

8 June 2010

**E**

منظمة الأغذية  
والزراعة  
للأمم المتحدة

联合国  
粮食及  
农业组织

Food  
and  
Agriculture  
Organization  
of  
the  
United  
Nations

Organisation  
des  
Nations  
Unies  
pour  
l'alimentation  
et  
l'agriculture

Продовольственная и  
сельскохозяйственная  
организация  
Объединенных  
Наций

Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
Alimentación

## THIRTIETH FAO REGIONAL CONFERENCE FOR ASIA AND THE PACIFIC

Gyeongju, Republic of Korea, 27 September – 1 October 2010

### Agenda item 7

## STATE OF FOOD AND AGRICULTURE IN ASIA AND THE PACIFIC REGION

### Table of Contents

	Paragraphs
I. Introduction	1 - 2
II. Trends in global and regional food security	3 - 4
III. Outlook for key agricultural commodities in the region	5 - 19
IV. Key issues	20 - 34
V. Conclusions	35 - 40

This document is printed in limited numbers to minimize the environmental impact of FAO's processes and contribute to climate neutrality. Delegates and observers are kindly requested to bring their copies to meetings and to avoid asking for additional copies.  
Most FAO meeting documents are available on the Internet at [www.fao.org](http://www.fao.org)



## I. Introduction

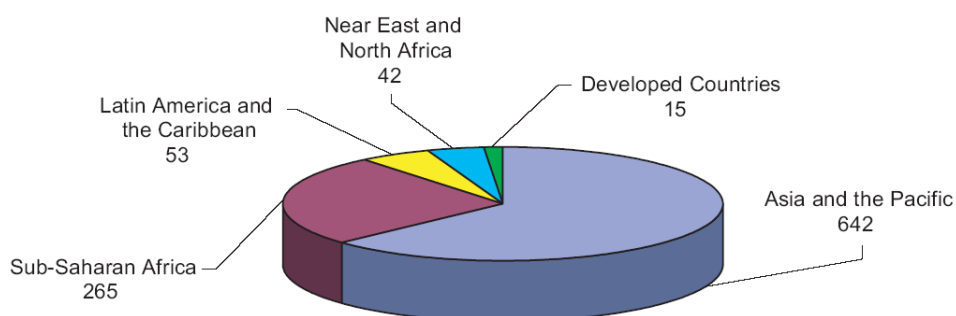
1. The Asia-Pacific region has enjoyed rapid economic growth until recently. In spite of this growth and economic progress, the region hosts the largest number of chronically poor people in the world: some two-thirds of the world's poor reside in the region, predominantly in rural areas. The recent global financial crisis has had a negative impact on the region, but less so than elsewhere in the world. Nevertheless the region is suffering from a widening gap between the rich and poor, as the benefits of growth are not shared equally. Overall availability of food in the region has not translated into food security, especially for poor and marginal households.

2. Since much of the poverty is found in the agriculture and rural sector, programmes aimed at improving food security should be focused primarily in this sector. Agriculture has been neglected in recent decades despite its being a source of jobs for about 50 percent of the working population and accounting for a quarter of the region's gross domestic product (GDP). Growth in agricultural productivity has slowed, and agriculture has been waning in importance as the real prices of agricultural commodities have a declining trend and the food supply situation is comfortable. In order to help meet the expected 70 percent increase in the global demand for food by 2050, the region's agriculture sector must be properly resourced and supported. The sector holds significant potential for reducing hunger and poverty in the region. Appropriate policies and investments are called for urgently.

## II. Trends in global and regional food security

3. The incidence of hunger and undernourishment in the world and in the region has been dramatically affected by the successive food and financial crises. FAO's most recent estimate of the number of undernourished people in the world in 2009 is 1.02 billion, of whom 642 million (63 percent) reside in the Asia Pacific region. The regional breakdown of world hunger is shown in Figure 1.<sup>1</sup>

**Figure 1: FAO estimates of number of undernourished people in 2009, by region (million people)**



Source: FAO, *The State of Food Insecurity in the World 2009*

4. This sharp increase comes on top of an already worrisome upward trend in the estimated number of undernourished people that has been observed over the past few years. The number of

<sup>1</sup> For more details on trends in global undernourishment, see FAO, *The State of Food Insecurity in the World, 2009*.

undernourished people in the region had declined from 586 million in 1990-92 to 529 million in 1995-97, in spite of population growth. In relative terms the proportion of undernourished people in the total population declined from 20 to 17 percent in the same period. Although the proportion of undernourished people in the region fell further to 16 percent in 2004-06, the number of undernourished actually rose from 529 million in 1995-97 to 566 million in 2004-06.

