In addition to global events and food policy changes, 2015 also saw important developments with potentially wide repercussions in individual countries and regions. This chapter offers perspectives on major food policy developments across the major regions: Africa, the Middle East and North Africa, Central Asia, South Asia, East Asia, and Latin America and the Caribbean. The individual regional sections cover many critical topics:

- Facing climate risks and growing populations with regional cooperation and accountability in Africa
- Growing refugee populations, food insecurity, and conflict in the Middle East and North Africa
- Vulnerability to external shocks and falling remittances that increase Central Asia’s food insecurity
- New policies for food safety, nutrition, and financial and social inclusion in South Asia
- Expected impacts of the Trans-Pacific Partnership in East Asia
- Latin America and the Caribbean’s contribution to global food security and global environmental public goods
The recently adopted global Sustainable Development Goals (SDGs) present Africa with a new opportunity to achieve critical food security and nutrition milestones. Despite positive development trends, Africa is expected to fully achieve only three Millennium Development Goals (MDGs) by the end of 2015. The major goal of cutting poverty and hunger by half (MDG 1) is among those the continent is not expected to achieve on schedule. Renewed support for Africa’s agricultural development and transformation, however, can be seen in the SDGs along with the 2014 Malabo Declaration goals under the Comprehensive Africa Agriculture Development Programme (CAADP). In the Malabo Declaration, African leaders recommitted to the goals and principles of CAADP and made further commitments in the areas of agricultural financing, poverty and hunger reduction, trade, resilience, and mutual accountability.1 Important next steps include (1) aligning the two sets of goals and integrating them into national development programs, in particular national agricultural investment plans; (2) catalyzing multistakeholder partnerships; (3) strengthening capacities; and (4) mobilizing funds needed to deliver results.

POSITIVE GROWTH AND DEVELOPMENT TRENDS

Africa has enjoyed positive trends in economic and agricultural growth as well as poverty and hunger reduction in recent years. However, in the aftermath of the 2007–2008 global financial and commodity crises, the rate of improvement has slowed for most indicators. Gross domestic product (GDP) per capita continued to increase, but grew at only 1.3 percent annually from 2008 to 2014, a significant drop from 3.5 percent in the 2003–2008 period (Figure 1).2 Overall GDP growth is expected to decline from 5.0 percent in 2014 to 3.8 percent in 2015, and to rise slightly to 4.3 percent in 2016.3 Agricultural value-added grew at 2.6 percent annually in 2008–2014, also down from its 2003–2008 rate of 3.8 percent. Although Africa as a whole did not meet the CAADP agricultural growth target of 6 percent in 2008–2014, eastern Africa actually exceeded that goal, with a growth rate of 6.6 percent.

In contrast, progress in reducing poverty accelerated. The share of the population living on less than US$1.25 per day (purchasing power parity) decreased from 42.9 percent in 2003 to 36.9 percent in 2014, with a faster decline during the second half of the decade. About 18 African countries are on track to meet the MDG poverty target by the end of 2015 or have already surpassed it.4 The poverty gap—a measure of the intensity of poverty based on the mean shortfall from the poverty line—also declined more rapidly in 2008–2014, at an annual rate of −2.6 percent, than in 2003–2008, when the rate was −1.5 percent (Figure 2). Hunger also continued to decrease moderately, with the prevalence of undernourishment declining from 22.1 percent in 2003 to 17.0 percent in 2014. The share of stunted children declined from 40.2 percent in 2003 to 35.9 percent in 2014. Thirty-five African countries have met at least one of the five World Health Assembly nutrition targets; Kenya is on track to meet all five targets.5

Public agricultural expenditures continued to rise, but the rate of increase slowed compared with earlier years. Expenditures grew by 2.3 percent annually during 2008–2014, down from a more impressive 6.6 percent increase in 2003–2008. The share of agricultural expenditures in total public

Ousmane Badiane is director for Africa, Tsitsi Makombe is a senior program manager, and Julia Collins is a research analyst, West and Central Africa Office, International Food Policy Research Institute, Washington, DC, USA.

Economic growth and food security in western Africa continued to be affected by the Ebola epidemic that began in December 2013 and resulted in thousands of deaths. By early 2015, the number of new cases had fallen significantly, but the most severely affected countries—Guinea, Liberia, and Sierra Leone—continued to face repercussions of the disease throughout the year. The World Food Programme found “coping strategies” generally associated with food insecurity—such as skipping meals or consuming wild foods—in common use in Ebola-affected areas in early 2015. Dependence on these strategies decreased later in the year as food security improved. The effects of Ebola are projected to lower overall economic growth for 2015 in all three countries, and other negative impacts related to weakening of the healthcare systems may be felt for years.

ADVANCING MUTUAL ACCOUNTABILITY

With the 2014 Malabo Declaration, African heads of state and government pledged mutual accountability for an extensive set of development commitments. In order to monitor and report on progress, African leaders committed to conducting continental biennial agricultural reviews. In 2015, CAADP stakeholders began gearing up for the first review, to be held in 2018. To operationalize the commitment, the African Union Commission and the New Partnership for Africa’s Development Planning and Coordinating Agency (NPCA) developed a CAADP Implementation Strategy and Roadmap and a Programme of Work, which were launched at the 11th CAADP Partnership Platform meeting in March 2015. And to provide stakeholders with a standard set of parameters for benchmarking progress, the African Union Commission and NPCA, with the support of technical partners such as the Regional Strategic Analysis and Knowledge Support System (ReSAKSS), produced a revised CAADP Results Framework for 2015–2025. The framework outlines 40 indicators for tracking and reporting on progress.

Following the CAADP Partnership Platform meeting, several technical meetings took place to further define the “what,” “why,” and “how” of the first biennial review. For example, permanent secretaries of agriculture from 32 African countries met...
to discuss their role in the reviews and mainstreaming of Malabo commitments in national agricultural investment plans. At an NPCA-organized meeting in August and at the ReSAKSS conference in September, delegates agreed that a continent-level report will be prepared based on the 2016 country or regional reports, which will help to define baselines for assessing progress.

Agriculture joint sector reviews are expected to inform the country and regional reports and the biennial reviews. The International Food Policy Research Institute (IFPRI) and ReSAKSS worked with various partners to establish a technically robust, comprehensive, and inclusive review process. Joint sector review assessments were conducted in 11 countries to help strengthen institutional and technical capacities for review, and produced action plans to improve countries’ review processes. In addition, IFPRI and ReSAKSS provided technical support to the Economic Community of West African States (ECOWAS) to implement the first regional joint sector review. A regional assessment, modeled after the country assessments, is currently underway. Reports on progress in implementing government, donor, and private sector commitments from the New Alliance for Food Security and Nutrition will provide another key input for the biennial reviews. In 2015, ReSAKSS collected data and helped to draft the 2015 New Alliance country- and continent-level reports.

**EXPANDING CLIMATE-SMART AGRICULTURE**

Climate-smart agricultural practices, using many strategies derived from traditional practices, are beginning to spread across Africa. However, adoption rates are presently low and impact will be limited in the absence of greater efforts to increase adoption and impact. Several 2015 initiatives promoted the uptake of climate-smart agriculture at the country, region, and continent levels. The multistakeholder Africa Climate-Smart Agriculture Alliance facilitated several multisectoral country dialogues and supported the development of national climate-smart agriculture programs and their integration into agricultural investment plans. For example, during workshops in Malawi and Zambia, delegates established national steering committees and developed plans for scaling up climate-smart agriculture.

