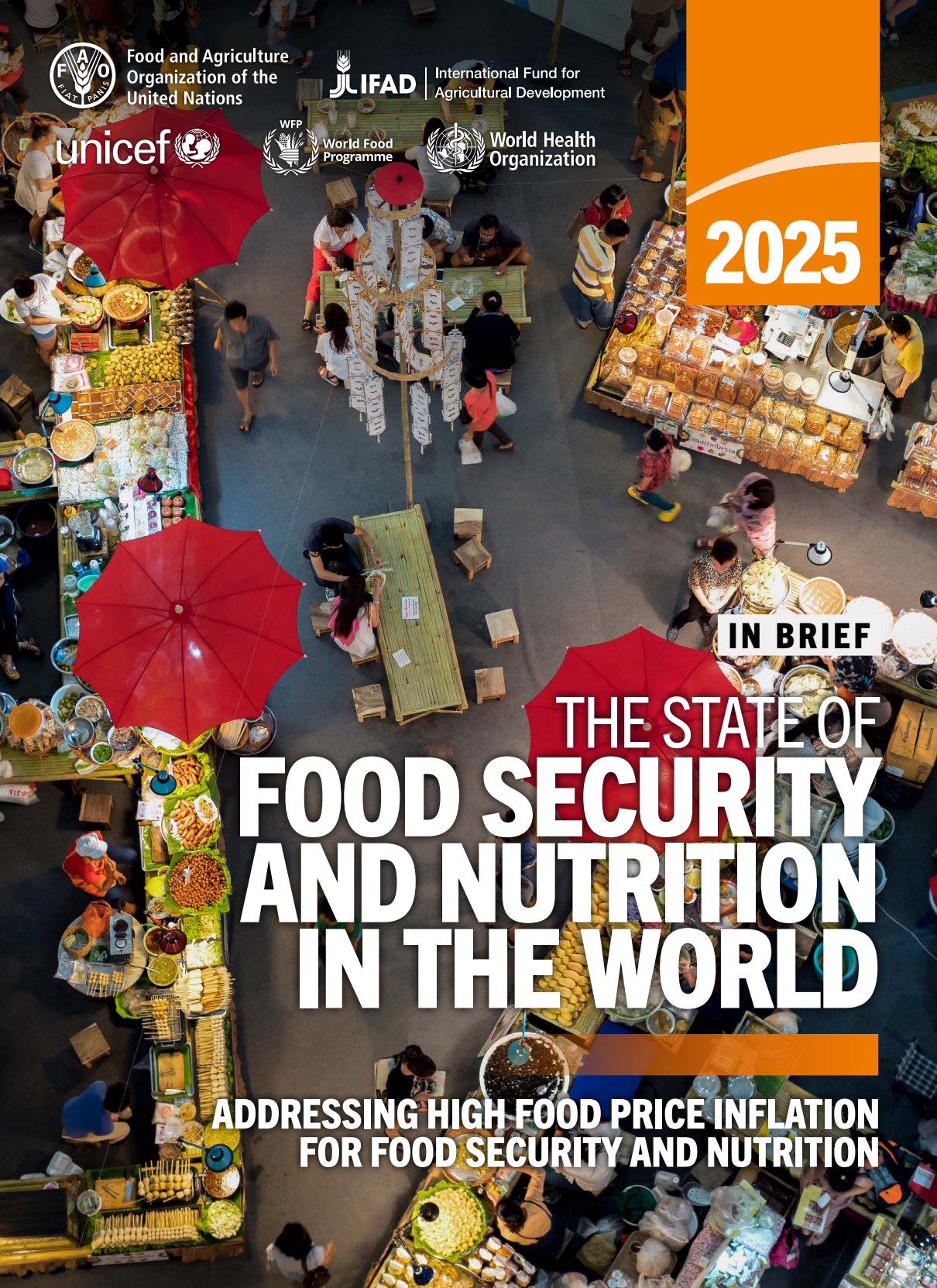

Food and Agriculture Organization of the United Nations

IFAD International Fund for Agricultural Development

unicef

WFP World Food Programme

World Health Organization

2025

IN BRIEF

THE STATE OF FOOD SECURITY AND NUTRITION IN THE WORLD

ADDRESSING HIGH FOOD PRICE INFLATION FOR FOOD SECURITY AND NUTRITION

This booklet contains the key messages and content from *The State of Food Security and Nutrition in the World 2025*. The numbering of figures corresponds to that publication, available at: https://doi.org/10.4060/cd6008en

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COVER PHOTOGRAPH © iStock.com/wisan224

THAILAND. View of fresh fruit and vegetable market with umbrella coverings.

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CORE MESSAGES

➔ **Updated global estimates point to signs of a decrease in world hunger in recent years.** An estimated 8.2 percent of the global population may have faced hunger in 2024, down from 8.5 percent in 2023 and 8.7 percent in 2022. The progress is driven by notable improvement in South-eastern Asia, Southern Asia and South America in contrast to the continuing rise in hunger in most subregions of Africa and in Western Asia.

➔ **It is estimated that between 638 and 720 million people, corresponding to 7.8 and 8.8 percent of the global population, respectively, faced hunger in 2024.** Considering the point estimate (673 million), this indicates a decrease of 22 million compared to 2022. In 2024, hunger affected about 307 million people in Africa, 323 million in Asia and 34 million in Latin America and the Caribbean – 20.2, 6.7 and 5.1 percent of the population, respectively. The global number of undernourished is expected to decrease, but 512 million people are still projected to be facing hunger in 2030, of whom nearly 60 percent will be in Africa.

➔ **About 2.3 billion people in the world are estimated to have been moderately or severely food insecure in 2024.** The global prevalence of moderate or severe food insecurity has declined gradually since 2021, reaching 28.0 percent in 2024. Food insecurity is on the rise in Africa and falling in Latin America and the Caribbean; it has been decreasing gradually in Asia for several consecutive years, while in Oceania and in Northern America and Europe, new estimates point to a slight decline from 2023 to 2024 following a several-year rise. Globally and in almost every region, food insecurity is more prevalent in rural areas than in urban areas and affects more women than men.

➔ **Food prices rose throughout 2023 and 2024, pushing up the average cost of a healthy diet globally** to 4.46 purchasing power parity (PPP) dollars per person per day, up from 4.30 PPP dollars in 2023 and 4.01 PPP dollars in 2022.

➔ **Despite the increase in food prices during 2024, the number of people unable to afford a healthy diet in the world fell from 2.76 billion in 2019 to 2.60 billion in 2024**. However, the number increased in Africa from 864 million to just over 1 billion in this period (from 64 to 66.6 percent). In low-income countries, the number increased from 464 million in 2019 to 545 million (72 percent of the population) in 2024, and in lower-middle-income countries (excluding India), from 791 to 869 million (52 percent of the population) in the same period.

➔ **Accelerated progress is needed to achieve the 2030 global targets for key indicators of child malnutrition.** The world has made progress to reduce child stunting, with a decrease in the prevalence from 26.4 percent in 2012 to 23.2 percent in 2024. The global prevalence of child wasting and of child overweight remained largely unchanged during this period, estimated at 6.6 percent and 5.5 percent in 2024, respectively. On the other hand, the percentage of infants under six months of age receiving the important benefits of exclusive breastfeeding increased significantly from 37.0 percent in 2012 to 47.8 percent in 2023. Actions to promote exclusive breastfeeding can contribute to improving nutritional status throughout life.

➔ **New updates of the prevalence of anaemia in women aged 15 to 49 years reveal an increase in the global prevalence from 27.6 to 30.7 percent.** There was either no improvement or an increase in prevalence in nearly all regions from 2012 to 2023. Adult obesity has also been on the rise, from 12.1 percent in 2012 to 15.8 percent in 2022.

➔ **Globally, about one-third of children aged 6 to 23 months and two-thirds of women aged 15 to 49 years achieved minimum dietary diversity**, according to the latest estimates of a new global nutrition indicator to monitor Sustainable Development Goal (SDG) Target 2.2. Actions are needed to enable consumption of diverse diets for women and children.

➔ **Global food markets have faced persistent pressures in recent years, with food price inflation emerging as a major concern since 2021.** Food price inflation has slowed down the post-COVID-19 pandemic recovery process in terms of food security; indeed, based on the substantial economic rebound, a greater improvement in food security might have been expected. Since 2020, global food price inflation has outpaced headline inflation, highlighting persistent pressures within agricultural and food markets. This divergence peaked in January 2023, with food price inflation reaching 13.6 percent – 5.1 percentage points higher than headline inflation at 8.5 percent. Although both rates began to show signs of a downward trend by mid-2023, they remained elevated throughout the rest of the year. By 2024, food price inflation had reached its 2019 pre-pandemic levels.

➔ **A disproportionate burden has been placed on low-income economies.** Low-income countries have borne the brunt of recent food price increases. While median global food price inflation rose from 2.3 percent in December 2020 to 13.6 percent in January 2023, low-income countries experienced significantly steeper increases, with inflation peaking at 30 percent in May 2023. This trend has undermined household purchasing power, with likely consequences for food security and nutrition.

➔ **Compounded global shocks have intensified food price inflation worldwide.** Two major disruptions – the COVID-19 pandemic and the war in Ukraine – triggered sharp increases in global food commodity prices during 2021 and 2022, further amplified by rising energy costs. For example, these factors accounted for 47 percent and 35 percent of peak food price inflation in the United States of America and the euro area, respectively. The remaining 53 percent in the United States and 65 percent in the euro area were driven by non-commodity-related factors, including higher labour costs, exchange rate fluctuations, and potential increased profit margins along the supply chain.

➔ **Fiscal and monetary policy responses amplified inflationary pressures.** The economic policy environment during the pandemic – including expansive fiscal stimuli and accommodative monetary policies – interacted with supply-side constraints, forming a unique inflationary environment.

CORE MESSAGES

➔ **Wage recovery lagged during the 2021 to 2023 period of high food price inflation, including in conflict-affected countries.** Across countries, wage recovery was uneven. While some economies experienced real wage growth keeping pace with rising food prices, others, including those affected by conflict, saw real incomes decline.

➔ **High food price inflation may worsen food security, particularly in low-income countries.** A 10 percent increase in food prices is associated with a 3.5 percent rise in moderate or severe food insecurity, and a 1.8 percent increase in severe food insecurity. At the peak of inflation, 65 percent of low-income and 61 percent of lower-middle-income countries, home to 1.5 billion people, faced food price inflation above 10 percent, deepening inequalities and threatening progress on poverty reduction and food security and nutrition.

➔ **Structural and gender inequalities amplify the impact of food price inflation, particularly in countries with high income inequality.** Vulnerable groups, especially women and rural populations, are disproportionately affected due to limited resources, weaker social protection mechanisms, and fewer coping strategies.

➔ **Child malnutrition can worsen with food price inflation.** The 2021 to 2023 food price surge is associated with higher rates of wasting among children under five years of age. A 10 percent increase in food prices is associated with a 2.7 to 4.3 percent rise in overall wasting and a 4.8 to 6.1 percent increase in severe wasting among children under five years of age.

