CONFERENCE

Thirty-ninth Session

Rome, 6-13 June 2015

The State of Food and Agriculture

Executive Summary

Overcoming hunger and extreme poverty requires a comprehensive and proactive strategy to complement economic growth and productive approaches. This document focuses on the role of social protection in fighting hunger and extreme poverty, and linking this dimension to productive support.

Focus on rural areas and agriculture, especially on family farms and rural workers, is imperative in order to address the preponderant concentration of extreme poverty and food insecurity in rural areas within the context of the intrinsic interlinkage of agriculture with hunger and rural poverty.

Part A of this document provides a brief overview of the most recent FAO sources of information on trends in food and agriculture at world and regional levels. Part B provides information for discussion under the Conference theme: Breaking the Cycle of Rural Poverty and Hunger by Strengthening Rural Resilience: Social Protection and Sustainable Agricultural Development.

Suggested action by the Conference

The Conference is invited to:

- Discuss recent trends in world food and agriculture.
- Recognize that, despite much progress, high levels of poverty, hunger and vulnerability remain in many countries.
- Note that without proactive public action many of the poor and vulnerable will continue to suffer.
- Note that social protection can effectively reduce poverty and food insecurity, build resilience, and help catalyse agricultural and rural development, and call for greater efforts to provide coverage for the poorest, especially in rural areas.
- Emphasize that a combination of social protection, productive and food security policies can create positive synergies, improving the effectiveness and reach of individual action, and call for an integrated approach to fight hunger and extreme poverty.
- Support efforts to explore links between social protection, agriculture, and food security and nutrition and how these can be used to promote rural development.
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Part A. Hunger and Extreme Poverty trends and Review of World Agriculture

1. The eradication of hunger and extreme poverty emerge as possible Sustainable Development Goals (SDGs) in the post-2015 development era. This determination is motivated by progress and lessons learned in the past 25 years.

2. Africa, Asia and the Pacific, and Latin America and the Caribbean regions have already set 2025 as the deadline to eradicate hunger in their regions. These commitments are underpinned by national and regional actions to contribute to better food security and nutrition. The relevant potential SDGs propose 2030 as the deadline to end hunger and all forms of malnutrition and extreme poverty. To reach these goals, advances must be accelerated.

3. Since 1990–92, the prevalence of undernourishment in the developing world has fallen (Figure 1). Over half the developing countries monitored by FAO have reached the Millennium Development Goal hunger target of halving the prevalence of undernourishment between 1990 and 2015. Extreme poverty (living on less than $1.25 per day) in low and middle-income countries has also fallen globally between 1981 and 2011 (Figure 2) and the MDG poverty target has been met.

4. Despite progress, around 780 million people in developing regions still suffer from chronic hunger and over 1 billion people are extremely poor, living on less than US$1.25 per day. Since 2010-12, there has been a reduction in the speed with which undernourishment rates had been falling. The global economic and financial crisis and conflict are among the reasons for this slowdown.

![Figure 1: The trajectory of undernourishment in developing regions: actual and projected progress towards the MDG and WFS targets](image)

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1 https://sustainabledevelopment.un.org/sdgsproposal
2 SOFI 2015
Figure 2. Share of the population living in extreme poverty (less than 1.25 dollars (PPP)* per day, 2005), by region

*PPP=purchasing power parity.


5. FAO produces a number of reports and statistics with information on different dimensions of the state of food and agriculture, which are updated regularly in print and on the FAO website. This document provides brief descriptions and links to key sources. Member countries are invited to consult these links for the most up-to-date information.


8. Statistics on World Food and Agriculture: FAO’s yearbooks provide comprehensive statistics on world food and agriculture, including the FAO Statistical Yearbook that presents a synthesis of trends and factors shaping the global food and agricultural landscape and their interplay with broader environmental, social and economic dimensions; five Regional Statistical Yearbooks; and the Food and Nutrition in Numbers. They are available at: http://www.fao.org/economic/ess/ess-publications/ess-yearbook/en/#.VRV1a_zF_Ak. In addition, FAOSTAT provides on-line time-series and cross-sectional data relating to food and agriculture for some 200 countries: http://faostat3.fao.org/home/E.
Part B. Breaking the Cycle of Rural Poverty and Hunger by Strengthening Rural Resilience: Social Protection and Sustainable Agricultural Development

