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ECLAC, FAO and WFP Call for Strengthening Agricultural Production and Social Protection Systems to Meet the Challenge of Combating Food Insecurity

In a new joint report, the three UN system organizations warn that the war in Ukraine, along with successive crises at an international level, jeopardize Latin America and the Caribbean's access to food and key inputs for regional agriculture.

December 6, 2022, Santiago de Chile- The Economic Commission for Latin America and the Caribbean (ECLAC), the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP) presented today a new, joint Policy Brief entitled *Towards sustainable food and nutrition security in Latin America and the Caribbean in response to the global food crisis*, in which they call for strengthening agricultural production and social protection systems and for extending their scope in rural areas to meet the triple challenge of combating food insecurity and the rise in extreme poverty, and supporting food production in the region.

The document was unveiled at a press conference in Santiago, Chile led by José Manuel Salazar-Xirinachs, ECLAC's Executive Secretary; Mario Lubetkin, FAO's Regional Representative for Latin America, and the Caribbean; and Lola Castro, WFP's Regional Director for Latin America and the Caribbean.

According to the report, the international context of successive crises and the war in Ukraine jeopardize Latin America and the Caribbean's access to food and key inputs for regional agriculture. The impacts of the war in Ukraine on productive sectors must be understood in the context of the multiple crises that have affected the global economy in the last 15 years: the financial crisis of 2008, trade tensions between the United States and China, and, since 2020, the COVID-19 pandemic. These crises translated into breakdowns in various primary and manufacturing production chains, whether due to an increase in trade barriers or to disruptions in the global system for producing and transporting goods, the report explains.

It adds that the war in Ukraine has directly affected international trade in crude oil, natural gas, cereals, fertilizers, and metals. Thus, higher energy and food prices are among the factors that have led to a downward revision for global growth in 2022. It is forecast that the global economy will grow 3.1% in 2022, 1.3 percentage points less than what was estimated prior to the war's outbreak, while the Latin America and Caribbean region will expand by 3.2% this year but will decelerate sharply to

1.4% in 2023, according to ECLAC's latest projections, precisely because of the unfavorable international context.

The prolongation of the current crisis, in which various threats of a productive, trade, climatic and geopolitical nature converge, not only endangers food security but could also lead the region and the world to suffer major setbacks in relation to poverty, inequality, climate action and sustainable development, the report warns.

“Despite having a significant agricultural trade surplus, Latin America and the Caribbean is exposed to the production and commercialization problems and to the price increases stemming from the war in Ukraine. Higher international prices for food and inputs affect both exporting countries as well as net food importers. In addition, the region imports more than 80% of the fertilizers used in agriculture. A reduction in the yields and harvests of products that are key to food security, due to less fertilization, is seen compounding the harmful effects of food inflation on the most vulnerable population,” José Manuel Salazar-Xirinachs, ECLAC's Executive Secretary, indicated.

As the report by ECLAC, FAO and WFP states, food inflation increases the risk of problems to access a healthy diet, food insecurity and hunger, since it affects lower-income households more. In the region, the inflation affecting the poorest sectors (the first quintile of income distribution) is 1.4 percentage points higher than what corresponds to the wealthiest sectors (the fifth quintile). In the first quintile, food corresponds to more than two-thirds of headline inflation, whereas in the fifth quintile, it is less than half. Food prices have increased more than headline inflation in the region since late 2018 and have accelerated starting in May 2020. The 12-month food price index at a regional level reached 11.7% in September 2022, versus 7.1% in the case of headline inflation. According to FAO, the food price index, measured in real terms, reached a historic high of 156.3 points in March 2022.

Mario Lubetkin, FAO Assistant Director-General and Regional Representative for Latin America and the Caribbean, noted that “hunger and food insecurity increased in the region by 30% between 2019 and 2021. The high dependence on fertilizer imports and the variation in food prices has a negative and unavoidable impact on livelihoods, mainly of the rural population, and on access to a healthy diet.” Lubetkin added that while the FAO food price index declined in the last seven months, its level remains 14% higher compared to 2021. “Strengthening social protection systems in rural areas, particularly for family farmers, and removing restrictions on international trade in food and fertilizers will be key measures in responding to the current crisis.”

Furthermore, the study indicates that bolstering the active role that social protection systems – including national school feeding programs – performed during the pandemic's most critical phase is a necessity to ensure that the most vulnerable segments of the population, such as children and older persons, are not irreversibly affected by the increase in food prices.

“In a regional scenario where, multidimensional poverty is increasingly linked to food and nutrition insecurity and where different crises are compounding deep structural inequalities, social protection systems, including school feeding, play a critical role in mitigating people’s vulnerability before, during and after the crises. At the World Food Programme, we are accompanying national governments to identify and respond to these incremental needs, by using and expanding social protection in a sustainable way, in addition to continually strengthening these systems’ preparedness, in order to leave no one behind,” said Lola Castro, WFP’s Regional Director for Latin America and the Caribbean.

Also, ensuring small producers’ access to fertilizers and biofertilizers is a necessary and valid measure if it is focused on the producers that need it most and is conditional on improving efficiency in the use of these inputs and the sustainability of agricultural activity. The financing of these initiatives must include not only public budgets but also development banks, private banks (with the creation of guaranteed mechanisms) and other international financing alternatives such as green and social bonds, the document adds.

Finally, the report emphasizes that the complexity and scope of the policies needed to reconcile emergency responses with efforts to reduce structural and fiscal problems require coordination in various areas – macroeconomic, social, and productive – and the articulation of responses at a regional level.

More information:

Joint ECLAC-FAO-WFP Policy Brief: “Towards sustainable food and nutrition security in Latin America and the Caribbean in response to the global food crisis.” <https://www.fao.org/documents/card/en/c/cc2518en>

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