➔ **Relative food prices across food groups and processing levels remained fairly stable globally between 2011 and 2021.** Nutrient-dense foods such as fruits and vegetables continue to be the most expensive per kilocalorie. In general, ultra-processed foods tend to have lower prices per kilocalorie compared to less processed alternatives. Ultra-processed foods are increasingly displacing more nutritious alternatives despite growing evidence of their adverse health impacts.

➔ **Rising staple food prices have put additional pressure on the diets of low-income households.** From 2019 to 2024, the steepest food price increases in countries like Mexico, Nigeria and Pakistan were in starchy staple foods and oils. As starchy staple foods form the core of diets for the poorest households, such increases can undermine food security and nutrition; however, access to low-cost items in other food groups may help sustain dietary adequacy despite food price inflation.

➔ **In response to the wide-ranging impacts of high food prices – and to prevent future inflationary episodes – a mix of policy measures is essential:**

- **Protect vulnerable populations with well-designed fiscal responses.** Time-bound and targeted fiscal measures, such as temporary tax relief on essential goods and social protection programmes, can help shield vulnerable households during food price spikes. To be effective, these interventions should be aligned with broader policy frameworks, include clear exit strategies and graduation targets, and be carefully monitored to ensure that benefits reach consumers.

- **Align fiscal and monetary policies to stabilize markets.** Credible and transparent monetary policy, paired with sound fiscal interventions, helps anchor inflation expectations and support market stability. Strategic public spending, including investments to support food security and nutrition, and realistic fiscal planning can reinforce resilience and protect long-term economic health.

- **Prioritize structural and trade-related measures for lasting impact.** Short-term price controls offer limited relief but risk market distortions and undermine incentives for long-term investments. A longer-term strategy should focus on enhancing adequate strategic food reserves, increasing market transparency, and investing in trade-related infrastructure, while reducing trade disturbance, to ensure integrated markets and reduce the frequency and severity of price shocks.

- **Strengthen and invest in data and information flows.** Robust agricultural market information systems are key to managing price volatility and preventing speculation. These need to be strengthened by up-to-date high-quality data. Transparent, timely data support more effective decision-making and help smallholder farmers and consumers navigate changing market conditions.

- **Invest in resilient agrifood systems.** To reduce the likelihood of future high food price episodes, sustained investments are needed in agriculture, research and development, and infrastructure. Improving storage, transport and productivity enhances supply chain efficiency and strengthens overall agrifood systems resilience against the drivers of food price inflation.

FOREWORD

Despite adequate global food production, millions of people go hungry or are malnourished because safe and nutritious food is not available, not accessible or, more often, not affordable. This reality threatens not only the achievement of Sustainable Development Goal 2 (SDG 2) and the global nutrition targets, but also the whole 2030 Agenda for Sustainable Development, by undermining people's health and livelihoods, as well as the stability of global agrifood systems. This year's edition of *The State of Food Security and Nutrition in the World* both examines this dynamic and shows how coordinated, evidence-based policies are essential to end hunger (SDG Target 2.1) and all forms of malnutrition (SDG Target 2.2), especially among children and youth, women, and vulnerable populations.

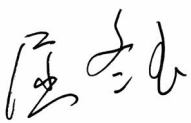
Low-income countries and communities bear the brunt of hunger, food insecurity, and malnutrition, and are disproportionately affected by food price inflation. In these contexts, poorer households spend a larger share of their income on food, meaning that even modest price increases can put food out of reach. At the same time, the costs of agrifood systems are getting higher and higher, which leaves small producers and family farmers with less income. In addition, food items that constitute a healthy diet tend to be the most expensive. Even in high-income countries, rising food prices are straining purchasing power, consumer confidence, and policy responses.

In 2020, food price inflation began to steadily rise and, despite a gradual decline in 2023, it outpaced the income growth of many vulnerable populations. This has hindered the recovery from the COVID-19 pandemic, leaving hundreds of millions of people facing chronic hunger and billions unable to afford healthy diets, with millions of children stunted, wasted or overweight. With less than five years remaining to achieve the 2030 Agenda, keeping the global pledge to end hunger and malnutrition is under serious threat.

The 2025 edition of *The State of Food Security and Nutrition in the World* illustrates the status of key food security and nutrition indicators according to the latest available data, and calls for global coordination and targeted, evidence-based, country-led actions. These efforts must be inclusive, context-specific and aligned with the needs

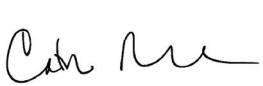
and priorities of each country to address today's interconnected challenges. They must also be equitable, delivering tangible benefits for groups such as small-scale producers, women, children, youth and Indigenous Peoples.

We will continue to uphold the right to adequate food and nutrition, and to work together to support countries to build more efficient, more inclusive, more resilient, more sustainable and more just agrifood systems to ensure that affordable nutritious foods reach every community. We stand by our shared commitments to fulfil the promise of the Sustainable Development Goals and the Pact for the Future, so that safe and nutritious foods are available, accessible and affordable for all, today and tomorrow.

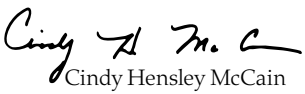


Qu Dongyu
FAO Director-General

Alvaro Lario
IFAD President



Catherine Russell
UNICEF Executive Director



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CHAPTER 1 INTRODUCTION: TACKLING FOOD PRICE INFLATION TO ACHIEVE ZERO HUNGER

As 2030 nears, the world is significantly behind on achieving SDG 2 – end hunger, achieve food security and improved nutrition, and promote sustainable agriculture – with setbacks worsened by the COVID-19 pandemic, food price surges, and geopolitical disruptions such as the war in Ukraine. These crises have elevated global hunger and food insecurity above pre-2015 levels, disproportionately affecting low-income populations and threatening other development goals such as poverty reduction and health. While there have been signs of recovery in recent years, persistent inflation has slowed this progress, continuing to undermine purchasing power and access to healthy diets. Although global food prices have somewhat stabilized, inflation remains high in many countries. *The State of Food Security and Nutrition in the World 2025* explores the causes and impacts of food price inflation, analyses its effects on different food groups and healthy diet affordability, and presents successful policy interventions to help countries in ending hunger, food insecurity, and all forms of malnutrition, while making healthy diets affordable for all. ■

CHAPTER 2
FOOD SECURITY AND NUTRITION AROUND THE WORLD

2.1
FOOD SECURITY INDICATORS: LATEST UPDATES AND PROGRESS TOWARDS ENDING HUNGER AND ENSURING FOOD SECURITY

KEY MESSAGES

➔ Updated global estimates point to signs of a decrease in world hunger in recent years. An estimated 8.2 percent of the global population may have faced hunger in 2024, down from 8.5 percent in 2023 and 8.7 percent in 2022.

➔ Global progress is driven by notable improvement in South-eastern Asia and Southern Asia and in South America, while hunger has continued to rise in most subregions of Africa and in Western Asia. In 2024, hunger affected 20.2 percent of the population of Africa, compared with 6.7 percent in Asia and 5.1 percent in Latin America and the Caribbean.

➔ It is estimated that between 638 and 720 million people, corresponding to 7.8 and 8.8 percent of the global population, respectively, faced hunger in 2024. Considering the point estimate (673 million in 2024), this indicates a decrease of 15 million compared to 2023 and 22 million compared to 2022.

➔ From 2025 to 2030, the global number of undernourished is expected to decrease, but 512 million people are still projected to be facing hunger in 2030, of whom nearly 60 percent will be in Africa.

➔ Going beyond hunger, the global prevalence of moderate or severe food insecurity has declined gradually since 2021. In 2024, an estimated 28.0 percent of the world population – or 2.3 billion people – were moderately or severely food insecure, meaning they did not have regular access to adequate food.

➔ Trends at the regional level differ notably, with food insecurity on the rise in Africa, falling in Latin America and the Caribbean, and decreasing gradually in Asia for several consecutive years, while in Oceania and in Northern America and Europe, estimates point to a slight decline from 2023 to 2024 following a several-year rise.

➔ Globally and in most regions of the world, a larger proportion of the population living in rural areas than in urban areas is facing moderate or severe food insecurity. From 2022 to 2024, improvements in food insecurity occurred only in urban areas at the global level and in Asia, whereas they occurred across rural, peri-urban and urban areas in Latin America and the Caribbean. In Africa, food insecurity worsened in both rural and urban areas.

➔ The gender gap narrowed at the global level from 2021 to 2023 but increased slightly in 2024, with the prevalence of food insecurity remaining consistently higher among women than among men, globally and in all regions.

The latest assessment of world hunger, measured by the prevalence of undernourishment (PoU) (SDG Indicator 2.1.1), reveals signs of improvement in recent years. The PoU had begun to rise slowly in 2017 and then increased sharply in 2020 and 2021 in the wake of the COVID-19 pandemic. However, the latest assessment points to encouraging progress from 2022 to 2024. An estimated 8.2 percent of the global population may have faced hunger in 2024, down from 8.5 percent in 2023 and 8.7 percent in 2022. It is estimated that between 638 and 720 million people (7.8 to 8.8 percent of the global population) faced hunger in 2024. Considering the point estimate (673 million), this indicates a decrease of 15 million compared to 2023 and of 22 million compared to 2022 (Figure 2.1).

The progress seen at the global level is driven by notable improvement in South-eastern Asia, Southern Asia – which mainly reflects the impact of new data from India – and South America. The PoU in Asia decreased from 7.9 percent in 2022 to 6.7 percent (323 million people) in 2024. Progress was also made in Latin America and the Caribbean, where the latest estimates show the PoU decreasing to 5.1 percent in 2024 after peaking at 6.1 percent in 2020.

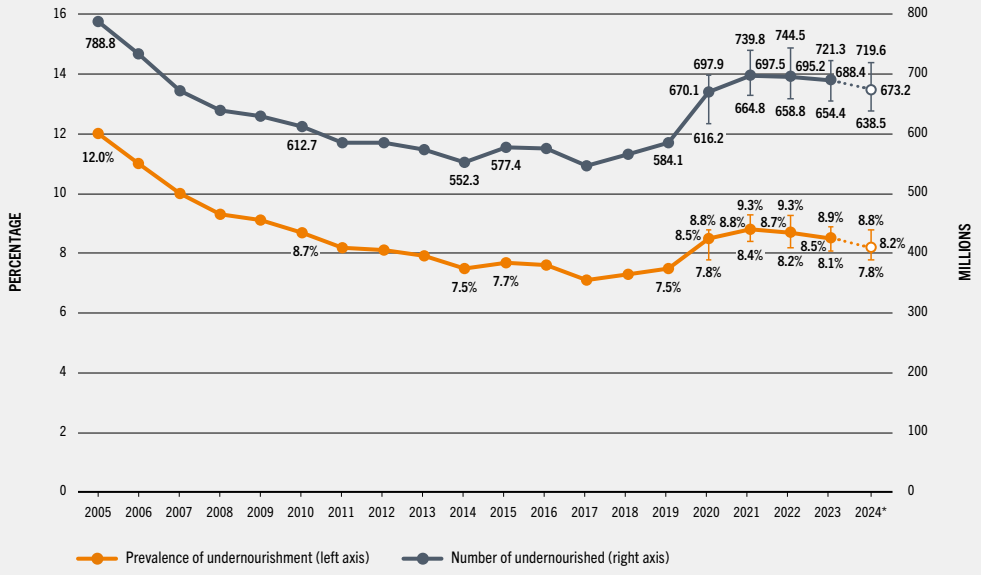
Unfortunately, this positive trend contrasts with the steady rise in hunger in most subregions of Africa and in Western Asia. The PoU in Africa surpassed 20 percent in 2024, and in Western Asia it rose to 12.7 percent.