I. Introduction

9. Economic growth is an essential factor in driving down poverty and hunger rates, but is not enough. The process of growth-driven reduction is often a slow one, not necessarily inclusive, and gains may be easily lost during economic and financial crises. For example, as a result of the fuel, food, and financial crises some 64 million more people around the world were expected to be living on less than $1.25 a day by the end of 2010 than would have been the case without the crisis.4

10. Shocks are a constant threat to the livelihoods of the poor and vulnerable, leading to substantial movements into and, when household incomes recover, out of poverty. These shocks can have different origins, such as political, economic, social, induced by extreme and/or recurrent weather events. Many countries in protracted crisis face a combination of these extreme events.5

11. Recurrent shocks contribute to depleting the livelihoods and assets of poor and vulnerable people that are no longer able to rebuild them without social assistance. Recovery from shocks tends to be slow: for example, after the 1984-85 famine in Ethiopia rural households took on average 10 years to recover livestock holdings to levels before the famine.6 In Latin America, the debt crisis and repeated economic shocks meant that extreme poverty remained practically stagnant at 18.6% between 1980 and 1999.7

12. There is an urgency to enhance action against hunger and extreme poverty, building momentum as nations and the global community make a final push to meet the MDGs and carry this momentum onward to the SDGs. A proactive attitude from governments and the implementation and scaling up of comprehensive strategies to guarantee immediate support to vulnerable families and create opportunities to break the intergenerational transmission of extreme poverty and hunger are needed. Actions should address the structural causes of hunger and poverty and not only treat the symptoms.

13. The root causes of deprivation and vulnerability lie in the broader economic, social, political, cultural, natural and physical environment. Addressing poverty and vulnerability in the short and long-term therefore requires integrated and system-wide action beyond social protection and into broader policy domains, including public health, education, agriculture and the food system in general, as well as productive support.

14. Social protection and productive support are common elements in these strategies. Without public assistance in the form of social protection, many of the poor and vulnerable will suffer hardship and lasting deprivation, perpetuating itself in poverty and hunger. Without increased support to family farming and income and job generation opportunities, poor families often lack the means to use social protection as a stepping stone for greater financial and economic independence.

15. Social protection and productive support are two parallel policy tracks and can generate even greater benefits when they are linked, as evidenced in different countries in recent years.

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Why focus on rural areas and agriculture?

16. Extreme poverty and food insecurity are still mostly concentrated in rural areas (Figure 3). For developing countries as a whole, about three-quarters of the extreme poor are in rural areas. While the rural share of the poor has declined in some regions (Latin America and the Caribbean, East Asia, and the Middle East and North Africa), it remains very high in South Asia, South-East Asia and Sub-Saharan Africa.\(^8\)

17. Agriculture and rural poverty are closely linked. Rural people in most developing countries rely on agriculture for an important share of their income, although they engage in many income-generating activities. Most poor rural families cannot ensure their food security from their own production and rely on paid labour, remittances and other sources to meet their basic food needs. Almost 75 percent of farms in low- and middle-income countries are smaller than 1 hectare,\(^9\) and many farming families are poor and food insecure themselves.

![Figure 3: Percentage of rural and urban population living in extreme poverty (less than 1.25 US$ per day)](image)

Sources: Authors' compilation using World Bank, 2015 (WDI) and World Bank, 2015 (Povcalnet).

18. Women play an important role in agriculture as farmers, workers and entrepreneurs. Women supply 43 percent of all agricultural labour in low- and middle-income countries, and this share reaches at least 50 percent in many countries of Sub-Saharan Africa and elsewhere, especially where poverty is particularly entrenched and women have few other employment opportunities. But women farmers face a number of constraints in accessing agricultural inputs, services and markets that make it particularly hard for them to use agricultural production as a pathway out of poverty.\(^10\)

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II. From safety nets to social protection

19. Social protection is a subset of social policy, which also includes the provision of basic services—mainly education and health care, but also water and sanitation in low-income countries.

20. Social protection responds to the fact that the poorest often need assistance to meet their basic consumption needs and that many poor and vulnerable households experience large or repeated shocks that cause them to further reduce consumption or to sell off assets to sustain consumption. As a consequence they face unnecessary and persistent deprivation, and are excluded from the food production cycle.


