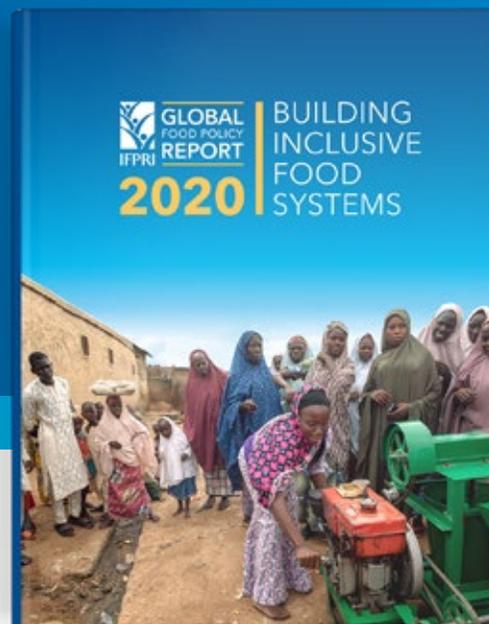



**GLOBAL
FOOD POLICY
REPORT**
2020
**BUILDING
INCLUSIVE
FOOD
SYSTEMS**


APRIL 2020

Our food systems are at a critical juncture—the scale and the pace of change taking place in global, regional, national, and local food systems are unprecedented.

Food systems are evolving quickly to meet growing and changing demand, but they are not serving everyone's needs. When this report went to print, the coronavirus outbreak posed a new global threat. As the world battles this pandemic and as economies and livelihoods are disrupted, the poor and vulnerable are likely to suffer the most. Addressing the impacts of this shock—from supply chain and trade interruptions to severe unemployment to rising poverty levels—urgently requires effective, targeted social protection for the most vulnerable in the short term. For long term resilience, we must build inclusive food systems. As we modernize food systems to make them climate-smart, healthy, and sustainable, we must also strive to make them inclusive of smallholders, youth, women, conflict-affected people, and other poor and marginalized people.

THE IMPERATIVE OF INCLUSION

Many of the world's poorest and most vulnerable people are excluded from the benefits of food systems—including access to affordable, safe, and nutritious foods and to employment opportunities—and have little voice in these systems. Reshaping food systems to be inclusive of poor and vulnerable people is a moral imperative. Equally important, inclusive food systems can bring a wide range of economic and development benefits to all people. They can create better income opportunities for poor people, thereby reducing hunger and poverty. They can spark innovation, for example, in the production and consumption of healthy foods, thus improving nutrition for both producers and consumers and boosting the incomes of producers. And inclusive food systems can help build a sense of community, possibly contributing to political stability.

The agrifood sector supports many people's livelihoods, especially in low-income countries, where 63 percent of

people are employed in agriculture. Better integrating marginalized people into food systems, by linking subsistence-level farmers to markets or incentivizing farming households to move into expanding downstream segments of the food value chain, is perhaps the most effective way to achieve inclusive economic growth. By increasing household income, inclusion can help reduce poverty and help poor households access other services and benefits, such as education, water and sanitation, and healthcare. Inclusive food systems can help break the intergenerational cycle of poverty, hunger, and malnutrition.

HOW DO WE MOVE AHEAD?

Agri-food value chains can provide an entry point for building more inclusive food systems. Such an approach can focus on the beginning of the chain, improving rural people's access to natural resources such as land and water or to credit and financial instruments. Or it can zoom in on the midstream of



the food value chain, including processing, distribution, and services, where potential for creating enterprises and jobs is greatest. As food value chains become longer in response to urban demand, there will be a critical need to ensure food safety and quality through regulation, certification, inspection, and better cold storage and transportation. Innovations in information and communications technology (ICT), such as mobile phones, offer opportunities for excluded populations to access information and services, and to participate all along the food value chain.

Other policy tools for inclusive food systems include social protection programs, which can safeguard food and nutrition security for marginalized people and help them build more resilient livelihoods. Education is perhaps the greatest driver of inclusion. A well-trained labor force can seize opportunities in higher-productivity food-related sectors. Not only does education increase lifelong income, but it also improves nutrition, health, civic engagement, and gender equality. Finally, including marginalized people in the process of designing food-system-related policies and programs can give them a voice in monitoring, evaluating, and holding institutions and people in power accountable for the delivery of high-quality jobs and services.

Inclusion must be addressed at the global policy level. Global policy forums can seize upon increased awareness of inequality to take on the need for inclusive food systems, making way for large-scale investments in research and programming. Inclusion must also be addressed at the national level. National food system policies can be tailored to both address new hurdles and seize new opportunities, with attention to the local context and disadvantaged groups. By identifying marginalized people's needs and priorities in early stages of food systems research, researchers can inform policies that contribute to inclusiveness.

