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Programme



World Health  
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**IN BRIEF**

# THE STATE OF FOOD SECURITY AND NUTRITION IN THE WORLD

**REPURPOSING FOOD AND  
AGRICULTURAL POLICIES TO MAKE  
HEALTHY DIETS MORE AFFORDABLE**





# CONTENTS

## KEY MESSAGES

## FOREWORD

## CHAPTER 1 INTRODUCTION

## CHAPTER 2 FOOD SECURITY AND NUTRITION AROUND THE WORLD

### 2.1 Food security indicators – latest updates and progress towards ending hunger and ensuring food security

**FIGURE 2** Between 702 and 828 million people in the world faced hunger in 2021. Considering the middle of the projected range (768 million), hunger affected 46 million more people in 2021 compared to 2020, and a total of 150 million more people since 2019, before the COVID-19 pandemic

**FIGURE 7** Moderate or severe food insecurity remained stable at the global level despite increases in every region except Asia, whereas severe food insecurity increased globally and in every region

**FIGURE 10** Globally and in every region, the prevalence of food insecurity is higher among women than men

### 2.2 The state of nutrition: progress towards global nutrition targets

**FIGURE 14** Reaching the 2030 global nutrition targets will require immense efforts. Only exclusive breastfeeding among infants under six months of age (37.1 to 43.8 percent) and stunting among children under five years of age (26.2 to 22.0 percent) have notably improved since 2012, yet even these indicators will require accelerated progress to meet the 2030 targets

### 5 2.3 Cost and affordability of a healthy diet: an update 19

8 **TABLE 5** Almost 3.1 billion people could not afford a healthy diet in 2020 due to the increased cost 20

## 11 CHAPTER 3 FOOD AND AGRICULTURAL POLICY SUPPORT IN THE WORLD: HOW MUCH DOES IT COST AND AFFECT DIETS? 22

### 12 3.1 Stocktaking: What policy support is currently provided to food and agriculture? 22

12 **FIGURE 17** Food and agricultural policy support instruments and indicators 23

**FIGURE 18** Level and composition of global support to food and agriculture (USD billion, average 2013–2018) 23

13 **TABLE 6** Support to the food and agricultural sector as a share of value of production, by country income group, average 2013–2018 24

### 14 3.2 How are food and agricultural policies affecting diets? 25

## 15 CHAPTER 4 POTENTIAL OPTIONS TO REPURPOSE POLICY SUPPORT TO FOOD AND AGRICULTURE FOR IMPROVING AFFORDABILITY OF A HEALTHY DIET 26

### 16 4.1 What are the potential impacts of reallocating food and agricultural policy support differently to reduce the cost of nutritious foods? 26

17

**TABLE 8** Impact of repurposing border measures to support healthy diets, 2030 (change with respect to the baseline)

28

**TABLE 10** Impact of repurposing fiscal subsidies to producers to support healthy diets, 2030 (change with respect to the baseline)

29

**TABLE 12** Impact of repurposing fiscal subsidies from producers to consumers to support healthy diets, 2030 (change with respect to the baseline)

30

**4.2 Complementing policies within and outside agrifood systems that are needed to ensure repurposing efforts are impactful**

31

**FIGURE 24** Complementing policies, both inside and outside agrifood systems, are critical to support repurposing support efforts

31

**4.3 The political economy and governance dynamics that influence repurposing policy support**

32

**FIGURE 25** Political economy and governance dynamics related to the repurposing of food and agricultural policy support

33

**CHAPTER 5  
CONCLUSION**

34

# KEY MESSAGES

→ Despite hopes that the world would emerge from the COVID-19 pandemic in 2021 and food security would begin to improve, world hunger rose further in 2021. The increase in global hunger in 2021 reflects exacerbated inequalities across and within countries due to an unequal pattern of economic recovery among countries and unrecovered income losses among those most affected by the COVID-19 pandemic.

→ After remaining relatively unchanged since 2015, the prevalence of undernourishment (PoU) jumped from 8.0 to 9.3 percent from 2019 to 2020 and rose at a slower pace in 2021 to 9.8 percent. Between 702 and 828 million people were affected by hunger in 2021. The number has grown by about 150 million since the outbreak of the COVID-19 pandemic – 103 million more people between 2019 and 2020 and 46 million more in 2021.

→ Projections are that nearly 670 million people will still be facing hunger in 2030 – 8 percent of the world population, which is the same as in 2015 when the 2030 Agenda was launched.

→ After increasing sharply in 2020, the global prevalence of moderate or severe food insecurity remained mostly unchanged in 2021, but severe food insecurity rose higher, reflecting a deteriorating situation for people already facing serious hardships. Around 2.3 billion people in the world were

moderately or severely food insecure in 2021, and 11.7 percent of the global population faced food insecurity at severe levels.

→ Globally in 2020, an estimated 22 percent of children under five years of age were stunted, 6.7 percent were wasted, and 5.7 percent were overweight. Children in rural settings and poorer households, whose mothers received no formal education, were more vulnerable to stunting and wasting. Children in urban areas and wealthier households were at higher risk of overweight.

→ Steady progress has been made on exclusive breastfeeding, with 43.8 percent of infants under six months of age exclusively breastfed worldwide in 2020, up from 37.1 percent in 2012, but improvement must be accelerated to meet the 2030 target. Infants residing in rural areas, in poorer households, who are female and whose mothers received no formal education are more likely to be breastfed.

→ Globally in 2019, nearly one in three women aged 15 to 49 years (571 million) were affected by anaemia, with no progress since 2012. Anaemia affects more women in rural settings, in poorer households and who have received no formal education.

- Almost 3.1 billion people could not afford a healthy diet in 2020. This is 112 million more than in 2019, reflecting the inflation in consumer food prices stemming from the economic impacts of the COVID-19 pandemic and the measures put in place to contain it.
- The recent setbacks indicate that policies are no longer delivering increasing marginal returns in reducing hunger, food insecurity and malnutrition in all its forms. Governments where the economy is fragile are also facing fiscal constraints to transform agrifood systems. This is the time for governments to start examining their current support to food and agriculture.
- Worldwide support to food and agriculture accounted for almost USD 630 billion per year on average over 2013–2018. The lion share of it is targeted to farmers individually, through trade and market policies and fiscal subsidies largely tied to production or unconstrained use of variable production inputs. Not only is much of this support market-distorting, but it is not reaching many farmers, hurts the environment and does not promote the production of nutritious foods.
- Support to agricultural production largely concentrates on staple foods, dairy and other animal source protein-rich foods, especially in high- and upper-middle-income countries. Rice, sugar and meats of various types are the foods most incentivized worldwide, while fruits and vegetables are less supported overall, or even penalized in some low-income countries.
- Trade and market interventions can act as trade barriers for nutritious foods undermining the availability and affordability of healthy diets. In many countries, fiscal subsidies have increased the availability and reduced the price of staple foods and their derivatives, discouraging and making relatively more expensive the consumption of unsubsidized or less subsidized commodities such as fruits, vegetables and pulses.
- Done smartly and informed by evidence, involving all stakeholders, keeping in mind countries' political economies and institutional capabilities, and considering commitments and flexibilities under World Trade Organization (WTO) rules, repurposing existing public support can help increase the availability of nutritious foods to the consumer. It can contribute to making healthy diets less costly and more affordable all over the world, a necessary – albeit insufficient – condition for healthy diets to be consumed.
- When repurposing public support to make healthy diets less costly, policymakers have to avoid potential inequality trade-offs that may emerge if farmers are not in a position to specialize in the production of nutritious foods due to resource constraints. To avoid trade-offs in terms of greenhouse gas (GHG) emissions, low-emission intensity technologies have to be adopted to produce nutritious foods, and overproduction and overconsumption of emission-intensive commodities need to be reduced in high- and upper-middle-income countries in line with dietary guidelines.

→ In low-income countries but also in some lower-middle-income countries where agriculture is key for the economy, jobs and livelihoods, governments need to increase and prioritize expenditure for the provision of services that support food and agriculture more collectively. This is crucial to bridge productivity gaps in the production of nutritious foods and enable income generation to improve the affordability of healthy diets, although it will require significant development financing.

→ Repurposing current public support to food and agriculture will not be enough alone. Healthy food environments and empowering consumers to choose healthy diets must be promoted through complementing agrifood systems policies. Social protection and health system policies will be needed

to mitigate unintended consequences of repurposing support on the most vulnerable, particularly women and children. Environmental, health, transportation and energy systems policies will be needed to enhance the positive outcomes of repurposing support in the realms of efficiency, equality, nutrition, health, climate mitigation and the environment.

→ The success of repurposing efforts will also be influenced by the political and social context, governance, (im)balances of power, and differences in interests, ideas and influence of stakeholders. Given the diversity of each country's context, repurposing efforts will need strong institutions on a local, national and global level, as well as engaging and incentivizing stakeholders from the public sector, the private sector and international organizations.



# FOREWORD

The challenges to ending hunger, food insecurity and all forms of malnutrition keep growing. The COVID-19 pandemic has further highlighted the fragilities in our agrifood systems and the inequalities in our societies, driving further increases in world hunger and severe food insecurity. Despite global progress, trends in child undernutrition – including stunting and wasting, deficiencies in essential micronutrients and overweight and obesity in children, continue to be of great concern. Further, maternal anaemia and obesity among adults continue to be alarming.