According to the current projection, 512 million people in the world may be chronically undernourished in 2030, of whom nearly 60 percent will be in Africa, highlighting the immense challenge of achieving SDG 2 (Zero Hunger).

SDG Indicator 2.1.2 – the prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES) – aims to track progress towards the broader goal outlined in SDG Target 2.1 of ensuring access for all people to safe, nutritious and sufficient food all year round.

At the global level, the prevalence of food insecurity has declined very gradually since 2021, following the sharp increase in the wake of the pandemic in 2020. From 2023 to 2024, the global prevalence of moderate or severe food insecurity decreased slightly, from 28.4 to 28.0 percent (Figure 2.4). It is estimated that about 2.3 billion people in the world were moderately or severely food insecure in 2024, which is still 335 million more than in 2019, before the pandemic, and 683 million more compared to 2015, when the 2030 Agenda for Sustainable Development was launched.

FIGURE 2.1 UPDATED GLOBAL ESTIMATES POINT TO A DECREASE IN WORLD HUNGER IN RECENT YEARS FOLLOWING THE SHARP INCREASE FROM 2019 TO 2021



NOTES: Bars show lower and upper bounds of the estimated range. * Projections based on nowcasts for 2024 are illustrated by dotted lines.

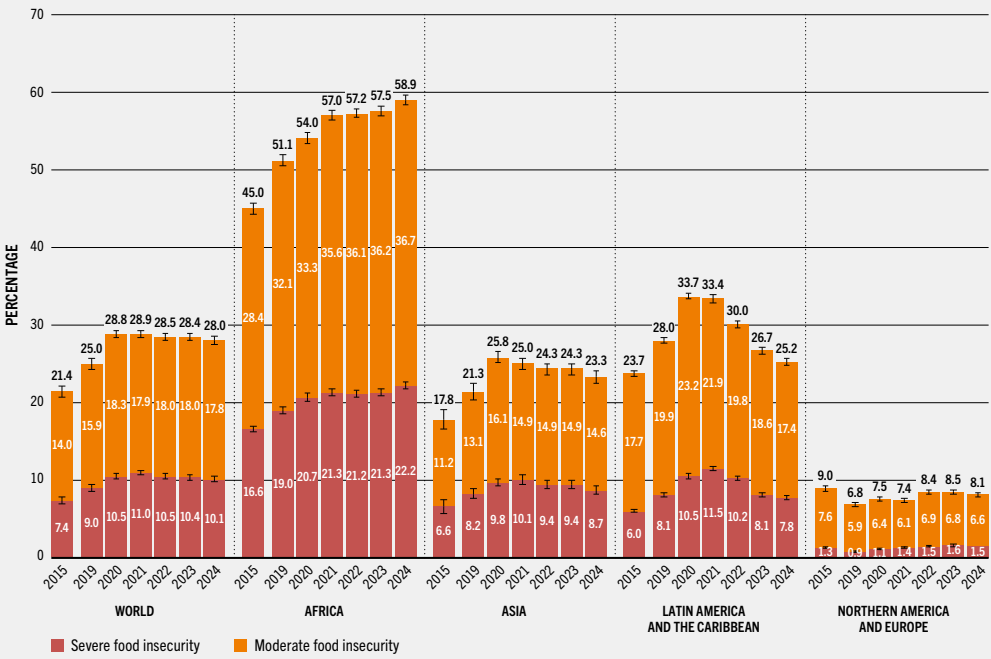
SOURCE: FAO. 2025. FAOSTAT: Suite of Food Security Indicators. [Accessed on 28 July 2025]. https://www.fao.org/faostat/en/#data/FS. Licence: CC-BY-4.0.

https://doi.org/10.4060/cd6008en-fig2.1

The trends at the regional level differ notably, with food insecurity on the rise in Africa, falling in Latin America and the Caribbean, and decreasing gradually in Asia for several consecutive years, while in Oceania and in Northern America and Europe, new estimates point to a slight decline from 2023 to 2024 following a several-year rise. The prevalence of moderate or severe food insecurity in Africa (58.9 percent) is more than double the global average of 28 percent, whereas in Latin America and the Caribbean, Asia and Oceania, it is below the global estimate – 25.2, 23.3 and 26.3 percent, respectively.

About 32.0 percent of people living in *rural* areas in the world were moderately or severely food insecure in 2024, compared to about 28.6 percent in

FIGURE 2.4 GLOBAL FOOD INSECURITY LEVELS DECLINED GRADUALLY FROM 2021 TO 2024, WITH LATIN AMERICA AND THE CARIBBEAN SHOWING NOTABLE PROGRESS



NOTES: Differences in totals are due to rounding of figures to the nearest decimal point. Oceania is not shown due to insufficient population coverage for Micronesia and Polynesia.

SOURCE: FAO. 2025. FAOSTAT: Suite of Food Security Indicators. [Accessed on 28 July 2025]. https://www.fao.org/faostat/en/#data/FS. Licence: CC-BY-4.0.

https://doi.org/10.4060/cd6008en-fig2.4

peri-urban areas and 23.9 percent in *urban* areas. Comparing the assessment in 2024 with 2022, the prevalence of moderate or severe food insecurity decreased only in urban areas, from 25.7 to 23.9 percent, while remaining virtually unchanged in rural and peri-urban areas.

Persistent inequalities between men and women are also evident, with food insecurity still more prevalent among adult women than men in every region of the world. The gender gap widened considerably at the global level in the wake of the pandemic, most notably in 2021; it then grew smaller for two

consecutive years. But new estimates point to a widening of the gap at the global level between 2023 and 2024.

2.2 COST AND AFFORDABILITY OF A HEALTHY DIET

KEY MESSAGES

➔ Food prices rose throughout 2023 and 2024, pushing up the average cost of a healthy diet globally to 4.46 purchasing power parity (PPP) dollars per person per day, up from 4.30 PPP dollars in 2023 and 4.01 PPP dollars in 2022.

➔ Despite the increase in food prices over 2024, the number of people unable to afford a healthy diet in the world fell from 2.76 billion in 2019 to 2.60 billion in 2024, fuelled by an economic recovery from the pandemic that has, nevertheless, been uneven across regions and country income groups.

➔ In recent years, the percentage and the number of people unable to afford a healthy diet decreased significantly in Asia and marginally in Latin America and the Caribbean, Northern America and Europe, and Oceania. In Africa, on the other hand, the percentage rose from 64.1 percent in 2019 to 66.6 percent in 2024, corresponding to an increase in the numbers from 864 million to 1 billion.

➔ The number of people unable to afford a healthy diet in low-income countries has been steadily increasing since 2017, whereas in upper-middle- and high-income countries, the number has been declining since 2020. In lower-middle-income countries, the number decreased from 2020 to 2024, but this improvement is mainly explained by the significant decrease in unaffordability in India.

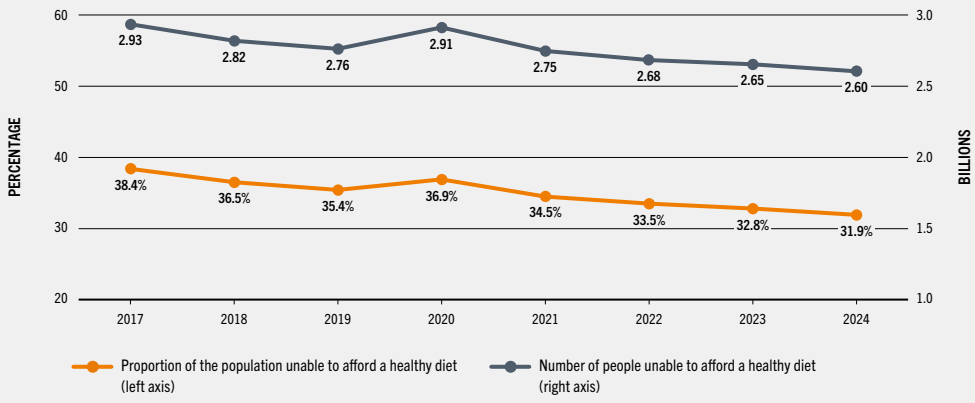
Monitoring the affordability of healthy diets is essential for informing policies aimed at improving food security and nutritional outcomes, thereby contributing to the achievement of SDG Targets 2.1 and 2.2.

The cost of a healthy diet (CoHD) for each country is an estimate of the minimum cost of acquiring a healthy diet, defined as a diet comprising a variety of locally available foods that meet energy and most nutrient requirements. The CoHD is compared to national income distributions to estimate the prevalence of unaffordability of a healthy diet (PUA) and the number of people unable to afford a healthy diet (NUA).

Worldwide, the CoHD has risen since 2017, reaching an average of 4.46 PPP dollars per person per day in 2024. In 2024, the CoHD was highest in Latin America and the Caribbean (5.16 PPP dollars), followed by Asia (4.43 PPP dollars), Africa (4.41 PPP dollars), Northern America and Europe (4.02 PPP dollars), and Oceania (3.86 PPP dollars). Africa had the greatest increase among all world regions from 2023 to 2024.

Over the same period, incomes have also grown, thus limiting the potentially negative impact of rising costs.

FIGURE 2.7 THE PROPORTION OF THE POPULATION AND NUMBER OF PEOPLE UNABLE TO AFFORD A HEALTHY DIET IN THE WORLD DECREASED FROM 2020 TO 2024



SOURCE: FAO. 2025. FAOSTAT: Cost and Affordability of a Healthy Diet (CoAHD). [Accessed on 28 July 2025]. www.fao.org/faostat/en/#data/CAHD. Licence: CC-BY-4.0.

https://doi.org/10.4060/cd6008en-fig2.7

Worldwide, an estimated 31.9 percent of people (2.60 billion) were unable to afford a healthy diet in 2024, compared to 33.5 percent (2.68 billion) in 2022, equivalent to nearly 80 million fewer people in two years (Figure 2.7).

However, the recovery has been uneven across regions. In recent years, unaffordability has been decreasing significantly in Asia and marginally in Latin America and the Caribbean, Northern America and Europe, and Oceania. Conversely, it has increased substantially in Africa, where the NUA rose above 1 billion in 2024.

