THE HUNGER NUMBERS

- 1. The 2012 hunger numbers are much smaller compared to previous data. Has hunger decreased and has progress been made to reduce hunger?
 - The hunger figures presented in the 2012 SOFI report cannot be compared with those published in previous editions, because the data and methodology used to estimate them have been revised. The revised estimates show progress in reducing hunger over the past two decades at the global level and in some (but not all) regions. The progress has been in South Eastern and Eastern Asia, while the number of undernourished people has been rising in the Near East and in sub-Saharan Africa.
 - The methodology to estimate the prevalence of undernourishment uses national food balance sheet data to estimate food availability, rather than actual procurement, let alone consumption.
 - In assuming the minimum of the range of energy requirements, the PoU refers to a Physical Activity Level corresponding to a *sedentary* lifestyle. As poor and hungry people are more likely to have livelihoods requiring arduous manual labour, the undernourishment figures should be considered very conservative estimates. Alternative indicators could be estimated using a higher minimum energy requirement threshold, corresponding to a more active lifestyle. These would imply very different levels and trends in undernourishment.

2. What are the key elements of FAO's revised methodology to count the number of hungry people?

- A key innovation is considering the losses of available calories during distribution. We now recognize that not all the food produced or imported by a country actually reaches households –this is taken into account in the revised methodology.
- Another key improvement is inclusion of more detailed survey data on how food is distributed among households.
- Finally, we have adopted a more flexible form of the underlying distribution of food, the impacts of which, however, have been small.
- In addition to changes in methodology, we have also implemented important data revisions. For instance, the new estimates take into account the revised population estimates of United Nations Population Division. For some countries, such as Bangladesh, these revisions were as high as 10 percent.
- We have also updated important elements of the minimum dietary energy requirements, which serve as the threshold levels for caloric undernourishment.
- 3. After all these years, FAO now says we have made more progress than previously thought in reducing hunger. Is this just a way to achieve the MDG target by changing definitions as we get closer to 2015?

FAO updates its estimates every year (as do all organizations that produce global statistics). But it is essential to look ever more carefully at how these estimates are generated and how they can be improved.

The revised trends are the result of our efforts to bring the latest available information into the estimates. Such revisions involve updating food requirements, food consumption levels as well as parameters for the distribution of food. Unfortunately, there were no data available to update the distributional information, thus forcing us to keep these parameters unchanged.

4. Will FAO be changing its methodology again next year?

FAO does not intend to make further changes to this methodology for the time being. There is a difference, however, between the innovations introduced this year and updates to reflect more accurate information as it becomes available every year. As countries continue to produce new and better data on food losses and on the distribution of food access, some of the current estimates may need to be updated, as has always been the case. FAO will also continue to develop a wider suite of indicators to capture additional dimensions of nutrition and food security.

5. Which countries are on track to meet the MDG target? Which ones are not? What should be done to help the ones who are not?

It is clear that progress in reducing the PoU has slowed considerably since 2007 and is unlikely to achieve the MDG hunger target without early resumption and acceleration of progress, requiring inclusive economic recovery as well as food price stability. Benin, Mali and Niger have shown the largest reductions in Africa; Thailand and Viet Nam in Asia; and Nicaragua and Peru in Latin America. On the other hand, Burundi and Cote d'Ivoire have had the largest increases in Africa; Iraq and Uzbekistan in Asia; and Guatemala in Latin America. In order for countries that are not doing so well in terms of undernourishment, they should try to increase the rate of economic growth in a way that enables the poor to participate in that growth. Other interventions are also essential, for example, Bangladesh has increased the literacy of young females, seen substantial increases in dietary diversity, spent substantial sums of government money on health care, increased the coverage of vitamin A supplementation and iodized salt, increased immunization rates, and promoted and increased the use of exclusive breastfeeding for children six months of age and under. Safety nets that cushion poor households from the effects of shocks also prevent such households from falling into poverty traps and, if properly structured, can promote more investment and risk-taking that allow for a sustainable escape from poverty.

6. What specific actions should be taken to reverse the slowdown in progress witnessed since 2007–08?

FAO advocates a "twin-track" approach based on support for broad-based economic growth (including in agriculture) with safety nets for the most vulnerable – both to provide social protection and to help them contribute to economic growth.

7. The increase in hunger was less severe in 2007–10 than previously estimated. Does this mean that high food prices only have a small impact on the poor?

No, the data and methodology of the prevalence of undernourishment indicator do not capture the impact of short-term price spikes (and dips). High prices remain important because access to food remains a key determinant of food security – perhaps the most important determinant for many of the world's hungry. High prices can have the greatest effect on food security of the very poor, because they spend the greatest share of their incomes on food.

In the absence of data on the impacts of recent price and economic shocks, particularly in developing countries, FAO's estimates in 2009 and 2010 relied on economic models and simulations to supplement its traditional methodology. Neither world price spikes nor economic shocks in developed countries were transmitted to developing countries to the extent suggested by these models. So, the impacts on food availability (in terms of calories) turned out to be less pronounced than previously estimated. FAO has since improved its ability to estimate current-year chronic undernourishment based on actual data rather than the models used in 2009 and 2010. This improvement in traditional FAO methodology underlies the revised estimates in this year's report. Nevertheless, further improvements and better data are still needed to capture the effects of food price and other economic shocks.

8. Why should we care about food price volatility in future if the impact on the hungry is only limited?

First, high price volatility affects both poor farmers and poor consumers. Facing greater price fluctuations, poor farmers will under-invest in inputs such as fertilizers, fuel, or seeds. Therefore they will produce less and thus earn less than in more stable price environment. Poor consumers will be directly affected by price spikes, as they spend much larger shares of their income on food. They may need to compromise on health or education to protect their minimal caloric intake.

