175th Session of the FAO Council

Item 4: Global food security challenges and drivers

According to the last assessment in the 2023 edition of *The State of Food Security and Nutrition in the World* (SOFI), the prevalence of undernourishment (Sustainable Development Goal [SDG] Indicator 2.1.1) remained relatively unchanged from 2021 to 2022, affecting 9.2 percent of the world population in 2022, compared to 7.9 percent in 2019. About 735 million people faced hunger in 2022, 122 million more than prior to the pandemic. Moreover, about 29.6 percent of the global population, or 2.4 billion people, were moderately or severely food insecure in 2022 (SDG Indicator 2.1.2).

Regarding acute food insecurity, the 2024 edition of the *Global Report on Food Crises* (GRFC) estimates that around 281.6 million people, or 21.5 percent of the analysed population, faced high levels of acute food insecurity in 59 countries/territories affected by food crises in 2023. While the share was marginally lower than in 2022 when it was 22.7 percent, the number of affected people increased by 24 million, marking the fifth consecutive year of rising numbers. This year-on-year increase is explained by increased country coverage as well as deteriorations in some countries/territories.

In 2023, over 705 000 people in five countries faced a catastrophic acute food insecurity situation (Integrated Food Security Phase Classification [IPC] Phase 5), which is the highest number in the GRFC reporting history and almost double the 2022 level. The escalation of the conflict and hostilities since October 2023 in the Gaza Strip has created the most severe food crisis in the IPC classification and GRFC history, with the entire population of 2.2 million people assessed to be in high levels of acute food insecurity.

As reported previously, conflicts, weather variability and extremes, and economic setbacks remain the main food insecurity drivers external to the agrifood systems. Moreover, poverty and inequality are structural causes of food insecurity, while the unaffordability of healthy diets is a driver internal to agrifood systems. The drivers of food insecurity seem to be intensifying and occurring more frequently and are often mutually reinforcing.

These drivers are not only behind structural, long-term chronic food insecurity, but they are also the main factors behind the current high levels of acute food insecurity situations that require urgent humanitarian response. Data shows that in 2023, conflict was the main driver of high levels of acute food insecurity for almost 135 million people, followed by economic shocks, responsible for 75.2 million people, while climate extremes were the main driver for 72 million people in high levels of acute food insecurity.

Several challenges and threats are posed to world food security. Regarding macroeconomic risks, the International Monetary Fund (IMF) predicts that global recovery will be steady, but slow and with differences among regions. Moreover, global economic growth five years from now is expected to be at its lowest level in decades. While the global debt-to-GDP (gross domestic product) ratio declined in 2023 for the third consecutive year, this was largely driven by advanced economies, while emerging markets registered an increase attaining new highs.

After reaching a record high in March 2022, international food commodity prices followed a declining trend due to ample exportable supplies and a sluggish global import demand. However, significant differences among commodities were observed. Nevertheless, markets remain subject to risks and uncertainties, which can cause price spikes and increase price volatility. Of note is the rapid increase in the international prices of cocoa, coffee and olive oil due to supply constraints and strong global demand.

Due to the higher prices of energy and natural gas before, and immediately following, the outbreak of the war in Ukraine, world prices of several fertilizers reached levels that were four times higher than their multi-year averages. While international fertilizer prices retreated significantly since then, access by

farmers in many countries remains a challenge, reflecting logistical and infrastructure obstacles as well as unaffordability.

Logistical problems can also cause significant trade disruptions. This was observed earlier in the year when extreme drought capped the size and the number of vessels in the Panama Canal locks at volumes nearly 40 percent less from the year before. The situation has started to normalize since then, however, it remains below the normal conditions. At the same time, in response to the threat of attacks in the Red Sea, several shipping companies have rerouted their maritime traffic from this passage to ship through the Cape of Good Hope, increasing both travel time and freight costs.

FAO, through its market intelligence services, regular reports and information notes, has continued to provide up-to-date, timely and objective data and information on market developments and outlook; early warnings at country and regional levels; as well as estimates of the impact on global food insecurity. The Agricultural Market Information System (AMIS) has also contributed to enhancing market transparency through its regular and timely market monitoring activities and products, while its Rapid Response Forum offered a unique platform for policy dialogue and coordination of responses among the G20 participant members. Furthermore, FAO has been fully supporting the proposal by the Brazilian G20 Presidency to establish a Global Alliance Against Hunger and Poverty aimed at escalating and accelerating efforts to eradicate poverty and hunger, while reducing inequalities, championing just transitions, and contributing to the achievement of the SDGs. A dedicated webpage with full information has been developed on *FAO response to global food security challenges*, including the situations in Gaza and Ukraine as well as other ongoing crises.

FAO's activities go beyond the immediate response to the current global food security challenges. The Organization has scaled its technical assistance and policy support to Members in the urgently needed transformation of agrifood systems to be more efficient, inclusive, resilient and sustainable. This includes medium- and long-term efforts and actions, fully in line with the FAO Strategic Framework 2022-31. Support to Members covers the full spectrum of FAO's disciplines, including fisheries and forestry.

Mr Máximo Torero Cullen, Chief Economist