Important signs of progress in food security and nutrition and a commitment to sustainable development marked 2016. Yet challenges arising from dramatically changing political, economic, and demographic landscapes are sure to test the international momentum behind the new sustainable development agenda. As rapid urbanization continues around the world, poverty, food insecurity, and malnutrition are increasingly becoming urban problems. This rapid shift is changing diets and reshaping food chains—from small farms to modern supermarkets. Going forward, policies and investments to end hunger and malnutrition must take account of the needs of poor urban populations and develop strong links between rural food producers and urban markets to support both rural and urban populations.

2016 IN REVIEW
Positive signs emerged in 2016, despite a sixth year of global economic stagnation. For the first time in modern history, the number of people living in extreme poverty fell below 10 percent of the global population, and the global rate of undernutrition was expected to fall below 11 percent. Notably, Bangladesh has cut hunger levels from 33 percent to 16 percent since the early 1990s, and Ethiopia made even more dramatic progress, reducing hunger from 75 percent to 32 percent. Comprehensive strategies and programs to reduce hunger and malnutrition along with efforts to improve and diversify crop production likely contributed to these improvements. At the same time, consumers benefited from a fifth straight year of falling global food prices due to increased supply.

INTERNATIONAL COMMITMENTS
Major global policy developments in 2016 built momentum toward improving human and environmental well-being. The world geared up to implement the ambitious UN 2030 Agenda for Sustainable Development and began to work toward the Sustainable Development Goals (SDGs). The United Nations reaffirmed its commitment to reducing hunger and malnutrition by declaring 2016–2025 a Decade of Action on Nutrition. And the Paris Agreement on climate change entered into force; its commitments to climate action are critical for food security and nutrition.

Encouraging developments also emerged from smaller but influential international forums and regional development groups. The G7 reaffirmed its commitment to prioritizing nutrition and helping 500 million people in developing countries escape hunger and malnutrition by 2030. The G20 highlighted the importance of agricultural innovation to achieving sustainable development. The international community pledged a record US$75 billion replenishment for the International Development Association to help the world’s poorest. And at the African Green Revolution Forum, African leaders, businesses, and major donors pledged more than US$30 billion for African agriculture to increase production, income, and employment for smallholder farmers and local agriculture businesses.
PROGRESS AND CHALLENGES AT THE COUNTRY LEVEL

Individual countries took significant action on food security and nutrition policy in 2016. Among these, the US Congress passed the Global Food Security Act, which will support the SDGs. France enacted anti-food-waste actions. China announced agricultural investment of about US$450 billion aimed at increasing farm productivity and rural incomes. Malawi launched a new National Agricultural Policy to improve incomes, food security, and nutrition, and India continued implementation of its 2013 Food Security Law, which allocates subsidized food grains to 800 million of its people.

However, natural shocks, continued conflict, and rising numbers of refugees exacerbated persistent hunger and malnutrition in some parts of the world. In West Africa, 10 million people experienced critical levels of food insecurity in 2016. The 2015–2016 El Niño weather event caused poor harvests in many countries around the world. In Yemen, almost half the population faced high levels of food insecurity driven primarily by conflict, and in war-torn Syria roughly 4 to 5 million displaced people required urgent food aid throughout the year. While humanitarian aid is supporting many people in acute critical need, vulnerability to chronic food insecurity remains a concern.

Several new challenges loom for 2017. While forecasts are for stronger growth, economic uncertainty and changing political paradigms in developed and developing countries alike create a more uncertain outlook for global development than in previous years.

URBANIZATION IN THE SPOTLIGHT

The 2017 Global Food Policy Report shines a spotlight on the unique challenges and opportunities presented by urbanization for ending hunger and malnutrition and advancing the 2030 Agenda.

Rapid urbanization, particularly in developing countries, is reshaping food security and nutrition in both rural and urban areas. Over half the world’s population now lives in cities, and by 2050, 66 percent of the world’s population is projected to live in urban areas, with the increase concentrated in East and South Asia and Africa (Figure 1).

Urbanization and population growth are expected to put mounting pressure on the global food system as agricultural production comes under stress from environmental degradation, climate change, and extreme weather conditions. And as urbanization has accelerated in some developing countries, so has the triple burden of malnutrition: the coexistence of hunger, undernutrition, and overnutrition in the form of overweight and obesity. The good news is that the world is paying attention. Urbanization was prominently elevated in the global development policy agenda in 2016: 167 countries adopted the New Urban Agenda at the Habitat III summit, an agenda that sets a standard for sustainable urban development.

![Figure 1](image-url) Growth of urban populations in major regions

**Source:** Food and Agriculture Organization of the United Nations, FAOSTAT (2016), www.fao.org/faostat/
**URBANIZATION, FOOD SECURITY, AND NUTRITION**

Poverty, food insecurity, and malnutrition are increasingly becoming urban problems in all regions of the world. The burdens of malnutrition—including persistent child undernutrition and stubborn micronutrient deficiencies—are moving to the city. Child stunting now affects one in three urban children, for example. Among adults, the global rise in overweight and obesity had been concentrated in urban areas. Poor urban residents, especially slum dwellers, face unique food security and nutritional challenges related to accessing nutritious food; social protection; and adequate water, sanitation, and hygiene facilities. Food security in urban areas requires access to cash, which jeopardizes the poor, especially women, who depend heavily on unstable, informal sector employment. In many developing countries, extremely poor urban households spend more than 50 percent of their budgets on food. Limited formal and informal safety nets often fail to protect the poor, and food security and nutrition problems are aggravated by an unhealthy living environment, especially in slums.