---

**FIGURE 2 Poverty and hunger, average annual level (%) in Africa**

To better coordinate climate-smart agriculture efforts across the continent, NPCA launched the Pan-Africa Alliance and Platform on Climate Change during the first pan-Africa forum on climate-smart agriculture in May 2015. The platform aims to advance the African Union goal of at least 25 million farming households practicing climate-smart agriculture by 2025. It will promote the development of a coherent climate-smart agriculture agenda for Africa, provide a forum for stakeholders to deliberate on best practices and partnerships, and review country progress against continentwide goals. The 2nd Africa Ecosystem Based Adaptation for Food Security Conference, another continentwide forum held in 2015, culminated in a resolution to establish an African Ecosystem Based Adaptation for Food Security Assembly to promote this approach in Africa.

In West Africa, ECOWAS held a high-level forum for climate-smart agriculture stakeholders in June 2015 to reflect on opportunities, challenges, and strategies for developing climate-smart agriculture. At the forum, ECOWAS launched an intervention framework on climate-smart agriculture and created the West Africa Alliance for the Convergence and Coordination of Climate-Smart Agriculture Initiatives to operationalize the framework. Also, country-level climate-smart agriculture programs, designed to integrate national agricultural investment plans with climate-change strategies, were developed in eastern and southern Africa.

KEY CHALLENGES AND OPPORTUNITIES

Despite falling poverty rates, large numbers of Africans are still trapped in poverty, and many are undernourished. The central challenge facing African policymakers is sustaining and accelerating inclusive economic growth to lift people out of poverty more rapidly.

African fatalities related to civil unrest are expected to be lower in 2015 than 2014, which saw the largest number of fatalities since 1999. Nevertheless, conflict threatened food security and development in several African countries in 2015, including Nigeria, Central African Republic, Somalia, and South Sudan. Among countries with available data, the lowest-ranked in IFPRI’s 2015 Global Hunger Index were Chad and Central African Republic, where recent conflicts and ongoing violence have hampered progress in reducing hunger and child mortality. Other countries experiencing conflict, including Democratic Republic of the Congo, Somalia, and South Sudan, were not ranked due to lack of data, but suffer from extremely high rates of hunger as well.

Creating employment for the 11 million young Africans projected to enter the labor force each year for the next decade is another serious challenge. The burgeoning labor force presents great opportunities for growth, if the new workers can be absorbed into productive employment; but currently many young workers are unemployed or working in low-productivity jobs. Putting these young people to work will require productivity increases in agriculture and the informal sector, where most will work, as well as in formal wage employment.

The informal sector, which produces inexpensive goods and services for local consumption, has played an important role in Africa’s growth recovery. The large number of small, informal firms could generate widespread employment opportunities, provided countries can devise and implement policies to support product sophistication and enterprise growth. Such policies could include widening access to professional and vocational training, and improving transport and energy infrastructure. Rapid urbanization, a growing middle class, and increasing incomes are leading to more diversified diets and an expanding role for purchased and processed foods; these widespread changes offer new opportunities for employment in food preparation, processing, and marketing.

Agricultural research and development (R&D) is one of the keys to increasing growth in agricultural productivity. Yet only a handful of African countries account for most of the substantial increase in agricultural R&D spending and human resource capacity since 2000. Several countries remain plagued by high researcher turnover, inadequate funding, and high levels of funding volatility. Countries need to share lessons and best practices for increasing and retaining human capacity, mobilizing funding for R&D from both private and public sectors, and creating an enabling policy environment to foster
private sector funding and participation in agricultural R&D.

THE WAY FORWARD

In 2016, the focus of African policymakers will be on mainstreaming the SDGs, the Malabo commitments, and other development programs including climate-smart agriculture; ensuring adequate systemic capacities for evidence-based policy planning, implementation, review, and dialogue; and mobilizing resources to deliver on commitments. Country and regional reports to feed into the first continental CAADP biennial review are slated to be prepared in 2016. Meeting the Malabo commitments and addressing the challenges described above will require action on many fronts, including continued improvement in governance and institutions, increased investment in agricultural R&D and market access, and industrial policy strategies to raise productivity in the informal sector. Investing in education and targeted skills training are necessary to help young workers find productive opportunities. Infrastructure investments will be key to reducing constraints on productivity growth in agriculture, agribusiness, and other informal and formal sectors. Moreover, raising agricultural productivity growth will require reform of input subsidy programs to reduce the crowding out of commercial fertilizer distributors, as well as improvements in soil fertility to allow farmers to make more efficient use of fertilizer.
The regional conflicts of the Middle East and North Africa became global in 2015, as evidenced by the massive increase in people fleeing violence and its consequences: threats against their lives, deprivation, and hunger. The Syrian conflict alone has caused the death of 250,000 people, the internal displacement of 7.6 million people, and the migration of more than 4 million people. While the flow of refugees from Syria and other conflict-ridden countries to Europe garnered major media attention, neighboring countries—including Jordan, Lebanon, and Turkey—have been challenged by a much bigger inflow. While Arab countries collectively hosted about 7 million refugees in 2014—roughly 40 percent of the global refugee population—more than 6 million of the world’s refugees originate from the Arab region.

In addition to armed conflict and the refugee crisis, external factors also buffeted the region in 2015. China’s economic downturn diminished oil demand, further decreasing the price of the region’s main export. The oil revenues of the Arab Gulf Cooperation Council countries (GCC) are expected to fall by more than 50 percent in 2015 compared with 2014, forcing governments of oil-rich Arab countries to make significant budget cuts or increase debt levels. Oil-importing countries, including Egypt, Jordan, and Lebanon, are beginning to suffer from the resulting decrease in demand for goods and services from the GCC, which is counteracting some of the positive impact of lower fuel import bills.

Across the Arab region, there is a renewed consensus on the urgency of addressing the conflicts, the refugee crisis, and economic challenges posed by the international environment, which are impeding development. Consensus-building around regional priorities for the newly launched Sustainable Development Goals (SDGs), along with some key food policy changes in the region, may afford a new opportunity to address food security, nutrition, and poverty needs, and contribute to regional stability.

CONTINUING CONFLICT UNDERMINES ADVANCES

The Arab revolutions that began in late 2010 halted, and in some cases reversed, the region’s progress in achieving the Millennium Development Goals (MDGs). Just when peace was needed for the final push to achieve the MDGs by the 2015 deadline, conflicts intensified in Iraq, Libya, Syria, and Yemen, and their effects spilled over into Egypt, Jordan, Lebanon, and Tunisia. The Gaza Strip has not yet recovered from the destruction of its infrastructure in July 2014, and tension has persisted in Bahrain and other countries in the region.

Even accounting for notable setbacks in recent years, however, the Arab region had previously been on track to reach most of the MDGs by 2015. Notable regionwide progress included improvements in education, sanitation, child mortality rates, and maternal health. But these advances hide great disparities among subregions and countries. The least developed countries (LDCs) in the region (in particular Comoros, Djibouti, Mauritania, Somalia, Sudan, and Yemen) were not expected to achieve most of the MDGs on schedule. For the region as a whole, progress has been weakest toward the goal of cutting the levels of poverty, hunger, and malnutrition by half (MDG 1). Recent setbacks have been serious. Current estimates suggest that poverty has risen above the 1990s level, with more than 7.4 percent of the

Nadim Khouri is an independent researcher supporting the Global Agricultural and Food Security Program. Clemens Breisinger is a senior research fellow and country program leader for Egypt, Development Strategy and Governance Division, International Food Policy Research Institute, Washington, DC, USA.
population living in extreme poverty as of 2012 and poverty levels expected to rise further by the end of 2015.7 And with an estimated 50 million people still undernourished, “the region is far behind on meeting the target of halving undernourishment.”8 The picture is worse in Arab LDCs, where extreme poverty rates are estimated at more than 21.6 percent, undernourishment affects more than 29 percent of the total population, and more than 35 percent of children under five are underweight, as of 2012.