SMALLHOLDERS AND RURAL PEOPLE: Making Food System Value Chains Inclusive

The world's 510 million smallholder farmers play a large role in the food system, but poverty levels in rural areas are high, and small-scale farmers earn a disproportionately small share of agrifood value added. Limited access to land and inputs and limited connection with food value chains mean that they are often excluded from the benefits of rapidly transforming food systems. The potential to create new jobs and better incomes by strengthening food system linkages to include smallholders and rural people is enormous, however. And a range of policy options and technology innovations can help achieve this aim.

GENERATING NONFARM AND AGRIFOOD EMPLOYMENT

Stimulating productivity growth among smallholder farmers is one key to creating income and employment opportunities. Off-farm activity will also be critical. A largely unnoticed "quiet revolution" integrating and modernizing food value chains is already underway in Africa and South Asia, marked by a rapid increase in small and medium-sized enterprises (SMEs). Urban demand for higher-value, more perishable products is driving this development of downstream activities—such as packing vegetables and collecting, refrigerating, and shipping milk—that provide opportunities for inclusive economic development. Tapping this potential will require public policy support for infrastructure, market incentives, and skills development.

INFRASTRUCTURE. Investing in rural infrastructure, including quality rural roads, reliable electricity, and storage facilities, is essential for developing food value chains, reducing postharvest food losses, smoothing

income shocks for small farmers, and ensuring pro-poor growth. Infrastructure investment has the greatest impact on market access when it supports a package for connectivity—including improvements in roads, electricity, and communications. Support for agro-industrial parks, incubators, or spontaneous clusters of industries can also create economic synergies.

FOOD QUALITY REGULATION. Helping small farmers meet higher food quality standards through regulation and quality certification can also improve market access and incomes. As markets modernize, SMEs and smallholders face more stringent private standards set by supermarkets and large processors for quality, safety, and consistency. Meeting these standards will require various “threshold investments,” which may be cost-prohibitive to asset-poor farmers.

SKILLS AND ENTREPRENEURSHIP TRAINING. Fostering rural entrepreneurship and employment diversification requires the development of general skills, such as those related to running a business, accessing market information, and use of ICTs. A more skilled labor force in low-income countries would increase agricultural productivity and stimulate growth in other sectors.

CONNECTING SMALLHOLDERS TO MARKETS

The revolution in the downstream of food supply chains is also changing farming systems. To meet growing demand for higher-value food products, farmers must change the crops they produce and meet new efficiency requirements through mechanization and adoption of modern inputs. Often, however, smallholders are left behind because they lack the resources to either increase farm productivity or enter downstream jobs. Four instruments will help promote inclusion of smallholders in agrifood supply chains:

SECURE LAND TENURE. Securing tenure can increase farmers’ access to credit and input markets and facilitate land rental and sales markets. Development of efficient land markets, which depend on secure property rights, can give farmers access to larger plots that help them achieve economies of scale. Secure land tenure also supports the development of rental markets for equipment such as tractors that can enable small farmers to mechanize and increase productivity.

PROMOTE COLLECTIVE ACTION IN AGRIBUSINESS. Producer organizations help smallholders overcome constraints to economies of scale and strengthen their access to markets by engaging in collective marketing and linking farmers to upstream and downstream actors. These organizations can help farmers access credit or comply with food quantity, quality, and delivery requirements.

LEVERAGE THE POTENTIAL OF DIGITAL TECHNOLOGY. Modern ICTs are increasingly being used to deliver and access extension services, connect farmers and buyers, and provide and access information. Mobile phones, for example, allow farmers to access news about the weather or crops and to seek solutions from peers and other sources.

PROVIDE SOCIAL PROTECTION. Social protection, often in the form of food aid or cash transfers, is crucial for smallholders’ capacity to manage risk during rural transformation and for building resilient rural livelihoods. These programs can also directly encourage inclusion, as with school feeding programs that source food from smallholder suppliers.

Typically, combinations of interventions will be needed. To help smallholders and rural people connect to markets and help off-farm job creation flourish, policymakers must identify and address weak links in the food system with effective, inclusive policies.





YOUTH: Including Africa's Young People in Food Systems

Almost 20 million people join the working-age population every year in Africa south of the Sahara, and by 2050, that number will rise to 30 million. The absolute scale of Africa's "youth bulge" raises questions about whether the region can create enough jobs for young people, or whether much of Africa's youth will be "excluded" from the benefits of economic development. Yet these concerns should not be overblown; other regions have weathered similar youth bulges.

