



# **Policy Dialogue on High Food Prices: Outlook and Donor Mid-Term Response**

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# Causes of High Food Prices

- 1. Reduction in investment in agriculture by African Governments**
- 2. Decline in Overseas Development Assistance towards Agriculture**
- 3. Global population increase**
- 4. Diversion of financial and land resources for the production of bio-fuels**
- 5. Climate change**



# Impact of High Food Prices

- ❖ **Exacerbation of hunger and malnutrition**
- ❖ **Worsening balance of payments in low income food deficit countries (LIFDC)**
- ❖ **Exacerbation of poverty**



# Implications of the financial and economic crisis

- 1. Further decrease in investment in the agricultural sector**
- 2. Further decrease in ODA towards agriculture**
- 3. Reduction in quantity and quality of food consumed**
- 4. Increased number of the hungry and malnourished**
- 5. Reduced remittances from diaspora**



# Reduction of vulnerability to food price peaks



1. Increased public investment in agriculture;
2. Attracting the private sector to invest in agriculture;
3. Increased support to the AU CAADP Agenda in line with its four pillars including the cross-cutting issues on livestock, forestry and fisheries. The four pillars are:
  - *Extending the area under sustainable land management and reliable water control systems;*
  - *Improving rural infrastructure and trade related capacities for market access;*
  - *Increasing food supply, reducing hunger, and improving risk management and crisis response; and*
  - *Improving agriculture research, technology dissemination and adoption.*

*Country processes for developing priorities into Compacts*



# Reduction of vulnerability to food price peaks (Cont'd)

4. Implementation of previous commitments and declarations made by all the stakeholders in the agricultural sector, viz:

- World Food Summit
- High-level Meeting on Food Security June 2008
- UN Comprehensive Framework of Action on Food Security
- World Food Security Conference Madrid January 2009



# CONCLUSION

**The threats posed by the current food crisis and high food prices must be confronted urgently, expeditiously and in a coordinated manner if the MDG 1 objective is not to be jeopardised.**

**Thank you for your attention.**