The unequal recovery is even more evident across country income groups. The recovery path is slower for low-income countries, where the NUA has been steadily increasing since 2017. In 2024, a healthy diet was out of reach for 544.7 million people in low-income countries, equivalent to 72 percent of the population. In upper-middle- and high-income countries, on the other hand, the PUA and the NUA have been declining since 2020. In lower-middle-income countries, the NUA decreased between 2020 and 2024, but this improvement is mainly explained by the significant decrease in unaffordability in India.

Economic access to food is a key dimension of food security. People who are unable to afford even a least-cost healthy diet are likely experiencing some level of food insecurity, which can compromise the quality of their diet. Inadequate diets, in turn, play a critical role in shaping nutritional outcomes.

2.3 THE STATE OF NUTRITION: PROGRESS TOWARDS GLOBAL NUTRITION TARGETS

KEY MESSAGES

➔ The world made progress to reduce child stunting, with a decline in the prevalence from 26.4 percent in 2012 to 23.2 percent in 2024.

➔ At the global level there was no meaningful change in the prevalence of child wasting, but more than half of countries with progress data were on track to achieve the 2030 target.

➔ Child overweight remained largely unchanged, with a prevalence of 5.5 percent in 2024 and 5.3 percent in 2012.

➔ The percentage of infants under six months of age receiving the important benefits of exclusive breastfeeding increased significantly from 37.0 percent in 2012 to 47.8 percent in 2023. Continued and faster progress will help to achieve the 2030 target.

➔ The prevalence of adult obesity increased from 12.1 percent in 2012 to 15.8 percent in 2022. Nearly all countries are off track to achieve the 2030 target, and urgent efforts are needed to turn this trend around.

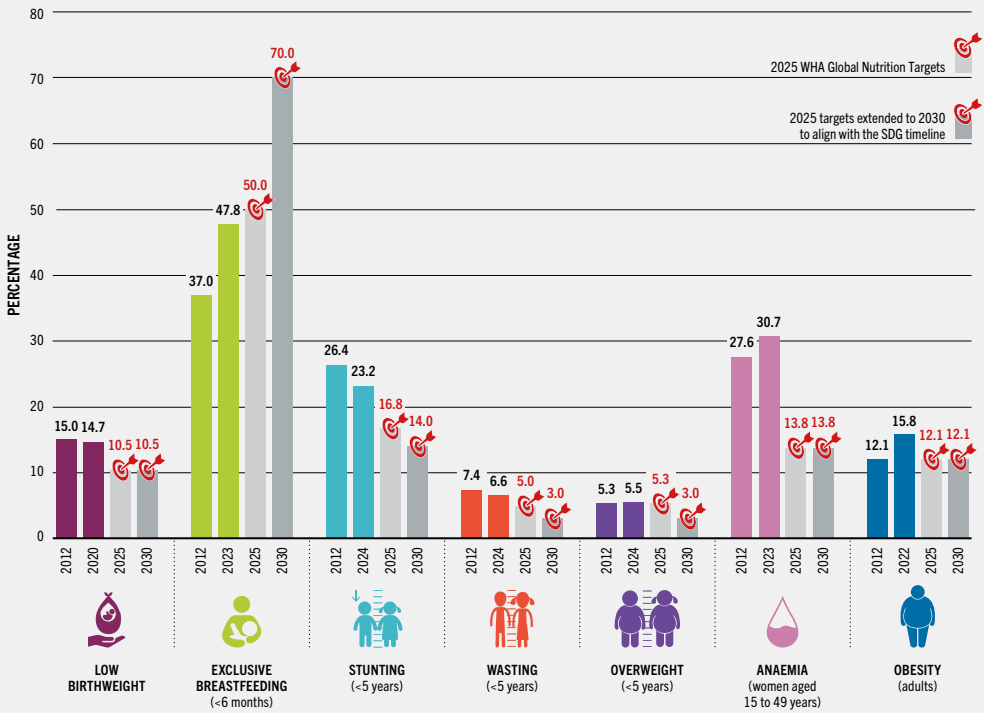
➔ New updates of the prevalence of anaemia in women aged 15 to 49 years reveal either no improvement or an increase in prevalence in nearly all regions between 2012 and 2023, and an increase in the global prevalence from 27.6 to 30.7 percent.

➔ In 2025, a new global nutrition indicator was endorsed to monitor SDG Target 2.2: minimum dietary diversity. Globally, about one-third of children aged 6 to 23 months and two-thirds of women aged 15 to 49 years achieved minimum dietary diversity, according to the latest estimates.

Ending malnutrition is foundational to the achievement of nearly all the SDGs. Global trends for seven nutrition indicators with global targets are shown in Figure 2.9.

Among the indicators of child nutritional status, only stunting underwent a significant change, improving from 26.4 percent in 2012 to 23.2 percent in 2024. There were no significant changes at the global level for child overweight (5.3 percent in 2012 and 5.5 percent in 2024) and for child wasting (7.4 percent in 2012 and 6.6 percent in 2024). Encouragingly, no regions experienced worsening in the prevalence of child wasting between 2012 and 2024, and decreases occurred in Western Africa (from 8.2 to 6.5 percent) and Central Asia (from 3.8 to 2.1 percent). Also, the percentage of children in the world benefiting from exclusive

FIGURE 2.9 ACCELERATED PROGRESS IS NEEDED TO ACHIEVE THE 2030 GLOBAL NUTRITION TARGETS



NOTE: WHA = World Health Assembly; SDG = Sustainable Development Goal.

SOURCES: Data for stunting, wasting and overweight are based on UNICEF, WHO & World Bank. 2025. *Levels and trends in child malnutrition: UNICEF/ WHO/World Bank Group Joint Child Malnutrition Estimates. Key findings of the 2025 edition*. New York, USA, Geneva, Switzerland and Washington, DC. [Cited 4 April 2025]. https://data.unicef.org/resources/JME, https://www.who.int/teams/nutrition-and-food-safety/monitoring-nutritional-status-and-food-safety-and-events/joint-child-malnutrition-estimates/latest-estimates, https://datatopics.worldbank.org/child-malnutrition; data for exclusive breastfeeding are based on UNICEF. 2024. Infant and young child feeding. In: *UNICEF*. [Cited 30 April 2025]. https://data.unicef.org/topic/nutrition/infant-and-young-child-feeding; data for low birthweight are from UNICEF & WHO. 2023. *Low birthweight joint estimates 2023 edition*. [Cited 28 April 2025]. https://data.unicef.org/topic/nutrition/low-birthweight; www.who.int/teams/nutrition-and-food-safety/monitoring-nutritional-status-and-food-safety-and-events/joint-low-birthweight-estimates; data for anaemia are based on WHO. 2025. *WHO Global Anaemia estimates, 2025 edition*. [Cited 8 May 2025]. https://www.who.int/data/gho/data/themes/topics/anaemia_in_women_and_children; data for adult obesity are based on WHO. 2024. Global Health Observatory: Prevalence of obesity among adults, BMI >= 30 (age-standardized estimate) (%). Estimates by country. [Accessed on 24 July 2024]. https://www.who.int/data/gho/data/indicators/indicator-details/GHO/prevalence-of-obesity-among-adults-bmi-=-30-(age-standardized-estimate)-(-). Licence: CC-BY-4.0. The targets are drawn from: UNICEF & WHO. 2017. *Methodology for monitoring progress towards the global nutrition targets for 2025 – technical report*. New York, USA and Geneva, Switzerland. https://data.unicef.org/resources/methodology-for-monitoring-progress-towards-the-global-nutrition-targets-for-2025; and UNICEF & WHO. 2018. *The Extension of the 2025 Maternal, Infant and Young Child Nutrition Targets to 2030 – WHO/UNICEF discussion paper*. New York, USA and Geneva, Switzerland. https://data.unicef.org/resources/extension-of-2025-maternal-infant-young-child-nutrition-targets-2030

https://doi.org/10.4060/cd6008en-fig2.9

breastfeeding increased substantially: from 37.0 percent in 2012 to 47.8 percent in 2023. Nevertheless, all indicators of child nutrition need accelerated progress to achieve the 2030 targets.

There was deterioration in both nutrition indicators for older age groups. For adult obesity, the prevalence rose from 12.1 percent in 2012 to 15.8 percent in 2022. For anaemia in women aged 15 to 49 years, new updated data reflect no improvement or an increase in prevalence in nearly all regions from 2012 to 2023, and the global prevalence increased from 27.6 to 30.7 percent.

More than half of countries with data to assess progress on child wasting (74 out of 132) are on track to achieve the 2030 target. For child stunting, 35 percent of countries (56 out of 160) are on track; and for child overweight, 21 percent of countries with progress data (34 out of 162) are on track. Low birthweight has the lowest percentage of on-track countries of all the child nutritional status indicators, at 8 percent (12 out of 158). Despite considerable improvement over the last decade, only 19 percent of countries (21 out of 112) with progress data are on track to achieve the 2030 exclusive breastfeeding target. For anaemia in women aged 15 to 49 years and adult obesity, very few countries are on track.

In March 2025, the United Nations Statistical Commission officially endorsed the prevalence of minimum dietary diversity (MDD) as a new indicator for monitoring progress towards SDG Target 2.2 – to end all forms of malnutrition by 2030. Minimum dietary diversity captures the diversity of diets of two nutritionally vulnerable populations – children aged 6 to 23 months (MDD-C) and women aged 15 to 49 years (MDD-W).

Globally, about one-third (34 percent) of children aged 6 to 23 months and two-thirds (65 percent) of women aged 15 to 49 years achieved minimum dietary diversity. In other words, one-third of women and – even more worryingly – about two-thirds of children aged 6 to 23 months in the world consumed diets that were not sufficiently diverse, thereby putting them at risk of inadequate intake of essential vitamins and minerals required for good nutrition and health. ■

CHAPTER 3 UNDERSTANDING THE 2021–2023 FOOD PRICE INFLATION SURGE: CAUSES AND CONSEQUENCES FOR FOOD SECURITY AND NUTRITION

KEY MESSAGES

➔ The COVID-19 pandemic and the war in Ukraine, combined with energy price shocks and expansionary fiscal and monetary policies, created a perfect storm for global food price inflation.

➔ Since 2020, global food price inflation has significantly outpaced headline inflation, peaking at 13.6 percent in January 2023 – 5.1 percentage points higher than headline inflation.

➔ Food price inflation has remained particularly acute in low-income and lower-middle-income countries, where over 60 percent faced rates above 10 percent at its peak in January 2023.

➔ In low-income countries, food price inflation rose steeply – reaching 30 percent in May 2023 – further straining access to adequate diets.

➔ The rise in global agricultural and energy commodity prices and the associated effects explain 47 and 35 percent of food price inflation at its peak in the United States of America and the euro area, respectively.