What is clear is that Africa's rural areas and food systems will need to play a bigger role in providing work for the region's youth than they did elsewhere. Because Africa continues to experience high rural population growth, many African youth will need to find jobs in agriculture or the rural nonfarm economy. But rural youth face multiple obstacles. Would-be young farmers face increasing land scarcity in many African countries. And aspiring young entrepreneurs often lack the financial capital and other resources to start nonfarm enterprises. Despite these hurdles, however, young men and women could play an instrumental role, both on and beyond the farm, in transforming Africa's food systems. Their higher levels of education and ease with new technology may help them to participate in the expanding and more remunerative parts of food systems.

MYTH VS. REALITY

The good news is that Africa's agriculture sector is transforming and that fast growth in the downstream components of food systems can be as effective at

reducing poverty as growth in agriculture itself. Thus investing in food systems may both create jobs for young people and combat the growing concentration of global poverty in rural Africa.

Five country case studies, however, reveal the diversity of African youth and the dangers of relying on "stylized facts" about how easily young people can participate in food systems. Contrary to expectations, young people are not always in the vanguard of transformation and are often excluded or benefit less than adults from economic growth. In Ethiopia, for example, youth-headed households are less likely to use improved technologies such as fertilizers and seeds. In Ghana, it is the better-educated farmers, not young farmers per se, who use improved technologies. Nor are rural youth more likely than their older counterparts to migrate. Clearly, we must move beyond generalizations and ensure that our understanding of rural youth and their policy needs is grounded in country-level evidence.

BETTER POLICIES, NOT YOUTH POLICIES

Creating rural employment in the food system will be key to avoiding widespread youth unemployment. Therefore, young people need policies that produce better economic opportunities—not policies that focus narrowly on youth capabilities. This means investing not only in education but also in sectors such as transportation and energy infrastructure. In other words, to effectively address the "youth bulge," African governments must strive to help whole economies flourish and create more and better jobs for all working-age Africans.



WOMEN: Transforming Food Systems for Empowerment and Equity

Women are actively involved in food systems in a range of roles—they grow and manage crops, tend livestock, work in agribusinesses and food retailing, prepare food for their families, and much more. But women's contributions to food systems are often not formally recognized, and they often face constraints that prevent them from engaging on equitable terms. Women have less schooling than men, control fewer resources, have less decision-making power, and face greater time constraints. Transforming food systems to be more inclusive will require approaches that not only enable women to participate and benefit equally but also empower women to make strategic life choices. Inclusive food systems will benefit not only women but also their families and society more broadly, including through improvements in agricultural productivity and household food security and dietary quality.

NECESSARY STEPS

What needs to be done to build food systems that include and empower women?

INCREASE WOMEN'S DECISION-MAKING POWER AND CONTROL OVER ASSETS. Women's empowerment within their households and communities is essential to inclusive food systems. But women's access to assets like credit, land, training, and transportation are limited, which in turn limits their ability to engage in more lucrative, larger-scale activities. Women's empowerment in food system decision-making can be supported by enhancing their negotiating powers, for example, through fair contracting schemes, and by efforts to shift traditional gender norms.

RAISE WOMEN'S VOICES. Women's voices must be heard in food systems research and the political processes and other contexts in which food systems are embedded. For example, women's priorities and preferences, such as for crops with certain nutritional or taste qualities, must be considered in research processes from the early stages to ensure women benefit from the results. Political mobilization, for example through women's producer organizations, can help give women a voice in policy decisions.

ENHANCE INSTITUTIONAL SUPPORT. Ensuring that institutions are supportive of women is another critical factor. For example, formal laws and informal systems governing property rights impact women's abilities to invest in their land or businesses, access credit, and diversify their livelihoods. Women's land rights also affect the extent to which they control household income and make decisions about household consumption and investments. Financial institutions also have great potential for empowering women when they are designed with women's needs and preferences in mind. Women's access to timely information can be facilitated by technologies, programs, or institutions. Mobile phones, for example, can provide access to banking and government programs and connect producers with extension services or real-time updates on market prices and weather. Finally, closing the gender gap in basic education can help the next generation of women break out of poverty and make informed and strategic choices about their livelihoods, the food they and their families consume, and the types of policies they demand from political leaders.

TAKING ACTION

MORE DATA. An essential first step toward more gender-equitable food systems is through collection of data, particularly on women and agribusiness, and systematic analyses of entire value chains to better identify opportunities for women’s empowerment.

PRIVATE SECTOR INITIATIVES. Given their central role in food production, processing, transportation, and consumption, private sector institutions must support more inclusive food systems. For instance, trade association initiatives can incorporate standards related to gender equality and women’s empowerment.