The most recent evidence available suggests that the number of people unable to afford a healthy diet around the world rose by 112 million to almost 3.1 billion, reflecting the impacts of rising consumer food prices during the pandemic. This number could even be greater once data are available to account for income losses in 2020. The ongoing war in Ukraine is disrupting supply chains and further affecting prices of grain, fertilizer and energy. In the first half of 2022, this resulted in further food price increases. At the same time, more frequent and severe extreme climate events are disrupting supply chains, especially in low-income countries.

Looking forward, the gains we made in reducing the prevalence of child stunting by one-third in the previous two decades – translating into 55 million fewer children with stunting – are under threat by the triple crises of climate, conflict and the COVID-19 pandemic. Without intensified efforts, the number of children with wasting will only increase.

This report repeatedly highlights the intensification of these major drivers of food insecurity and malnutrition: conflict, climate extremes and economic shocks, combined with growing inequalities. The issue at stake is not whether adversities will continue to occur or not, but how we must take bolder action to build resilience against future shocks.

While last year's report highlighted the pathways to transform agrifood systems, the reality is that it is easier said than done. Global economic growth prospects for 2022 have been revised downward significantly; hence, more limited financial resources are available to invest in agrifood systems. Public-private partnerships will be extremely important for investments in agrifood systems. Robust governance will also be



important to ensure that such partnerships ultimately benefit communities and people in greatest need, not powerful industry players.

This report shows that governments can invest in agrifood systems equitably and sustainably, even with the same level of public resources. Governments' support to food and agriculture accounts for almost USD 630 billion per year globally. However, a significant proportion of this support distorts market prices, is environmentally destructive, and hurts small-scale producers and Indigenous Peoples, while failing to deliver healthy diets to children and others who need them the most.

Food-importing countries have often provided stronger policy support, especially for cereals, with the aim of shielding their farming sector from international competition. In doing so, they may have been disproportionately fostering production of cereals relative to production of pulses, seeds, fruits, vegetables and other nutritious foods. These policies have contributed to food security in terms of sufficient quantity of calories, but they are not effective in improving nutrition and health outcomes, including among children.

The evidence suggests that if governments repurpose the resources to prioritize food consumers, and to incentivize sustainable production, supply and consumption of nutritious foods, they will help make healthy diets less costly and more affordable for all.

Governments must take this important transformational step, but the multilateral architecture under the UN Decade of Action on Nutrition must support it. As well, the repurposing of trade measures and fiscal subsidies will have to consider countries' commitments and flexibilities under the rules of the World Trade Organization.

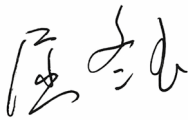
This evidence-based report builds on the momentum of last year's UN Food Systems Summit and the Tokyo Nutrition for Growth Summit, as well as the expected outcomes from the COP26 negotiations for building climate resilience for food security and nutrition.

We recognize that countries with lower incomes will have scarce public resources and need international development finance support. These are countries where agriculture

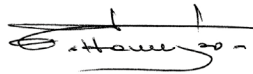
is key to the economy, jobs and rural livelihoods, and where millions of people are hungry, food insecure, or malnourished. We are committed to working with these countries to find avenues for increasing the provision of public services that supports agrifood systems actors collectively, with the involvement of local institutions and civil society, while forging public-private partnerships.

In all contexts, reforms to repurpose support to food and agriculture must also be accompanied by policies that promote shifts in consumer behaviours along with social protection policies to mitigate unintended consequences of reforms for vulnerable populations. Finally, these reforms must be multisectoral, encompassing health, environment, transport and energy policies.

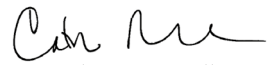
Our organizations stand firmly committed and ready to support governments and bring additional allies to achieve such policy coherence at the global and national levels. Everyone has a right to access safe nutritious foods and affordable healthy diets. Investing in healthy and sustainable agrifood systems is an investment in the future, and in future generations.



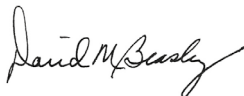
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# CHAPTER 1

## INTRODUCTION

With eight years remaining to end hunger, food insecurity and all forms of malnutrition (Sustainable Development Goals [SDGs] Targets 2.1 and 2.2), the world is moving in the wrong direction. As argued in the last two editions of this report, to meet the targets of SDG 2 by 2030, healthy diets must be delivered at lower cost to contribute to people's ability to afford them. This implies both an expansion in the supply of the nutritious foods that constitute a healthy diet and a shift in consumption towards them.

Most of the food and agricultural policy support currently implemented is not aligned with the objective of promoting healthy diets and in many cases is actually inadvertently undermining food security and nutrition outcomes. Furthermore, much of the support is not equitably distributed, is market distortive and environmentally harmful.

It is possible to allocate public budgets more cost-effectively and efficiently to help reduce the cost of healthy diets, thus improving their affordability, sustainably and inclusively, ensuring no one is left behind.

This year's report first presents the latest updates of the food security and nutrition situation around the world, including updated estimates on the cost and affordability of a healthy diet. The report then takes a deep dive into "repurposing food and agricultural policy support to make healthy diets more affordable" through reducing the cost of nutritious foods relative to other foods and people's income, which, in turn, helps countries make more efficient and effective use of – in many cases – limited public resources. ■

# CHAPTER 2

## FOOD SECURITY AND NUTRITION AROUND THE WORLD

### 2.1

#### FOOD SECURITY INDICATORS – LATEST UPDATES AND PROGRESS TOWARDS ENDING HUNGER AND ENSURING FOOD SECURITY

##### KEY MESSAGES

→ World hunger rose further in 2021, reflecting exacerbated inequalities across and within countries. After remaining relatively unchanged since 2015, the prevalence of undernourishment (PoU) jumped from 8.0 to 9.3 percent from 2019 to 2020 and rose at a slower pace in 2021 to 9.8 percent.

→ Between 702 and 828 million people were affected by hunger in 2021 – 103 million more people between 2019 and 2020 and 46 million more in 2021, considering the middle of the projected range.

→ After increasing from 2019 to 2020 in Africa, Asia and Latin America and the Caribbean, hunger continued to rise in these

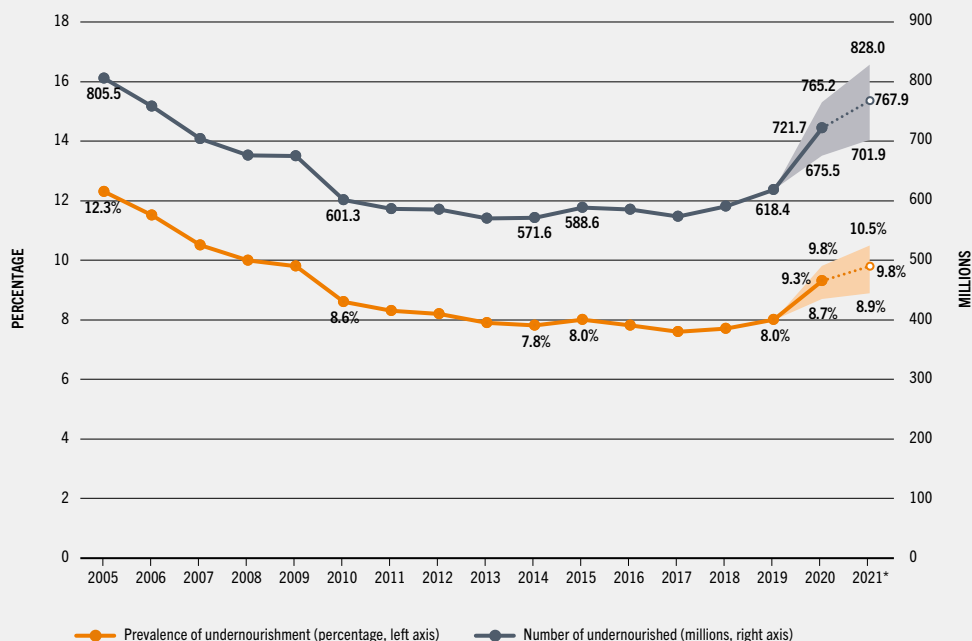
regions in 2021, but at a slower pace. In 2021, hunger affected 278 million people in Africa, 425 million in Asia and 56.5 million in Latin America and the Caribbean.

→ Projections are that nearly 670 million people will still be facing hunger in 2030 – 8 percent of the world population, which is the same as in 2015 when the 2030 Agenda was launched.

→ After increasing sharply in 2020, the global prevalence of moderate or severe food insecurity remained mostly unchanged in 2021, but severe food insecurity rose higher. Around 2.3 billion people in the world were moderately or severely food insecure in 2021.

→ The gender gap in food insecurity – which had grown in 2020 under the shadow of the COVID-19 pandemic – widened even further from 2020 to 2021, driven largely by the widening differences in Latin America and the Caribbean, as well as in Asia. In 2021, 31.9 percent of women in the world were moderately or severely food insecure compared to 27.6 percent of men.

