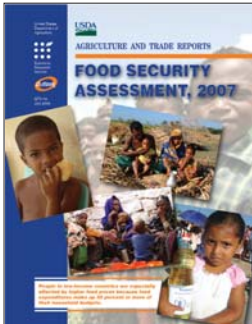


ERS *Report Summary*

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Food Security Assessment, 2007

Stacey Rosen, Shahla Shapouri, Kathryn Quanbeck, and Birgit Meade

The number of food-insecure people in 70 developing countries rose from 849 million to 982 million in 2006-07, USDA's Economic Research Service estimates. Food-insecure people are defined as those consuming less than 2,100 calories a day, the nutritional target set by the United Nation's Food and Agriculture Organization (FAO).

What Is the Issue?

Over the next decade, a slowdown in worldwide economic growth is projected to combine with food and fuel price hikes to contribute to an ongoing deterioration in global food security. This will have a particularly negative impact on the developing countries that are already the most food-insecure—those in Sub-Saharan Africa. By 2017, SSA will account for more than half of the food-insecure people of the 70 countries while accounting for about a quarter of the population. The most significant regional change is occurring and will continue to occur in Asia. Previous projections had predicted long-term improvements in food security in Asia, but current analysis shows those improvements slowing to a halt.

The report, the latest in an ERS annual series, examines food prices and other factors that affect food security globally, regionally, and in 70 developing countries studied. Researchers also measure the food distribution gap (the amount of food needed to raise consumption of each income group to the nutritional requirement) and examine the factors that shape food security. Food security is defined as access by all people at all times to enough food for an active and healthy life.

What Did the Study Find?

In 2002, the declining commodity prices of the last few decades changed direction. Grain prices jumped about 50 percent from 2005-07. Based on USDA long-term projections, about 90 percent of that price shift will persist during the next decade. Low-income developing countries feel the price pressure even more than other countries because food expenditures make up such a large share of total household expenditures (more than 50 percent for many countries reviewed in this report). The recent oil price hikes add to the financial burden because the higher energy import bill can squeeze out the imports of necessities such as food and other raw materials. The financial pressure of price hikes is particularly overwhelming for those countries that were vulnerable to food insecurity at the outset.

The food distribution gap is estimated at about 44 million tons for 2007. That is almost three times the average national-level gap (the amount of food needed to meet the nutritional requirement at the aggregate, national level), reflecting the intensity and depth of the problem that is

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due to skewed income distribution within countries. By 2017, the distribution gap is projected to increase to more than 57 million tons. This is more than 7 times the amount of food aid received by these 70 countries in 2006.

As noted, earlier projections had predicted food security in Asia to move in a positive direction, but that progress has halted. Food security in Latin American and Caribbean (LAC) countries and the Commonwealth of Independent States (CIS) countries is projected to improve in the next decade. Sub-Saharan Africa's average calorie intake is not much higher than the daily requirement of 2,100 per day, and is by far the lowest in the world. Growth in production of grains, the main food group in the diet, was about 3 percent per year between 1990 and 2006, but on a per capita basis the gain was modest because of the 2.7-percent annual growth in population. ERS estimates that SSA had 457 million food-insecure people in 2007, nearly matching the total estimated for Asia. So, while SSA had nearly the same number of food-insecure people as Asia, the food security situation of SSA was far worse because SSA had only about a third of the total population of the Asian countries.

Asia, with more than 60 percent of the population of the 70 countries, accounted for less than half of the 982 million food-insecure people that ERS estimated for 2007. Although in absolute value the number of food-insecure people is projected to increase, Asia's share of the total population of the 70 countries is projected to decline slightly through 2017. Over the next 10 years, just over 20 percent of Asia's population will continue to be food-insecure. After averaging 2 percent per year through the 1990s, Asia's population growth is projected to slow to about 1.4 percent per year through the next decade, thereby reducing pressure on resources.

Food supplies in the LAC region increased during the last two decades, leading to improvements in food security. The role of food imports grew through time as domestic food production could not keep up with the growing food demand. Income growth has been the main force behind the increase in consumption. In terms of nutritional availability at the national level, all countries, with the exception of Haiti, had adequate food for their population in 2007. However, because of extremes in income from a small group of very wealthy consumers to a large group of very poor consumers at least 20 percent of the population in all countries (except for Jamaica) did not have access to adequate food to meet nutritional targets. The most severely affected countries were Haiti, where 80 percent of the population were food-insecure, the Dominican Republic, and Nicaragua, where 60 percent were food-insecure in 2007.

How Was the Study Conducted?

Food production estimates for 2007 are preliminary, based on USDA data as of January 2008, with supplemental data from the United Nations' Food and Agriculture Organization and World Food Program. Financial and macroeconomic data are based on the latest World Bank data. Projected macroeconomic variables are either extrapolated based on calculated growth rates for the 1990s and early 2000s or are World Bank projections/estimations. Projections/estimates of food availability include food aid, with the assumption that each country will receive the 2004-06 average level of food aid throughout the next decade.