CREATING AN ENABLING ENVIRONMENT. Incentives and regulations are needed to ensure that private sector investments benefit and empower women rather than exacerbate existing gender gaps. Policymakers have an important responsibility to create enabling environments for research and industry developments that contribute to inclusive food system transformation.

DON’T LOSE GROUND. While there are clear opportunities to make food systems more equitable for women, it will be equally important to ensure that women do not lose ground as food systems transform. Evidence suggests that approaches to empowering women must include working with men, both to prevent backlash against women’s gains and to sustain the transformation of gender norms.

Making food systems inclusive and gender-equitable to support women’s empowerment will benefit not only women but also their families and society.

REFUGEES AND CONFLICT-AFFECTED PEOPLE: Integrating Displaced Communities into Food Systems

Protracted and multiplying conflicts have been the primary driver of the recent rise in global hunger. More than half of all undernourished people live in conflict-affected countries, where drought, other climate shocks, and economic shocks often are compounding factors. These same factors have also contributed to recent increases in forced migration. An estimated 70.8 million people were forcibly displaced in 2018, the highest number in decades. Most current conflicts are occurring in rural areas and contributing to severe food insecurity—the impacts are felt across the entire food value chain, from production to marketing. Conflict in South Sudan, for example, caused famine in several parts of the country. In Yemen, home to today’s worst humanitarian crisis, 3.7 million people have been forcibly displaced, leaving more than 20 million food insecure and 10 million on the brink of starvation. Large influxes of migrants can also strain local food markets and basic services in host communities, and the resulting stresses can fuel further conflict. Most displaced peoples are unable to return home for prolonged periods, if at all. While there is no panacea, the humanitarian interventions with the greatest likelihood of achieving lasting success involve investing in local agrifood systems and including conflict-affected people in strategies for building, reviving, or strengthening these systems.

REBUILDING FOR RESILIENCE

Because most conflict-affected people depend on agriculture for their livelihoods, protecting agriculture, food production, and rural livelihoods before, during,



and after conflict is crucial in most contexts. Current responses still consist mostly of patchy humanitarian and emergency actions. Yet policy assessments point to the need to address the “humanitarian-development-peace nexus,” and there are examples of promising responses that focus on strengthening food systems while helping to sustain peace by improving food security and resilience and allowing forcibly displaced people to take part in social and economic activities.

CREATE RESILIENT AGRIFOOD SUPPLY CHAINS. Rebuilding local agricultural and food economies can help affected people to move beyond subsistence agriculture, rejoin markets, adopt resilience-enhancing measures, and stay in their community when it is safe for them to do so. In Uganda’s Northern Region, multiple organizations have invested in post-conflict recovery—helping ex-combatants and returning displaced people to get back on their feet through the provision of agricultural tools and inputs, support for livestock restocking, and cash- and food-for-work programs—with major improvements in food security and nutrition in the region.

PROVIDE LONG-TERM REFUGEES ACCESS TO LAND AND LIVELIHOODS. Giving displaced people a stake in the food supply chain can benefit both the refugees and their host communities. For example, Uganda grants refugees access to land and the right to seek employment, which has helped refugees, mostly from South Sudan, to build new, independent livelihoods and achieve food security while strengthening local economies.

PROVIDE POST-CONFLICT SUPPORT TO RURAL RETURNEES. Stimulating the local economy and agriculture sector, particularly in situations of protracted displacement, will help integrate migrants into the economy and the broader social fabric. In post-conflict Colombia, following a half-century of armed conflict, a comprehensive plan for revitalizing rural economies includes land access for dispossessed and displaced farmers; agrifood value-chain development; and social protection mechanisms.

SUPPORT RISK-INFORMED AND SHOCK-RESPONSIVE SOCIAL PROTECTION SYSTEMS. Social protection systems are critical not only for short-term post-crisis relief and for alleviating pressures to migrate but also for building resilience. Cash transfer programs linked to agricultural production or nutrition-assistance programs (Cash+ programs) have proven effective in many conflict situations, helping affected households maintain access to food, avoid sale of assets, and strengthen household resilience.

Developing effective responses to the complex knot of conflict, displacement, and persistent food insecurity requires a robust understanding of and response to the root causes. Responses most likely to achieve lasting success usually include forcibly displaced and conflict-affected people in food systems and their benefits.

NATIONAL FOOD SYSTEMS: Inclusive Transformation for Healthier Diets

National food systems in low- and middle-income countries (LMICs) are transforming rapidly from traditional to modern. In addition to creating employment and income-generating opportunities, transformation can support improvements in nutrition that are associated with long-term impacts on health, cognitive capacity, educational attainment, income, and development. Food system transformation is now central to the development strategies of most LMICs, but few countries have developed specific plans. Country-specific approaches are needed because each country’s food system is unique, reflecting national natural resources, market access, and sociocultural traditions as well as the country’s stage of economic transformation.