PRIORITIZING FOOD AND NUTRITION SECURITY

The Arab region participated in the global dialogue that developed the 17 Sustainable Development Goals (SDGs) adopted by the UN General Assembly in October 2015. Emerging regional consensus has established food security as the priority goal,9 based on the final version of SDG 2 (which promotes the integration of sustainable agriculture with food security and the necessity of ensuring support to women), and has specifically highlighted the importance of nutrition.10 The goal of eliminating extreme poverty (at the US$1.25 per day level) also has regional acceptance. Notably, the consensus recommendations recognized the importance of peace and improved governance to development.11

Prioritizing food security is consistent with the latest estimates and research-based evidence on the development needs of the Arab region.12 National-level food insecurity remains “serious” or “alarming” in most Arab countries, reflecting pervasive vulnerability (Figure 2). The Arab region will remain dependent on food imports, despite a persistent discussion in the region on the desirability of “food self-sufficiency at any cost.” While most Arab countries spend less than 20 percent of their foreign exchange earnings on food imports (Figure 2), any discussion of self-sufficiency needs to explore the

Figure 1 Refugees hosted by and originating from the Arab region

Source: Authors’ calculations based on World Development Indicators 2015 (World Bank 2015). WDIs use data from the United Nations High Commissioner for Refugees (UNHCR), Statistical Yearbook, and data files, complemented by statistics on Palestinian refugees under the mandate of the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) as published on its website. Data from UNHCR are available online at www.unhcr.org/statistics/populationdatabase.

Note: The Arab region is composed of the 22 member states of the Arab League.
feasibility and true cost of this idea, which is likely to be high. A more realistic and beneficial strategy for reducing food insecurity may be to further improve trade and trade infrastructure, including storage. In several countries, domestic agriculture, including rainfed agriculture, has potential to increase its contribution to regional food security. However, given regional water scarcity, any efforts to increase agricultural production or productivity will need to address sustainability issues for food production systems, as laid out in the SDGs.

Conflict management will be central to improving household-level food and nutrition security, including eliminating hunger, which is often concentrated in areas undergoing conflict. Nutrition interventions should focus on child stunting, obesity, and the combination of both—the so-called “double burden” of malnutrition. Stunting levels in many Arab countries are significantly higher than per capita income levels would suggest, with more than 20 percent of children too short for their age in 10 Arab countries. Several countries, including Djibouti, Egypt, Kuwait, Somalia, and Syria, experienced a decrease—rather than the desired increase—in the annual rate of reduction in child stunting in recent years. At the same time, obesity rates in the region are among the highest in the world. An estimated 45 percent of adults are severely overweight, with serious health consequences, including for children of obese mothers.

**MAJOR FOOD POLICY DEVELOPMENTS IN 2015**

The primary regional organization, the Arab League, does not have the capacity to engage with the

---

**Figure 2** National-level food security, Arab region

![Map of the Arab region showing national-level food security levels](http://bit.ly/1ST6ECv)

**LEVEL OF FOOD SECURITY**

- No data
- Low
- Moderate
- Serious
- Alarming
- Extremely alarming


**Note:** A country’s macro-level food security is defined as food imports divided by total exports plus net remittance inflows (food imports / [total exports + net remittance inflows]). All indicator values are generally computed as three-year averages over the period 2010–2012. For more information, see C. Breisinger, O. Ecker, P. Al-Riffai, and B. Yu, *Beyond the Arab Awakening: Policies and Investments for Poverty Reduction and Food Security*, IFPRI Food Policy Report 25 (Washington, DC: International Food Policy Research Institute, 2015).
security and political problems of the region. Instead, the Arab League has focused on increasing trade integration within the region, which may offer a feasible first step toward resolving the region’s seemingly intractable political issues. A long-standing plan to create a regionwide Arab Customs Union (ACU) in 2015 has now been put on hold, and a more limited subregional customs union composed of the GCC countries was established. Several other regional cooperative efforts were initiated in 2015. The Arab League launched the Climate Nexus Initiative in Cairo in November, which will support development of greater regional policy coherence across the SDGs for climate change, disaster risk reduction, food and water security, and social vulnerability.\textsuperscript{15} The World Bank and the Arab Monetary Fund launched an initiative that, among its key objectives, aims to secure financing for small and medium enterprises as well as other links in the food-and-agriculture value chain.\textsuperscript{16} And in a promising sign for future coordination of water distribution from the Nile, Egypt, Ethiopia, and Sudan signed an agreement of principles on Ethiopia’s Grand Renaissance dam project in March 2015.

At the country level, policymaking activity has often increased in Arab countries in times of crisis, such as the 2008 and 2011 global food crises and the Arab Awakening. But such policy changes are often neither fiscally sustainable nor well targeted to the poor.\textsuperscript{17} In 2015, with large territories and populations affected by extreme violence, countries are finding it even more difficult to focus on long-term sustainable development solutions. Even for the countries that have avoided getting pulled into the violence, the ongoing conflicts distract from critical development priorities, including participatory and representative government, the rule of law, and equitable development.

Egypt is among the few exceptions. The Egyptian government continued its effort to reform subsidies, including cutting environmentally and socially detrimental fuel subsidies, which created overall economic and distributional gains. Reforms were also made to the food subsidy system, including (1) boosting the dietary value of the basket of subsidized food through the addition of a greater variety of eligible foods; (2) transfer of most users to smart cards, which allow for electronic replenishment of food assistance funds, thus increasing efficiency and reducing the risk of corruption or misuse of food assistance funds; and (3) initiating a new food waste reduction project.\textsuperscript{18}

OUTLOOK FOR 2016

The outlook for the Arab region for 2016 is not much improved, particularly if conflict persists. However, there is hope that the mounting evidence of the costs of inaction will sway decisionmakers to support policy reforms to improve governance, fight corruption, and increase the competitiveness of Arab economies.\textsuperscript{19} The following three areas are high priorities for policy intervention to improve food and nutrition security in Arab countries.

- **Peace-building through development activities at local and national levels.** Consensus is emerging on the need to aggressively innovate in pursuit of peace through development. Although overall and permanent peace may remain elusive, there is growing agreement on the need to prioritize and sustain food security assistance. Innovation is needed to go beyond the current emergency relief measures. In October 2015, the Committee on World Food Security agreed to a set of nine principles and implementation strategies, known as the Framework for Food Security and Nutrition in Protracted Crises, which is designed to guide governments and assistance agencies in stepping up their development engagement, including in conflict zones.\textsuperscript{20}
Education and subsidy reforms to improve nutrition. Outside of conflict areas, following the model of the emerging success in Egypt, governments should focus on ending harmful subsidies and strengthening safety nets in order to improve nutrition for the truly poor and food insecure, including addressing the double burden of malnutrition.