- 9. Why doesn't the FAO methodology capture the effects of price or income shocks? Price spikes, by definition, are temporary and affect food availability in complex ways. The methodology estimates the number of the <u>chronically</u> undernourished in terms of <u>dietary</u> <u>energy</u>. Estimating the number who are undernourished as a result of short-term shocks, or in terms of nutrients other than dietary energy, is difficult because of the lack of data and requires different data and methodology. The prevalence of undernourishment methodology does not take into consideration dietary quality or other expenses that the poor may need to cut to protect their caloric consumption. FAO is working to develop a wider suite of indicators to capture these effects.
- 10. Is FAO going to lose its credibility by presenting new figures that differ from the previous one billion hungry estimate?

FAO is obligated under its mandate to provide the international community with the best possible estimates of hunger using the latest data and advances in the methodology. In 2008 we had to estimate the impact of the price spike and the economic crisis on the number of hungry. We were not sure of food price increases in the countries, nor how the economic recession in OECD countries would affect the developing world. With very limited data we had to estimate the possible effects of these events using economic models and simulations. Those numbers were projections. As soon as we knew better, the "one billion hungry" number was later revised downwards to 925 million.

FAO has been calling for a substantial increase in resources for developing country agriculture and food security programmes for many years, especially since the two world food summits in 1996 and 2002. Our new estimate is that the number of chronically hungry in the period 2007–09 was 852 million, 73 million fewer than the 925 million estimate. Many international organizations were calling for more resources to face the crises well before the release of SOFI 2009 when the one billion figure was first mentioned. FAO was just one of many voices calling for increased attention to food security. Everyone agrees that it is unacceptable that there are still hundreds of millions of people who cannot realize their full human potential because they lack the food necessary to lead an active and healthy life.

11. The new numbers show that hunger has been rising steadily in the Near East and North Africa ever since the 1990s. What can be done to change this?

Food insecurity is only one factor that has contributed to social unrest in various parts of the world in recent years. But the situation in this region highlights the importance of improved opportunities for employment, income generation, economic growth and safety nets to improving access to food and livelihoods more generally.

12. Sub-Saharan Africa has seen an increase in the number of undernourished, as in the Near East and North Africa region. What are the efforts made by African countries to turn this trend around?

Sub-Saharan Africa has great potential for agriculture and economic growth more generally. An important step towards achieving progress is to improve the enabling environment for farmers and the private sector that will encourage them to invest in measures to increase their productivity and incomes.

ECONOMIC GROWTH

- 13. Shouldn't we concentrate on helping the poor rather than focusing on economic growth? It is wrong to think of the two as being mutually exclusive. SOFI 2012 argues that economic growth helps the poor – and that agricultural growth is particularly effective in doing so. But growth is not always sufficient, or rapid enough, so safety nets are needed to ensure that the most vulnerable are not left behind and can also participate in, contribute to and benefit from growth.
- 14. Why should we invest in agriculture in order to reduce undernourishment? People need jobs to buy food, and the best paying jobs in developing countries are outside agriculture. As economies develop, it is true that many farmers leave the agriculture sector. But this transition takes decades, and in the meantime many poor people remain in farming. These people must become more productive in order to become better nourished, and agricultural growth aims to increase productivity. Furthermore, the world's population continues to rise, and we must produce more nutritious food or undernourishment will increase.
- 15. For years, FAO has been calling for more investment in agriculture. Are there indications that individual countries and the international community are investing more in the farming sector?

FAO has no hard data on changes in investment since the food crisis in 2008 and the economic slowdown from 2009. Anecdotal evidence indicates that there is more investment, but not all funding increases go to investment – some go to subsidies that have little impact on productivity. It is also important to note that farmers themselves are the largest investors in agriculture despite the constraints they may face. To invest more they need not only better returns, but also an enabling environment in the form of rule of law, good governance, secure property rights, access to credit, adequate infrastructure and public services.

16. Why does FAO continue to focus on smallholders? Farmers with a small amount of land will never escape poverty through farming alone, they need to have other sources of income. So if they are going to make most of their money from jobs other than farming, why keep them in farming at all?

Eventually many farmers will leave farming and earn most of their income from other sources, but this process is slow, typically taking decades. The usual path for households is to gradually diversify their income sources, so that they have both farm and non-farm incomes. Thus, smallholders can escape from poverty by increasing their profits from farming and by diversifying away from farming. Furthermore, while exact estimates are not available, smallholders produce large quantities of food, especially in Africa and Asia. If these smallholders do not produce more food, the world will not be able to meet growing demands.

17. Why does FAO continue to focus on smallholders? Don't smallholders inhibit the adoption of the modern knowledge-intensive technologies that are needed to provide the increased quantities of food needed in the future?

Many of the most important technologies are actually relatively easy for smallholders to adopt, such as improved seed varieties. On the other hand, there are some technologies that require large amounts of capital. In many of these cases, rental markets are established to provide an alternative, with the result that smallholders are able to adopt them. Thus, most new technologies are within the reach of smallholders.

18. Social safety nets are nice in theory, but usually result in large quantities of food or money being lost to corruption, or diverted to non-target beneficiaries. Why should we be

creating a welfare state when what is needed is more economic growth and more jobs? It is wrong to think of the two as mutually exclusive. SOFI 2012 argues that economic growth helps the poor – and that agricultural growth is particularly effective in doing so. So, growth is clearly important, but it is not always sufficient, or rapid enough, so safety nets are needed to ensure that the most vulnerable are not left behind and can also participate in, benefit from and contribute to growth.

06/10/2012