Food system frameworks are useful tools for assessing how food systems are contributing to reducing malnutrition, and whether they are doing so in an equitable way. The key elements of the framework developed for national food systems depicts a broad set of *drivers* that influence three food system *components*—namely, value chains, the food environment, and consumer behavior (Figure 1). Together these determine socioeconomic, health, and sustainability *outcomes*. Central to this framework is the understanding that food systems are demand-led. Policymakers can use this framework to identify data and policy needs and promising leverage points for action.

STRATEGIES FOR INCLUSIVE CHANGE

Four national-level strategies for inclusive change in food systems offer promise for improving nutrition among disadvantaged groups.

REVERSE THINKING—PUTTING DIETS FIRST. Countries in the early stages of food system transformation usually focus on increasing the food supply, but they should instead begin with consumer demand and food environments to help address growing problems associated with unhealthy diets. Developing dietary guidelines suitable to the national context can provide a policy entry point. There are challenges to this approach, however, largely related to gathering and cataloging information, for example, on food consumption outside the home and interventions to fight obesity.

COMBINE TECHNOLOGY, INSTITUTIONAL CAPACITY, AND INFRASTRUCTURE. Innovations in technology, institutions, and infrastructure can work together to contribute to positive, inclusive systemic change. Technological innovations that drive agricultural transformation can be adapted for broader impact on nutrition. ICTs show promise for increasing inclusiveness through improvements in production and access to rural services, credit, and market information. Institutional-strengthening approaches have potential to improve the supply of nutrient-dense, perishable foods. For example, quality certification can allow smallholders to charge higher prices for products that meet standards for safety and quality. Infrastructure investments can also contribute to inclusive growth in food systems and diversification of the food supply. Cold chains, for example, are critical for expanding markets for smallholders' high-value products and for delivering nutritious foods to urban consumers.

LET MARKETS WORK FOR INCLUSION AND HEALTHIER DIETS FOR ALL. Providing an enabling environment for effective and inclusive food systems, particularly for private sector food system activities, requires that developing countries adapt and change policies to reflect their changing circumstances. They must design food system policies with a view to balancing likely trade-offs among health, sustainability, and equity outcomes for overall welfare. For example, as demand increases for higher food quality, governments must adopt

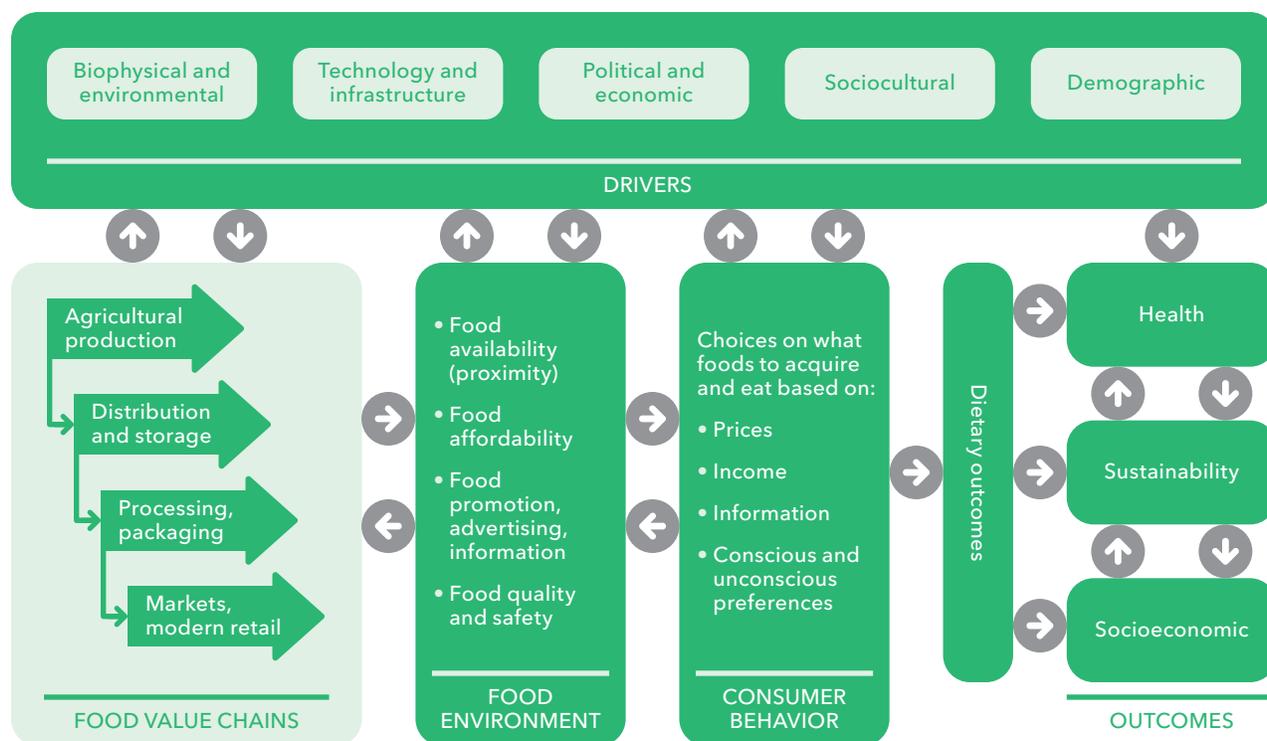
stricter food standards. But often these policies and regulations disadvantage those less able to participate in modern value chains. Viet Nam, for instance, is balancing the need for strong food safety regulation to promote growth in export food markets against the risk of overregulating the informal markets that allow the poor to buy and sell fresh foods.