➔ A 10 percent increase in food prices is associated with a 3.5 percent rise in moderate or severe food insecurity and up to a 1.8 percent increase in severe food insecurity.

➔ A 10 percent increase in food prices is associated with a 2.7 to 4.3 percent rise in the prevalence of wasting and a 4.8 to 6.1 percent increase in severe wasting among children under five years of age.

➔ Between 2019 and 2024, prices for starchy staples and oils rose most sharply in countries such as Mexico, Nigeria and Pakistan, threatening food security where these items are dietary staples.

3.1 FOOD PRICE INFLATION: STYLIZED FACTS

Since late 2020, domestic food retail prices have risen significantly across most countries, posing considerable challenges for both consumers and policymakers. Year-on-year global *average food price inflation* surged from 5.8 percent in December 2020 to a staggering 23.3 percent in December 2022. These figures are heavily influenced by countries that experienced hyperinflation, such as the Sudan, the Bolivarian Republic of Venezuela and Zimbabwe, where year-on-year inflation peaks reached levels well above 350 percent. Using the median

provides a more accurate reflection of global inflation levels: *median food price inflation* increased sharply from 2.3 percent in December 2020 to 13.6 percent in January 2023 (Figure 3.1).

Global food price inflation has significantly outpaced headline inflation since 2020, reflecting the heightened volatility and persistent pressures within agricultural and food markets. At the onset of the COVID-19 pandemic in early 2020, overall inflation remained relatively low. Though still modest, food price inflation was significantly higher than headline inflation. At its peak in January 2023, food price inflation was 5.1 percentage points higher than headline inflation (i.e. 13.6 percent vs 8.5 percent). Throughout 2023, both inflation rates remained at high levels but with a decreasing trend.

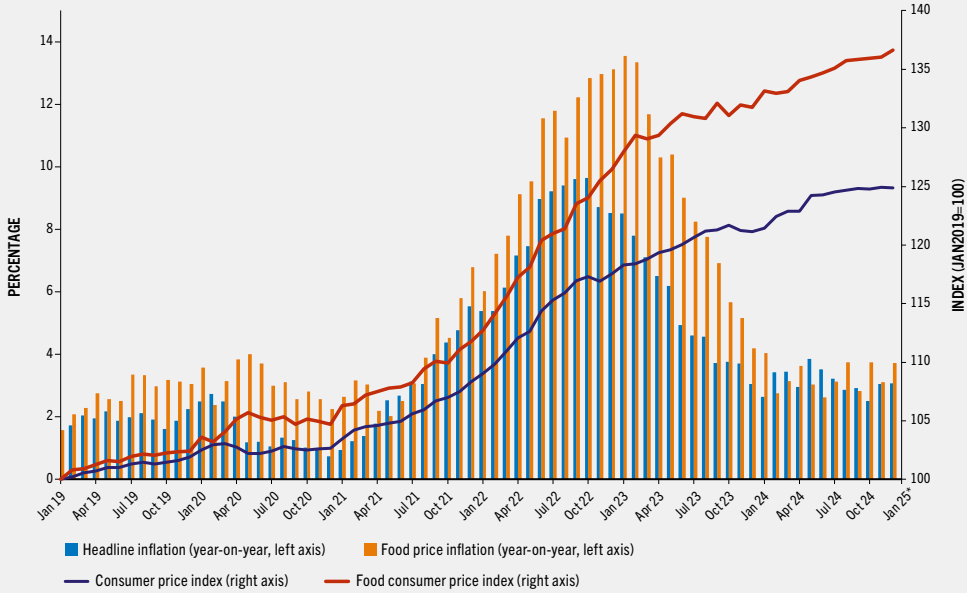
Food price inflation has been particularly acute in low-income countries (Figure 3.2). Most households, even those dependent on agriculture for their livelihoods, rely on markets for their food supplies. Market-based food sourcing leaves households vulnerable to sharp price increases, exacerbating food insecurity, deepening poverty, and limiting access to and consumption of healthy diets. Smallholder farmers and agricultural labourers are often net food buyers, so rising food prices typically outweigh any income gains they receive from selling their produce. Consequently, rising food prices not only strain household budgets but also challenge rural livelihoods, undermining progress towards poverty reduction and food security and nutrition.

3.2 WHY HIGH FOOD PRICE INFLATION?

The global policy response to the pandemic was unprecedented, with massive fiscal and monetary interventions critical to averting economic collapse – while also laying the groundwork for the inflationary pressures that followed. Governments mobilized around USD 17 trillion in fiscal support, with high-income countries deploying the bulk of this stimulus to protect jobs, sustain demand, and stabilize markets. This support was equivalent to nearly 10 percent of global GDP over two years. At the same time, central banks reduced interest rates, launched large-scale bond purchases, and provided emergency liquidity to keep financial systems functioning. These actions softened the economic blow of the pandemic. However, as supply chains remained strained and global demand rebounded sharply, the expansive policy environment contributed to rising inflation. Central banks eventually shifted course, tightening monetary policy to curb price surges.

The war in Ukraine, amplified by multiple extreme events, marked a second major global shock to food markets, disrupting trade routes, amplifying uncertainty, and reinforcing inflationary pressures set in motion by the pandemic. As major exporters of wheat, maize, and sunflower oil, the Russian Federation and Ukraine jointly accounted for roughly 12 percent of globally traded calories in 2021. Hostilities in the Black Sea region – along with additional disruptions in the

FIGURE 3.1 FOOD PRICE INFLATION HAS RISEN SINCE LATE 2020, PEAKING IN JANUARY 2023



NOTES: The graph is based on the median consumer price index (CPI) across 203 countries or territories. Headline (food price) inflation is calculated as the percentage increase in the median headline CPI (food CPI) in each month relative to the same month in the previous year.
* CPI and food CPI data are available through December 2024.

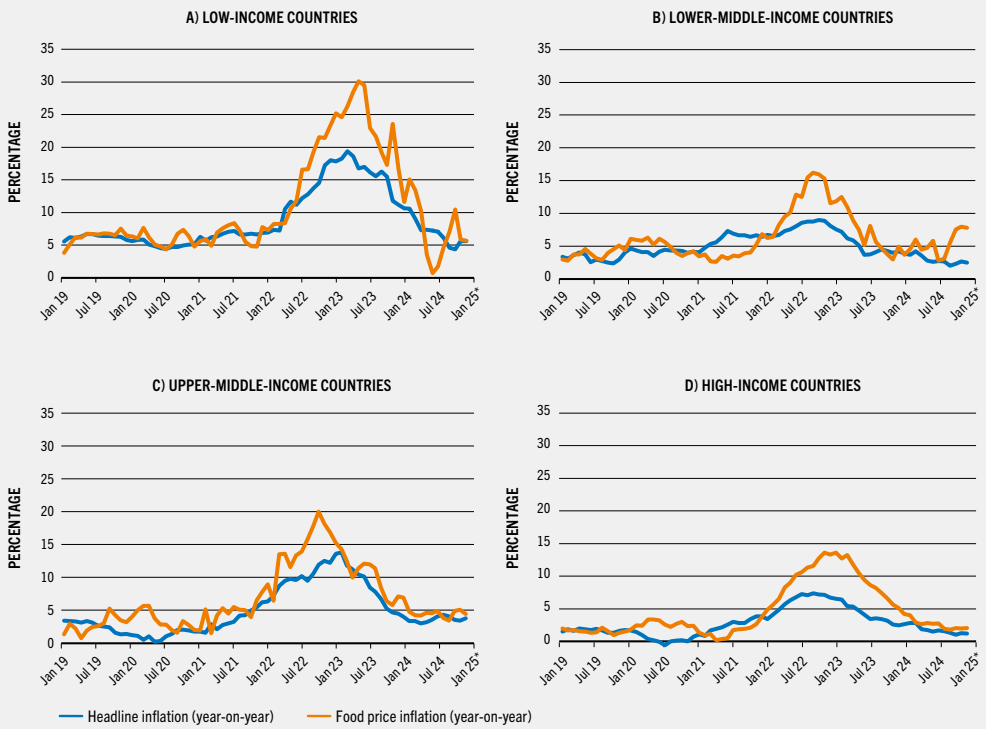
SOURCE: Authors' (FAO) own elaboration based on FAO. 2025. FAOSTAT: Consumer Price Indices. [Accessed on 18 June 2025]. https://www.fao.org/faostat/en/#data/CP. Licence: CC BY-4.0.

https://doi.org/10.4060/cd6008en-fig3.1

Red Sea – curtailed exports of grains and fertilizers, particularly affecting low- and middle-income countries reliant on global cereal markets.

These geopolitical shocks compounded the inflationary effects of earlier pandemic-era disruptions, generating two distinct but reinforcing waves of agricultural commodity price surges in 2020. Initial price pressures on agricultural and energy commodities stemmed from fears of supply chain breakdowns, labour shortages, and precautionary trade measures at the onset of the pandemic, pushing prices up by about 15 percentage points. This first surge was briefly tempered by a collapse in global demand, but resumed as economies reopened and fiscal and monetary stimuli took effect. The second, more acute price surge – adding another 18 percentage points – was triggered by the outbreak of the war in Ukraine, which disrupted critical

FIGURE 3.2 FOOD PRICE INFLATION WAS THE HIGHEST IN LOW-INCOME COUNTRIES, 2019–2024



NOTES: The graph is based on the median consumer price index (CPI) across 203 countries or territories. Headline (food price) inflation is calculated as the percentage increase in the median headline CPI (food CPI) in each month relative to the same month in the previous year. Country income classification is based on the 2024 World Bank classification, as the 2025 classification was not yet available when this publication was prepared. * Inflation and food price inflation data are available through December 2024.

SOURCE: Authors' (FAO) own elaboration based on FAO. 2025. FAOSTAT: Consumer Price Indices. [Accessed on 18 June 2025]. https://www.fao.org/faostat/en/#data/CP. Licence: CC-BY-4.0.

https://doi.org/10.4060/cd6008en-fig3.2

trade flows and curtailed fertilizer exports. Simultaneously, energy markets, destabilized by sanctions on the Russian Federation and shifting trade patterns, saw sharp price increases that fed through to agriculture, as fuel and fertilizers became more expensive.

Agricultural and energy commodity prices were key contributors to recent food price inflation. The rapid increase in food and energy commodity prices after 2020 directly contributed to higher food price inflation. Food prices in 2022 and 2023 rose well above their historical trend.

The exogenous effects of agricultural and energy shocks contributed 14 percent and 18 percent to an increase in food prices in the United States of America and the euro area, respectively, at the inflation peak (in the United States the inflation peak was in the third quarter of 2022 and in the euro area it was in the first quarter of 2023) (Figure 3.5 – green line).

Broader macroeconomic conditions amplified the impact of commodity market developments on food price inflation. When additional pressures from broader macroeconomic developments were taken into account, such as commodity input costs for food producers and retailers, the estimated contribution of commodity price dynamics accounted for 47 percent and 35 percent of food price inflation in the United States of America and the euro area, respectively. These figures underscore the significant pass-through of agricultural and energy commodity price increases to retail food prices during 2022 to 2023 (Figure 3.5 – purple line).

