

## Food prices linked to smallholder productivity

### Neglect of smallholder farmers will compound food insecurity and food price volatility: IFAD President challenges G20 agriculture ministers

**Rome, 21 June 2011** – Kanayo F. Nwanze, President of the United Nations International Fund for Agricultural Development (IFAD), will urge ministers to place smallholder farmers on top of their agenda during the upcoming first meeting of the G20 Agriculture Ministers, on 22–23 June in Paris. Nwanze, who is attending the meeting, will take critical messages to the ministers.

Advocating on behalf of smallholder farmers in developing countries and ensuring their interests are represented in the international arena, the president of IFAD said: “In economically troubling times it might seem prudent to cut back investments on agriculture, but this is a false economy. Cutting back now means losing much in the long run.”

The issue of [rising food prices](#) is a particular challenge for those on low incomes who are net food buyers — including poor urban dwellers and rural people. As a result, their food and nutrition security suffers when prices surge, especially when they do so unexpectedly. Women and children in rural households typically suffer the most.

“The smallholder and family farmer are the vast majority of food producers across the world, particularly in developing countries,” Nwanze said prior to leaving for Paris. “And while they feel the impact of these challenges the most, we must not forget that they are the main investors in agriculture. And they are the main producers of food consumed in developing countries.”

“When people cannot afford to eat because they cannot make a decent living, they become desperate, which led to riots during the 2008 food crisis,” Nwanze emphasized. “The current food price increase has pushed an estimated 44 million people into poverty creating once again a volatile mix. During the last price increase, when smallholders were assisted in accessing markets for finance, seeds and fertilizers, they were able to benefit from higher prices and both poor producers and consumers were better off.”

France holds the presidency of the G20, which consists of the largest economies in the world. In Paris, G20 agriculture ministers are tasked with developing an action plan to address price volatility in food and agricultural markets and its impact on the poor. Numerous studies show that GDP growth generated by agriculture is more than twice as effective in reducing poverty as growth in other sectors.

Nwanze will tell the ministers that the G20 has a comparative advantage in promoting the sharing of experiences of countries that have made significant progress in boosting agricultural supply and creating an enabling environment for investment in agriculture, such as the experiences of Brazil and China. In addition, the G20 can strengthen policy coherence and coordination, which is essential in dealing with sensitive issues in trade, biofuels and responsible investment in agriculture, he added.

“I take this message to the ministers on behalf of the smallholder farmers around the world: The development of rural areas is central to overcoming hunger and poverty, mitigating climate change, achieving energy security and protecting the environment, and it is the smallholder farmer that holds the key. But we must seriously start investing in their potential to support them to deliver,” Nwanze said.

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