**FIGURE 2** BETWEEN 702 AND 828 MILLION PEOPLE IN THE WORLD FACED HUNGER IN 2021. CONSIDERING THE MIDDLE OF THE PROJECTED RANGE (768 MILLION), HUNGER AFFECTED 46 MILLION MORE PEOPLE IN 2021 COMPARED TO 2020, AND A TOTAL OF 150 MILLION MORE PEOPLE SINCE 2019, BEFORE THE COVID-19 PANDEMIC



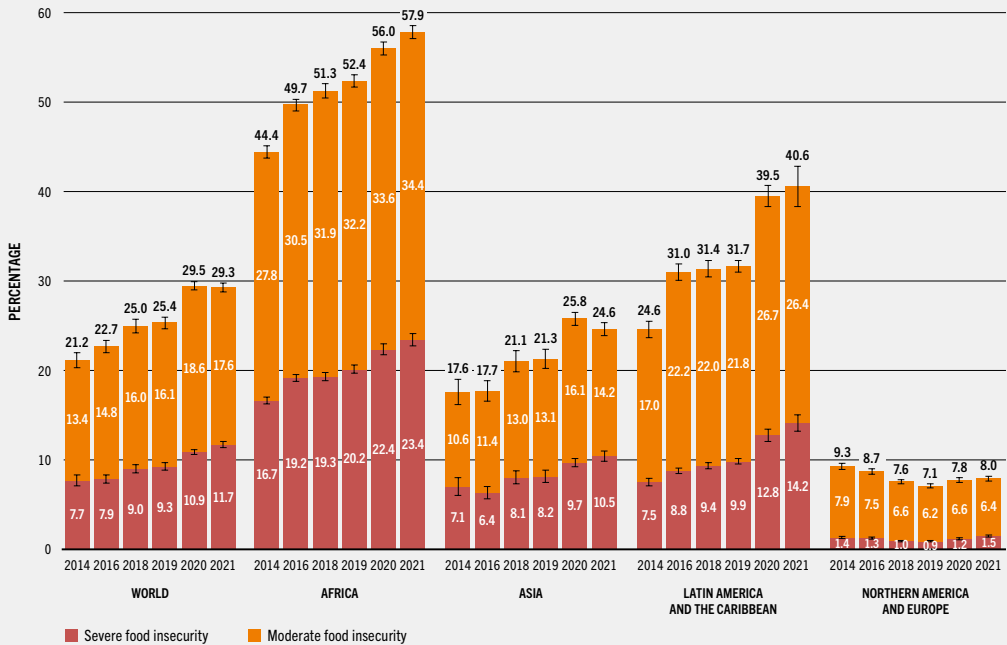
NOTES: \* Projected values for 2021 are illustrated by dotted lines. Shaded areas show lower and upper bounds of the estimated range. SOURCE: FAO.

Despite hopes that the world would emerge more quickly from the crisis and food security would begin to recover from the pandemic in 2021, world hunger rose further in 2021, following a sharp upturn in 2020 in the midst of the COVID-19 pandemic. Disparities in the impact of the pandemic and the recovery, together with the limited coverage and duration of the social protection measures, led to

widening inequalities that have contributed to further setbacks in 2021 towards achievement of the Zero Hunger target by 2030.

After remaining relatively unchanged since 2015, the prevalence of undernourishment (PoU – SDG Indicator 2.1.1) jumped from 8.0 in 2019 to around 9.3 percent in 2020 and continued to rise

**FIGURE 7** MODERATE OR SEVERE FOOD INSECURITY REMAINED STABLE AT THE GLOBAL LEVEL DESPITE INCREASES IN EVERY REGION EXCEPT ASIA, WHEREAS SEVERE FOOD INSECURITY INCREASED GLOBALLY AND IN EVERY REGION



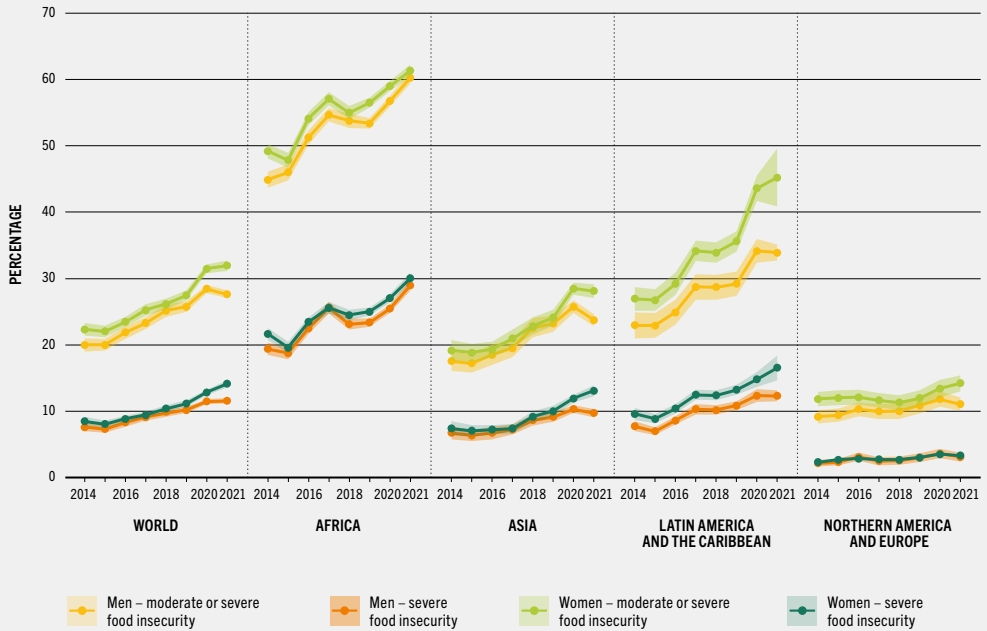
NOTE: Differences in totals are due to rounding of figures to the nearest decimal point.  
SOURCE: FAO.

in 2021 – though at a slower pace – to around 9.8 percent (Figure 2). It is estimated that between 702 and 828 million people in the world (corresponding to 8.9 and 10.5 percent of the world population, respectively) faced hunger in 2021. Considering the middle points of the projected ranges (which reflect the added uncertainty induced by the lingering consequences

of the COVID-19 pandemic), hunger affected 46 million more people in 2021 compared to 2020, and a total of 150 million more people since 2019, prior to the COVID-19 pandemic.

The numbers show persistent regional disparities, with Africa bearing the heaviest burden. One in five people in Africa (20.2 percent of the population)

**FIGURE 10** GLOBALLY AND IN EVERY REGION, THE PREVALENCE OF FOOD INSECURITY IS HIGHER AMONG WOMEN THAN MEN



SOURCE: FAO.

was facing hunger in 2021, compared to 9.1 percent in Asia, 8.6 percent in Latin America and the Caribbean, 5.8 percent in Oceania, and less than 2.5 percent in Northern America and Europe. After increasing from 2019 to 2020 in most of Africa, Asia and Latin America and the Caribbean, the PoU continued to rise in 2021 in most subregions, but more slowly.

Updated projections of the number of undernourished (NoU) people suggest

that nearly 670 million people will still be undernourished in 2030 – 78 million more than in a scenario in which the pandemic had not occurred. Another crisis now looms that is likely to impact the trajectory of food security globally. The war in Ukraine will have multiple implications for global agricultural markets through the channels of trade, production and prices, casting a shadow over the state of food security and nutrition for many countries in the near future.



SDG Target 2.1 challenges the world to go beyond ending hunger by ensuring access for all to safe, nutritious and sufficient food all year round. SDG Indicator 2.1.2 – the prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES) – is used to monitor progress towards the ambitious goal of ensuring access to adequate food for all.

Moderate or severe food insecurity at the global level has been increasing since FAO first started collecting FIES data in 2014 (Figure 7). In 2020, the year the COVID-19 pandemic spread across the globe, it rose nearly as much as in the previous five years combined. New estimates for 2021 suggest that the prevalence of moderate or severe food insecurity has remained relatively unchanged compared with 2020, whereas severe food insecurity has increased, providing further evidence of a deteriorating situation mainly for those already facing serious hardships. In 2021, an estimated 29.3 percent of the global population – 2.3 billion people – were moderately or severely food insecure, and 11.7 percent (923.7 million people) faced severe food insecurity.

There is also a growing gender gap in food insecurity (Figure 10). In 2021, 31.9 percent of women in the world were moderately or severely food insecure compared to 27.6 percent of men – a gap of more than 4 percentage points, compared with 3 percentage points in 2020.