However, commodity-driven inflation does not fully explain the extent of the price pressures observed. Actual peaks in food price inflation reached 10.6 percent in the United States of America and 15.7 percent in the euro area, pointing to other contributing factors such as rising labour costs, exchange rate fluctuations and potential increases in profit margins along the supply chain. These factors significantly contributed to food price inflation. In the United States, 53 percent of the increase was driven by markets unrelated to agricultural and energy commodities, compared to 65 percent in the euro area.

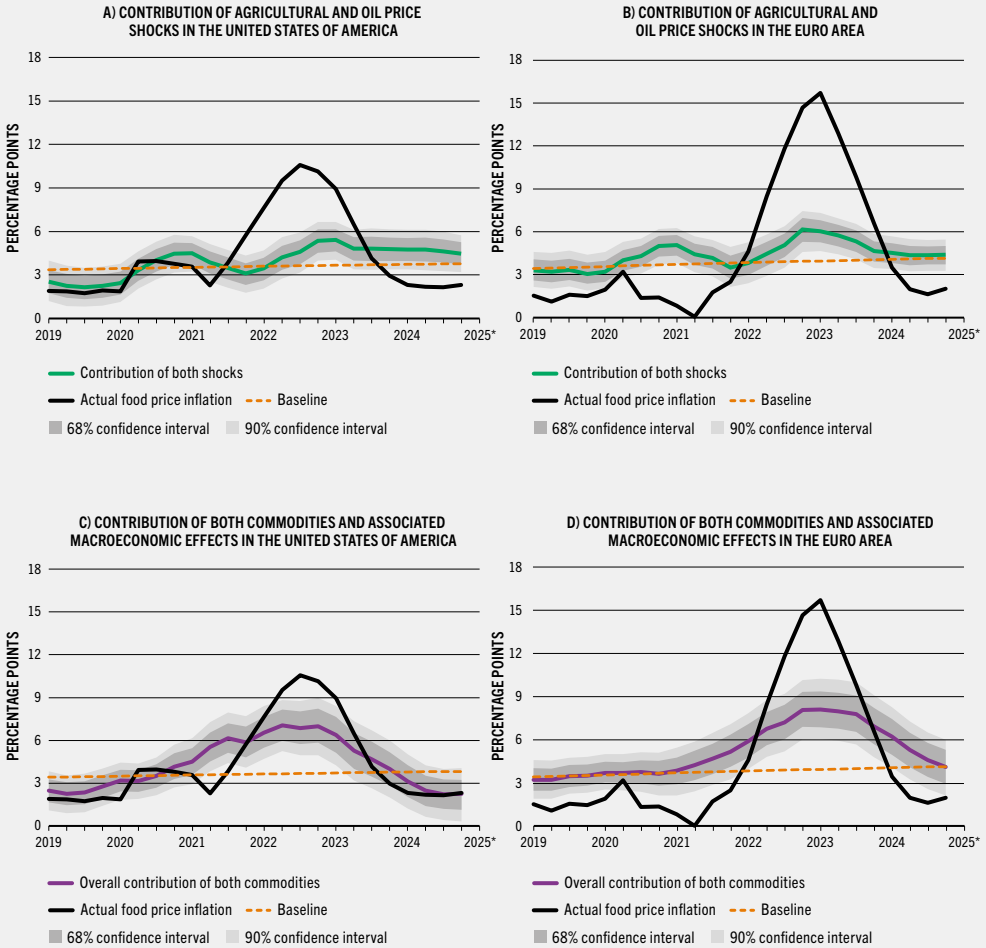
3.3 FOOD PRICE INFLATION PUTS PRESSURE ON FOOD SECURITY AND NUTRITION OUTCOMES

The recent surge in global inflation has had adverse effects on living conditions. Global real wages decreased by 0.9 percent in 2022 as inflationary pressures intensified, consistent with evidence that large-scale economic shocks can lead to surges in inflation and a consequent decline in real wages.

The recovery of real wages has been highly uneven across countries, with food price inflation outpacing earnings growth in many contexts. Some countries have seen wages and food prices move in relative tandem, helping to maintain stable food-adjusted earnings (Figure 3.7B and Figure 3.7C). In contrast, others have faced sustained real wage declines. In Egypt, surging food prices, driven by import dependency and foreign currency shortages, have significantly outpaced wage increases since mid-2022, straining household food access. Similarly, in Peru, real wages have not kept pace with inflation: by late 2023, food prices had risen by 34.5 percent relative to their pre-pandemic (early 2020) levels, while earnings had grown only 6.6 percent (Figure 3.7D).

Food price inflation has become a key challenge of rising food insecurity across all income groups, with the steepest increases observed in low-income countries. From 2019 to 2024, low-income countries faced an average annual food

FIGURE 3.5 EFFECTS OF FOOD AND ENERGY SHOCKS ON FOOD CONSUMER PRICE INFLATION WERE HIGHER IN THE UNITED STATES OF AMERICA THAN IN THE EURO AREA

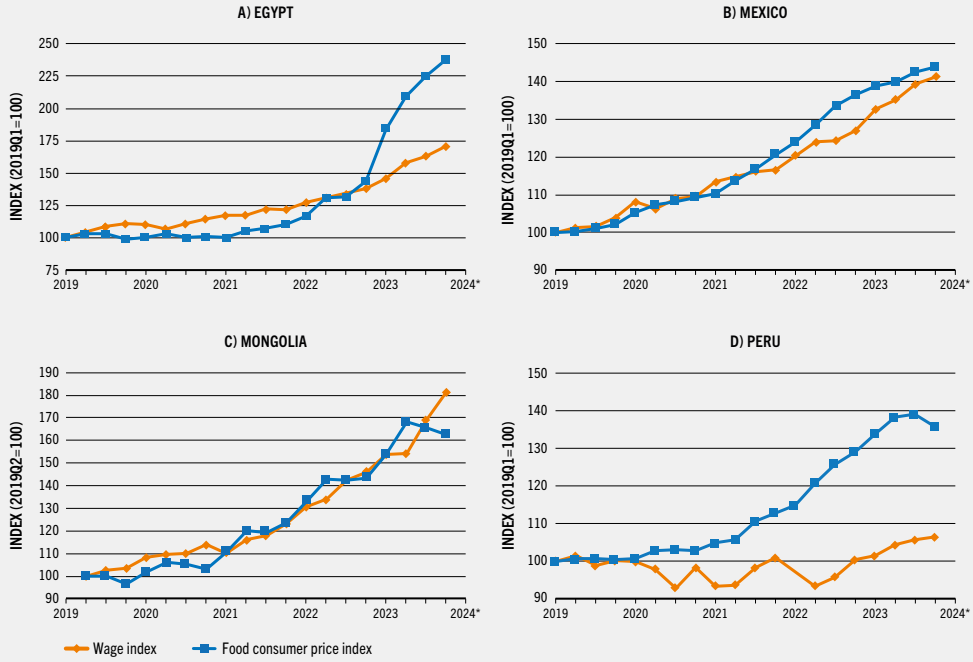


NOTES: Percentage points cumulative contribution of the shocks relative to the baseline evolution are implied in the Vector Autoregressive model, together with actual food price inflation (black line). The contribution of both shocks quantifies the sum of the effects of exogenous food and energy price shocks. The overall contribution of both commodities also accounts for the consequences of endogenous fluctuations in both commodity prices. Confidence intervals were constructed using a moving block bootstrap. * Data are available through December 2024.

SOURCE: Peersman, G. (forthcoming). *Understanding the post-COVID-19 pandemic surge in food price inflation – Background paper for The State of Food Security and Nutrition in the World 2025*. FAO Agricultural Development Economics Working Paper 25-06. Rome, FAO.

https://doi.org/10.4060/cd6008en-fig3.5

FIGURE 3.7 THE GLOBAL FALLOUT AND RECOVERY PROCESS OF AVERAGE EMPLOYEE MONTHLY EARNINGS HAS BEEN HIGHLY UNEVEN, AS SHOWN IN THE CASES OF EGYPT, MEXICO, MONGOLIA AND PERU



NOTES: Indices are based on 2019Q1=100 (except for Mongolia, where 2019Q2=100). Quarterly consumer price indices (CPIs) are estimated as geometric means of the monthly data. These data only include information about wage earners. Thus, they do not reflect the situation of farmers in rural areas. Data are missing for the first quarter of 2021 in Peru due to a break in the series. * Wage index and food CPI data are available through the fourth quarter of 2023.

SOURCES: Data on nominal monthly earnings of employees are based on ILO. 2025. COND: Wage and working time statistics. [Accessed on 10 March 2025]. https://ilostat.ilo.org/topics/wages. Licence: CC-BY-4.0; data on the food CPI are based on FAO. 2025. FAOSTAT: Consumer Price Indices. [Accessed on 18 June 2025]. https://www.fao.org/faostat/en/#data/CP. Licence: CC-BY-4.0.

https://doi.org/10.4060/cd6008en-fig3.7

inflation rate of 11.4 percent, which coincided with a 6.7 percentage point increase in moderate or severe food insecurity and a 3.5 percentage point rise in severe food insecurity (Figure 3.8A).

Lower-middle-income countries have also seen sharp increases in food insecurity despite facing lower food price inflation than low-income countries. Between 2019 and 2024, food price inflation in lower-middle-income

countries averaged 7 percent per year, yet moderate or severe food insecurity rose by 5.6 percentage points, and severe food insecurity by 1.6 percentage points (Figure 3.8B). These outcomes likely reflect not only the economic strain of rising food prices, but also the impact of ongoing conflicts (e.g. Lebanon and Myanmar), as well as the broader economic vulnerabilities affecting larger populations (e.g. Nigeria and Pakistan).