INCLUDE PEOPLE AND PLACES LEFT BEHIND. Social development policies tailored to national conditions must take account of the people and places left behind by transforming food systems. Many countries, including Ethiopia, have implemented supplemental policies and actions to improve access to food, food quality, and the other benefits of more modern food systems. Ethiopia's efforts to improve food security and nutrition for vulnerable groups have helped reduce food insecurity across both the country's productive agricultural zones and its poor drought-prone zones.

OPPORTUNITIES AND CHALLENGES

National food systems are an important entry point for improving sustainability, health, and equity outcomes. Taking a food systems approach allows countries to consider the wide range of challenges and opportunities that are most relevant to their particular context. This is a critical moment for strengthening national efforts to change the trajectory of food system transformation in favor of healthier and more equitable outcomes for all.

FIGURE 1 SIMPLIFIED FRAMEWORK FOR FOOD SYSTEM ANALYSIS



Source: Adapted, with permission, from HLPE (High-Level Panel of Experts), *Nutrition and Food Systems: A Report by the High-Level Panel of Experts on Food Security and Nutrition* (Rome: 2017).



REGIONAL DEVELOPMENTS

AFRICA

Income growth, economic dynamism, and demographic change in Africa are transforming food systems and changing opportunities for farmers, entrepreneurs, and employees along the agrifood value chain. The recent economic growth has created broadly shared benefits. But poverty, hunger, and vulnerability are persistent, and growth has also led to perceptions of exclusion among those regions and communities benefiting less. Large-scale farmers are best-placed to take advantage of the new opportunities, while smallholders are at risk of exclusion if they are not able to meet the demands of high-value markets. Poverty is unevenly distributed, with much higher rates in rural than in urban areas in most countries. Access to basic services is also much more limited in rural areas, and nutrition challenges are usually more pronounced. Efforts to increase trade integration in Africa may further increase inequality. The new African Continental Free Trade Area is expected to allow African countries to increase exports, better weather economic shocks, and improve food security, but will also give rise to winners and losers.

African leaders acknowledge the importance of inclusive economic growth. In the 2014 Malabo Declaration, leaders committed to enhancing the resilience of vulnerable groups and creating opportunities for women and youth in agricultural value chains. Many countries have implemented policies and strategies intended to promote greater equality. For example, the Southern African Development Community's Protocol on Gender and Development calls on member countries to ensure women's legal rights, achieve equal representation of women in political and other decision-making spheres, and advance equality in education and employment. However, despite

such initiatives, gender inequalities persist with grave consequences, both for individuals and for economies. For instance, unaddressed gender productivity gaps in agriculture lower overall agricultural productivity in the region.

Greater effort is required to ensure that the benefits of food system transformation are broadly shared. Closer rural-urban linkages can increase market and employment opportunities for rural residents. Recent studies have shown the potential for finely tuned subnational targeting of food security interventions when sufficient data are available. African countries should prioritize the generation of evidence on the winners and losers from major policy changes. The 2020 second CAADP Biennial Review of progress toward the Malabo Declaration commitments offers an opportunity to assess countries' success in increasing inclusion.

MIDDLE EAST AND NORTH AFRICA

Pervasive uncertainty in the Middle East and North Africa (MENA) in 2019 reflected ongoing conflicts and their regional spillover effects, global trade tensions, and fluctuating oil prices, all of which make building inclusive food systems more challenging. Continuing constraints on the private sector—including competition from public enterprises, red tape, a scarcity of skilled labor, and trade barriers—limit its ability to create jobs for the millions of young people entering the workforce in MENA countries every year. Several countries are adopting more business-friendly policies, but MENA countries must also continue reforms to foster inclusive growth, especially for youth and women. Country-led food policy and investment is needed, including the use of “big data.” In addition, MENA countries can learn from the successful example of Egypt in supporting the poorest through social protection programs.