Research and improved data gathering and analysis. Ultimately, there is hope that more inclusive and participatory societies will emerge from the present regional chaos. Sound data and information for decisionmaking on rural development and food security (such as the Arab Spatial Food and Nutrition Security Analyzer) as well as demonstrable solutions suitable for scaling up are needed. Development of these tools while the turmoil is still ongoing may even hasten peace. The turmoil started in peri-urban and rural areas; perhaps if rural development is addressed, that is also where it will end.
Economic developments in 2015 confirmed prevailing wisdom about Central Asia’s vulnerability to external shocks, as countries in the region contended with declining global commodity prices and spillover effects from the economic downturn in Russia. The Russian downturn directly affected national economies not only through reduced remittances, an important source of income for many Central Asian households, but also through its contribution to the volatility of the region’s currencies. These developments combined to weaken macroeconomic stability, economic growth, and household welfare in Central Asia. In addition, a larger-than-expected slowdown in China, which has become an increasingly important trading and investment partner in the region, placed further constraints on Central Asia’s economies.

The current economic slowdown disrupted a period of rapid economic growth, which had generated significant improvement in household welfare and living standards in the region. With the exception of Tajikistan, all Central Asian countries achieved two key Millennium Development Goals—cutting both extreme poverty rates and the proportion of undernourished people by half—ahead of the 2015 deadline. Commodity prices, which reached historic highs during this period of growth, benefited not only the resource-rich countries of the region (Kazakhstan and Turkmenistan) but also the resource-poor countries (Kyrgyzstan and Tajikistan), whose migrants were able to find employment in Russia and send remittances home. Uzbekistan benefited from both high commodity export revenues and significant inflows of remittances.

The impact of the current negative trends on regional household food security will become clearer as more household-level data become available. Despite some progress, household-level data on food and nutrition indicators in the region remain limited. The recently published findings from the 2014 Kyrgyzstan Multiple Indicator Cluster Survey—which provides nationally representative data on a wide range of health, nutrition, and education indicators focused on women and children—demonstrate positive trends in child nutritional outcomes, suggesting that stunting rates for children under five declined from about 18 percent in 2012 to 13 percent in 2014. Similar surveys are being conducted in Kazakhstan and Turkmenistan.

**MAJOR DEVELOPMENTS**

Recent developments reflect Central Asia’s exposure to global commodity price fluctuations and economic change in Russia, the region’s most important trading partner. Export revenues in the region have collapsed due to declining commodity prices. For example, Kazakhstan’s export revenues in the first three quarters of 2015 dropped by 33 percent compared with the same time frame in 2014. Similar trends are observed in other Central Asian countries. Moreover, low oil and gas prices and international sanctions deepened Russia’s recession in 2015, with a severe impact on Russian labor demand and real wages. While it is difficult to disaggregate the effects specifically attributable to Western sanctions from the effects of the slump in the Russian economy as a whole, it is clear that demand for Central Asian migrant labor has suffered. The combination of declining labor migration, a weaker ruble, and falling real wages led to a significant reduction of remittance flows from Russia to the Central Asian countries (Figure 1).

Kamiljon Akramov is a research fellow and Allen Park is a research analyst in the Development Strategy and Governance Division, International Food Policy Research Institute, Washington, DC, USA.
Russian authorities appear to have responded to deteriorating labor conditions by tightening regulations on labor migration. New laws taking effect in 2015 increased registration requirements and sharply raised legal fees for citizens of the Commonwealth of Independent States countries, which have a visa-free regime with Russia. Migrant laborers are now required to carry international passports, purchase health insurance, and pass medical and language tests in order to obtain a work permit. According to the Federal Migration Service of the Russian Federation, the number of officially registered labor migrants from Tajikistan and Uzbekistan in Russia declined by 16.1 percent and 17.3 percent, respectively. In the first half of 2015, the total value of remittances to these countries declined by almost half compared with the same period in the previous year. Citizens from Eurasian Economic Union (EEU) countries are exempted from the new requirements. The number of officially registered migrants from new EEU member Kyrgyzstan, the other major labor-sending Central Asian country, saw only a 6 percent decline over the same period. In fact, labor migration from Kyrgyzstan rebounded after the country became a full member of the EEU in August 2015.

The Russian downturn has directly affected Central Asian households. Results from a February 2015 household survey in southern Tajikistan conducted for the US Agency for International Development indicated that 38 percent of household members working abroad had returned home in the preceding six months. Of these, 98 percent had returned from Russia. Although seasonal factors account for some of the influx, about half of returning migrants cited reasons other than seasonal leave, financial achievement, or family and health issues for returning to Tajikistan. This suggests that these migrant workers returned due to a lack of work, legal status, or both, which can be tied to related developments in Russia.

Declining export revenues and remittance inflows exerted pressure on national currencies throughout Central Asia (Figure 2). Government responses were varied: Turkmenistan devalued its

---

**Figure 1** Total remittances from Russia, 2010–2015 (first half), in US$ millions

Source: Central Bank of Russia.
currency for the first time since 2008 and Kazakhstan changed its exchange rate policy from a managed floating to a freely floating regime, while Uzbekistan maintained tight control over the official exchange rate even as the parallel-market premium fluctuated wildly.

Combined with strong exchange rate pass-through, the trend of weakening currencies has created strong inflationary pressures on consumer prices throughout the region. These pressures are especially significant in countries that depend heavily on food imports, including Kyrgyzstan and Tajikistan. Inflation is expected to reach double digits in these two countries and may lead to erosion of household income, increased poverty, and lower diet quality, especially among households in lower income groups. Overall economic growth is expected to slow substantially in all countries of the region.

The expansion of the EEU may have important implications for agriculture and food security in Central Asia. In August 2015, Kyrgyzstan joined Armenia, Belarus, Kazakhstan, and Russia as the fifth member of the regional economic union. The agreement allows Kyrgyzstan to phase in the adoption of tariffs, as well as technical, sanitary, and phytosanitary regulations related to food products. This may have a positive effect on Kyrgyzstan’s major food exports to other EEU countries: fruits, vegetables, and dairy products. The EEU adopted some important policies related to food security and the creation of a common market for agricultural and food products in 2015, including draft unified phytosanitary requirements and changes in import tariffs for numerous agricultural and food products. In addition to EEU expansion, the World Trade Organization (WTO) formally introduced Kazakhstan as a member in July 2015 after nearly two decades of negotiations. Among the major obstacles during negotiations for Kazakhstan’s WTO accession were concerns over agriculture, including government support for the sector, market access, and sanitary and phytosanitary measures.

Food and nutrition policy is garnering renewed attention from governments in the region. In

![FIGURE 2 Exchange rates in Central Asia, end-of-year US$ per national currency, 2010 = 100](image)

Source: Authors’ depiction using data from respective central banks; data for 2015 as of November 10, 2015.
October, Kyrgyzstan adopted a national food security and nutrition program in order to meet the UN Sustainable Development Goals of eliminating hunger and malnutrition by 2030. The program aims to ensure supply of and access to food through agricultural development, social protection programs, and better access to information. Other priorities of this initiative include increasing dietary diversity and ensuring food safety. The program will be financed by the national and local governments and supported by international organizations. In April 2015, the government of Uzbekistan adopted a resolution designed to improve health and nutrition and prevent diseases related to malnutrition. The resolution outlined national goals, including five-year targets for consumption of fruits and vegetables, domestic production of healthy foods, and reduction in alcohol and tobacco use. The government has pledged only 3.7 billion Uzbek som (about US$1.4 million at the official exchange rate) to the 22 nutrition-specific projects under this initiative.