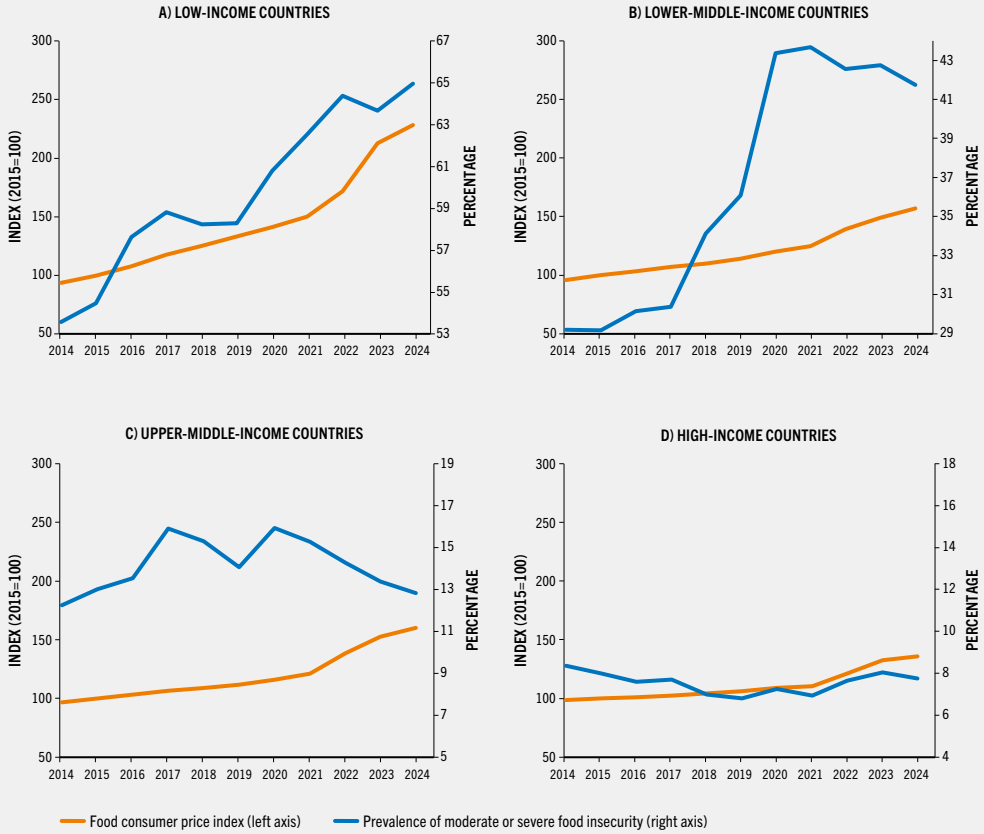
Food price inflation is associated with a rise in food insecurity, with its impact varying across contexts. A 10 percent increase in food prices is linked to a rise in moderate or severe food insecurity (3.5 percent) and in severe food insecurity (1.8 percent). Country-specific characteristics, including economic resilience, institutional strength, and exposure to external shocks, determine the extent of vulnerability.

Rising food prices disproportionately undermine food security in contexts of inequality, where structural disparities across income, gender and geography amplify both exposure to shocks and barriers to effective response. In more unequal countries, weaker social protection systems, limited fiscal space, and larger vulnerable populations leave disadvantaged groups, especially women and rural households, at greater risk. Gender-based constraints, such as lower earnings, caregiving responsibilities, and restricted access to resources, reduce women's capacity to cope with inflation, often forcing them to cut back on food intake during crises. Addressing these intersecting inequalities is essential to mitigating the impacts of food price volatility and building more inclusive, resilient agrifood systems.

Recent food price inflation has heightened the risk of child wasting, underscoring the profound nutritional consequences of price shocks. A 10 percent increase in food prices is associated with a 2.7 to 4.3 percent rise in wasting prevalence and a 4.8 to 6.1 percent increase in the prevalence of severe wasting among children under five years of age. The effects remain robust even after controlling for access to essential services, including clean water, sanitation, and public health services.

The surge in global food price inflation since 2022 has likely exacerbated acute malnutrition, placing millions of children in low- and lower-middle-income countries at increased risk. From January 2022 to January 2023, global food prices rose by 13.6 percent, with food price inflation reaching 25.2 percent in low-income countries and 11.8 percent in lower-middle-income countries. During this period, over 65 percent of low-income countries and 61 percent of lower-middle-income countries – together home to more than 1.5 billion people – experienced food price inflation above 10 percent. These same regions reported some of the highest levels of child wasting in 2022, with wasting affecting up to 6.4 and 9.5 percent of children in low-income and lower-middle-income countries, respectively.

FIGURE 3.8 LOW- AND LOWER-MIDDLE-INCOME COUNTRIES EXPERIENCED HIGH LEVELS OF MODERATE OR SEVERE FOOD INSECURITY AND FOOD PRICE INFLATION



NOTES: FAO's Food Insecurity Experience Scale (FIES) survey data are from 2014 to 2024. Food consumer price index (food CPI) data are estimated as the geometric mean of monthly food CPIs in each year. In each panel, the left axis shows the variation in the food CPI (normalized to 2015=100). The right axis shows the yearly evolution of the prevalence of moderate or severe food insecurity. Due to pronounced differences in the rates of food insecurity across income groups, the right axis has different ranges for each group. However, all axes have been scaled to reflect a 14-percentage point range. An alternative presentation of the evaluation of the prevalence of food insecurity could include an index of the number of people experiencing food insecurity (normalized to 2015=100). This analysis yields qualitatively similar results.

SOURCE: Nakasone, E. & Ignaciuk, A. (forthcoming). *A global assessment of food price dynamics and food insecurity – Background paper for The State of Food Security and Nutrition in the World 2025*. FAO Agricultural Development Economics Working Paper 25-09. Rome, FAO.

https://doi.org/10.4060/cd6008en-fig3.8

3.4 PRICE INFLATION OF NUTRITIOUS FOODS RELATIVE TO OTHER FOODS: ARE THERE DIFFERENCES?

Global food price data from 2011, 2017 and 2021 reveal a persistent and stable disparity in the costs of different food groups. On average, basic starchy staples and oils and fats remain the least expensive sources of dietary energy across all countries. In contrast, more nutritious food groups, such as animal source foods, fruits and vegetables, consistently rank as the most expensive.

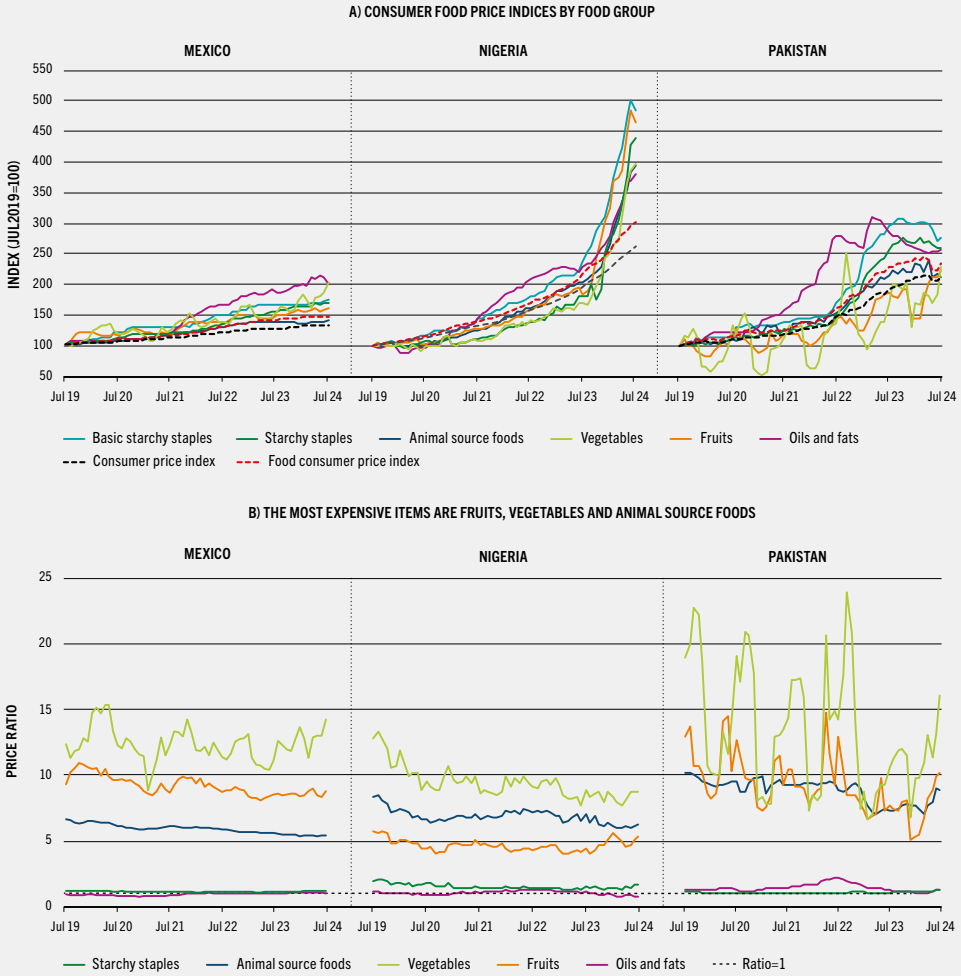
Ultra-processed foods are consistently cheaper than foods at any other stage of processing. Despite growing evidence of their adverse health impacts, these products typically contain few or no whole foods and are often high in saturated fats, trans fats, and salt, and depleted of fibre, micronutrients and other bioactive compounds. By 2021, ultra-processed foods were, on average, 47 percent less expensive than unprocessed or minimally processed foods, and 50 percent less expensive than processed foods.

Food price inflation between 2021 and 2023 (and in some countries up to 2024) varied markedly across food groups. Prices for basic starchy staples, such as wheat, starchy tubers, and rice, rose faster than overall food price inflation, while oils and fats also saw steep increases. As shown in Figure 3.13A, food price inflation in Mexico, Nigeria and Pakistan substantially outpaced general inflation, with spikes in prices of staples and edible oils. These price surges were especially pronounced in early to mid-2022, aligned with the global cereal market disruptions driven by the war in Ukraine – a major exporter of wheat and oilseeds.

Price premiums for nutrient-rich foods, particularly vegetables, fruits and animal source foods, remain substantial and volatile, reinforcing economic barriers to dietary diversity. As illustrated in Figure 3.13B, these food groups consistently command higher prices than basic starchy staples, which continue to account for the largest share of food expenditures in many developing countries.

Each food group typically includes at least one or two low-cost items that can contribute to a nutritious diet; however, access to healthy diets is shaped not only by prices but also by cultural preferences and dietary habits. Through mid-2023, the cost of a healthy diet declined in Nigeria before rising again, fluctuated in Pakistan due to seasonality, and steadily increased in Mexico. These findings highlight how the affordability of a healthy diet can evolve differently across countries, even under similar inflationary pressures. ■

FIGURE 3.13 THE PRICE OF STARCHY STAPLES AND OILS FACED THE HIGHEST INCREASE IN MEXICO, NIGERIA AND PAKISTAN



NOTES: Panel A – Data shown are national consumer price index (CPI), food CPI and average prices for selected food groups. Basic starchy staples include unprocessed or minimally processed starchy staples (NOVA 1) in each country. Starchy staples include all starchy staples in the NOVA 1, NOVA 3 and NOVA 4 categories. Prices are expressed in nominal local currency units per kilocalorie of edible matter. All series are indexed to the initial period (July 2019=100). For Mexico and Nigeria, the CPI is shown at the national level as reported; for Pakistan, the CPI is the average of reported urban and rural CPI. Panel B – Data shown are average food prices for each food group divided by the average food prices across all unprocessed or minimally processed starchy staples (NOVA 1) in each country. Prices are expressed in inflation-adjusted July 2019 local currency units per kilocalorie of edible matter and converted to five-month rolling means before food group averages are calculated. Dashed lines indicate where the price ratio is equal to 1.

