

2018

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The year 2017 was marked by increasing uncertainty amid mixed signs of progress. The world enjoyed a strong economic recovery, 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. With the withdrawal of the United States from major international agreements, Britain's "Brexit," and rising anti-immigration rhetoric in many countries, the world began to step away from decades of global integration that have yielded unprecedented reductions in poverty and malnutrition. The *2018 Global Food Policy Report* reviews the major policy developments of 2017 and highlights challenges and opportunities ahead, with an in-depth look at the concerns raised by antiglobalism and how global integration can be harnessed to benefit our global food system.



2017 IN REVIEW

Following weak global economic growth in 2016, the year 2017 saw an economic turnaround that was supported by a benign global financial environment, economic momentum in advanced and several emerging economies, and increases in international trade and investment. But this global recovery was marred by rising inequality within countries that may dampen prospects for poverty reduction and by an increase in global hunger after nearly a decade of prolonged decline. Much of this worsening trend can be linked to persistent conflicts, many of which were exacerbated by climate shocks. Famine and severe food crises affected an estimated 38 million people in Nigeria, Somalia, South Sudan, and Yemen. Ethiopia and Kenya suffered significant droughts, the Caribbean was hit by powerful hurricanes, and flooding affected food security in South Asia. While the global prevalence of stunting among children fell from almost 30 percent in 2005 to 23 percent in 2016, stunting remains a significant issue with 155 million children affected. At

the same time, overweight and obesity are a growing problem in all regions of the world. As a result of strong agricultural production and slowing demand growth in emerging economies, global food prices declined steadily in the last months of 2017 and are expected to remain low, a potential boon to the world's poor, who spend a large portion of their income on food.

MOMENTUM FOR SUSTAINABLE DEVELOPMENT

Momentum toward creating a sustainable future was reflected by several major global policy developments in 2017. Promisingly, these international efforts were marked by an increased focus on using a food-systems approach to tackling the challenges of hunger, climate change, inequality, jobs, and growth. G20 agricultural ministers committed to supporting the sustainable use of water in food and agricultural production, and the G7 Agriculture Ministerial Meeting focused on protecting farmers' incomes from market crises,

natural disasters, and climate change. Countries continued to work together under the Paris Agreement to increase climate action. And progress on the 2030 Agenda for Sustainable Development continued with formal adoption of an indicator framework to track progress on meeting the ambitious Sustainable Development Goals (SDGs).

At the national level, countries made progress on environmental sustainability and nutrition. Norway launched a US\$400-million fund to reduce deforestation through agriculture. Bangladesh, China, and India launched new national nutrition plans focused heavily on improving nutrition for women and girls. 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. Many others—including Ghana, India, and Nigeria—reconfirmed their commitments to ending hunger and malnutrition by 2030.

ANTIGLOBALISM ON THE RISE

Even as commitments to food security and nutrition were strengthened, 2017 saw a sharp turn away from global consensus, cooperation, and integration. 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. In Europe, the United Kingdom began negotiations for withdrawal from the European Union. And World Trade Organization (WTO) members failed to reach a joint agreement at the Eleventh Ministerial Conference in Buenos Aires. What does this increasing antiglobalism mean for food security and nutrition?

FOOD SYSTEMS UNDER RADICAL CHANGE

Food systems have been at the heart of recent unprecedented reductions in global poverty, hunger, and undernutrition, and will be the foundation of future progress. But radical global changes—including rising antiglobalism and emerging technologies—are creating new challenges and opportunities. Moreover, today's food systems are contributing to health and environmental crises. Many national food systems are rapidly transitioning toward diets that are too high in salt, sugar, and fat, and food systems are implicated in a range of environmental pressures. As acute as these challenges are, food systems are uniquely positioned to be a primary driver of improved human and environmental health. To understand how food systems can be transformed in this time of global change, we must understand how global change is affecting food security and nutrition.

WHAT IS THE ROLE OF TRADE?