22. Current perspectives on social protection have emerged from the ‘social safety nets’ agenda of the 1980s and 1990s. Initially seen as a response to shocks, the concept broadened to also address chronic poverty. There is no single definition of social protection, but a broadly representative definition is: “… all initiatives that: provide income or consumption transfers to the poor; protect the vulnerable against livelihood risks; enhance the social status and rights of the excluded and marginalized”

23. In general, social assistance programmes or social safety nets are non-contributory transfers that reduce poverty and/or smooth consumption and prevent destitution following a transitory shock. The most common programmes are:

   a) unconditional or conditional transfers, i.e. programmes that distribute cash (usually to the mother in the family), vouchers or in-kind (such as food) without (unconditional) or with (conditional) obligatory action required on the part of the recipient, typically focused on health and education, including school feeding programmes; and,

   b) public work programmes, also referred to as cash/food for work or guaranteed employment programmes, which require beneficiaries to supply work to create or maintain household or community assets.

24. Social insurance programmes are typically financed by contributions from employees, employers and the state and are based on the insurance principle. They address life cycle, employment and health contingencies, providing cover for designated contingencies affecting income.

25. Labour market programmes provide unemployment benefits, build skills, enhance workers’ productivity and employability, and encourage decent work and the elimination of the worst forms of Child Labour. The available evidence shows that social insurance and labour market programmes tend to benefit the non-poor.

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11 The World Bank and other Washington based agencies use the term ‘social safety nets’ to describe all programmes and interventions focused on poverty reduction in developing countries, including emergency and humanitarian assistance. Other organizations and agencies, as for example UNICEF, use the term ‘social safety nets’ to refer to temporary or short-term programmes and ‘social transfers’ as the broader set of transfers that are only one component of social protection.


14 There is a conceptual distinction between social assistance and emergency assistance. Emergency or humanitarian assistance is provided in the event of natural or man-made disasters and focuses on short-term assistance, often provided independently of the socio-economic status of beneficiaries. In low-income countries, emergency and humanitarian assistance is commonly financed from aid and implemented by national or international NGOs. Emergency assistance and social assistance have very different analytical basis, objectives, target groups, and financing sources.

26. Over the past few years the approach to social protection has also evolved, through learning from cross-country experience, from ad hoc interventions towards building social protection systems that combine elements of the different components.16

27. This growing importance is reflected in the Social Protection Floor Initiative endorsed by the UN General Assembly during its MDG Summit of September 2010. International and multilateral organizations such as the ILO, FAO, OECD, World Bank and UNICEF now emphasize the need for a systemic approach to social protection, aimed at building inclusive and sustainable social protection systems that are closely coordinated with other social and economic policies.17

28. Social protection is also considered an instrument for inclusive sustainable development and is being considered as an objective for the post-2015 framework.18

III. Expansion of social protection programmes

29. In developing countries the positive experience with large-scale social protection programmes that help the poor and vulnerable, as for example in Brazil, Ethiopia, India, Mexico and Niger, has given impetus to a reassessment of the value and role of such programmes in combating poverty and hunger as well as social, economic and political inequality.

30. Social protection programmes have expanded rapidly over the past two decades. In 2013 at least 146 countries provided one or more forms of social assistance. Nearly all countries have some form of school feeding and at least 368 million children receive food daily at school.19

31. Throughout the developing world about 2.3 billion people20, or 40 percent of the population, are covered by some form of social protection. There is a wide variation among regions, with coverage being lowest in the regions where poverty incidence is highest. Only about 30 percent of the population of South Asia and 20 percent of the population of Sub-Saharan Africa is covered by social protection measures of any kind.21 In regions where poverty incidence is the lowest coverage of social protection is the most extensive, with about 60 percent of the population receiving some form of social protection.

32. Cash transfer programmes were less common but have expanded dramatically between 2008 and 2013 when they were operated in 52 countries, up from 27 in 2008.22 Twenty-one out of the 33 countries in Latin America and the Caribbean has a conditional cash transfer programme in place.23 In Sub-Saharan Africa there were 37 unconditional cash transfer programmes operating in 2013, 16 more than in 2008.

33. Globally, the number of public works programmes rose from 62 to 84 between 2011 and 2013 and most of them are found in Sub-Saharan Africa, although South Asia has some of the world’s largest programmes of this type.