Urban environments are also associated with the "nutrition transition"—a shift toward increased consumption of animal-source foods, sugar, fats and oils, salt, and processed foods—that is occurring most rapidly in cities. This change in diets is causing increases in overweight, obesity, and diet-related diseases, such as diabetes and heart disease. The most easily available and affordable diets, particularly for the urban poor, are often unhealthy. Food policies must be designed to transform urban—often "obesogenic"—food environments to increase accessibility of nutritious diets and create healthier, supportive environments for the urban poor. This will require not only working with actors at the retail end of the food value chain, such as supermarkets, but also building linkages with rural producers.

**ENHANCING RURAL-URBAN LINKAGES**

Linking rural agricultural producers to urban markets—including through physical, economic, social, and political connections—is crucial for ending malnutrition sustainably and for meeting other SDGs. Strong linkages between agricultural producers, particularly smallholders, and urban consumers can propel economic development and improve food security and nutrition for both rural and urban areas. Cities create opportunities for well-linked rural producers who can supply urban areas with nutritious foods while benefiting from larger, urban markets. These producers, in turn, invest in creating rural agricultural and nonagricultural economic opportunities. Linkages can be enhanced across the rural-urban continuum (Figure 2)—by (1) improving policy coordination across jurisdictions, (2) strengthening value chains, (3) leveraging small and intermediate cities, (4) making critical infrastructure, health, and education investments, and (5) promoting social protection.

In many developing countries, these vital linkages are already improving. A “quiet revolution” is affecting staple food value chains. Growing use of modern inputs, information and communications technologies, and expanding midstream sections of the value chain all figure in this transformation. For example, farmers are more likely to adopt new technologies, such as improved seeds, when transport costs to major urban markets are low. Cities are serving as engines of growth that support rural development and meet urban needs.

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**FIGURE 2** Food from small farms to big cities

**SUPPLY CHAIN ACTIVITIES AND ACTORS**

<table>
<thead>
<tr>
<th>Production</th>
<th>Storage and processing</th>
<th>Distribution and transport</th>
<th>Retailing and promotion</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smallholders, agricultural laborers, commodity producers</td>
<td>Packers, millers, traders, refiners</td>
<td>Importers, exporters, brokers, wholesalers</td>
<td>Informal retailers, supermarkets, restaurants, fast-food companies</td>
<td>Households</td>
</tr>
</tbody>
</table>

**RURAL-URBAN CONTINUUM**

Very rural  ________  Rural  ________  Small towns  ________  Intermediate cities  ________  Peri-urban  ________  Very urban

**FOOD-SECTOR FLOWS**

- Food and agricultural products
- Inputs (e.g., seeds, equipment)
- Natural resources
- Labor and remittances
- Finance and insurance
- Information
- Waste

While urbanization is happening almost everywhere, Africa south of the Sahara is seeing some of the most rapid change. In this region, large urban poor populations rely heavily on informal markets for accessible, affordable, and nutritious food. But informal market sellers find themselves at odds with government interventions that focus on control, regulation, and often violent eradication of the informal food economy. Governance of this vital sector demands unique institutional, administrative, and political innovations for achieving food security and food safety in the region.

LOOKING FORWARD

The 2017 Global Food Policy Report provides an overview of what we know about urbanization, food security, and nutrition, as well as some of the most urgent research and data needs. The report also points to promising policy directions for strengthening rural-urban linkages. Addressing the needs of growing ranks of urban dwellers and improving the livelihoods of smallholders will be essential to global food security and nutrition and to successfully moving ahead with the new sustainable development agenda.

MORE ABOUT THE 2017 REPORT

The 2017 Global Food Policy Report provides perspective on the major food policy issues, developments, and decisions of 2016 and highlights challenges and opportunities for 2017. This year’s report takes an in-depth look at how urbanization is affecting food security and nutrition, and how food policies can ensure that rural-urban linkages create benefits for both rural and urban communities.

- Food Policy in 2016–2017: Food Security and Nutrition in an Urbanizing World
  Shenggen Fan
- Smallholders and Urbanization: Strengthening Rural-Urban Linkages to End Hunger and Malnutrition
  José Graziano da Silva and Shenggen Fan
- Food Security and Nutrition: Growing Cities, New Challenges
  Marie Ruel, James Garret, and Sivan Yosef
- Changing Diets: Urbanization and the Nutrition Transition
  Corinna Hawkes, Jody Harris, and Stuart Gillespie
- Agricultural Value Chains: How Cities Reshape Food Systems
  Bart Minten, Thomas Reardon, and Kevin Chen
- Governance: Informal Food Markets in Africa’s Cities
  Danielle Resnick
- Regional Developments
- Food Policy Indicators: Tracking Change

The 2017 Global Food Policy Report also presents data for several key food policy indicators, including country-level data on hunger, agricultural spending, agricultural research investment and capacity, and projections for future agricultural production and consumption. In addition to data tables and visualizations, and a timeline of food policy events in 2016, the report includes the results of a global opinion poll on urbanization and the current state of food policy.

The full text of this year’s report, including indicators with an interactive display of data, is available online: gfpr.ifpri.info