Central Asian countries are also continuing to cooperate with international organizations on projects related to agricultural development, food security, and poverty. In 2015, the World Bank launched a pilot initiative to improve standards in the Kyrgyz dairy sector, with the ultimate goal of making local products viable in export markets. In addition, the Food and Agriculture Organization of the United Nations finalized an agreement with Kyrgyzstan targeting four broad areas for cooperation: sustainable production, agricultural productivity, climate change resilience, and rural poverty. In April, Tajikistan released the first in a series of poverty studies that use new methodological approaches based on international best practices. These were developed with support from the World Bank and the government of the United Kingdom.

LOOKING FORWARD

In 2016, Central Asian countries will remain vulnerable to further decline in and volatility of commodity prices, as well as deepening of the Russian recession and China’s economic slowdown. These adverse factors may have direct impacts not only on migrant remittances, domestic economic growth, and employment opportunities in Central Asian countries, but also on poverty and household-level food and nutrition security. Countries in the region need to develop a consistent set of economic policies to mitigate possible macroeconomic and structural imbalances. The ongoing global El Niño phenomenon creates additional uncertainty for the region’s economies. Although strong El Niño episodes have been associated with increased snow accumulation and irrigation flows in Central Asia in the past, the region still faces long-term challenges related to climate change and is vulnerable to extreme weather conditions.

Evidence suggests that social protection policies can reduce poverty and undernourishment, and mitigate the temporary negative effects of external shocks. Many studies also show that properly targeted social protection measures allow households to increase and diversify their food consumption. Such measures may stimulate investment in agricultural production and other economic activities, and enhance nutrition, health, and education, with positive implications for employment and productivity. However, social protection programs in most Central Asian countries are very limited. For example, in Kyrgyzstan and Tajikistan less than 10 percent of the population is covered by social assistance, compared with 26 percent for middle- and low-income countries globally and 32 percent for transition countries in Eastern Europe and Central Asia. Moreover, the assistance is poorly targeted—only a fraction reaches poor households. In Kyrgyzstan, just one-third of total transfers are received by the poorest quintile of the population. In Tajikistan, only 8 percent of total social transfers are received by the poorest quintile. To remedy these shortcomings, the countries of Central Asia should not only enhance their social protection policies but also ensure that such transfers are properly targeted to poor households.
South Asia is the fastest growing region in the world, with regional economic growth projected to reach 7.0 percent in 2015 and 7.6 percent in 2016. However, poverty and undernourishment persist (Figures 1 and 2). Rapid economic growth is a result of declining oil prices, increasing investment, and continuing strong consumption in most of the region. All the countries of South Asia achieved the Millennium Development Goal of reducing poverty by half well ahead of the 2015 deadline, and have shown growing improvement in human development and nutrition indicators. The Global Hunger Index (GHI) for South Asia declined from 47.7 in 1990 to 29.4 in 2015, moving from “alarming” to “serious.” Although progress with respect to the GHI slowed between 2000 and 2005, it regained momentum between 2005 and 2015 as a result of various food and nutrition security programs. Nevertheless, South Asia is still home to more than 35 percent of the world’s poor (more than 300 million people).

The region faced numerous challenges in its efforts to reduce food and nutrition insecurity in 2015, including a catastrophic earthquake in Nepal, social unrest in Bangladesh, serious drought in rainfed areas and unseasonable rainfall and hailstorms in irrigated parts of India, and severe heat waves and an unseasonable storm (dubbed a mini-cyclone) in Pakistan. These calamities killed several thousand people and substantially reduced agricultural production. On a positive note, food price inflation across South Asia was controlled, arguably at least in part because of falling global prices for major commodities. As a result of favorable weather conditions, Bangladesh enjoyed a bumper rice harvest, which led to a drop in rice prices. Elections in Nepal and Sri Lanka brought in new governments, and Nepal adopted its long-awaited new constitution, moving to a federal system of governance.

At the regional level, integration through the South Asia Association for Regional Cooperation (SAARC) moved forward. The association’s 18th Summit was held in Kathmandu, Nepal, in late 2014, with the primary goal of promoting greater integration to foster peace and prosperity in South Asia. Regional heads of state identified key areas for mutual cooperation.

POLICIES FOR IMPROVING NUTRITION OUTCOMES AND FOOD SAFETY

Bangladesh has been actively addressing food safety and nutrition issues. This year saw the introduction of the National Nutrition Policy, designed to improve nutrition among the poor, especially mothers, children, adolescent girls, and underprivileged sectors of society, and to promote national development through healthier diets and improved living standards. Bangladesh is the first South Asian country to introduce mandatory fortification of refined edible oil with vitamin A. The government also launched a pilot project jointly with the International Food Policy Research Institute (IFPRI) in 2015 on agriculture, nutrition, and gender linkages, to identify actions and investments that can leverage agricultural development for improved nutrition and to make recommendations on invigorating pathways to women’s empowerment. The government plans to use the research-based evidence produced by the project to

P. K. Joshi is the South Asia director and Anjani Kumar is a research fellow, South Asia Regional Office, International Food Policy Research Institute (IFPRI), New Delhi, India. Akhter Ahmed is chief of party, Bangladesh Policy Research and Strategy Support Program, IFPRI, Dhaka, Bangladesh. Stephen Davies is a senior research fellow, Development Strategy and Governance Division, IFPRI, Islamabad, Pakistan.
design, implement, and scale up the most effective interventions at the national level.

Bangladesh also established a Food Safety Authority in 2015 to enforce regulations and procedures for safety standards, in compliance with the Bangladesh Food Safety Act. The Ministry of Food is implementing a project called Institutionalization of Food Safety in Bangladesh for Safer Food, with technical support from the Food and Agriculture Organization of the United Nations. 5

India launched a new sanitation program—Clean India Mission—in 4,041 towns, to clean the streets, roads, and infrastructure, in order to address unhygienic conditions that are linked to disease and constrain improvements in nutrition and health outcomes.

In addition, Sri Lanka is developing a food and nutrition security policy, and Nepal is formulating a new National Food Safety Policy that is expected to be operational by 2016.

POLICIES FOR INCREASED AGRICULTURAL PRODUCTION

Several programs and policies were introduced in the region to boost agricultural productivity through improved input delivery systems. For example, the region saw several important efforts to expand the availability of improved cultivars and quality seed to farmers. Pakistan’s Seed Act of 1976 was amended to promote the private sector’s role in seed multiplication and distribution, and to strengthen seed quality control systems. 6 Nepal moved forward with efforts to put its National Seed Vision 2013–2025 into effect with the introduction of frameworks to improve varietal registration and seed distribution systems. In a unique regional development, Bangladesh, India, and Nepal began to cooperate on harmonization of rice varietal evaluations in order to accelerate the release and commercialization of new cultivars across all three countries. 7 Throughout the region, policy reforms have been accompanied by important stakeholder discussions regarding effective levels of seed system regulation, appropriate roles for the public and private sectors in seed markets, protection of breeders’ and farmers’ rights, and biodiversity conservation.