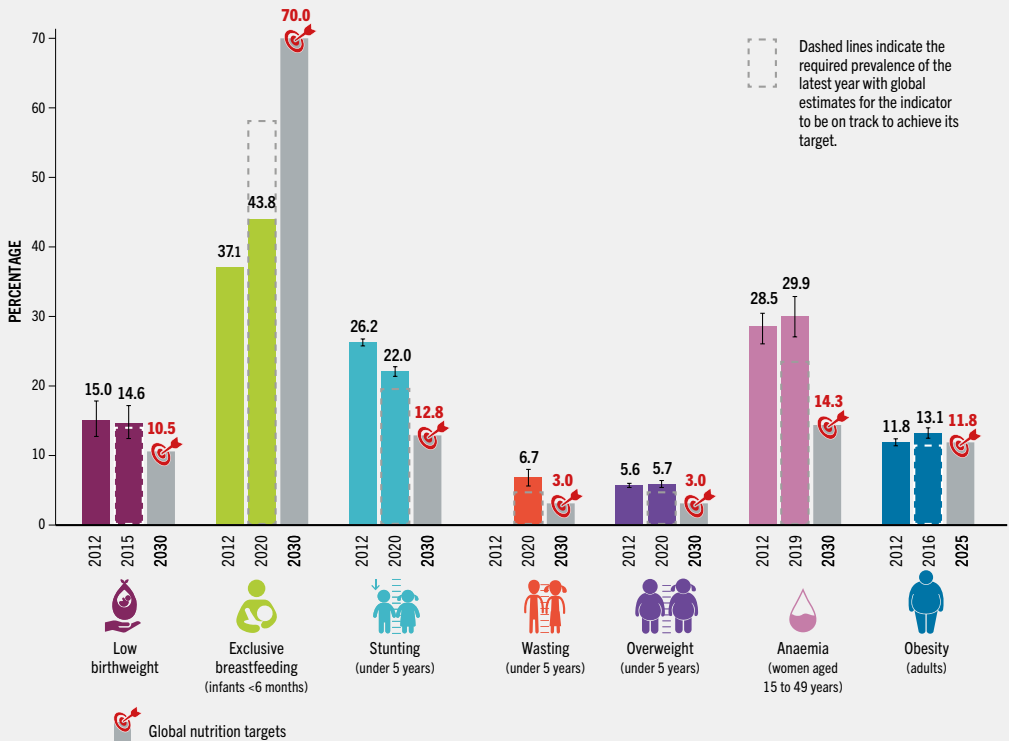
## 2.2 THE STATE OF NUTRITION: PROGRESS TOWARDS GLOBAL NUTRITION TARGETS

### KEY MESSAGES

- Globally in 2020, among children under five years of age, an estimated 149 million (22 percent) were stunted, 45 million (6.7 percent) were wasted, and 39 million (5.7 percent) were overweight. Progress was made towards 2030 targets on stunting, while childhood overweight was worsening.
- Children in rural settings and poorer households, and whose mothers received no formal education, were more vulnerable to stunting and wasting. Children in urban areas and wealthier households were at higher risk of overweight.
- Steady progress has been made on exclusive breastfeeding, with 43.8 percent of infants under six months of age exclusively breastfed worldwide in 2020, up from 37.1 percent in 2012, but improvement must be accelerated to meet the 2030 target.
- Globally in 2019, nearly one in three women aged 15 to 49 years (571 million) were affected by anaemia, with no progress since 2012.
- Adult obesity is on the rise in all regions, having increased worldwide from 11.8 percent in 2012 to 13.1 percent in 2016 – the last year for which data are available.

This report also assesses global and regional levels and trends for the seven global nutrition targets (Figure 14). The estimates presented are based primarily »

**FIGURE 14** REACHING THE 2030 GLOBAL NUTRITION TARGETS WILL REQUIRE IMMENSE EFFORTS. ONLY EXCLUSIVE BREASTFEEDING AMONG INFANTS UNDER SIX MONTHS OF AGE (37.1 TO 43.8 PERCENT) AND STUNTING AMONG CHILDREN UNDER FIVE YEARS OF AGE (26.2 TO 22.0 PERCENT) HAVE NOTABLY IMPROVED SINCE 2012, YET EVEN THESE INDICATORS WILL REQUIRE ACCELERATED PROGRESS TO MEET THE 2030 TARGETS



NOTES: 1. Wasting is an acute condition that can change frequently and rapidly over the course of a calendar year. This makes it difficult to generate reliable trends over time with the input data available – as such, this report provides only the most recent global and regional estimates. 2. The potential impact of the COVID-19 pandemic is not reflected in the estimates. 3. Although 2010 is the WHO baseline for adult obesity, to ensure consistency throughout this report the year 2012 is used as the baseline. The global target for adult obesity is for 2025. SOURCES: Data for stunting, wasting and overweight are based on UNICEF, WHO & International Bank for Reconstruction and Development/World Bank. 2021. *UNICEF, WHO, World Bank Group Joint Child Malnutrition Estimates, April 2021 Edition*. Cited 2 May 2022. <https://data.unicef.org/topic/nutrition>, [www.who.int/data/gho/data/themes/topics/joint-child-malnutrition-estimates-unicef-who-wb](http://www.who.int/data/gho/data/themes/topics/joint-child-malnutrition-estimates-unicef-who-wb), <https://data.worldbank.org>; data for exclusive breastfeeding are based on UNICEF. 2021. *Infant and Young Child Feeding: Exclusive breastfeeding*. In: *UNICEF Data: Monitoring the Situation of Children and Women*. Cited 2 May 2022. <https://data.unicef.org/topic/nutrition/infant-and-young-child-feeding>; data for anaemia are based on WHO. 2021. *Global Health Observatory (GHO)*. In: *WHO*. Geneva, Switzerland. Cited 2 May 2022. <http://apps.who.int/gho/data/node.imr.PREANEMIA?lang=en>; data for adult obesity are based on WHO. 2017. *Global Health Observatory (GHO)*. In: *WHO*. Geneva, Switzerland. Cited 2 May 2022. <http://apps.who.int/gho/data/node.main.A900A?lang=en>; and data for low birthweight are based on UNICEF & WHO. 2019. *UNICEF-WHO Low Birthweight Estimates: levels and trends 2000–2015*. Geneva, Switzerland. Cited 2 May 2022. [data.unicef.org/resources/low-birthweight-report-2019](https://data.unicef.org/resources/low-birthweight-report-2019)

- » on data collected prior to 2020 and do not fully account for the impact of the COVID-19 pandemic.

The latest estimate for low birthweight revealed that 14.6 percent of newborns (20.5 million) were born with a low birthweight in 2015, a modest decrease from the 17.5 percent (22.9 million) in 2000. Optimal breastfeeding practices, including exclusive breastfeeding for the first six months of life, are critical for child survival and the promotion of health and cognitive development. Globally, the prevalence has risen from 37.1 percent (49.9 million) in 2012 to 43.8 percent (59.4 million) in 2020. Still, more than half of all infants under six months of age globally did not receive the protective benefits of exclusive breastfeeding.

Stunting, the condition of being too short for one's age, undermines the physical and cognitive development of children, increases their risk of dying from common infections and predisposes them to overweight and non-communicable diseases (NCDs) later in life. Globally, the prevalence of stunting among children under five years of age has declined steadily, from an estimated 33.1 percent (201.6 million) in 2000 to 22.0 percent (149.2 million) in 2020.

Child wasting is a life-threatening condition caused by insufficient nutrient intake, poor nutrient absorption, and/or frequent or prolonged illness. Affected children are dangerously thin with weakened immunity and a higher risk of

mortality. The prevalence of wasting among children under five years of age was 6.7 percent (45.4 million) in 2020.

Children who are overweight or obese face both immediate and potentially long-term health impacts, including a higher risk of NCDs later in life. Globally, the prevalence of overweight among children under five years of age increased slightly from 5.4 percent (33.3 million) in 2000 to 5.7 percent (38.9 million) in 2020. Rising trends are seen in around half of the countries worldwide.

The prevalence of anaemia among women aged 15 to 49 years was estimated to be 29.9 percent in 2019. The absolute number of women with anaemia has risen steadily from 493 million in 2000 to 570.8 million in 2019, which has implications for female morbidity and mortality and can lead to adverse pregnancy and newborn outcomes.

Globally, adult obesity nearly doubled in absolute value from 8.7 percent (343.1 million) in 2000 to 13.1 percent (675.7 million) in 2016. Updated global estimates are poised to be released before the end of 2022.

Children in rural settings and poorer households are more vulnerable to stunting and wasting. Children and adults, particularly women, in urban areas and wealthier households are at higher risk of overweight and obesity, respectively. Infants residing in rural areas, in poorer households, with mothers

who received no formal education and female infants are more likely to be breastfed. Women with no formal education are more vulnerable to anaemia and their children to stunting and wasting. Addressing inequalities will be essential to achieving the 2030 targets.

Although progress is being made in some regions, malnutrition persists in many forms across all regions and may in fact be worse than these findings suggest as the impact of the COVID-19 pandemic on nutritional outcomes is still unfolding. Reaching the 2030 global nutrition targets will require immense efforts to counteract severe global setbacks. Global trends in anaemia among women aged 15 to 49 years, overweight in children, and obesity among adults especially, will need to be reversed to achieve the progress needed to reach the SDGs.

## 2.3 COST AND AFFORDABILITY OF A HEALTHY DIET: AN UPDATE

### KEY MESSAGES

→ The effects of inflation in consumer food prices stemming from the economic impacts of the COVID-19 pandemic and the measures put in place to contain it, have increased costs and worsened the unaffordability of a healthy diet around the world.

→ Almost 3.1 billion people could not afford a healthy diet in 2020 – 112 million more than in 2019. This was mainly driven by Asia, where

78 million more people were unable to afford a healthy diet, followed by Africa (25 million more people), while Latin America and the Caribbean and Northern America and Europe had 8 and 1 million more people, respectively.

→ Between 2019 and 2020, Asia witnessed the highest surge in the cost of a healthy diet (4.0 percent), followed by Oceania (3.6 percent), Latin America and the Caribbean (3.4 percent), Northern America and Europe (3.2 percent) and Africa (2.5 percent).

The 2020 edition of this report included, for the first time, global estimates of the cost and affordability of a healthy diet. These are useful indicators of people's economic access to nutritious foods and healthy diets.

The effects of inflation in consumer food prices stemming from the economic impacts of the COVID-19 pandemic and the measures put in place to contain it, are clear and significant. Global consumer food prices were higher by the end of 2020 than they were during any month in the previous six years. This translated directly into an increased average cost of a healthy diet in 2020 for all regions and almost all subregions in the world ([Table 5](#)).