SOURCE: Costlow, L., Martínez, E., Gilbert, R., Nakasone, E. & Masters, W.A. (forthcoming). *Price dynamics for foods of varied nutritional characteristics – Background paper for The State of Food Security and Nutrition in the World 2025.* FAO Agricultural Development Economics Working Paper 25-07. Rome, FAO.

https://doi.org/10.4060/cd6008en-fig3.13

CHAPTER 4
HOW COUNTRIES NAVIGATED THE PERFECT STORM: FISCAL, MONETARY AND TRADE POLICIES AND THEIR IMPLICATIONS FOR FOOD SECURITY AND NUTRITION

KEY MESSAGES

➔ Countries followed distinct trajectories in food security outcomes despite facing similar global food price pressures between 2015 and 2023.

➔ Drawing on the experiences of countries during recent periods of food price inflation, several policy lessons emerge. These highlight practical measures that can help governments respond more effectively to future shocks, balancing immediate relief with long-term market resilience:

- Deploy targeted and time-bound fiscal measures to support vulnerable groups during food price surges, ensuring alignment with national policy frameworks and the inclusion of clear exit strategies.

- Balance short-term inflation relief measures, such as tax reductions on essential goods, with the need to maintain long-term fiscal sustainability, while ensuring that benefits are effectively transmitted to consumers.

- Promote coherent fiscal and credible monetary policies to help stabilize domestic markets, including agrifood systems, and to reinforce inflation control and economic resilience.

- Limit reliance on market-distorting tools like price controls and subsidies; instead, focus on structural reforms, trade facilitation, and infrastructure investment to address systemic weaknesses.

- Strengthen agricultural data systems and market transparency to build resilience, reduce the risk of speculation-driven price volatility, and support long-term agrifood systems stability.

4.1 FROM RELIEF TO REFLECTIONS

Addressing food price spikes requires a comprehensive policy approach that balances short-term relief with long-term resilience. Rising food prices, driven by demand or supply shocks, global market volatility, and macroeconomic instability, can have severe consequences for food security, particularly among low-income and vulnerable populations. To mitigate these impacts and prevent future crises, governments can deploy a mix of targeted fiscal interventions, including robust social protection systems, coordinated macroeconomic policies, structural and trade-related reforms, and strategic investments in data, infrastructure and

innovation. The measures detailed below provide a policy roadmap for managing current pressures while strengthening the foundations of more resilient and equitable agrifood systems.

Designing effective responses to food price inflation

Targeted fiscal measures play a critical role in supporting vulnerable populations during episodes of high food price inflation. These interventions should be carefully aligned with the broader macroeconomic and policy environment of each country. To ensure long-term sustainability, fiscal responses must be time-bound and include well-defined exit strategies. This prevents the risk of permanent budgetary commitments that could constrain future fiscal space or bring public debt to unsustainable levels.

Tax reductions on essential goods, including food, can provide immediate relief to households facing rising living costs. However, such measures must be weighed against the need for sustainable public revenues, particularly in countries with limited fiscal capacity. Where tax exemptions are implemented, governments should monitor whether the benefits are effectively passed on to consumers, ensuring that interventions achieve their intended impact.

Strengthening social protection in inflationary environments

Social protection systems – through cash or in-kind transfers – are indispensable for cushioning the effects of food price crises on low-income households. However, in high-inflation contexts, the value of these transfers can erode. Programmes must therefore be calibrated to respond to inflationary pressures, with flexible mechanisms to adjust transfer values and avoid price increases.

Effective social protection requires not only adequate financing but also strong design and delivery systems. Targeting mechanisms should be transparent and responsive, and interventions should complement broader food security and nutrition strategies. In this way, social protection can serve as both a safety net and a stabilizing force during periods of high food prices.

Enhancing monetary–fiscal policy coordination

Macroeconomic stability is essential for addressing food price inflation. Sound fiscal policy must complement credible and transparent monetary policy to anchor inflation expectations and stabilize domestic markets, including agrifood systems. Coordinated actions can help prevent large currency devaluations, mitigate financial volatility, and reinforce investor confidence.

Improving structural and trade-related policy responses

Short-term price interventions, such as price controls or subsidies, may provide temporary relief but often distort markets and are inefficient over time. Governments should instead adopt a stable, coordinated and transparent strategy to manage long-term food price trends. This includes strengthening food reserves, improving market transparency, and investing in trade-related infrastructure.

Export restrictions can ease domestic price pressures in the short term but often disrupt global markets and harm long-term producer incentives. Policymakers should align trade measures with broader food security and risk management goals to minimize unintended impacts.

Maintaining strategic food reserves can help cushion supply shocks and stabilize prices, but these mechanisms must be carefully designed. Policymakers should balance food security and nutrition objectives against potential fiscal and market risks. Embedding food reserves within a broader risk-management framework enhances their effectiveness and reduces unintended consequences.

Building resilience through market information and investment

Strengthening agricultural market information systems is essential for preventing market disruptions and ensuring price stability. Transparent, reliable and timely data help reduce speculation, support smallholders' participation in markets, and improve overall market efficiency. In increasingly complex global agrifood systems, enhanced market information systems can be a critical tool for resilience.

Beyond information systems, long-term resilience requires sustained investment in agricultural productivity, infrastructure and innovation. Investments in research and development, storage, and transport infrastructure are particularly important to reduce food loss, improve supply chain functioning, and mitigate future food price shocks. These efforts can lay the foundation for more inclusive and sustainable agrifood systems.

4.2 PATTERNS, POLICIES AND PATHWAYS: A TRAJECTORY ANALYSIS

Countries experience diverse food security outcomes in response to food price inflation, despite being exposed to similar global price pressures. Between 2015 and 2023, domestic food price inflation and food security levels varied significantly across countries, revealing critical insights into the role of national policy responses. This heterogeneity offers a valuable opportunity to identify and understand which interventions have effectively mitigated food price shocks and safeguarded food security. The assessment of 153 countries shows that even among those starting from comparable levels of food insecurity, outcomes diverged: some countries maintained stability or improved, while others experienced sharp declines in food security.

An in-depth review of more than 10 000 policy records and 35 distinct policy instruments highlights significant variation in policy responses across countries with different food security trajectories. These findings underscore the importance of context-specific strategies: interventions that yield positive outcomes in one context may be less effective – or even counterproductive – in another. Recognizing and adapting to these contextual differences is essential for designing policy responses that are both immediately effective and sustainable over time.

Countries with lower-medium and high food insecurity tend to rely more heavily on price control measures and agricultural production subsidies. In lower-medium food-insecure countries, price controls were observed in over 25 percent of country-year observations, while in high food-insecure countries, the figure reached 30 percent – both notably higher than in countries with more stable food security. Production subsidies were also significantly more prevalent in these settings. For instance, among high food-insecure countries facing deteriorating food security with mild inflation, 37.2 percent adopted such subsidies. Interestingly, in lower-medium food-insecure countries experiencing improvements in food security despite severe inflation, subsidies were also frequently used (23.2 percent), highlighting the potential effectiveness of well-targeted production support in offsetting inflationary pressures.

In contrast, low food-insecure countries with stable or improving outcomes were more likely to deploy a strategic mix of trade policy instruments. Export restrictions were most common among countries with low baseline food insecurity, particularly those that managed to sustain or improve food security. As baseline food insecurity increased, the frequency of export restrictions declined markedly. Among high food-insecure countries, those with deteriorating food security and only mild inflation often implemented import restrictions (37.2 percent). However, in similar countries that saw food security recover after earlier setbacks, even amid severe inflation, use of import restrictions was far less frequent (5.4 percent). A parallel trend emerged in lower-medium food-insecure countries, where import tariff reduction was far more common among those with declining food security (38.9 percent) than among those on improving trajectories (4.2 percent), suggesting that reactive, uncoordinated trade policies may undermine long-term food security improvements. ■

CHAPTER 5
CONCLUSIONS

The recent period of food inflationary pressure has again tested the resilience of the world's agrifood systems in achieving SDG Targets 2.1 and 2.2 – end hunger, food insecurity, and all forms of malnutrition by 2030. While the challenges have been substantial and unprecedented, a clear message emerges: this time, the world has responded more effectively. Signs of improvement in hunger and food insecurity trends suggest that global efforts to recover from recent setbacks have had a positive impact. However, diverging regional trends highlight persistent disparities in the challenges countries face and the policy tools available to them.

Compared to previous crises such as the 2007 to 2008 food price spikes, the global response from 2021 to 2023 was more coordinated, measured and informed. Governments avoided widespread export bans and implemented more targeted, temporary interventions that helped keep agricultural trade flowing and markets functional. Initiatives such as the Agricultural Market Information System enhanced transparency, reduced speculation, and encouraged more rational policy decisions. Countries with strong institutions and social protection systems were able to respond more quickly and support vulnerable populations more effectively. Although inflation placed a significant burden on households, particularly the poorest, these policy improvements and institutional frameworks helped mitigate the sharpest effects. ■

THE STATE OF THE WORLD

2025 THE STATE OF FOOD SECURITY AND NUTRITION IN THE WORLD

ADDRESSING HIGH FOOD PRICE INFLATION FOR FOOD SECURITY AND NUTRITION

While some progress and recovery have been made in recent years, reflected in the decreasing trends of the prevalence of undernourishment and the prevalence of moderate or severe food insecurity, the world is still above pre-COVID-19 pandemic levels and far from eradicating hunger and food insecurity by 2030 (SDG Target 2.1). Similarly, despite some progress in the global nutrition targets, the world is not on track to achieve SDG Target 2.2. Among other factors, persistent food price inflation has slowed this momentum.

The State of Food Security and Nutrition in the World 2025 highlights how elevated inflation in many countries has undermined purchasing power and, especially among low-income populations, access to healthy diets. Prolonged inflationary pressure hindered the post-pandemic economic recovery and significantly increased food costs. The surge in food prices was driven by a combination of global shocks, including the pandemic and the war in Ukraine, and was further intensified by policy responses such as expansive fiscal stimuli and accommodative monetary policies that amplified inflationary pressures. Although food price inflation eased back to pre-2021 levels by 2024, its effects on vulnerable populations and overall food security continue to be deeply felt.

The report documents how high food price inflation is associated with increases in food insecurity and child malnutrition. Vulnerable groups, including low-income households, women, and rural communities, can be particularly affected by food price inflation, risking setbacks in the fight against hunger and malnutrition.

In response to these challenges and to prevent future price shocks, the report examines policy measures adopted by countries, and outlines what is necessary going forwards. It stresses the importance of coherent implementation of fiscal and monetary policies to stabilize markets, promote open and resilient trade, and protect vulnerable populations. Additionally, it calls for better data systems and sustained investment in resilient agrifood systems to build long-term food security and nutrition. These coordinated actions are vital to reignite progress towards ending hunger and malnutrition by 2030.

The State of Food Security and Nutrition in the World 2025 (main report)

The State of Food Security and Nutrition in the World 2025 (supplementary material)

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