### III. Outlook for key agricultural commodities in the region

5. International food commodity prices remain high by recent historical standards, and in many cases domestic consumer prices have been slow in receding. Prices began rising slowly in the early years of the decade, but accelerated precipitously in late 2006. The FAO Food Price Index of internationally traded basic food commodities (base 100 in 2002-04) attained a historical peak in June 2008 of 214, more than twice the level of the base period and 139 percent above the average for 2000. From June 2008 to the end of the first quarter of 2009, the index fell a full 35 percent, returning to its level of the first quarter of 2007. In May 2009, after a renewed surge in international prices of several major basic food commodities (excluding rice and meat) at 152, the index still stood almost 30 percent below the peak level of June 2008, but 52 percent above the (2002-04) base value and almost 70 percent higher than in 2000. International prices for all major cereals have fallen considerably since the start of 2010 due mainly to ample export supplies and prospects for large crops in 2010. The FAO Cereal Price Index averaged 155 points in April 2010, down 9 percent, or 15 points, from December 2009 and as much as 44 percent from its April 2008 all-time high of 274 points.

#### *Cereals*

6. World cereal production in 2010 is forecast to reach 2 279 million tonnes (including rice on a milled basis), 1 percent up from last year's already good level and close to the 2008 record. A reduction in wheat is forecast due to reduced plantings in several major producing and exporting countries in response to reduced price prospects, while outputs of coarse grains and rice are expected to rise. In Asia, production of cereals is set to expand by 2 percent in 2010, although, in the case of wheat, it is anticipated to remain close to the high level of 298 million tonnes achieved in 2009. The harvest of winter crops such as wheat and barley is nearly complete in the main wheat-producing countries of China, India and Pakistan. Based on the latest information, total wheat production in the three countries is forecast to reach 217 million tonnes, down 2.5 million tonnes from the record in 2009.

7. FAO's first forecast for global paddy production in 2010 stands at 707 million tonnes (472 million tonnes, milled basis), 3.6 percent more than in the 2009 season, when an unfavourable monsoon and adverse El-Niño-related weather depressed plantings and yields. Most of the growth is expected in Asia, where aggregate production is forecast to increase by 4 percent from the 2009 low level to reach a record of 640 million tonnes.

8. The current forecast for international rice trade in 2010 is estimated at 31.3 million tonnes. Compared to the latest 2009 estimates, imports in 2010 are now foreseen to increase substantially in Asian countries, in particular Bangladesh, Iraq, Malaysia, Nepal, the Philippines and Yemen. In the other regions, Madagascar and Brazil are among those likely to step up rice purchases, given prospects of smaller 2010 crops. By contrast, several countries may find themselves in a position to cut their rice purchases. This mainly concerns the Chinese Province of Taiwan, Indonesia, the Islamic Republic of Iran, Mali, Saudi Arabia, Senegal and the Russian Federation. In several instances, the cuts would also be imputable to the reinstatement or rising of import duties, which had been temporarily suspended or lowered when international prices soared in 2008.

9. Total rice utilization is projected to expand by 9 million tonnes to 454 million tonnes in 2010, with the bulk of this volume, some 388 million tonnes, anticipated to be consumed as food,

1.7 percent more than in 2009. As a result, per caput food consumption is expected to increase from 56.5 kg in 2009 to 57.3 kg in 2010.

10. The FAO forecast of world rice stocks at the close of the marketing year ending in 2010 stands at 125 million tonnes, which represents a 1 percent increase from opening levels. Rice importing countries, such as Bangladesh, Indonesia and the Republic of Korea, are expected to build their inventories, but closing stocks in the five major exporting countries as a group are forecast to end lower. Relative to world consumption, global rice reserves appear ample and sufficient to cover 27 percent of utilization in 2010.