The affordability of a healthy diet measures the average cost of the diet relative to income; therefore, changes over time can be the result of changes in the cost of the diet, people's income, or both. In 2020, the measures put in place to contain the COVID-19 pandemic sent the world and most

**TABLE 5** ALMOST 3.1 BILLION PEOPLE COULD NOT AFFORD A HEALTHY DIET IN 2020 DUE TO THE INCREASED COST

	Cost of a healthy diet in 2020		People unable to afford a healthy diet in 2020		
	Cost (USD per person per day)	Change between 2019 and 2020 (percent)	Percent	Total number (millions)	Change between 2019 and 2020 (percent)
<b>WORLD</b>	<b>3.54</b>	<b>3.3</b>	<b>42.0</b>	<b>3 074.2</b>	<b>3.8</b>
<b>AFRICA</b>	<b>3.46</b>	<b>2.5</b>	<b>79.9</b>	<b>1 031.0</b>	<b>2.5</b>
Northern Africa	3.57	-0.7	57.2	136.7	-0.8
Sub-Saharan Africa	3.44	2.9	85.0	894.3	3.1
Eastern Africa	3.37	3.4	87.4	360.8	3.0
Middle Africa	3.34	2.2	85.4	152.2	3.0
Southern Africa	3.84	3.3	65.5	44.2	1.8
Western Africa	3.45	2.7	85.7	337.1	3.3
<b>ASIA</b>	<b>3.72</b>	<b>4.0</b>	<b>43.5</b>	<b>1 891.4</b>	<b>4.3</b>
Central Asia	3.11	4.0	21.5	7.5	6.9
Eastern Asia	4.72	6.0	11.0	174.4	18.7
South-eastern Asia	4.02	4.2	53.9	347.2	4.7
Southern Asia	3.81	4.0	70.0	1 331.5	2.7
Western Asia	3.22	2.9	17.8	30.9	-1.4
<b>LATIN AMERICA AND THE CARIBBEAN</b>	<b>3.89</b>	<b>3.4</b>	<b>22.5</b>	<b>131.3</b>	<b>6.5</b>
Caribbean	4.23	4.1	52.0	13.9	3.5
Latin America	3.56	2.5	21.0	117.3	6.9
Central America	3.47	2.1	27.8	43.1	9.8
South America	3.61	2.7	18.4	74.2	5.3
<b>OCEANIA</b>	<b>3.07</b>	<b>3.6</b>	<b>2.7</b>	<b>0.7</b>	<b>1.0</b>
<b>NORTHERN AMERICA AND EUROPE</b>	<b>3.19</b>	<b>3.2</b>	<b>1.9</b>	<b>19.8</b>	<b>5.4</b>
<b>COUNTRY INCOME GROUP</b>					
Low-income countries	3.20	2.7	88.3	454.2	3.0
Lower-middle-income countries	3.70	2.9	69.4	2 230.7	2.9
Upper-middle-income countries	3.76	2.9	15.2	374.0	10.9
High-income countries	3.35	4.0	1.4	15.3	3.3

NOTES: The cost of a healthy diet is the benchmark 2017 USD cost per person per day (published in last the 2020 edition of this report and updated as outlined in [Box 6](#) of this year's report), projected forward to 2019 and 2020 using FAOSTAT data for each country's consumer price index for food, and WDI data for purchasing power parity exchange rate. The people unable to afford a healthy diet is expressed as the weighted percentage (%) and the total number (millions) of the population in each region and country income group who could not afford the diet in 2020. For country income groups, the 2021 World Bank income classification is used for the years 2019 and 2020.

SOURCE: FAO.

» countries into economic recession, with per capita incomes contracting in more countries than at any time in the recent past. However, while affordability estimates in 2020 reflect food price shocks, income shocks are not yet captured due to the unavailability of 2020 income distribution data. The estimated number of people who could not afford a healthy diet, therefore, might increase further once income distribution data become available that will allow accounting for the combined effects of inflation in consumer food prices and income losses.

It is estimated that the number of people who could not afford a healthy diet in 2020 increased globally and in every region in the world. Almost 3.1 billion people could not afford a healthy diet in 2020, an increase of 112 million more people than in 2019 (Table 5). This increase was mainly driven by Asia, where 78 million more people were unable to afford this diet in 2020, followed by Africa (25 million more people), while Latin America and the Caribbean and Northern America and Europe had 8 and 1 million more people, respectively. ■

# CHAPTER 3

## FOOD AND AGRICULTURAL POLICY SUPPORT IN THE WORLD: HOW MUCH DOES IT COST AND AFFECT DIETS?

### KEY MESSAGES

- Given the setbacks in hunger, food security and nutrition, and given the economic, health and environmental challenges that the world is facing, making healthy diets more economically accessible for everyone is critical. To move towards this target, it is important to examine the current policy support to the food and agriculture sector in order to identify the most needed policy reforms.
- Governments support food and agriculture through various policies, including trade and market interventions, fiscal subsidies to producers and consumers, and general services support. These policies can affect the availability and affordability of healthy diets.
- Worldwide support to food and agriculture accounted for almost USD 630 billion per year on average over 2013–2018.

About 70 percent of this support targeted farmers individually through trade and market policies and fiscal subsidies largely tied (i.e. coupled) to production or unconstrained use of variable inputs.

→ Overall, support to agricultural production largely concentrates on staple foods, dairy and other protein-rich foods, especially in high- and upper-middle-income countries. Rice, sugar and meats of various types are the foods most incentivized worldwide, while producers of fruits and vegetables are less supported overall or are even penalized in some low-income countries.

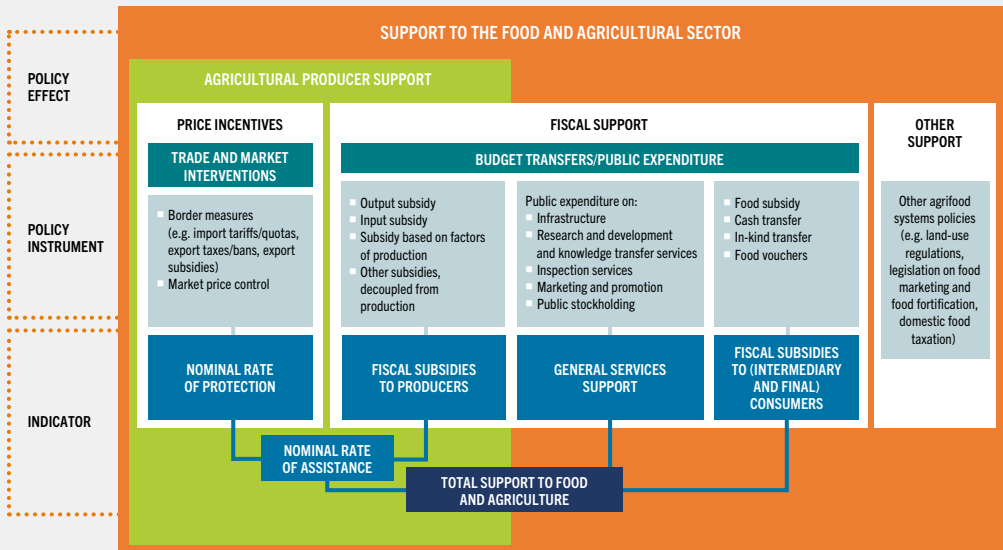
### 3.1 STOCKTAKING: WHAT POLICY SUPPORT IS CURRENTLY PROVIDED TO FOOD AND AGRICULTURE?

Governments support food and agriculture through various policies, including trade and market interventions (e.g. border measures and market price control) that generate price incentives or disincentives, fiscal subsidies to producers and consumers, and general services support (Figure 17). These policies impact all stakeholders, part of the food environment and can affect the availability and affordability of healthy diets.

Worldwide support for the food and agricultural sector accounted for almost USD 630 billion a year on average over 2013–2018. Support targeting agricultural producers individually averaged almost USD 446 billion a year in net terms (i.e. accounting for both price incentives and

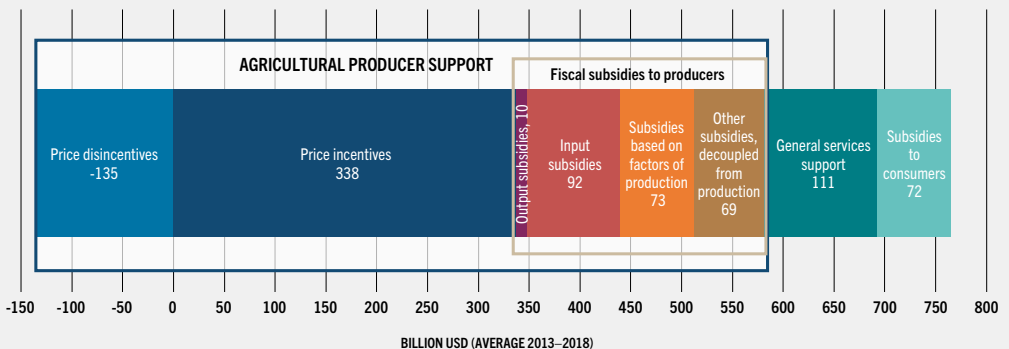


**FIGURE 17** FOOD AND AGRICULTURAL POLICY SUPPORT INSTRUMENTS AND INDICATORS



NOTE: “Other support” includes other agrifood systems policies that are discussed more in detail in Section 4.2 of the report.  
 SOURCE: Adapted from FAO, UNDP & UNEP. 2021. *A multi-billion-dollar opportunity – Repurposing agricultural support to transform food systems*. Rome, FAO.