Bangladesh and India developed and released biofortified cultivars of rice and pearl millet. While Bangladesh released zinc-fortified rice varieties for large-scale cultivation, India opted for iron-fortified pearl millet varieties and hybrids. Widespread

---

**Figure 1** South Asia, annual growth rate (%) in GDP and agricultural GDP, 2003–2014

consumption of these new varieties is expected to significantly improve micronutrient uptake, with positive effects on health and well-being. In Pakistan, the amendment of the Seed Act provides for registration of genetically modified varieties (GMOs), signaling the country’s approval of GMO cultivation following proper scientific testing.

In 2009, Afghanistan developed a comprehensive National Agriculture Development Framework focused on increasing agricultural production, enhancing economic regeneration, managing natural resources, and reforming governance structures. However, limited institutional capacities and financial resources are hampering implementation. Afghanistan will need to develop better governance structures and institutional arrangements, and muster considerable financial support, to improve incomes and livelihoods in the agricultural sector.

India launched a flagship irrigation program with a planned outlay of Rs. 500 billion (about US$7.67 billion) over the next five years, with the primary objectives of expanding cultivable area under assured irrigation, improving on-farm water use efficiency, and promoting adoption of water-saving methods for more “crop-per-drop.” The scheme targets 50 million hectares and is expected to improve agricultural productivity, reduce risk, and enhance drought resilience.

**POLICIES FOR FINANCIAL AND SOCIAL INCLUSION**

Pakistan announced a relief package of Rs. 341 billion (approximately US$3.24 billion) for small farmers, including direct cash supports and loans to revive the sector, which has suffered from unfavorable weather conditions and declining incomes. The direct benefits of the package comprise, in roughly equal thirds, cash payments to small farmers; reductions of input prices, primarily for fertilizer; and subsidies and guarantees on agricultural loans plus support for imports and marketing. The cash supports and access to credit are expected to benefit small farmers. However, there are several major concerns: The package will increase Pakistan’s fiscal deficit by an estimated 0.4 percent of gross domestic product. Furthermore, previous general credit schemes reached relatively few farmers in Pakistan—only 14 percent in 2013—and were terminated because funds failed to reach targeted beneficiaries.

---

**Source:** World Bank, data.worldbank.org, accessed December 17, 2015. Data for Afghanistan is from 2011; Bangladesh 2010; Bhutan 2012; India 2011; Maldives 2009; Nepal 2010; Pakistan 2010; and Sri Lanka 2009.
India launched two new social security schemes providing access to insurance: (1) the Prime Minister’s Insurance Scheme for accident and disability coverage of up to Rs. 200,000 (approximately US$3,065) for an annual premium of Rs. 12 (approximately 18 US cents), and (2) the Prime Minister’s Life Insurance Scheme for term life coverage, also of Rs. 200,000, for an annual premium of Rs. 330 (approximately US$5.51).³

In mid-2014, the Indian government launched a financial inclusion program, known as the Prime Minister’s Plan for People’s Wealth, to provide universal access to bank accounts. In a record period of 14 months, 187 million bank accounts⁴ were opened with combined deposits of about US$3.8 billion.⁵ The initiative is considered a prerequisite for direct cash transfers for food and fuel to targeted beneficiaries, and is expected to reduce public expenditure; however, these transfers have not been implemented as yet.

**LOOKING FORWARD**

The future looks bright for the region, given favorable oil prices, falling global food prices, increasing public investment, and an improving business environment. However, the countries in the region would benefit from reforms to increase transparency in governance, consolidate various programs, and attract private sector investment in infrastructure. Market and climate risks will continue to present a challenge—solutions may require a new blend of technologies, policies, and institutions. In 2016, the South Asian countries will need to begin addressing the new Sustainable Development Goals and could benefit from learning lessons on best practices within the region and elsewhere to assist them in achieving the goals by 2030.
With close to 30 percent of the world’s population and 9 percent of the world’s land, East Asia, including China, accounts for 25 percent of the world’s hungry and 40 percent of its malnourished. Because of its size, the region must be a priority for achieving the new Sustainable Development Goals. While East Asian countries, including Vietnam and China, made significant efforts to modernize their agricultural sectors in 2015, less progress has been made in tackling the broader goals of sustainability and gender equality in agriculture. In the policy realm, the focus on rice self-sufficiency and food safety remains largely unchanged. Countries such as Indonesia and the Philippines, which seemed likely to pull back from costly self-sufficiency goals, have instead committed to even more ambitious targets. The El Niño season of 2015–2016 was the strongest ever recorded. The impact on rice production in Southeast Asia was severe (although official Indonesian rice production statistics do not yet reflect this impact). Both Indonesia and the Philippines turned to imports to keep food stocks at adequate levels; rice prices rose substantially in both countries. In this potentially volatile context, stable prices of basic commodities, particularly rice, will be of paramount importance in ensuring that the gains made in poverty reduction are not lost.

In China, food safety has been a central concern for the government since the 2008 melamine incident, when adulterated milk led to the hospitalization of an estimated 54,000 babies. While it is too early to say that this incident will not be repeated, substantial policies have been passed to address food safety issues. On April 24, the National People’s Congress approved an amendment to the national Food Safety Law establishing a traceability and point-of-origin system for all products entering the supply chain, as well as more comprehensive regulations and reporting requirements for additives and other chemicals. Such changes have been taking place all across Asia. Laos, Myanmar, and Vietnam recently entered the Association of Southeast Asian Nations (ASEAN) Sustainable Agrifood Systems—a series of high-level food safety talks that aim to bring local food safety inspection guidelines up to regional standards. Although policies have been moving in the right direction, the biggest challenge remains the lack of political will and resources necessary to impose current technological standards on a traditional food system. Infrastructure is lacking to properly monitor and support existing systems. Mustering the substantial resources needed to monitor small-scale operations will be difficult, given the amount of food processed and marketed through the traditional marketing system.

Surprisingly, rice prices have not experienced high volatility leading into El Niño. According to the recent rice price tracker from the Food and Agriculture Organization of the United Nations, average prices have actually decreased slightly. Despite a decline in global inventories, the price decrease is expected to continue in 2016 as a result of low demand from regular rice importers. There are two major reasons for this: (1) there has been an increase in the stockpile of rice to meet the goals of self-sufficiency among the largest rice importers (and large stockpiles in Thailand), and (2) the full impact of El Niño is not expected until mid-2016. In particular, countries such as the Philippines and Thailand that have been affected by low precipitation have some of the largest rice reserves in East Asia.
Together with sizable production gains in China and Indonesia, these stocks have stabilized rice prices. However, current forecasts predict a 2015 rice harvest of 672.3 million tons, which is lower than the already unremarkable 2014 output. A small harvest combined with a likely rapid drawdown this year mean world rice inventories are expected to hit a new low in 2016, with current forecasts of about 164 million tons. Given this situation, policies supporting open trade of agricultural products should be strengthened to ensure that rice remains affordable. Vulnerable populations are especially sensitive to volatile food prices, and sudden price changes can push those who have escaped from poverty back below the poverty line.

MAJOR POLICY DEVELOPMENTS

With the passage of the revamped Food Safety Law and a new set of priorities highlighted by the Number One Central Document, China is signaling a transition from a focus on quantity to a focus on quality in its food supply. However, the most significant policies are likely to be initiatives to promote regional development, such as the Asian Infrastructure Investment Bank and the One Belt, One Road infrastructure initiative. Internally, the major policy focus as described by the Central Document is a mix of land reform, sustainable agricultural production, and fiscally sustainable agricultural support policies. Focus has shifted from an emphasis on grain production to a more diverse agricultural structure entailing greater production of industrial crops, forage crops, livestock, and fish, while still maintaining self-reliance for grain. It should be noted that striving for self-sufficiency in grain at all costs is a difficult policy to sustain fiscally in the context of an uncompetitive and inefficient domestic grain sector.