While the agriculture sector remains important in most MENA economies, the off-farm agrifood sector is growing rapidly and generating a significant increase in jobs in food services, processing, and quality control. In Lebanon, for example, the agrifood sector has been identified as one of five sectors with the strongest economic potential. While the agriculture sectors in Egypt and Morocco continue to grow, labor has moved from the farm to nonfarm sectors. Some MENA countries have begun shifting their policies and investments away from primary production toward value-added sectors of the food economy.

MENA's protracted conflicts urgently need to be addressed, including the pressing needs of conflict-affected people. Food systems offer not only a means to provide emergency assistance but also a starting point to promote economywide growth and employment during reconstruction and recovery in countries like Yemen. Many jobs in farming and the agrifood system are already done by vulnerable groups such as refugees, migrants, and the poor, so a food-system-led transformation is also likely to foster *inclusive* transformation for these groups.

More incentives for the private sector to invest in all segments of agrifood systems are needed to promote such a transformation. For large MENA countries, and especially for smallholders within those countries, growth of domestic markets can be more supportive of inclusion than promoting exports.

CENTRAL ASIA

In Central Asia, addressing poverty and unemployment among women and youth is a priority for creating inclusive food systems. The share of working-age people in the region's population has been gradually increasing, and today a large cohort of young people and women cannot earn adequate income in their own countries. For example, in 2019, the unemployment rate for women in Uzbekistan stood at almost 13 percent, and the unemployment rate for youth at 15 percent. Rates of unemployment for women and youth are significantly higher in Central Asia's rural areas.

Creating opportunities for youth and especially for young women will be essential to increasing the income, equity, and nutrition benefits of food systems for rural people. Promoting high-value agrifood sectors, such as horticulture, livestock, food processing, and related business activities, such as logistics and storage infrastructure, shows promise for both income generation and nutrition outcomes, especially in densely populated rural areas.

The lack of jobs forces many Central Asian workers, especially young men, to migrate to Russia, Kazakhstan, Turkey, and elsewhere. Labor remittances have become

a critical source of foreign exchange in Central Asia, contributing to macroeconomic stability, poverty reduction, and food security. Labor migration affects the inclusiveness of Central Asia's food systems in at least two ways. First, labor remittances can improve household welfare and access to food. Second, migration of rural men leads to the "feminization" of agricultural labor, which can increase women's decision-making power but can also contribute to agricultural labor shortages and create social issues.

Central Asia's food systems will continue to face risks related to climate change and commodity price uncertainties as well as conditions in the region's main trading partners (Russia and China). Uzbekistan, for example, is considering joining the Eurasian Economic Union (EAEU), which will contribute to food system transformation in Uzbekistan and throughout the region. Along with Uzbekistan, Kazakhstan and Kyrgyzstan have recently updated their development strategies, with the aim of transforming food systems, promoting nutrition-sensitive value chains, increasing private sector investments in the agrifood sector, and expanding employment opportunities, especially for women and youth. Across the region, evidence-based policy solutions must be developed to promote inclusive food systems.

SOUTH ASIA

South Asia's steady economic progress has reshaped the region's diverse food systems over the past decade. The share of agriculture in national GDP has, on average, declined by 15 percent, and the share of nonfarm employment has now surpassed that of farm employment. The growth rate of high-value, nutritious foods—that is, milk and milk products, meat, and fruits and vegetables—now exceeds that of cereals, which are rapidly losing their importance in household food baskets. In Bangladesh, the consumption of more diverse diets has contributed to measurable impacts on nutrition, including significant reductions in child stunting, underweight, and wasting. In line with demand for greater diet diversity, the regional food-processing sector is also growing. Gross value added from food processing in India, for example, more than doubled in 10 years.

The impact of this food system transformation on inclusiveness appears to be positive. The poor have benefited from new value chains—such as for poultry and fisheries. Expansion of aquaculture in Bangladesh has contributed to job creation, poverty reduction, and better diets. And the growing processing sector is generating employment, with notable increases in jobs in India and Pakistan.