**FIGURE 18** LEVEL AND COMPOSITION OF GLOBAL SUPPORT TO FOOD AND AGRICULTURE (USD BILLION, AVERAGE 2013–2018)



SOURCE: Ag-Incentives. (forthcoming). *Ag-Incentives*. Washington, DC. Cited 4 May 2022. <http://ag-incentives.org> with data from Organisation for Economic Co-operation and Development (OECD), FAO, Inter-American Development Bank (IDB) and World Bank compiled by the International Food Policy Research Institute (IFPRI).

**TABLE 6** SUPPORT TO THE FOOD AND AGRICULTURAL SECTOR AS A SHARE OF VALUE OF PRODUCTION, BY COUNTRY INCOME GROUP, AVERAGE 2013–2018

Country income group	Price incentives	Fiscal support (public expenditure)		
		Subsidies to producers	General services	Consumer subsidies
High-income countries	9.5%	12.6%	3.9%	4.6%
Upper-middle-income countries	10.8%	4.9%	3.0%	0.2%
Lower-middle-income countries	-7.6%	4.1%	2.5%	2.6%
Low-income countries	-9.5%	0.6%	2.3%	0.6%

SOURCE: FAO based on data from OECD, FAO, IDB and World Bank compiled by IFPRI.

disincentives for farmers), which corresponds to about 70 percent of the total sector support and about 13 percent of the global value of production, on average. About USD 111 billion were spent yearly by governments for the provision of general services to the sector, while food consumers received USD 72 billion on average every year (Figure 18).

Policy support to food and agriculture differs across country income groups and across time. Overall, price incentive measures and fiscal subsidies have been the most widely used in high-income countries and are becoming increasingly popular across some middle-income countries, in particular those at the upper level of income. Low-income countries have historically implemented policies that generate price disincentives for farmers to facilitate consumers' access to food at a lower price. These countries have limited resources to provide fiscal subsidies to producers and consumers as well as to fund general services that benefit the whole of the food and agricultural sector.

In middle-income countries, fiscal subsidies to agricultural producers accounted for just 5 percent of the total value of production – versus almost 13 percent in high-income countries (Table 6). General services support, expressed as the share of value of production, is lower in low-income countries (2 percent) compared to high-income countries (4 percent). Two-thirds of the world's fiscal subsidies to consumers (either final or intermediary, such as processors) were disbursed in high-income countries.

Policy support differs across food groups and commodities. Countries with higher levels of income provide support to all food groups, and particularly to staple foods, including cereals, roots and tubers, followed by dairy and other protein-rich foods. In high-income countries, support within these three food groups was equally provided in the form of price incentives and fiscal subsidies to producers. On the contrary, for fruits and vegetables, and fats and oils, fiscal subsidies (accounting for about

11 percent of the value of production) were substantially larger than price incentives, on average, during 2013–2018.

Lower-middle-income countries consistently penalized production of most products through policies that depress farm gate prices, but these countries provided fiscal subsidies to farmers, especially for staple foods, fruits and vegetables, as well as fats and oils. Price incentives were negative for most food groups in low-income countries, ranging from a minus 7 percent on staple foods (mainly cereals) to 1 percent for other crops (e.g. sugar, tea, coffee).

### 3.2 **HOW ARE FOOD AND AGRICULTURAL POLICIES AFFECTING DIETS?**

In many countries, the amount of public support is significant and depending on how it is allocated, it can either support or hinder efforts to lower the cost of nutritious foods and make healthy diets affordable for everyone.

Border measures affect the availability, diversity and prices of food in domestic markets. While some of these measures target important policy objectives including food safety, governments could do more to reduce trade barriers for nutritious foods, such as fruits, vegetables and pulses, in order to increase the availability and affordability of such foods to reduce the cost of healthy diets.

In low- and middle-income countries, market price controls such as minimum or administered prices to consumers overwhelmingly target commodities like wheat, maize, rice, as well as sugar, with the objective of stabilizing or raising farm incomes while ensuring supplies of staple foods for food security purposes. However, these policies could be contributing to the unhealthy diets that one observes all over the world.

Fiscal subsidies allocated to some specific commodities or factors of production have significantly contributed to growing production and reducing the prices of cereals (especially maize, wheat and rice), but also beef and milk. This has positively impacted food security, farm incomes and indirectly supported the development and use of better technology and of new agricultural inputs. On the other hand, these subsidies have de facto created (relative) disincentives towards producing nutritious foods, encouraged monocultures in some countries, ceased the farming of certain nutritious products, and discouraged the production of some foods that do not receive the same level of support.

Public support through general services benefit actors of the food and agricultural sector more collectively, which is in principle good for small-scale farmers, women and youth. But this type of support is significantly lower than the support provided to individual producers through price incentives and fiscal subsidies, and it is more widely funded in high-income countries. In some cases, services such as research and development are biased towards producers of staple foods. ■

# CHAPTER 4 POTENTIAL OPTIONS TO REPURPOSE POLICY SUPPORT TO FOOD AND AGRICULTURE FOR IMPROVING AFFORDABILITY OF A HEALTHY DIET

## KEY MESSAGES

→ Repurposing current public support to food and agriculture to increase the availability of nutritious foods to the consumer can contribute to the objective of making a healthy diet less costly and more affordable, globally and particularly in middle-income countries.

→ Repurposing existing fiscal subsidies is found to provide the largest improvement in the affordability of a healthy diet, particularly if they are shifted from producers to consumers. In this case, agriculture's GHG emissions are found to fall, but there are potential trade-offs in poverty reduction, farm incomes, total agricultural output and economic recovery.

→ Shifting price incentives globally by repurposing border measures and market price controls can also make a healthy diet less costly and more affordable, albeit less than fiscal subsidies. With this option, GHG emissions from agriculture would fall, while potential trade-offs would also generally be avoided.

→ When repurposing public support to make a healthy diet less costly, policymakers will have to avoid potential inequality trade-offs that may emerge if farmers are not in a position to specialize in the production of nutritious foods due to resource constraints.

→ Other key policies within and outside agrifood systems will be needed to complement repurposing efforts to ensure shifts in food supply chains, food environments and consumer behaviour towards healthy eating patterns. In addition, policies may be necessary to mitigate possible trade-offs from repurposing, particularly short-term income losses or negative effects on livelihoods, especially among the most vulnerable populations.

→ The success of repurposing food and agricultural policy will also be influenced by the political and social context, governance, (im)balances of power, differences in interests, ideas and influence of stakeholders, market power concentration, and the governance mechanisms and regulatory frameworks in place to facilitate the reform process and prevent and manage conflicts.

## 4.1 WHAT ARE THE POTENTIAL IMPACTS OF REALLOCATING FOOD AND AGRICULTURAL POLICY SUPPORT DIFFERENTLY TO REDUCE THE COST OF NUTRITIOUS FOODS?

A new analysis of model-based scenarios of repurposed food and agricultural policy support, specially developed for this report, points to potential options by

which all countries in the world can repurpose existing public support to food and agriculture to increase the affordability of a healthy diet.

These scenarios simulate the reallocation of current budgets supporting agricultural producers using different policy instruments. This is done for all countries from all geographical regions, in order to reduce the cost and increase the affordability of a healthy diet.

This reallocation is implemented linearly between 2023 and 2028, and impacts are examined for 2030.

In these scenarios, the reallocation of budgets targets “high priority” foods for a healthy diet. These are food groups whose level of current per capita consumption in each country/region does not yet match the recommended levels for that country/region, as defined by the food-based dietary guidelines used for the computation of the cost of a healthy diet.

A general empirically grounded observation is that repurposing existing public support to agriculture in all regions of the world, with the objective of promoting the production of nutritious foods (whose consumption is low relative to the dietary requirements) would contribute to make a healthy diet less costly and more affordable, globally and particularly in lower- and upper-middle-income countries.

Removing or reducing border support and market price controls for

commodities that are priorities for a healthy diet reduces their prices, particularly in markets with high border protection (Table 8). As a result, the percent of the global population for which a healthy diet is affordable increases (by 0.64 percentage point in 2030 compared with the baseline), while the cost of a healthy diet falls relatively more than that of the average diet (by 1.7 vs 0.4 percent, respectively).

The move towards a less costly and more affordable healthy diet is accompanied by a decline in global agricultural production that, in turn, is reflected in lower GHG emissions in agriculture. GHG emissions fall in all income groups, except for the high-income countries (where agricultural production is found to increase).

Other effects include a small increase of global farm income (up to 0.03 percent), although for low- and lower-middle-income countries, where border measures and market price controls account for a high share of total agricultural support, the farm income effects are negative and greater than the global average change. The impact on extreme poverty is minimal at the global level; small increases in lower-middle-income countries are offset by declines in the other income groups.

