

Using Food Reserves in the Fight Against Hunger



In 2018, over 10 per cent of the world population is undernourished¹

Food reserves can help end hunger and prevent malnutrition while making agriculture and food systems more sustainable.

Factors leading to food insecurity:



chronic poverty



price volatility



climate shocks



armed conflicts

Combined with other instruments, food reserves help:

Support chronically food-insecure households

How?

- By providing regular/periodic food transfers

When?

- When providing food is more cost-effective than cash: to reach specific objectives (e.g. increasing the consumption of calories or specific nutrients) or help specific social groups (for instance when cash transfers would be solely managed by men)

&

- When purchasing in advance is more cost-effective than just-in-time purchases (for food safety reasons, or when there is a risk of shortages or sharp price increases, or in case of excessive price seasonality).

Manage food crises

How?

- By selling reserves (maybe subsidised) on the national food market

&

- By distributing emergency food aid to food-insecure households

When?

- When food prices are increasing and it is not possible to stop this increase by stimulating imports (long import timelines, foods non traded on international markets).

Stimulate or orient food production

How?

- By guaranteeing a minimum procurement price to reduce farmers' risk and stimulate their investments

- By offering specific conditions (higher price or other advantages) to: organic farmers (to promote more sustainable farming practices); smallholder farmers (to increase their income and reduce rural poverty); producer organisations (to strengthen the marketing skills and market power of small farmers); transactions through commodity exchanges (to enhance market transparency); transactions through warehouse receipt systems (to stimulate farmers' seasonal storage)

When?

- When it is necessary to provide incentives to increase or improve food production (reduce costs, increase sustainability)

&

- When providing incentives through food reserves' purchases is more cost-effective than other means (ex: direct subsidies).

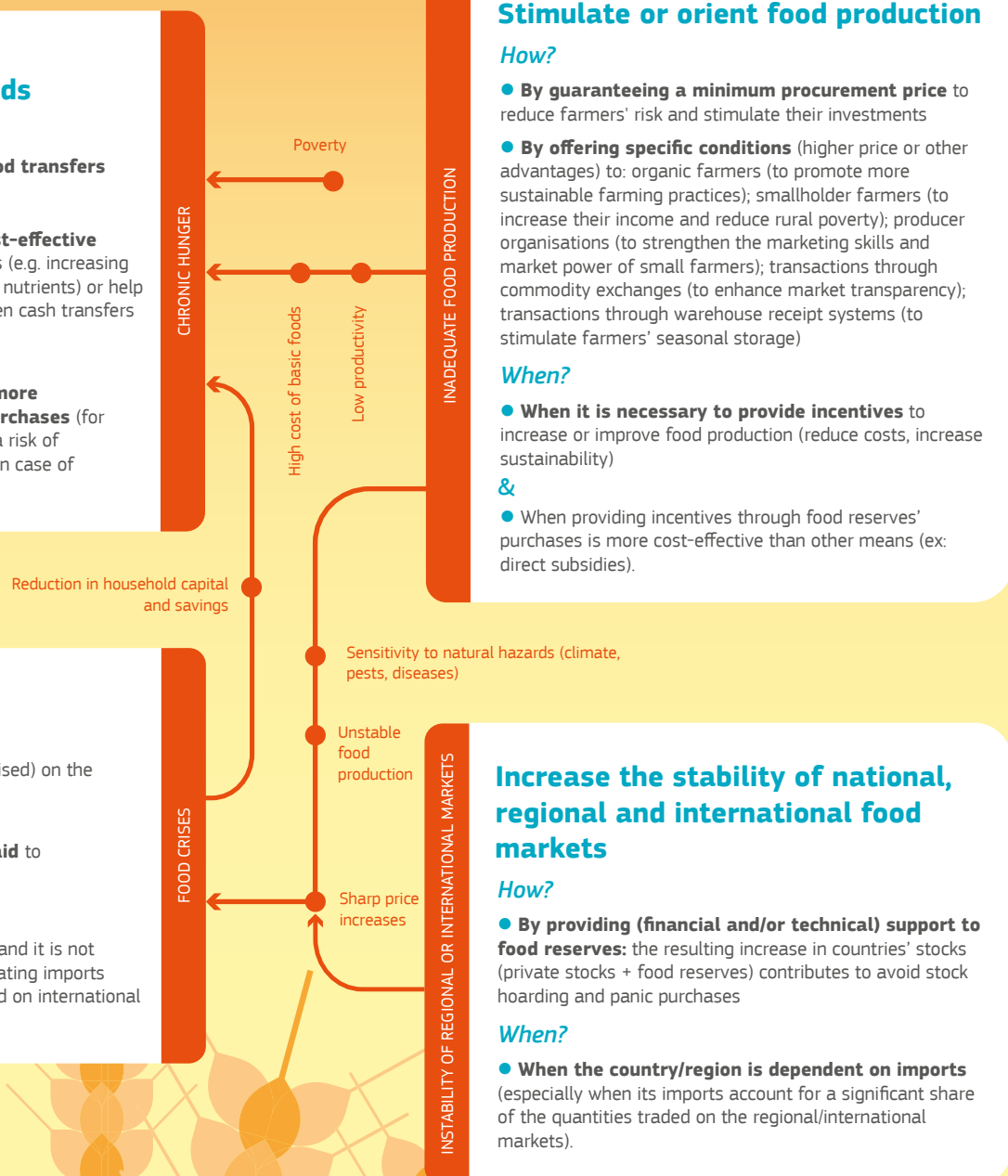
Increase the stability of national, regional and international food markets

How?

- By providing (financial and/or technical) support to food reserves: the resulting increase in countries' stocks (private stocks + food reserves) contributes to avoid stock hoarding and panic purchases

When?

- When the country/region is dependent on imports (especially when its imports account for a significant share of the quantities traded on the regional/international markets).



Using Food Reserves in the Fight Against Hunger



Good governance of food reserves requires:

1

Setting relevant, realistic and clearly specified objectives

2

Determining the optimal composition, size and location of the reserve

3

Ensuring stocks are well managed to avoid losses, quality deterioration and diversions

4

Applying rules-based and predictable interventions

5

Ensuring fair and transparent conditions for food reserve agency purchases

6

Providing sufficient staff, infrastructure, equipment and budget to pursue required interventions

7

Producing and disseminating regular data on intervention