Three policy levers will be critical in making South Asia's food system transformation inclusive and sustainable: (1) reforming agricultural input subsidies and price supports; (2) improving the targeting of social protection programs; and (3) building effective institutions for governing the emerging food system. First, the agricultural subsidy and price policies adopted decades ago across the region, although politically popular, are well documented to be inefficient, distortionary, and inequitable. Reforming these programs could free up public funds to invest in fostering more inclusive, equitable, and gender- and nutrition-sensitive food systems. Second, South Asia has an extensive system of food-based safety net programs that could be effective policy vehicles for inclusion. However, data suggest that coverage of social protection varies widely by country, and that programs frequently do not target the poor well. This hampers their effectiveness in reaching the poor with healthy and nutritious food and bringing other benefits associated with poverty reduction. Third, establishing effective institutions for food system governance, such as food safety standards, can support inclusive food systems. Cohesive institutional frameworks to govern South Asia's food systems are just beginning to emerge, but have potential to create market opportunities, enhance income through promotion of new agrifood value chains, and improve well-being. As these structural changes continue, the policy challenge lies in ensuring that food system transformation is sustainable and inclusive.

EAST AND SOUTHEAST ASIA

Economic uncertainty in East and Southeast Asia will affect development of inclusive and sustainable food systems. The agriculture and agrifood sectors are facing the recent outbreak of coronavirus (COVID-19), which poses a global threat, as well as the spread of African swine fever, a weakening of global demand for the region's exports, and broadened trade disputes. Among the impacts on millions of residents, the livelihoods, food security, and nutritional status of vulnerable groups require particular attention.

African swine fever, a highly contagious, often fatal pig disease, is expected to have a noticeable impact on meat and feed markets in Asia and worldwide. As a result of rapidly rising pork prices, consumers are likely to turn to other types of meat, but in countries that are heavy consumers of pork, including Viet Nam, China, and South Korea, diet quality may decrease for the most vulnerable consumers. Producers are also hard hit, particularly smallholder farmers who account for a significant share of pig production.

As the US-China dispute heated up in 2019, tariffs were imposed on more than 500 of China's agricultural products. However, ASEAN has benefited from export

opportunities arising from the trade dispute, and efforts to increase regional economic integration expanded—producing an updated protocol for the China-ASEAN free trade agreement and progress on the Regional Comprehensive Economic Partnership (RCEP) agreement between ASEAN and six other countries.

Trade policies for rice, which remains the major source of calories for low-income families across Asia, are particularly important for both farmers and consumers. In the Philippines, removal of quantitative restrictions on rice imports led to declining rice prices throughout 2019. As a result, per capita consumption of rice and daily calorie consumption are expected to improve, but Philippine smallholder rice farmers are struggling. For trade liberalization to be inclusive, it must be accompanied by appropriate interventions in support of small producers.

Diets are changing in Asia, but dietary diversity and other nutrition challenges remain. Despite continued economic growth, undernutrition is still common among the most vulnerable groups. For example, the share of children under five who suffer from stunting averages 26 percent across ASEAN countries. Given the difficulty of reaching the most vulnerable populations via social safety nets, a return to a more stable food supply is needed to improve nutrition. To make a diverse, nutritious diet affordable to all, economic growth will need to ensure greater inclusion of these populations.

LATIN AMERICA AND THE CARIBBEAN

Most countries in Latin America and the Caribbean (LAC) have been affected by a regional economic downturn, and food security and nutrition are likely to worsen in 2020. Governments are facing low global commodity prices, worsening economic conditions, and related domestic turmoil, all of which have implications for building inclusive food systems. In Argentina, for example, the economic crisis led to the incumbent president's defeat in recent elections. The crisis in Venezuela continues, and the dire economic and social conditions there continue to fuel a steady out-migration. Several other countries in the region were affected by strong social and political protests in 2019.

Progress on trade agreements, however, offers some promise for regional agriculture. This includes the free trade agreement between the United States, Mexico, and Canada, now ratified by all members, and the announcement of a Mercosur-European Union agreement after more than 20 years of negotiations. In addition, the US-China conflict may have helped some LAC countries, for example by boosting exports of agricultural products from Brazil and Argentina to China. However, the increasing economic uncertainty is also negatively affecting the region as a whole.

Across Latin America, urbanization, along with the expansion of infrastructure and the growth of intermediate cities, greater market integration, and increased foreign investment in the food sector, has led to the expansion and greater complexity of food systems in the region. Those food systems—including producers, inputs and services providers, traders, processors, and retail outlets—now represent important shares of value added. Given their scale, agrifood value chains offer potential for employment and inclusion of women, youth, and other vulnerable groups.

For women, participation rates in agricultural production are lower in LAC than in other developing regions. Despite

laws and programs in most countries intended to improve the inclusion of women, discrimination in access to land, credit, and technology and in governance structures is common. In addition, women appear to be more affected by the worsening epidemic of overweight and obesity. Therefore an extensive research program should analyze the implications of food systems not only for employment but also for improving nutrition. Greater understanding of these issues could contribute to the overall functioning and inclusiveness of food systems in the region.

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The full text of this year's report is available online: gfpr.ifpri.info

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