On the other hand, the simulated repurposing of fiscal subsidies to producers increases the affordability of a healthy diet more than the simulated repurposing of border measures and

**TABLE 8** IMPACT OF REPURPOSING BORDER MEASURES TO SUPPORT HEALTHY DIETS, 2030  
(CHANGE WITH RESPECT TO THE BASELINE\*)

	Food security and nutrition			Equity			Climate
	Prevalence of undernourishment	Affordability of a healthy diet	Income gap in the affordability of a healthy diet	Extreme poverty (less than USD 1.90 per day)	Farm income	Agricultural production (volume)	GHG emissions from agriculture
<b>WORLD</b>	<b>-0.08</b>	<b>0.64</b>	<b>-0.46</b>	<b>0.00</b>	<b>0.03</b>	<b>-0.06</b>	<b>-0.98</b>
<b>COUNTRY INCOME GROUP</b>							
High-income countries	-0.01	0.00	0.00	-0.01	2.75	0.36	1.07
Upper-middle-income countries	-0.04	0.23	-0.14	-0.02	0.03	-0.13	-1.11
Lower-middle-income countries	-0.12	1.35	-0.97	0.03	-1.58	-0.29	-2.14
Low-income countries	-0.20	0.31	-0.37	-0.06	-0.81	-0.22	-1.81

NOTE: Full table, including breakdown by region, is available in the report. \* Results for the policy scenario are reported as percentage point change from the baseline scenario in 2030 for food security and nutrition indicators and extreme poverty, while results are reported as percentage change from the baseline scenario in 2030 for the other indicators.

SOURCE: Glauber, J. & Laborde, D. (forthcoming). *Repurposing food and agricultural policies to deliver affordable healthy diets, sustainably and inclusively: what is at stake?* Background paper for *The State of Food Security and Nutrition in the World 2022*. FAO Agricultural Development Economics Working Paper 22-05. Rome, FAO.

market price controls (by 0.81 vs 0.64 percentage point, respectively) (Table 10). It also reduces the percent of the global population in extreme poverty and experiencing undernourishment. However, an important trade-off – not seen in the previous repurposing scenario – is that total GHG emissions from agriculture increase (by 1.5 percent) reflecting the higher agricultural production, including high-protein foods such as dairy products whose consumption increases to meet dietary levels particularly in lower-middle-income countries.

Instead, with fiscal subsidies going to consumers albeit still targeting “high priority” foods, the cost of a healthy diet falls more notably than in the two previous repurposing scenarios, both in absolute terms (by 3.34 percent in 2030 compared with the baseline) and relative to the average diet. The percent of the population that can afford a healthy diet increases (by almost 0.8 percentage point), but slightly less than in the fiscal subsidies to producers scenario due to the income effect (Table 12).

Important positive synergies in this scenario include a reduction in extreme poverty and undernourishment levels,

**TABLE 10** IMPACT OF REPURPOSING FISCAL SUBSIDIES TO PRODUCERS TO SUPPORT HEALTHY DIETS, 2030 (CHANGE WITH RESPECT TO THE BASELINE\*)

	Food security and nutrition			Equity			Climate
	Prevalence of undernourishment	Affordability of a healthy diet	Income gap in the affordability of a healthy diet	Extreme poverty (less than USD 1.90 per day)	Farm income	Agricultural production (volume)	GHG emissions from agriculture
<b>WORLD</b>	<b>-0.05</b>	<b>0.81</b>	<b>-0.53</b>	<b>-0.04</b>	<b>-0.94</b>	<b>0.27</b>	<b>1.50</b>
<b>COUNTRY INCOME GROUP</b>							
High-income countries	0.00	0.17	-0.01	-0.05	-3.29	1.53	-0.49
Upper-middle-income countries	-0.04	0.51	-0.19	0.00	-1.46	-0.19	2.64
Lower-middle-income countries	-0.08	1.52	-1.14	-0.09	1.59	0.10	0.92
Low-income countries	-0.11	0.22	-0.26	-0.02	-0.80	-0.12	3.90

NOTE: Full table, including breakdown by region, is available in the report. \* Results for the policy scenario are reported as percentage point change from the baseline scenario in 2030 for food security and nutrition indicators and extreme poverty, while results are reported as percentage change from the baseline scenario in 2030 for the other indicators.

SOURCE: Glauber, J. & Laborde, D. (forthcoming). *Repurposing food and agricultural policies to deliver affordable healthy diets, sustainably and inclusively: what is at stake?* Background paper for *The State of Food Security and Nutrition in the World 2022*. FAO Agricultural Development Economics Working Paper 22-05. Rome, FAO.

due in part to increased farm income in low-income countries. Moreover, world GHG emissions fall due to a reduction in agricultural production. In contrast, this scenario is found to hit producers hard in the absence of their subsidies. Globally, farm income and agricultural production fall (respectively, by 3.7 and 0.2 percent in 2030 relative to the baseline).

Whether through border measures and market controls or fiscal subsidies, policymakers will have to repurpose their support considering the potential inequality trade-offs that may emerge if small-scale farmers (including women

and youth) are not in a position to specialize in the production of nutritious foods due to resource constraints.

A key challenge for policymakers in low-income countries, and perhaps some lower-middle-income countries, will not only be to reach compromises in repurposing agricultural support to achieve several inclusive agricultural transformation objectives that are well aligned with reducing the cost of nutritious foods. Considering their low budgets, governments of these countries will also have to mobilize significant financing to step up the provision of: i) general services support where it has to



**TABLE 12** IMPACT OF REPURPOSING FISCAL SUBSIDIES FROM PRODUCERS TO CONSUMERS TO SUPPORT HEALTHY DIETS, 2030 (CHANGE WITH RESPECT TO THE BASELINE\*)

	Food security and nutrition			Equity			Climate
	Prevalence of undernourishment	Affordability of a healthy diet	Income gap in the affordability of a healthy diet	Extreme poverty (less than USD 1.90 per day)	Farm income	Agricultural production (volume)	GHG emissions from agriculture
<b>WORLD</b>	<b>-0.05</b>	<b>0.77</b>	<b>-0.44</b>	<b>-0.06</b>	<b>-3.74</b>	<b>-0.20</b>	<b>-0.18</b>
<b>COUNTRY INCOME GROUP</b>							
High-income countries	-0.05	0.15	-0.01	-0.06	-13.84	-0.71	-1.16
Upper-middle-income countries	-0.04	0.84	-0.25	-0.04	-2.35	-0.02	-0.31
Lower-middle-income countries	-0.05	1.14	-0.85	-0.08	-0.85	-0.16	0.21
Low-income countries	-0.14	0.05	-0.14	-0.22	1.61	0.36	2.26

NOTE: Full table, including breakdown by region, is available in the report. \* Results for the policy scenario are reported as percentage point change from the baseline scenario in 2030 for food security and nutrition indicators and extreme poverty, while results are reported as percentage change from the baseline scenario in 2030 for the other indicators.

SOURCE: Glauber, J. & Laborde, D. (forthcoming). *Repurposing food and agricultural policies to deliver affordable healthy diets, sustainably and inclusively: what is at stake?* Background paper for *The State of Food Security and Nutrition in the World 2022*. FAO Agricultural Development Economics Working Paper 22-05. Rome, FAO.

be prioritized to effectively bridge productivity gaps in the production of nutritious foods with inclusivity and sustainability, and ii) fiscal subsidies to consumers to increase affordability.

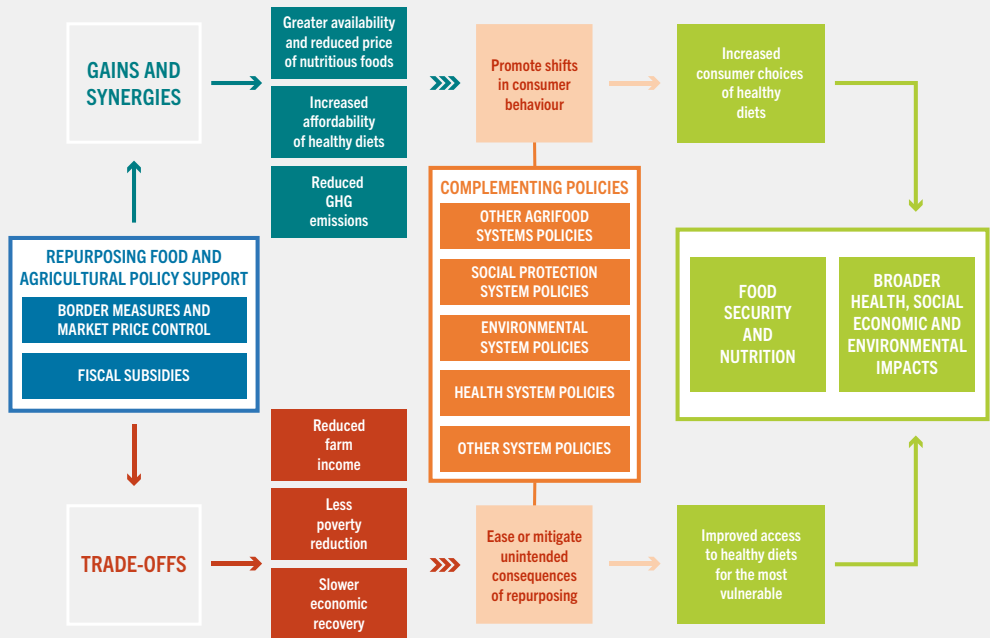
In this regard, international public investment support will be key to ease the transition towards higher general services support, especially in low-income countries.

To take advantage of the opportunities that repurposing support offers, countries will have to get together at the multilateral table. The repurposing of border measures, market price controls and fiscal subsidies will have to consider

countries' commitments and flexibilities under current World Trade Organization (WTO) rules, as well as issues in the ongoing negotiations.