### *Oils and fats*

11. Steady expansion of world oils/fats consumption is expected to continue in 2009-10, confirming the sector's resilience to global economic recession. Growth is driven by continued rising demand for food purposes (notably in China, India and other emerging economies in Asia) and accelerating demand in the biodiesel industry. The latter is the result of improved margins in vegetable oil-based biofuel production, together with the introduction of higher mandatory blending rates in several countries (especially in the EU and South America) and renewed growth in biodiesel import demand. Overall, consumption growth is expected to be concentrated in China, South/Southeast Asia, North America, the EU, Argentina and Brazil. With sustained income growth spurring consumption, China has become the leading oils and fats consumer, followed by the EU and India. In the United States, consumption may not recover fully from last year's drop, primarily because of poor uptake from the biodiesel industry, which continues to wait for traditional tax breaks to be reinstalled. Contrary to past years, the anticipated rise in global demand will be satisfied primarily by soy oil instead of palm oil. Given the respective production growth rates and palm oil's below-average price discount vis-à-vis soya oil to date, a partial shift in consumption from palm to soy oil appears likely. Rising demand from the biodiesel industry continues to benefit primarily rape and soy oil.

12. Global oils/fats trade (including the oil contained in traded oilseeds) in 2009-10 is expected to exceed last season's record by less than 1 percent, compared to annual growth rates of at least 6 percent in previous years. The slowdown will be primarily a result of reduced growth in oil palm shipments. The world's most widely traded oil is facing weak production growth and a drop in price competitiveness. Furthermore, the world's key suppliers of sunflower and rape oil are reporting reduced export availability. Only soy oil shipments are estimated to grow and, owing to its competitive price, its share in the market is expected to rise. The increase in global palm oil shipments will again be led by Indonesia, whose exports surpassed those of Malaysia for the first time last year. In both countries, the anticipated increase in exports should entail a drawdown in domestic stocks. The rise in global soy oil exports (inclusive of the oil contained in soybeans traded) is led by the United States, where most of this season's supply increase is channelled into exports. To make up for supply shortfalls in South America and elsewhere, the country has significantly stepped up its exports for the fourth consecutive season. In Argentina, by contrast, the need to replenish stocks combined with rising domestic consumption requirements is likely to keep exports at last season's reduced level, notwithstanding this year's record crop. A similar situation applies to Brazil, except that annual shipments might even shrink, moving to a five-year low. In Brazil and Argentina, increased use of domestic output for biodiesel production is contributing to the poor export performance. On the import side, Asia continues to dominate the global market, with a market share approaching 60 percent. Asia's growth is again driven by China and India, based on steady consumption growth and poor harvests in both countries. The region as a whole continues to rely heavily on imports to satisfy demand. Purchases by the other main consumer and importer, the EU, are set to fall due to record crops.

### *Meat*

13. As the world economy comes out of recession, the outlook for meats in 2010 is turning positive. Per capita consumption is expected to increase for all meats, although the rapid consumption growth that characterized developing countries in previous years may be contained

by relatively strong prices. Supply growth, limited by herd rebuilding and firm feed grain prices, is taking time to respond. World trade in meat is anticipated to stagnate this year, although pig meat exports may expand slightly. Supplies of beef and sheep meat for export are lower because of reduced animal numbers, while the market for poultry products is uncertain because of tighter import restrictions and policy changes in major importing countries.

14. Despite the improved global economic situation, the outlook for beef production in 2010 remains subdued because of still relatively high feed prices through the first half of 2010. In Australia and New Zealand, farmers are rebuilding their herds following drought, while the forecast for Asia is for stagnation, reflecting a near 5 percent contraction in China, where low returns have discouraged production. Beef production in the Republic of Korea is uncertain, as recent outbreaks of foot-and-mouth disease have disrupted the supply of cattle in local markets. Reports from India indicate that buffalo meat output could grow by 4 percent due to farmers reducing their buffalo herds; while in Pakistan, output growth is stagnating due to an ongoing drought that is affecting most of the country.

