGs. Countries continued to work together to increase climate action under the Paris Agreement, with the 2017 United Nations Climate Change Conference held against a backdrop of extreme weather events, including hurricanes in the United States and Caribbean, drought in Africa, and floods in South Asia.¹⁶

INCREASED NATIONAL COMMITMENTS

At the national level, countries made progress on environmental sustainability as well as nutrition. Norway launched a US\$400 million fund to reduce deforestation through agriculture. China issued a new National Nutrition Plan for 2017–2030 that sets nutrition and health goals for anemia, stunting, and breastfeeding for 2020 and 2030. The plan also highlights the importance of regulations, research, and monitoring for nutrition and health outcomes. Bangladesh launched its Second National Plan of Action on Nutrition (2016–2025), outlining efforts to reduce all forms of malnutrition, especially for children, adolescent girls, pregnant women, and lactating mothers. India launched its National Nutrition Strategy, which commits to ensuring that every child, adolescent girl, and woman attains optimal nutritional status by 2022. Some countries undertook agricultural reforms, such as the expansion of irrigated areas and improved distribution of fertilizers and seeds in Algeria and enhanced water access in Djibouti.¹⁷ Many others—including Ghana, India, and Nigeria—reconfirmed their commitments to Zero Hunger and SDG2 on ending hunger and malnutrition by 2030.

LOOKING FORWARD TO 2018

Antiglobalism and the changing global landscape may create further political and economic uncertainties, and continue to impact trade, investment, and migration. In particular, the threatened retreat of the United States from international agreements and institutions, including the United Nations, may add to global uncertainties. As many emerging challenges faced by the international community transcend national borders, global governance will be evermore crucial to guide global norms and galvanize collective commitment and action. Whether European countries and emerging economies will step up to lead global governance efforts is an important question for the years ahead.

Global growth is projected to strengthen to 3.1 percent in 2018, which could translate to improvements in livelihoods, poverty status, and food security. Strong global manufacturing and trade, a benign financial environment, and largely stabilized commodity prices support these positive projections. Growth in emerging and developing economies is expected to be strong, with projected growth of 4.5 percent in 2018. East Asian growth is projected to slow slightly in 2018 to 6.2 percent, as China gradually slows but the rest of the region picks up modestly. The Europe and Central Asia region is forecast to accelerate to 2.9 percent in 2018, and Latin America and the Caribbean to 2.0 percent. After a slight decline in the Middle East and North Africa, growth is expected to rebound to 3.0 percent, assuming a moderation in geopolitical tensions and a rise in oil prices. South Asian growth is projected to accelerate to 6.9 percent in 2018, driven by expansion of domestic demand and exports. Projections for Africa south of the Sahara are a modest 3.2 percent for 2018.¹⁸

Despite this relatively positive economic outlook, adjustments in the global economy are expected to continue as national economies deal with shrinking workforces and diminished productivity gains while still recovering from the 2008 financial crisis. Growing tendencies toward protectionism, evidenced by changes in US and UK trade policies, also create further economic uncertainties.

However, technological advances will continue to accelerate rapidly, especially in automation and artificial intelligence.¹⁹ While this has the potential to threaten economies and industries that are not able to adjust to the rapid change, technological innovations, coupled with the global flow of knowledge, can be game changers for agriculture and food systems. For example, innovations in information and communication technologies, especially through mobile phones, together with open access data can put vital information in the hands of farmers.

In 2018, the international community is expected to face persistent threats to food security, especially hunger fueled by conflict and compounded by drought. International support will continue to be important for African countries that suffered famine and drought, as much of their populations will remain vulnerable to food insecurity, including 6 million people in South Sudan. In Africa, growth will also remain vulnerable to debt-related fiscal risks, especially in natural resource-exporting countries.²⁰ Specific challenges will also require international attention, particularly the troubling outlook in Venezuela, where gross domestic product per capita declined for the fourth consecutive year and conditions worsened with acute shortages in food, medicine, and other basic products.

Climate change will continue to pose immediate and long-term threats, particularly extreme weather events, water and soil stress, and food insecurity. Global cooperation will be essential as tensions over climate change grow.²¹ Building resilience to climate shocks and strengthening climate-smart agriculture will be increasingly critical.

A renewed commitment to working together will be the key to achieving food security and better nutrition in a sustainable way. At the global, regional, and national levels, data and evidence must remain at the heart of more open, transparent, and inclusive food systems. Current discussions on food systems and commitments to ending hunger must be moved forward to action. Enacting policies to garner the benefits of globalization while minimizing the risks that fuel antiglobalism will be a critical priority in 2018 and beyond.



"Global integration of national food systems—through the flow of goods, investments, people, and knowledge—will be key to progress, but will require good governance and strong commitment from the international community."