34. Improving targeting of social protection programmes makes a crucial difference in how effective they are in achieving their objectives. In many countries, better targeting of existing resources would be sufficient to close the poverty gap.

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18 Proposed SDG Objective 1.3: “Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.” https://sustainabledevelopment.un.org/sdgsproposal
21 Ibidem.
22 World Bank. 2014a, op. cit.
IV. Breaking the cycle of rural poverty and hunger through social protection and productive support

35. Millions of rural families are trapped in a cycle of poverty and low productivity that causes unnecessary suffering and impedes agricultural development and broader economic growth. Breaking this cycle requires action in two complementary domains: social protection and growth in the productive sectors of the economy. Because agriculture remains the most important productive economic sector for rural people in many developing countries, linking social protection with agricultural development is a potentially powerful means of breaking the cycle of rural poverty.

36. Many countries in the developing world increasingly recognize that social protection measures are needed to relieve the immediate deprivation of people living in poverty and to prevent others from falling into poverty when a crisis strikes.

37. When integral social protection systems are implemented, they can contribute break rural poverty cycles, because they reach the most vulnerable and their different needs according to their life cycle and population characteristics. It contributes to protect and ensure basic subsistence for the poor, helps overcoming liquidity constrains and, when provided in a regular and reliable manner, provide greater certainty in the face of possible shocks.25

38. Social protection programmes open the possibility for recipient households to invest in better nutrition, health and education, as well as in productive activities and assets. These benefits spread beyond the immediate recipients to their communities and the broader economy as recipients purchase food, agricultural inputs and other rural goods and services.

39. The link to productive strategies is essential if social protection is to be part of a sustainable pathway out of poverty. In most low- and middle-income countries, agriculture remains the largest employer of the poor and provides a major source of their livelihoods through wage labour and their own production for household consumption and the market. Poverty and its corollaries – malnutrition, illness and ignorance – themselves hinder agricultural productivity, so addressing social protection and agricultural development in an integrated way offers synergies that can increase the effectiveness of both.

40. Hence, breaking the cycle of rural poverty requires social protection measures for the poor and vulnerable to help them meet their basic needs and manage risks, combined with agricultural development measures to create durable pathways out of poverty.

41. When social protection programmes help beneficiary households increase their farm production and diversify their income-generating activities they also impact the wider local economy.26

42. The extra disposable income is spent on goods such as livestock products, simple agricultural and household goods as well as services most often produced and provided locally, by non-beneficiary households. When additional income creates demand for locally produced goods and services they contribute to a virtuous cycle through stimulating agricultural and rural off-farm income growth, thus helping each other to grow.

43. Many national experiences are showing the benefits of this link.

44. In Brazil, a comprehensive approach to food security with strong social participation that began with the Zero Hunger Program27 and evolved into the Brazil without Extreme Poverty has helped bring undernourishment levels down from 11 percent to under 5 percent. The Zero Hunger Program initially brought together and scaled up fragmented programmes, and introduced new ones to ensure that the structural causes as well as the consequences of hunger were addressed. Its set of policies, include: 1) conditional cash transfers

25 A substantial body of evidence on the linkage between social protection and productive impacts has come out of the “From Protection to Production” (PtoP) project, a multi-country impact evaluation of cash transfers in sub-Saharan Africa. The project is a collaborative effort between the FAO, the UNICEF Eastern and Southern Africa Regional Office and the governments of Ethiopia, Ghana, Kenya, Lesotho, Malawi, Zambia and Zimbabwe. For more details see http://www.fao.org/economic/ptop/home/it/.
(preferably to the mother in the family) through the *Bolsa Família* programme which today benefits over a quarter of Brazil’s population at an annual cost of 0.4 percent of the national GDP. 2) Public sector food procurement from family farmers, through the Food Purchase Program – PAA; 3) School Meals partly (30 percent) sourced locally from family farmers, through the National School Feeding Program – PNAE; and 4) support for family farmers covering credit (PRONAF), crop insurance and others, to satisfy the extra demand for food created by *Bolsa Família* and procurement programmes. The Brazil without Extreme Poverty has added focus on 1) improving child nutrition; 2) access to public services like health and education; and 3) productive inclusion with technical learning to job, microcredit, assistance to family farmers, water and light for all.

