Food Security Trends in 2024 and Beyond

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Abstract

In 2024 food security is likely to remain one of the critical challenges for the world to face. The World Bank has therefore included food and nutrition security among the eight global challenges to address at scale, and has mobilized \$45 billion in resources to tackle issues and protect livelihoods worldwide, surpassing its initial projected commitment of \$30 billion announced in May 2022. Anticipating and understanding the evolution of food security and its reactions to future trends is essential for effective policymaking and developing responsive plans. The World Bank's World Food Security Outlook (WFSO), updated three times a year and last in October 2023, serves as one of the comprehensive resources developed to support this endeavor. This blog aims to distill the key insights from the WFSO's latest findings and their implications for food security in 2024 and beyond.

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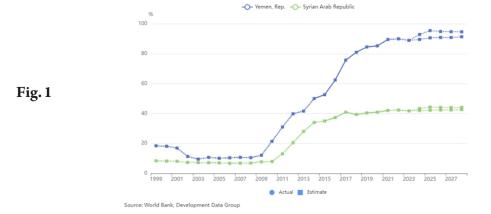
Background to the Study

The World Food Security Outlook: A Comprehensive Tool for Analysis

In October 2023, the World Bank published the updated the World Food Security Outlook (WFSO). Published three times each year, the WFSO is an innovative model-based data series designed to monitor and analyze global food security, providing essential information to complement official statistics and help understand the evolving landscape. Comprising historical, preliminary, and forecast data, the WFSO offers insights into severe food insecurity worldwide, filling critical gaps in knowledge. Key components of the WFSO cover severe food insecurity prevalence, estimates for countries lacking official data, population sizes of the severely food insecure, and required safety net financing. One of its primary uses lies in complementing official data from the Food and Agriculture Organization (FAO) published in the State of Food Security and Nutrition in the World (SOFI) report, filling in gaps for unreported countries and a forward-looking view based on a machine learning model that leverages the World Bank's World Development Indicators (WDI) database and the IMF's World Economic Outlook (WEO). The WFSO includes estimates for safety net financing needs following past International Development Association (IDA) approaches originally used in IDA (2020).

Previous versions of this outlook have been used to estimate demand for Early Response Financing under the IDA Crisis Response Window, in Bank regional economic updates, to inform the Bank-wide response to the global food crisis, and update G24 on food security financing perspectives. In the World Bank Food Security Update for December 2023 the October 2023 WFSO has been used to analyze major trends in global food security, and it has also been featured in the Global Food and Nutrition Security Dashboard. This paper summarizes the insights. At a glance, the latest projections suggest that global food security conditions are stabilizing slowly in 2024, but that disparities between income groups are increasing.

Indicator Prevalence of Severe Food Insecurity (%) Country



Global Food Security Conditions Are Slowly Stabilizing

The global recovery from COVID-19 and Russia's invasion of Ukraine is slow, impacting economic stability. Elevated inflation, tighter monetary policies, reduced fiscal support, and extreme weather events contribute to continued pressure on global economic growth. As a result, the October 2023 Outlook tentatively suggests a global peak in the prevalence of severe food insecurity was reached at 11.9% globally in 2020-2022, with only a slight near-term improvement to 11.8% (2021-2023) and 11.6% (2022-2023), showing significant variation across regions and income groups. Short-term food insecurity improvements may however stall, posing a risk of reaching a new high of 943 million people facing severe food insecurity by 2025. Looking to 2028, the global severely food insecure population is projected to hit 956 million, narrowly avoiding a billion in a downside economic scenario if central banks fail to control inflation and respond with further tightening, leading to suppressed growth.

Disparities Among Income Groups: Widening Divides

The October 2023 WFSO shows stark disparities among income groups, revealing that the overall stabilization in global food security masks underlying challenges. While upper middle-income countries show promising improvements, lower middle-income nations experience only short-term gains, and low-income countries face a projected further increase in food insecure populations. The data exposes widening gaps compared to previous outlooks, with low-income countries expected to witness only a slight improvement in severe food insecurity rates by 2027-2029. Additionally, heavily indebted poor countries are particularly vulnerable, facing both economic challenges and elevated levels of food insecurity.

A Continued Shift to low-income countries in Global Financing Needs

As global food security conditions evolve, the financial requirements to establish safety nets are escalating. The WFSO projects an annual financing need of \$41 billion in International Development Association (IDA) countries and \$47 billion in International Bank for Reconstruction and Development (IBRD) countries, nearly doubling pre-pandemic estimates. The shift toward lower-income countries intensifies, highlighting the urgency to reinforce measures safeguarding vulnerable populations. Projections indicate a continuous increase in safety net costs for low-income counties and lower middle-income countries, emphasizing the need for effective monetary and fiscal policies to restore stability.

Conclusion/Recommendation

To provide a basic social safety net that covers 25 percent of daily caloric needs for the acutely food insecure, the World Food Security Outlook (WFSO) estimates annual global financing needs at approximately \$90 billion from now until 2030, based on projections up to 2027-2029. This assumes no significant changes beyond these projections. However, in scenarios of heightened inflation, lower economic growth, and high commodity prices, these needs could rise substantially, potentially reaching 1.3 times the current estimates. This would elevate the annual financial requirements to around \$120 billion. Additionally, addressing malnutrition among women and children is estimated to cost over \$11 billion annually while transforming the global food system may demand \$300-400 billion each year. Collectively, these expenses could total up to \$500 billion annually, necessary for addressing worldwide food and nutrition

security. This figure, while substantial, represents roughly 0.5% of global GDP. It's important to note that this estimate is likely conservative, as it does not fully account for complete caloric needs or adequate nutrition, nor does it reverse the long-term impacts of current malnutrition. Furthermore, the burden of these costs is disproportionately heavy for low-income countries, where the required funding instead equates to about 95% of their total GDP. This highlights the need for a shared global responsibility in addressing these challenges.

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