Another 2015 highlight in China was the change in agricultural price support policy. The previous price support policy set the minimum purchase price of domestic grain well above international prices, effectively providing a subsidy. The 2015 Central Document calls for a decoupling of prices from the subsidy—meaning the government will now purchase grain at the market price and provide direct subsidies to producers and consumers. In the second half of 2015, the Chinese government cut the reserve price of corn and other grain, and minimum purchase prices were not increased above 2014 levels.

The Philippines, expected to suffer from the impacts of El Niño, has boosted research and funding to develop drought- and flood-resistant agriculture. While self-sufficiency has always been a stated policy, the agriculture secretary has promoted additional efforts to reach the goal by 2016. Overall, the government’s goals remain the same: create a developed country for the next generation, lower dependence on imports of rice, stabilize income for farmers, and promote social protection and food security. To achieve these goals, the government earmarked 86.1 billion Philippine pesos (US$1.9 billion) for its Agricultural Development Program in 2015, which will be used to boost rice production and improve irrigation in the top rice-producing provinces, such as northern Luzon. In addition, a comprehensive program of the Department of Agriculture is being implemented to address climate change and to disseminate innovations such as rice-based agrifood systems.

Recent cabinet shake-ups in Indonesia have raised questions about the traditional role of the Bureau of Logistics (BULOG) in regulating food prices. The vice president announced in September that the bureau would import 1.5 million metric tons in November/December to address shortages associated with the El Niño drought. However, his proposal was overruled by the president at the urging of the agriculture minister, and uncertainties remain. Indonesia must find a way to balance its desire for self-sufficiency in basic food crops; the demands of the growing palm oil industry, which is Indonesia’s main cash crop (and a source of air pollution in the region because land is cleared by burning); and a rapidly diversifying diet among urban consumers. Possible negative impacts on the poor should be borne in mind—high rice prices caused by restriction of imports increase both urban and rural poverty among net rice buyers.

As one of the countries most likely to benefit from inclusion in the Trans-Pacific Partnership, Vietnam has taken major steps to ensure it is prepared by joining a series of food security initiatives and continuing to privatize state-owned agricultural...
enterprises. Already closely watched by multinational investors, Vietnam is likely to receive a surge of foreign direct investments ahead of the trade agreement.\textsuperscript{10} Such investments will complement the technological transfers implemented by the Ministry of Agriculture and Rural Development to modernize its infrastructure and introduce high-tech farming. In addition, there has been public discussion of much-needed policy reforms for land distribution and ending inefficient agriculture subsidies that pose barriers to foreign investment.

Thailand is still struggling to handle the results of a rice-buying scheme that has led to huge stockpiles of overpriced rice.\textsuperscript{11} This worrisome policy is expected to continue, albeit with some reforms, as political elites attempt to curry favor with rice farmers. Some promising programs, such as technical support to increase productivity by introducing high-quality rice and promoting efficient water use and GMOs, are important steps toward meeting domestic demand and maintaining exportable supply.

The pressing challenge for Myanmar is dealing with the aftermath of Cyclone Komen and making necessary structural improvements to minimize the damage of similar incidents in the future. Already US$50 million has been earmarked to provide assistance. However, the decrease in agricultural production linked to the cyclone has led to a significant increase in the need for food aid in some districts. The government’s current goals include restructuring skewed land distribution, improving the links that connect financial services to farmers, and increasing funding for agricultural research.\textsuperscript{12} Development of a National Action Plan for Food and Nutrition Security is underway to provide a strategy for strengthening the agricultural food and energy sector, including nutritious food production. It is not yet clear what priorities the newly elected populist government will set for the sector.

2016 AND BEYOND

In 2016, pressure from changing diets and global warming will continue to increase in East Asia’s agriculture sector. With the rise of average incomes and the emergence of a middle class, the demand for diverse foods—already reflected in the rapid emergence of supermarkets—will increase. In China, per capita annual meat consumption, now at 59 kilograms, is already double the world average; a recent report expects it to reach 74 kilograms, which is in line with that of Taiwan and Hong Kong.\textsuperscript{13} To produce so much meat will require an amount of feed corn nearly equal to all of the current output of Brazil and Argentina. This trend is replicated across other East Asian countries, with regional per capita meat consumption expected to almost double over the next 20 years.\textsuperscript{14} Such rapid growth is expected to put a tremendous strain on agricultural supply chains as countries adapt to the growing role of livestock. While the current demand for feed grains is largely met by imports, how growing demand will be met going forward is an important question. One possible source of solutions lies in government support for innovations in agricultural technology. From high-tech drones for monitoring soil conditions to China’s e-commerce platforms specializing in fresh produce, such investments could help maximize yields in a sustainable way for countries facing limited land and other resource challenges.

Aside from structural changes, the agriculture sector of East Asia will face two major changes: the Trans-Pacific Partnership and the Asian Infrastructure Investment Bank. As yet, neither initiative has released details on its policies, but the scale and potential impact of both warrant a closer look. The trade pact aims to increase economic ties among partner nations and provide substantial benefits to exporters of various commodities through tariff reductions. Vietnam and Japan are expected to be among the biggest winners in Asia as a result of tariff cuts for their clothing and auto industries, respectively. In terms of agriculture, short-term benefits are likely to emerge for all trading nations, particularly large exporters such as Australia and the United States. However, the Trans-Pacific Partnership may also create political turmoil when protected commodities (for example, rice in Japan) face increasing pressure from foreign imports. In the long term, self-sufficiency policies can be expected to become increasingly untenable as countries are forced to restructure their agriculture programs in the face of cheaper imports.
The Asian Infrastructure Investment Bank aims to complement and cooperate with the existing multilateral development banks to jointly address Asia’s daunting infrastructure needs. \(^{15}\) While some see the establishment of the bank as a political move to further China’s interests in the region, others perceive it as a welcome development for Asia. \(^{16}\) Given that Asia is projected to need US$8.22 trillion in infrastructure investments by the end of this century across critical sectors including agriculture and transportation, the bank is likely to play a key role in future development efforts. \(^{17}\)

Overall, there is reason to be optimistic about East Asia’s prospects for 2016. Despite the immediate threat from El Niño and the longer-term threat of climate change, countries have achieved tangible results in addressing these issues. As the new policies in the agrifood sector are implemented in 2016, their effectiveness can be judged.
FOR LATIN AMERICA AND THE CARIBBEAN (LAC), the news on food security has been mixed in 2015. On the positive side, the region has met international goals for significant reductions in undernutrition. However, global developments are driving down commodity prices to the detriment of exporting countries and contributing to an economic slowdown in countries throughout the region.

POVERTY AND FOOD AND NUTRITION SECURITY

The LAC countries achieved several of the Millennium Development Goals (MDGs) set for 2015. The region succeeded in cutting by half both the percentage of underweight children under five and undernourishment in the total population between 1990 and 2015 (Figure 1). The region has also successfully reduced the percentage of people with incomes below US$1.25 in purchasing power parity (PPP) per day by half. Latin America (without the Caribbean) has also reached the goal set by the 1996 World Food Summit of cutting the total number of undernourished people in half (Figure 1).