45. Ethiopia is an example of replacing ad-hoc emergency aid with regular income transfers so as to tackle repeated shocks and chronic poverty. Ethiopia’s Food Security Programme (FSP), launched in 2005, is the second largest social protection scheme in Africa after South Africa’s social grants programme. Ethiopia’s FSP provides cash transfers together with other services. The FSP’s cornerstone is the Productive Safety Net Programme (PSNP), which provides support through public works, timed not to disrupt farming activities, and, if the household is labour scarce, through direct support (about 15 percent of PSNP beneficiaries receive direct support). Beneficiaries in 2012 were about 7.6 million people, or 10 percent of the population at a cost of about 1.2 percent of GDP. The programme is deemed to have reduced the national poverty rate by two percentage points and helped reduce beneficiaries hungry season by one-third.

46. India’s Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), the largest antipoverty public employment programme in the world. Introduced in 2005 it guarantees a maximum of 100 days of employment a year to at least one member of any rural household who is willing to perform unskilled labour for the minimum wage. MGNREGA covers nearly 50 million rural households and in 2012/13 provided participating households with 46 labour days, at a cost of about 0.5 percent of GDP. The programme’s second objective is to mobilize existing surplus labour in the countryside to provide public works.

47. Mexico has strengthened its conditional cash transfer programme that was introduced in 2007 and is now called *Prospera* by adding a renewed emphasis on employment/productive and financial inclusion of its beneficiaries and inserting it into the national food security strategy *Cruzada Nacional contra el Hambre*. *Prospera* benefits over 32 million individuals living in extreme poverty in rural areas and also prioritizes giving the cash transfer to the mothers.

48. Niger launched the 3N (Nigeriens nourish Nigeriens) initiative in 2012 to “strengthen the national capacity for food production, a steady supply chain, and resilience in the face of food crises and natural disasters.” To achieve this objective, the programme is building on synergies of previously dispersed government action. It focuses its activities in five main areas: i) increase and diversify agricultural, forest, livestock, and fish production; ii) supply local (rural and urban) markets on a regular basis with agricultural, forestry, livestock, and fisheries products from the country; iii) strengthen the resilience of vulnerable groups to shocks including climate change, food crises, and natural disasters; iv) improve the nutritional status of the population; and v) promote reforms including institutional for food security and agricultural development. The 3N Initiatives uses different social protection measures, including safety nets and school meals sourced locally from family farmers through the Purchase from Africans for Africans (PAA Africa) programme.

49. The Purchase from Africans for Africans (PAA Africa) Programme adapts the Brazilian PAA food purchases from family farmers experience to five African countries: Ethiopia, Malawi, Mozambique, Niger and Senegal), effectively combining productive inclusion for family farmers with food assistance and social

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34 PAA-Africa website: www.paa-africa.org
protection for vulnerable populations. Implemented by FAO and WFP and the participating African governments and funded by DFID and Brazil, PAA Africa began in 2012. Over 5000 family farmers have been supported by PAA Africa. They reportedly have increased their productivity in average by 115 percent. Nearly 40 percent of their production is bought through the PAA Africa and used to provide healthy, locally adapted and sourced meals for almost 130 thousand students. The surplus production also raises availability of food in markets, opening the possibility for rural communities to buy locally which in turn helps move local economies.

50. Lessons learned from the success of these experiences point to a number of key enabling elements for social protection programmes in promoting food security and ending of extreme poverty, including: mainstreaming social protection in food security and nutrition strategies, and creating synergies with agricultural and productive policies; shifting from fragmented, pilot and small programmes to more systemic approaches; ensuring adequate funding for social protection, which can lead to positive results at a relatively low cost as demonstrated by Brazil’s Bolsa Familia; and strengthening and promoting coordination between public institutions dealing with social protection and agriculture, and involving non-state actors and local communities in the policy process.

51. The virtuous circle of social protection and its multiplier effect will be the focus of The State of Food and Agriculture 2015 flagship publication, to be released later this year. The report will make the case that breaking the cycle of rural poverty requires social protection measures for the poor and vulnerable to help them meet their basic needs and manage risks. When such measures are combined with interventions and policies that promote agricultural development they help create durable pathways out of poverty.