Recent antiglobalization sentiment, especially the potential resurgence of trade protectionism, as exemplified by the threats to the North American Free Trade Agreement (NAFTA), risks slowing progress toward the SDGs, greater

economic growth, and improved food security and nutrition. Experience shows that trade plays a critical role in feeding the growing world population, given the uneven distribution of agricultural land and resources. Widespread opening to trade, beginning in the 19th century, has lowered the average cost of food worldwide and expanded access to diversified food baskets. Trade barriers, in contrast, lead to high food prices in land-scarce countries, depressed food prices in land-abundant countries, and lower real incomes in both. The risks associated with trade opening—including rising inequality, health impacts, increased energy use, and environmental damage—should be addressed with policies that directly target the source of the problem, rather than hampering trade. For example, over-nutrition and obesity should be addressed with education and other policies that directly target consumption.

HOW CAN INTERNATIONAL INVESTMENT CONTRIBUTE?

Meeting growing demand for more food and more diverse food will require substantial investment by governments and farmers. Boosting international private investment can also contribute to improving food systems. International private investment can create jobs, develop rural infrastructure, connect smallholders to global markets, introduce productivity-enhancing know-how and technologies, and improve farmers' access to finance. A recent study of major private agribusiness investments in Africa and Asia found that these investments enabled local people to buy more food and more nutritious food. However, private investment can pose risks. Governments should therefore incorporate private investment into broader national development strategies. Policies should give preference to business models that favor food-insecure areas and fair integration of smallholders, women, and other vulnerable groups, as well as ensuring that investments are guided by responsible principles.

HOW DOES MIGRATION AFFECT FOOD SECURITY?

At a time when conflict is driving large flows of refugees, anti-immigration policy and rhetoric are on the rise in host countries. But the politically motivated arguments for immigration restrictions are not supported by the evidence on economic and employment impacts, crime, or fiscal costs associated with immigrants. Evidence shows that voluntary migration is positively associated with greater food security for the migrants and for the families that remain behind, as well as with economic and fiscal benefits in the host country. Even involuntary migration and refugee camps can benefit local economies by boosting local incomes and entrepreneurial activity. Threatened restrictions would hit the poorest populations hardest. To address this challenge, migrant source countries should improve mechanisms for seasonal migration, lower domestic obstacles to migration, and reduce

costs through innovative financial products. To better deal with food crises linked to migration, the use of new technologies such as mobile phones can be expanded to improve monitoring, services, and management of refugee camps.

WHAT OPPORTUNITIES DO OPEN DATA OFFER?

Data and knowledge, and associated technologies, can play a much wider role in achieving food and nutrition security. Globally, support is growing for “open data”—data that can be freely used, shared, and built on by anyone, anywhere, for any purpose. Accessible data are critical for decision making from the farm to the retailer. Field-level knowledge and information made available to farmers have the potential to improve productivity. Producers, for example, depend on knowledge of inputs (land, water, fertilizers, seeds, and credit) and on cropping system data to inform what crops to grow. At the national level, open data allow governments to make evidence-based decisions and push them toward increased accountability. But inequality of access to knowledge is increasing. Democratizing data access, for example by putting data tools such as mobile-phone apps into farmers’ hands, can help. Building open data initiatives and making government “big data” public in an accessible format can drive better policy and decision making. Commitment to open data and, more importantly, to action are needed from governments and international institutions.

HOW DO DEVELOPED-COUNTRY FARM REFORMS AFFECT GLOBAL FOOD SECURITY?

While the flows of goods, investment, people, and knowledge are critical for reducing global hunger and poverty, domestic agricultural policies in developed countries also affect global food security. The failure of WTO members to reach agreement in 2017 on reforming domestic agricultural support is a reminder of how difficult it is to convince countries to give up harmful farm subsidies. Farm support policies—particularly high tariffs and support prices—that insulate producers from market prices often lead to overproduction that ends up on world markets and depresses global prices. The real losers are low-income farmers in poor developing countries who suffer lower prices and greater rural poverty. The long-term effects of developed-country farm subsidies on developing countries are particularly pernicious, reducing incentives for production with adverse consequences for food security, nutrition, and rural development. Substantial progress was made after 1986 in reducing these harmful subsidies, driven largely by the Uruguay Round of trade negotiations, the creation of the WTO, and the Agreement on Agriculture. But support levels remain high today, and in recent years reforms in developed countries have largely stagnated. For the world’s most vulnerable populations, continued reform is essential to allow them to benefit from international markets.