Several factors appear to have supported the achievement of those targets, including the relatively strong performance of the agricultural sector in recent decades (which improved food availability);¹ the decline in poverty resulting from high economic growth rates; and the expansion of safety nets for the poor and vulnerable, which also helped to reduce LAC’s high levels of inequality. Compared with other regions, LAC shows the highest coverage by social safety nets (such as conditional cash transfers) of the poorest 20 percent of the population (Figure 2). Other factors that have arguably contributed to the region’s achievements include advances in education and the status of women; improvements in water, sanitation, and health infrastructure; and the spread of democracy in the region since the 1980s and 1990s.

Although the region shows significant improvements as a whole, food security conditions are still worrisome in some countries, particularly in Central America and the Caribbean (CAC). Also, taking a broader perspective on malnutrition among the world’s developing regions, LAC suffers some of the worst indicators related to overnutrition and related diseases,² problems that coexist with undernutrition in some countries.³

To address these issues, the presidents and heads of state of most of the LAC countries approved the regional Plan for Food Security, Nutrition and Hunger Eradication at the January 2015 Summit of the Community of Latin American and Caribbean States (CELAC). The plan consists of four pillars—food production, food safety, support to vulnerable groups, and attention to natural disasters—that are each supported by policy recommendations and regional coordination. The plan commits the region to achieving “zero hunger” by 2025, five years ahead of the schedule set by the newly approved UN Sustainable Development Goals (SDGs).

PRODUCTION AND SUSTAINABILITY

At the global level, LAC continues to be a significant producer of agricultural and food products, with about 13 percent of the world’s agricultural production in 2013 (measured in PPP).⁴ LAC is also the world’s main net exporter of agricultural and food products, making the region a major bulwark to two

---

¹ Eugenio Díaz-Bonilla is a visiting senior research fellow and Maximo Torero is division director, Markets, Trade, and Institutions Division, International Food Policy Research Institute, Washington, DC, USA.
aspects of global food security: food availability and stability.\

While increases in agricultural production and exports in recent decades are due in part to improvements in productivity, they were also made possible by an expansion in agricultural land that is closely linked to deforestation. The loss of forest cover should be monitored to ensure long-term sustainability. According to satellite data collected by Terra-i, the rate of deforestation in LAC declined in 2013–2014 to about 1.7 million hectares per year, compared with the 2008–2011 period, when about 3.1 million hectares were deforested per year. Nevertheless, this constitutes a significant loss of forest cover, and the rate of deforestation appears to have increased in the first half of 2015.

Rapid land-use change is putting pressure on LAC’s role as a major provider of global environmental public goods, including biodiversity, oxygen, and carbon sinks. Temperature and precipitation changes, heat extremes, and the melting of glaciers associated with climate change will all have adverse effects on agricultural productivity, hydrological regimes, and biodiversity. In Brazil, for example, without additional adaptation, crop yields could decrease by 30–70 percent for soybeans and up to 50 percent for wheat at warming of 2°C.8

Shorter-term developments that need consideration are the continuing multiyear drought in Central America and the formation of what may be the strongest El Niño since the 1997–1998 episode, although it is not yet clear whether this episode will have as great an impact.9

Over the long term, sustaining LAC’s dual role as a key contributor to global food security and global environmental public goods will require substantial

---

**Figure 1** Number of undernourished and prevalence of undernourishment in Latin America and the Caribbean

![Graph showing number of undernourished and prevalence of undernourishment in Latin America and the Caribbean from 1990–1992 to 2014–2016.](image)

*Source: Adapted from FAO (Food and Agriculture Organization of the United Nations), IFAD (International Fund for Agricultural Development), and WFP (World Food Programme), The State of Food Insecurity in the World 2015: Meeting the 2015 International Hunger Targets: Taking Stock of Uneven Progress (Rome: FAO, 2015).*

*Note: WFS = World Food Summit; MDG = Millennium Development Goal.*
investment in agricultural research and development, infrastructure, and governance of natural resources. Failure to make these investments would have far-reaching implications for the world.

**MACROECONOMIC DEVELOPMENTS**

Economic growth has slowed in many LAC countries as a result of the current world economic deterioration and the decline in the prices of the region’s commodity exports. After enjoying growth of more than 3 percent in per capita gross domestic product (GDP) during the years since 2000, LAC per capita growth slowed to less than 1 percent in 2014, and projections by international organizations indicate zero or negative per capita growth in 2015 and 2016. The average, however, hides significant differences within the region. Some countries, including Bolivia, the Dominican Republic, Panama, and Peru, are expected to experience per capita growth of 4 percent or more in 2016.

A combination of slow global growth, technological change in energy, and other macroeconomic factors has led to a fall in commodity prices, particularly energy prices. According to commodity price data from the World Bank, crude oil prices as of September 2015 had declined by about two-thirds from their peak in 2008–2011, while agricultural commodities, including soybeans, wheat, corn, and rice, had declined by 40–50 percent. For oil importers in CAC, lower energy prices are beneficial, but for countries that are net exporters of energy, agricultural products, or both, the drop in commodity prices is slowing growth.

The expected increase in interest rates in the United States (which will strengthen the dollar and lower commodity prices), the slowdown in China (which will also put downward pressure on commodity prices, particularly metals), and uncertainties in growth and financial prospects elsewhere in the world have increased the probability of a global economic recession in 2016 and 2017. In addition to the impacts on LAC’s growth and commodity prices already mentioned, a new recession will entail a decline in capital flows, an increase in the cost of the external debt, and for some countries in CAC, a decline in remittances. For the CAC countries, the net effect of lower oil prices (positive) and lower capital flows and remittances (negative) remains to be seen. The poor macroeconomic climate has already reduced infrastructure investments across the region even though, to support future growth, LAC should increase these investments from roughly 3 percent to 6 percent of GDP, according to World Bank estimates.

**FIGURE 2** Social safety net coverage for the poorest quintile by region (%)

OTHER DEVELOPMENTS

On July 20, 2015, the United States and Cuba announced the restoration of diplomatic relations, which were broken off in 1961. The elimination of this problem in the relations within the Americas may open the door to further advances in regional economic integration. However, it is still too early to evaluate the potential impacts of these developments on production and trade of sugar and other agricultural products.

Negotiation of the Trans-Pacific Partnership Agreement was also completed in 2015. The trade agreement, which includes three LAC countries—Chile, Mexico, and Peru—could affect production and trade patterns significantly in LAC and the world. As of this writing, ratification by the legislatures of the partnership countries is still pending. 14

2016 PROSPECTS

The year 2016 is likely to be a difficult one for the LAC region. The deepening slowdown of the global economy may contribute to declining employment and increasing poverty in LAC. Uncertainties about the impact of the current El Niño and the persistence of negative weather conditions in Central America and elsewhere in South America add to the challenging circumstances. To face the potentially difficult time ahead, countries in the region need to devise a coherent set of macroeconomic and sectoral policies. In the medium and longer term, they need to increase investments in education, infrastructure, research and development, and governance of natural resources if the region is to maintain its dual role of supporting global food security and providing environmental public goods. Both are necessary to maintain sustainable and inclusive growth. Following on the region’s success in meeting international targets to reduce undernutrition and the promising launch of CELAC’s food security plan, LAC countries must move to strengthen food and nutrition policies, including safety nets, to achieve the regionwide objective of zero hunger by 2025.