



Getting the Policy Mix Right for Global Food Security and Nutrition

Highlights

- Food security worldwide has improved significantly over time. Progress has been uneven across countries and regions, however, and a significant number of people remain food insecure.
- Increasing the incomes of the poor is the most critical requirement for the achievement of global food security, accompanied by efforts to translate higher incomes into improved nutritional outcomes.
- Agriculture has a crucial role to play, due to the dual role of the sector in supplying food and providing incomes to poor and potentially food-insecure farmers.
- Policies that focus on enhancing the overall enabling environment, promoting sustainable agricultural productivity growth – including through trade and investment – and developing social protection systems are, as demonstrated by OECD analysis, likely to be more effective than interventions that isolate producers or consumers from markets.



What's the issue?

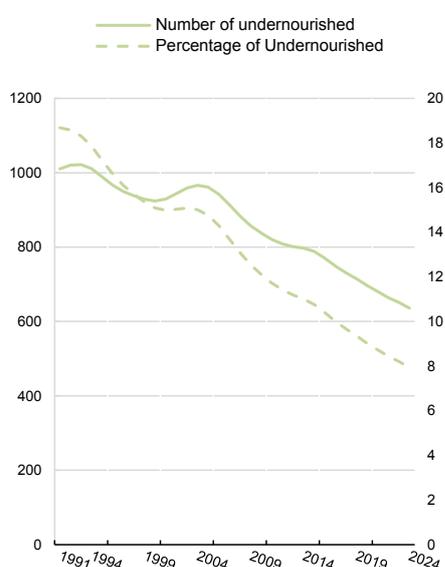
Much progress has been made in addressing food security across the globe. Between 1992-94 and 2014-16, Food and Agriculture Organization (FAO) statistics show that the prevalence of undernourishment fell significantly, from 23% to 13%. Notwithstanding this progress, around 793 million people remain food insecure, the majority of whom are concentrated in South Asia and Africa.

Food security is a complex, multidimensional problem related to food availability, access to affordable food, the

effective use by people of the food that they consume, and the stability of these elements over time.

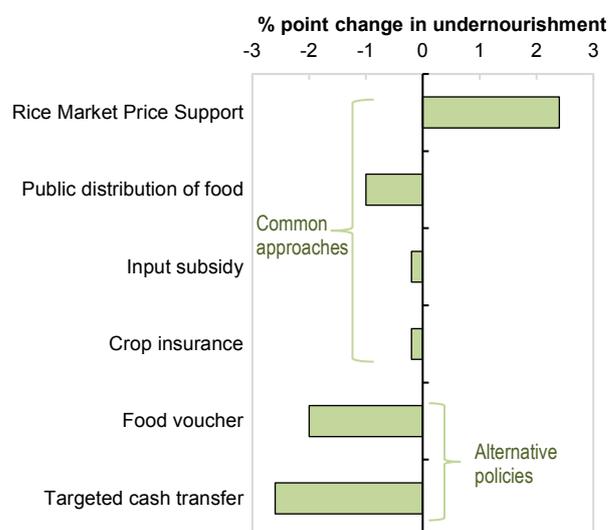
Fundamentally, most food insecurity is a result of poverty, and requires measures that generate better incomes for the poor. Policies may also be needed to translate any improvement in incomes into improved nutrition, ranging from policies in health, education, social protection and infrastructure, to those related to rural development, agriculture and wider economic policy.

FIGURE 1. GLOBAL RATES OF UNDERNOURISHMENT ARE EXPECTED TO CONTINUE TO DECLINE



Source: AgLink Cosimo model.

FIGURE 2. THE INTRODUCTION OF FOOD VOUCHERS AND TARGETED CASH TRANSFERS COULD SIGNIFICANTLY REDUCE UNDERNOURISHMENT
Probability-weighted impact on undernourishment, based on food security risk



Source: OECD (2015), Managing Food Insecurity Risk: Analytical Framework and Application to Indonesia, <http://dx.doi.org/10.1787/9789264233874-en>.

Agricultural domestic and trade policies are critical elements of the policy mix to address food security. Agricultural markets have a dual role in providing income for poor farmers and supplying food to consumers, a fact which leads many governments to use market interventions as the main tool to address food insecurity.

However, it is important to get agricultural policies right. Market interventions – often aimed at promoting food security through self-sufficiency – have a number of drawbacks. They create inefficiencies in production systems that inevitably impose a drag on economic growth and income generation, two elements that are most critical for improving food security. They also increase food prices and expose households to greater price risks, both of which are detrimental to the poorest and most food-insecure households, as these are often net buyers of food.

Some governments have made use of public distribution systems either to mitigate higher prices from agricultural support policies or to stabilise prices for consumers. OECD research has found, however, that both large and small public stockholding and distribution systems worldwide have suffered from high costs, poor targeting and significant leakages – all of which greatly reduce their effect on improving food security.



What should policy makers do?

Address the immediate needs of the vulnerable, while at the same time building the long-term resilience of those afflicted by chronic hunger and food insecurity. Short-term actions therefore need to find the most effective way of achieving immediate relief, by means of emergency food aid, for example. Other initiatives should have more medium-term results, such as the provision of income safety nets and measures to boost farm productivity and production. Longer-term efforts meanwhile offer more scope to address the root causes of food insecurity by increasing global food supplies to feed a growing world population – ensuring food availability – and tackling poverty and underdevelopment in developing countries – thereby improving food access and affordability. Along with these, complementary investments should be made in public services, such as sanitation and education, in order to improve nutritional outcomes.

Invest in agricultural production systems that will improve innovation and sustainable productivity growth. In many countries, the current focus on market interventions means that relatively little is spent on the enabling environment for agricultural productivity or on developing agricultural innovation systems that are critical for productivity growth. Rural infrastructure and storage facilities and appropriate training and advisory services are examples of production system elements which would benefit from further investment.

Ensure more open and efficient agricultural markets at regional and multilateral level. Open markets will help countries to better address the challenge of rising demand and enable production to shift location in response to changing climate. In addition, world market prices are generally more stable than prices in domestic markets. World markets will therefore need to deliver messages to producers through prices in order to help production to occur in areas where it is most efficient to do so.

Further develop social protection systems. Cash transfers – both conditional payments, through systems such as adaptive safety nets, and unconditional transfers – can provide a more efficient and effective response to food security concerns than market interventions, including those operated through public distribution systems.



Further reading

This document is based on the evidence and analysis found in a number of OECD reports and papers published in recent years:

- **Agricultural Policies for Poverty Reduction: A Synthesis**
- **Global Food Security: Challenges for the Food and Agricultural System**
- **Managing Food Insecurity Risk: Analytical Framework and Application to Indonesia**

A complete list of relevant books and papers can be found at <http://oe.cd/taking-stock> or on the Agriculture Ministerial website at www.oecd.org/agriculture/ministerial.