15. Sheep and goat meat production may expand by a slight 1 percent, due to restocking, and remain at some 13 million tonnes in 2010. Dry weather in recent years reduced supply in key producing areas such as Oceania. Sheep meat exports in 2010 are forecast to stagnate, as supplies from New Zealand and Australia – whose combined volumes of 700 000 tonnes in 2010 captures 84 percent of world sheep meat trade – are anticipated to fall 1 percent this year.

16. A stable animal health situation is expected to foster growth in world pig meat production, which is anticipated to increase by 1.5 percent to 108 million tonnes in 2010. In China, where half of the world's pig meat is produced, output growth is expected to slow to around 3 percent, much less than the 7 to 8 percent increases witnessed in recent years. Elsewhere in Asia, production in the Philippines and Viet Nam is also expected to increase due to higher pig numbers. Pig meat exports in 2010 are anticipated to reach almost 6 million tonnes, representing an increase of 3 percent, a significant recovery from the 8 percent fall of last year. The expansion of pig meat imports is expected to be driven by larger purchases from Hong Kong SAR (10 percent) and Mexico (4 percent), while imports from Japan should increase only marginally on account of higher domestic production.

17. Following a year when world poultry production stagnated for the first time in decades, 2010 output is expected to rebound by 3 percent to reach almost 95 million tonnes. Relatively high feed prices have slowed production growth. However, feed prices are anticipated to fall later this year because of a global bumper maize crop. As poultry meat is produced in a short cycle compared to other meats and can respond relatively quickly to changing environments, this forecast may need to be reviewed later in the year in light of the evolution of feed costs. In Asia, output in China is anticipated to expand by 4 percent, sustained by dynamic domestic demand. India and Thailand also are expected to expand their outputs, provided the animal health situation remains stable. Poultry trade in 2010 is expected to remain at the levels of 2009, which actually is a positive sign considering how badly poultry markets performed last year. Exports by Thailand, mostly cooked, are anticipated to increase this year by 8 percent, due to higher demand from Asia. Elsewhere in Asia, China is anticipated to expand its shipments by 20 percent, notably cooked chicken meat to European and Asian markets.

### ***Milk***

18. Milk production in Asia is set to grow about 4 percent in 2010, to 262 million tonnes. In spite of El Niño, weather has turned more favourable than the below-average rains initially predicted. In India, output in 2010 is now forecast to expand substantially, by some 6 percent. In retrospect, this rate is slightly higher than the 5 percent average the country maintained in the previous five years. In China, the balance between supply and demand is being restored as consumer confidence continues to recover from the melamine crisis of 2008. Even this growth is low (based on recent history) and is the result of the persistence of low farm gate prices combined with tighter feed and water availability. In Oceania, because of dry El Niño weather conditions,

dairy production in marketing year 2009/10 will be slightly less than the 26 million tonnes registered last year. Output may increase by a mere 1 percent in New Zealand, while in Australia it is anticipated to contract by 6 percent.

### ***Fish***

19. Constrained by a series of supply problems, world production of fish products is estimated to have increased marginally in 2009, with all of the expansion stemming from the dynamic aquaculture sector. The economic downturns had a marginal negative effect on the volume of fish traded internationally in 2009, but caused a severe contraction in the value of trade as prices fell and trade shifted towards less expensive fish products. The FAO Fish Price Index for February 2010 was only slightly above the lowest levels of 2009. However, some prices have increased in recent months – for instance for shrimp, tuna and salmon. On the whole, the outlooks for fish production, trade and consumption in 2010 are positive. Prices of some fish products are expected to strengthen in 2010, mostly reflecting a temporary downsizing of operations, following an adjustment of the sector to weak demand in 2009 and existing limitations on production, such as fishing quotas or diseases.

## **IV. Key issues**

### ***Lacklustre performance in the region – what is holding agriculture back?***

20. The transformation of the economies in the region has been rapid. Between 1965 and 2004, the share of agriculture in GDP declined from 53 percent to 9 percent in East and North East Asia, from 35 percent to 17 percent in South and South West Asia, and from 30 percent to 11 percent in South East Asia. At the same time, the role of agriculture in creating jobs is also diminishing in some subregions – especially in East Asia, South East Asia and the Pacific Island countries. South Asia still holds the highest potential for generating employment in the agriculture sector.