HOW CAN GLOBAL GOVERNANCE REFORMS IMPROVE FOOD SYSTEMS?

As food and agricultural systems have become increasingly globalized, the governance issues related to food security and nutrition are becoming increasingly complex—including conflict-related hunger, malnutrition, environmental risks, and the politics of global integration. The inadequacy of responses to recent food crises reveals the need to redesign the global food and agricultural governance system to address problems that countries cannot or will not optimally manage by themselves. Global governance can support a range of international public goods, including standards for healthy and safe foods, international coordination of food aid in a disaster, and coordination for fair and free trade. Given the rapid pace of global change, governance structures must also enable food systems to be innovative and adaptable. This will require better coordination and integration of science into policy. To this end, a redesign of the global institutional architecture could create a governing platform to provide oversight across the many organizations involved in agriculture, food, and nutrition. The platform could ensure the coordination needed to achieve the SDGs amid growing complexity. To complement the platform, an international panel, comprising experts from the global scientific community, could support sound policy making by providing research-based evidence on agriculture, food, and nutrition.

BUILDING FUTURE FOOD SYSTEMS THROUGH GLOBAL CONNECTIONS

Looking forward, antiglobalism and the changing global landscape are likely to continue to impact trade, investment, and migration, creating further political and economic uncertainties. Global economic growth is projected to strengthen in 2018, particularly in emerging economies, which could translate into improvements in livelihoods, incomes, and food security. Rapidly advancing technologies, coupled with the global flow of knowledge, could be game changers for agriculture and food systems. But despite this relatively rosy economic outlook, adjustments in the global economy are expected to continue. Threats to food security will persist, especially hunger fueled by conflict and compounded by drought; in particular, African countries that suffered famine and drought in 2017 will remain vulnerable to food insecurity. Climate change will continue to pose immediate and long-term threats, and global cooperation will be essential as tensions over climate change grow.

Food systems must be called on to do better. Food can fix many problems, but to do so, our food systems must be transformed to deliver sufficient, affordable, delicious, and healthy food for all within the bounds of sustainability. How do we get there? Rather than stepping away from global

integration, we must work to maximize the benefits and minimize the risks of global connections. The 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. To transform food systems, an open, efficient, and fair trading system should be encouraged. Support should be provided to rural development to break the cycle of conflict, food insecurity, and migration. Investment should be made in research and innovation, as well as in evidence-based policy, to promote the benefits of emerging technologies. At the global, regional, and national levels, data and evidence must remain at the heart of more open, transparent, and inclusive food systems. Success in

making these changes will depend on breaking down the silos among stakeholders and across sectors and jurisdictions in order to promote cooperation and leverage the power of knowledge sharing. Finally, strong political will, commitment, and leadership from the global to the local level are needed to achieve the SDGs.

As many emerging challenges transcend national borders, global governance will be ever more crucial to guide global norms and galvanize collective commitment. Enacting policies to garner the benefits of globalization while minimizing the risks that fuel antiglobalism will be a critical priority. Working together to move beyond commitment to action will be the key to achieving food security and better nutrition in a sustainable way.

MORE ABOUT THE 2018 REPORT

The *2018 Global Food Policy Report* provides perspective on the major food policy issues, developments, and decisions of 2017 and highlights challenges and opportunities for 2018. This year's report takes an in-depth look at the recent rise of antiglobalism and what it means for the roles that global trade, investment, migration, and access to knowledge play in ensuring food and nutrition security.

- ▶ **Food Policy in 2017–2018: Progress, Uncertainty, and Rising Antiglobalism**
Shenggen Fan
- ▶ **Food Security: The Global Food System under Radical Change**
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Food Policy Research Capacity Indicators (FPRCI)

Agricultural Total Factor Productivity (TFP)

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

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