In sum, repurposing support that targets the higher priority foods for a healthy diet would support economic recovery globally, provided this is realized through the reduction of border measures and market price controls or the shifting of fiscal subsidies from producers to consumers, but there are potential trade-offs to consider. Therefore, the results will differ by country income group and geographical region.

**FIGURE 24** COMPLEMENTING POLICIES, BOTH INSIDE AND OUTSIDE AGRIFOOD SYSTEMS, ARE CRITICAL TO SUPPORT REPURPOSING SUPPORT EFFORTS



SOURCE: FAO.

## 4.2 COMPLEMENTING POLICIES WITHIN AND OUTSIDE AGRIFOOD SYSTEMS THAT ARE NEEDED TO ENSURE REPURPOSING EFFORTS ARE IMPACTFUL

For repurposing to be most effective, contributing to making healthy diets less costly and more affordable, other agrifood systems policies, and policies and incentives outside agrifood systems, will be needed. If aligned and

put in place, these complementing policies can offer support in two ways (Figure 24).

First, they can provide incentives (or disincentives) that can support shifts in food supply chains, food environments and consumer behaviour towards healthy eating patterns. Second, they can ease or mitigate the unintended consequences or trade-offs from repurposing support, particularly if these include a reduction in the access to nutritious foods and healthy diets for vulnerable and disadvantaged population groups.

Making nutritious foods more widely accessible and affordable is a necessary, albeit insufficient condition, for consumers to be able to choose, prefer and consume healthy diets. Thus, complementary policies that promote shifts in food environments and consumer behaviour towards healthy eating patterns will be critical. These could include implementing mandatory limits or voluntary targets to improve the nutritional quality of processed foods and drink products, enacting legislation on food marketing, and implementing nutrition labelling policies and healthy procurement policies. Combining land-use policies with other complementing policies to address food deserts and swamps can also be very important.

Given repurposing can lead to trade-offs that may negatively affect some stakeholders, in these cases, social protection policies may be necessary to mitigate possible trade-offs, particularly short-term income losses or negative effects on livelihoods, especially among the most vulnerable populations.

Environmental, health, transportation and energy systems policies will be absolutely necessary to enhance the positive outcomes of repurposing support in the realms of efficiency, equality, nutrition, health, climate mitigation and the environment. Health services that protect poor and vulnerable groups whose diets do not provide all the nutrients are particularly relevant. Not adequately addressing inefficiencies and problems in transportation would also

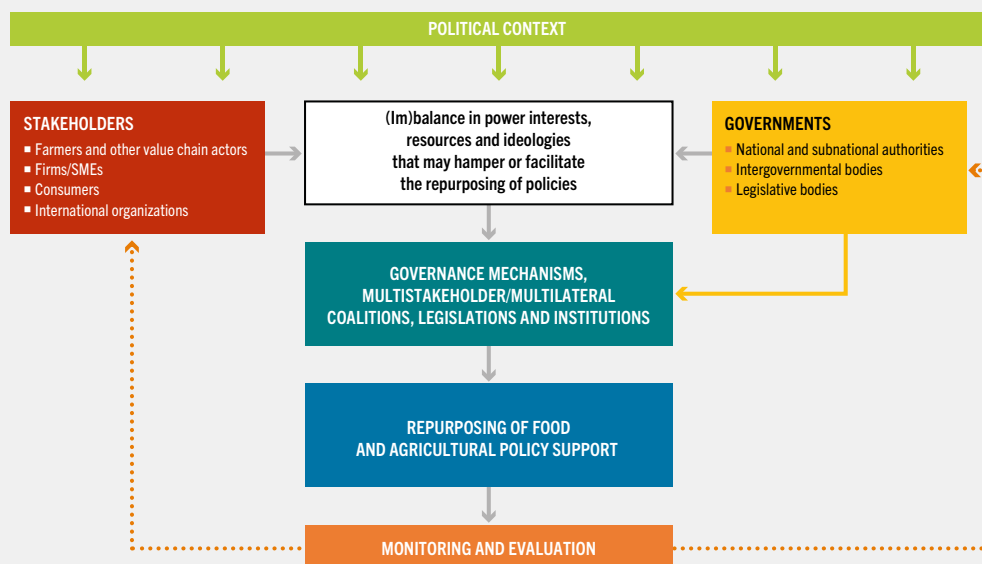
undermine and render ineffective repurposing efforts.

### 4.3 THE POLITICAL ECONOMY AND GOVERNANCE DYNAMICS THAT INFLUENCE REPURPOSING POLICY SUPPORT

The extent to which efforts to repurpose food and agricultural support will be successful will depend on the political economy, governance and the incentives of relevant stakeholders in a local, national, and global context. Broadly speaking, the political economy refers to the social, economic, cultural and political factors that structure, sustain and transform constellations of public and private actors, and their interests and relations, over time. This includes institutional set-ups, “the rules of the game” that affect the everyday policymaking agenda and its structuring. Institutions, interests and ideas are dynamic factors at play that influence agricultural and food policy support. Governance refers to formal and informal rules, organizations and processes through which public and private actors articulate their interests and make and implement decisions.

There are three broad political economy elements that need to be considered and effectively managed when repurposing food and agricultural policy support:

- i) political context, stakeholder

**FIGURE 25** POLITICAL ECONOMY AND GOVERNANCE DYNAMICS RELATED TO THE REPURPOSING OF FOOD AND AGRICULTURAL POLICY SUPPORT

SOURCE: FAO.

perspectives and the will of governments; ii) power relations, interests and the influence of different actors; and iii) the governance mechanisms and regulatory frameworks needed for the facilitation and implementation of repurposing support efforts. The dynamics and the mechanisms for managing these elements are presented in [Figure 25](#) and explored in detail in the report.

Given the diversity of each country's political context, strong institutions on a local, national and global level will be crucial, as well as engaging and

incentivizing stakeholders from the public sector, the private sector and international organizations to support the repurposing support efforts. For many countries, agrifood systems transformation pathways provide a framework through which to channel the repurposing efforts. The engagement of small- and medium-sized enterprises (SMEs) and civil society groups – as well as transparent governance and safeguards to prevent and manage conflicts of interest – will be key to balancing out unequal powers within agrifood systems. ■

## CHAPTER 5 CONCLUSION

This year's report should dispel any lingering doubts that the world is moving backwards in its efforts to end hunger, food insecurity and malnutrition in all its forms. We are now only eight years away from 2030, the SDG target year. The distance to reach many of the SDG 2 targets is growing wider each year, while the time to 2030 is narrowing. There are efforts to make progress towards SDG 2, yet they are proving insufficient in the face of a more challenging and uncertain context.

The current recessionary context makes it even more challenging for many governments to increase their budgets to invest in agrifood systems transformation. At the same time, much can and needs to be done with existing resources. A key

recommendation of this report is that governments start rethinking how they can reallocate their existing public budgets to make them more cost-effective and efficient in reducing the cost of nutritious foods and increasing the availability and affordability of healthy diets, with sustainability and leaving no one behind. ■





# 2022

# THE STATE OF FOOD SECURITY AND NUTRITION IN THE WORLD

## REPURPOSING FOOD AND AGRICULTURAL POLICIES TO MAKE HEALTHY DIETS MORE AFFORDABLE

This year's report should dispel any lingering doubts that the world is moving backwards in its efforts to end hunger, food insecurity and malnutrition in all its forms. We are now only eight years away from 2030, but the distance to reach many of the SDG 2 targets is growing wider each year. There are indeed efforts to make progress towards SDG 2, yet they are proving insufficient in the face of a more challenging and uncertain context. The intensification of the major drivers behind recent food insecurity and malnutrition trends (i.e. conflict, climate extremes and economic shocks) combined with the high cost of nutritious foods and growing inequalities will continue to challenge food security and nutrition. This will be the case until agrifood systems are transformed, become more resilient and are delivering lower cost nutritious foods and affordable healthy diets for all, sustainably and inclusively.

Early in the report, the latest updates of the food security and nutrition situation around the world are presented, including updated estimates on the cost and affordability of a healthy diet. The report acknowledges the current recessionary context, which makes it even more challenging for many governments to increase their budgets to invest in the agrifood systems transformation that their countries need to achieve SDG 2. Hence, the report then takes a deep dive into how governments are supporting the food and agriculture sector through policies, and based on evidence, it provides recommendations.

A stocktaking of the most predominant food and agricultural policy support currently in place around the world is presented to better understand the amount of support, the activities and actors mostly supported (or, on the contrary, penalized), and the pathways through which this support is pushing up the relative cost of nutritious foods and promoting unhealthy diets. Then guidance – based on analysis and evidence – is provided on alternative combinations of food and agricultural policy support that can help to reduce the cost of nutritious foods, as well as on how the resulting trade-offs need to be managed to ensure agrifood systems are not only more efficient, but also more sustainable and inclusive. A key recommendation is that governments must start rethinking how they can reallocate their existing public budgets to make them more cost-effective and efficient in reducing the cost of nutritious foods and increasing the availability and affordability of healthy diets, sustainably and leaving no one behind. Lastly, the report takes a close look at the complementing policies, within and outside agrifood systems, that are important to support repurposing efforts and at the political economy factors and dynamics that hamper or facilitate repurposing efforts.



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