21. Average annual agricultural labour productivity growth in the region dropped from 2.5 percent in the 1980s to 2.2 percent in the 1990s, and most recently to 1 percent in 2000-02.<sup>2</sup> The region has suffered from declining productivity growth after reaping the benefits of the green revolution in the 1970s and 1980s. Low labour productivity in agriculture is mainly due to the slow progress in technological adaptation and innovation in farm practices. More specifically: low literacy among the rural poor; low mechanization rates; inability to produce on a mass scale due to landownership restrictions; and limited knowledge of the quality aspects of production, distribution and marketing.<sup>3</sup>

22. High inequality in asset ownership in most South Asian countries has also inhibited agricultural productivity growth. Land is concentrated in men's hands, with women holding between 8 and 27 percent of agricultural land<sup>4</sup>. The wide inequalities in access to health and education between rural and urban populations have made agriculture less productive. Nearly a quarter of the population in rural areas lacks access to safe drinking water, while only 7 percent of the urban population is deprived of the same. While 70 percent of urban residents have access to sanitation and safe waste disposal, only one-third of rural residents have access to such facilities. These conditions generally result in very high infant mortality, low health and low productivity.

---

<sup>2</sup> ESCAP, Economic and Social Survey of Asia and the Pacific 2008

<sup>3</sup> Agricultural tractor usage in 2001 in the Asia-Pacific region was 8.4 tractors per 1 000 hectares, compared to 20.7 in the rest of the world. Likewise the per caput agricultural holding in the region is only 0.27 hectares, compared to 1.4 hectares in the rest of the world. Land productivity in the region has improved but remains well below European levels. Between 1961 and 1994 Asia recorded the highest land productivity gains ever in history: 284 percent.

<sup>4</sup> FAO, Gender and Land Rights Database/Agricultural census/faostat. Values range from 8 percent in Nepal to 27 percent in Thailand

23. Lack of roads, electricity and telecommunications infrastructure also impedes agricultural growth and rural development. In South Asia more than 35 percent of the rural population lives more than 2 km from an all-weather road. More than 1 billion people in the region do not have access to electricity.<sup>5</sup> Poor telecommunications deprives farmers of critical information on agricultural product prices. Better access to electricity and telecommunications can reduce poverty and improve food security in the region.

24. The ratio of expenditure on agricultural research and development (R&D) to agricultural value-added in the Asia-Pacific region has gradually increased in some countries but declined or remained stagnant in others. Chinese expenditure on R&D fell from 0.57 percent of agricultural value-added in the early 1960s to 0.4 percent in 2000. In Thailand the allocation has remained stagnant at 0.4 percent to 0.5 percent since the 1970s, while in India it has increased from 0.18 percent to 0.34 percent. In all cases, these percentages are well below those found in developed countries such as the United States and Japan. In comparison to developed countries, where private-sector investment in agricultural R&D is as high as 54 percent, the private sector of the developing countries in the region account for only 8.1 percent of total investments in agricultural R&D.

25. In recent years the region has witnessed a decline in the overall allocation of Official Development Assistance (ODA) resources to the agriculture sector. USAID pulled out its support to regional R&D in 1996 in favour of global research. World Bank funding for agricultural R&D has been declining in consonance with the declining contribution of agriculture to overall GDP. Funds are increasingly being diverted to industry and services. The share of agriculture in total lending to the region fell from 11 percent in 1995 to 4 percent in 2000. It rose to 10 percent in 2006. Asian Development Bank lending to the sector also declined from 10 percent in 1995 to 7 percent in 2006. Thus the international donor community has also exacerbated the neglect of the agriculture sector in recent decades, although the 2008 soaring food prices phenomenon has reversed this trend. It is important to maintain agriculture on the global development agenda for a substantial period of time if food security is to be achieved and sustained.

26. Despite the neglect faced by agriculture, there is much evidence that it is the most powerful driver of poverty reduction. The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) estimates that a 1 percent increase in agricultural productivity would lead to a 0.37 percent drop in poverty in the Asia-Pacific region. Raising the region's average agricultural productivity to that of Thailand's can reduce poverty by 218 million and inequality by 6 percent. Another study found that a 1 percent increase in GDP originating in agriculture increased the expenditure of the poorest half of the population on average by 3.7 percent, far more than growth originating in the rest of the economy.<sup>6</sup>

### ***Revitalizing agriculture in the region***

27. In order to reduce food insecurity and the number of poor in the Asia-Pacific region, it is essential to put agriculture on top of the development agenda for at least the next decade. Agriculture must be reinvigorated through substantial investments in the sector and reform of the institutions that support agriculture and rural development. Small farmers need to be linked to markets and information through better roads and communications infrastructure. Rural education and health services need to be improved drastically if agricultural labour productivity is to be improved and human capital formation is to take place for building a skilled workforce that is suited to the evolving economies. Special efforts need to be made to ensure equal educational

---

<sup>5</sup> In South Asia 57 percent of the population does not have electricity, and in Nepal 85 percent.

<sup>6</sup> Lignon and E. Sadoulet (2007). "Estimating the effects of aggregate agricultural growth on the distribution of expenditures", paper presented to the *World Development Report 2008* (Washington, DC, World Bank)



opportunities for men and women, especially in the rural areas. There is ample evidence to indicate that human capital development has a significant impact on agricultural productivity.<sup>7</sup>

28. Sustainable agriculture should be promoted and supported. Insurance schemes such as micro- insurance, weather-indexed insurance and community-based health insurance can help small farmers cope with and survive shocks such as natural disasters. Common property resource management systems need to be put in place for the joint management of resources and enactment and enforcement of legislation that recognizes and protects usufructuary rights to the resources – land, forests, bodies of water and their biodiversity – which provide vital nutrients, supplemental foods and insurance against fluctuations in food security.

29. In the short term, it is important to improve social and economic access to food, especially for the marginalized, and tackle discrimination on grounds of gender, economic status, religion, ethnicity, caste, disability or illness. Particular attention needs to be paid to the food insecurity of women and girls. Social protection systems should aim to provide protection for food production systems. Such support should recognize the central role of women in household food security and promote health and nutrition education as well as sustainable home (or kitchen) gardens.

30. In the medium term, it is essential to revitalize agriculture through active state support for sustainable food production by small-scale producers in a new Green Food Revolution that: is based on ecologically viable systems; is labour-intensive; conserves natural resources; recycles carbon and uses integrated plant nutrient management systems; and conserves grasslands, wetlands and local forests. Evidence shows that while government spending on public goods (for example, scientific agricultural research and technology transfer, roads and education) increased agricultural growth rates, accelerated poverty reduction and reduced environmental degradation, government spending on credit subsidies or incentives for small groups of private farmers was much less beneficial.<sup>8</sup> Provision of these public goods can catalyze private investment that is crucial for agricultural growth.

31. Domestic farm gate prices and access to markets for small and marginal farmers need to be improved. Producer groups need support to protect them from the vicious cycle of debt entrapment by commercial lenders that control seed and agricultural input monopolies. Lower interest loans, concessions and easier access to credit are necessary to protect the productivity of small farmers at different stages of development. Likewise there is a vast need to improve transport and logistics – primary processing and marketing infrastructure to shorten the chain between farmers, and retail outlets and consumers – to lower costs of food and enhance access to food by all.

32. With globalization there is a need to ensure food quality and safety. All countries in the region would do well to establish strong multi-sectoral policies and programme coordination amongst all systems across the food chain on monitoring, reducing, controlling and treating infectious diseases to ensure food quality and safety.

### ***Climate change***

33. Climate change is having an impact on the entire agricultural sector in the region through shifts in agro-ecological zones, droughts, desertification, variations in hydrological cycles, rising sea levels and saline water intrusion. These developments could radically alter existing cropping patterns, including aquaculture and livestock, and threaten in situ agricultural biodiversity.

---

<sup>7</sup> Timmer points out that expanding public spending on education had a disproportionate positive effect on the poor in Indonesia as it enabled gender parity and raised agricultural productivity and income. See Timmer, C.P. (2005) "Agriculture and pro-poor growth: An Asian perspective", *Centre for Global Development Working Paper No. 63* (Washington, DC, CGD)

<sup>8</sup> R. Lopez and G. Galinato. 2007. Should governments stop subsidies to private goods? Evidence from rural Latin America. *Journal of Public Economics*, 91(5)

Increased severity and variability in weather patterns, rising sea levels and probable storm surges would greatly threaten coastal fisheries and aquaculture and their contributions to household food security and national economies, especially in low-lying states in the Pacific and in the large delta areas. Those who are already food-insecure and lack coping capacity are the most vulnerable. In South Asia, climate change is already having real impact on millions, with emergency situations resulting from cyclones, violent winds and drought cutting deeply into resources that should otherwise fund development.

34. Given the importance of climate change and its impacts on agriculture and food and nutrition security, it is important to: (i) identify innovative technologies and appropriate practices in subregions for coping with the adverse impacts of climate change on the agricultural sector, with a view to protect and consolidate progress in food security and nutrition; and (ii) reduce the contribution of agriculture, including livestock and aquaculture and deforestation, to greenhouse gas emissions and integrate climate change adaptation and mitigation into strategies for agriculture and rural development.

## V. Conclusions

35. The immediate outlook for food and agriculture in the region is rather positive. Barring climate extremities and natural disasters, the prospects of food availability appear to be bright. As the global financial and economic crises recede, food security is bound to improve once again, and the number of undernourished will fall. To build resilience and contribute to regional food and nutrition security in the longer term, it will be necessary to: expand social protection systems; sustain smallholder farmer-led growth in food availability; improve international food markets by removing agricultural trade distortions; and develop an international consensus on biofuels.

36. Of all the developments in the region, the most worrisome one is the growing inequality between rural and urban populations, particularly in terms of asset ownership and access to health and education facilities. Lack of basic facilities and infrastructure continues to undermine progress in improving food security, especially in certain pockets and marginal and low-potential areas. Given the overwhelming evidence worldwide of the significant multiplier effects of investments in agriculture, there is now a renewed need to channel investments into the agriculture sector in order to meet the Millennium Development Goals of reducing hunger and poverty, which are predominantly in the rural areas. Attention to agriculture must be sustained rather than sporadic or a reaction to a crisis.

37. The lacklustre performance and lethargy of the agriculture sector in the Asia-Pacific region during the last two decades was a result of declining agricultural labour productivity and agricultural productivity growth, which in turn was a result of declining investments in the sector, particularly for R&D. Therefore the region needs to urgently invest in programmes and institute policies that will raise the productivity of agriculture and rural areas. Given the scarcity of public funds, public goods should be the primary focus of government investment. These public goods can then catalyse further investment, which will need to come largely from the private sector.

38. The Comprehensive Framework for Action (CFA) developed in July 2008 by the United Nations system presents two sets of actions to promote a comprehensive response to the global food crisis. The first set focuses on meeting the immediate needs of vulnerable populations. The second set focuses on building resilience and contributing to global food and nutrition security. This framework is pertinent for the region and for individual countries aiming to improve their food security situation.

39. At the regional level, the CFA encourages partnership with regional and subregional organizations, and with the regional development banks to enhance coordination of analysis, monitoring and context-specific responses to the food crisis. The FAO Regional Office for Asia and the Pacific could appropriately take a lead in forming a regional information and knowledge hub for food security to support an Asia-Pacific food security coalition. The Five Rome Principles

for Sustainable Global Food Security, endorsed by the World Summit on Food Security, 16-18 November 2009, would be a suitable basis for promoting food security in the region. They include (i) stress on plans that are nationally articulated, designed, owned and led; (ii) strategic coordination at all levels; (iii) a comprehensive twin track approach to food security (iv) commitment to multilateralism; and (v) sustained and substantial commitment by all partners to investment in food security and nutrition.

40. Finally, practical and innovative adaptation and mitigation measures to make farming more resilient to climate change should be prioritized in development plans. Strategies for disaster and risk reduction and preparedness should also be accorded priority, if necessary with the mobilization of development assistance. Agriculture in the region needs to reduce its own contribution to global warming and play an expanding role in carbon sequestration, as well as become more resilient through adaptation to climate change.