

## Summary from: *The Cities and the Future of Agriculture and Food Security Roundtable<sup>i</sup>*

### **Background**

Feed the Future, the U.S. Government's global hunger and food security initiative, is conducting an extensive assessment of the initiative's successes to date and future challenges. On March 30, 2016, approximately 25 experts convened in Washington, DC to discuss the implications for and challenges of food security implementation and planning in the context of a changing urban demographic and new economic landscapes. This roundtable was structured around four key themes: 1) the drivers and extent of urbanization in low-income countries; 2) the needs and opportunities for food security programming arising from urbanization; 3) the implications of urbanization for value-chain development; and 4) the implications of urbanization for the future of farming.

### **Discussion Summary**

Urbanization is occurring at unprecedented levels in many lower income countries, driven by a combination of push and pull factors, including conflict, climate change and the lure of urban labor markets. Discussants diverged with respect to the implications of urbanization for future poverty alleviation and food security in lower income countries. Some argued that urbanization, and rural-to-urban migration specifically, has historically led to more food-secure households, more dietary diversity, and higher incomes. Others, however, suggested that urbanization in lower income countries may be decoupling from economic growth, implying that urbanization in lower income countries may not lead to the economic advantages traditionally associated with cities.

Dietary changes in lower income countries, including an increased demand for perishables (meat, dairy, fruit and vegetables) and processed foods, are occurring rapidly across both rural and urban areas and among all income levels and types. These changes are linked to increased purchasing power, changing market structures and new food preferences, and are fueled by the wide availability of energy-dense but micronutrient-poor foods at more affordable prices.

Participants agreed that more attention should be paid to nutrition, including public policy and food and nutrient quality controls. However, participants also recognized that over the past 30 years, mean weights and heights have steadily increased in every region in the world, and in both rural and urban areas. In this regard, participants determined that the benefits of increased calorie consumption almost certainly outweigh the negative effects of deficient micronutrient intake, rising obesity and the incidences of non-communicable diseases.

The discussions on secondary cities and value chains began with an emphasis on the speed of the recent transformation, development and remaking of food systems in lower income countries into a series of hyper-evolving and highly competitive transportation and processing systems. The group also discussed the importance of domestic processors, logistics companies, wholesalers, marketers and retail outlets. Comments highlighted the sheer volume of food moving through the key markets and distribution points in emerging economies, and the importance of physical infrastructure (roads, irrigation, cold chains, water and energy).

As urbanization continues and transportation costs between rural areas and markets declines, the rural population categorized as "remote" is shrinking. This leads to both new opportunities and competition for rural farmers. To access the new market opportunities, participants agreed that farmers will need to meet the demands of urban consumers, including increased quality, food safety and production of perishable and process-able foods. Challenges for farmers will include the need to raise the skill levels of increasingly knowledge-intensive farming; improve land markets to facilitate labor mobility and accelerate the growth of off-farm labor; and shift smallholder farmers toward opportunities beyond grain and oilseeds, which will occur increasingly on larger farms.

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## **Takeaways**

**Improved definitions:** Evidence suggests that urbanization is occurring rapidly and at unprecedented levels in lower income countries. Participants therefore agreed that better and more comparable global population datasets are needed. Global assessments of demographic trends are currently limited by inconsistencies in the definition of “urban,” by the periodic reclassification of peripheral areas as urban, and by political sensitivities over residences. The group determined that universal and standardized population datasets and a universal definition of what is urban will be needed to better understand the drivers, extent and implications of rapid urban growth.

**New challenges:** The spatial concentration of vast populations implies a greater dependency on shared infrastructure, which is leaving large populations highly vulnerable to disruptions. Electrical blackouts in India in 2012, for example, led to large-scale food losses and disrupted food supplies. As urban consumers occupy an increasingly important share of food consumers, such disruptions could pose a greater threat to food access for large numbers of residents.

**Secondary cities:** Roundtable participants emphasized the importance of investments in secondary cities. Secondary cities are often the first step for rural out-migrants and in many cases often do not receive the same degree of political support as capital (or mega) cities. Participants felt that as secondary cities grow, investments should be made to facilitate the movement and processing of produce going from nearby rural areas. They expressed that development agencies may wish to invest in wholesale, logistics and processing and in rural-urban value chains more broadly. Particular emphasis could be directed toward building the physical infrastructure needed to support these value chains, including roads, cold chains, irrigation, and energy, water and sanitation systems.

**New opportunities:** Urbanization will create opportunities for high-value, labor-intensive agriculture. To successfully engage in these activities, farmers will need to dramatically improve their technical knowledge related to high-value production. This includes improving understanding of the quality, size, food-safety standards, and the development of a technical workforce. Participants expressed that demand-driven, targeted extension efforts coupled with farming contracts – where purchase agreements are linked to education on expected quality and regulatory standards – will be critical, as farmers specialize and shift from an emphasis on the production of coarse grains toward higher-value perishable farm produce.

## **Next Steps**

Roundtable participants suggested that progress in emerging economies will require supply chain investments, including credible quality and safety assurance schemes, particularly for locally produced dairy, fresh produce, poultry and processed foods. They agreed that additional areas requiring attention include: 1) public or industry-wide regulatory structures that provide credible assurances of food safety and quality; 2) legal and regulatory reforms that could expand access to credit for small and medium-sized enterprises; 3) mechanisms to reduce the prices of micronutrients relative to calories, such as increased agronomic and breeding research on pulses and fresh produce; 4) urban marketing infrastructure, including reformed and improved governance of public market places; and 5) broader physical infrastructure, particularly for electricity and roadways.

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<sup>i</sup> *This summary is a summary of the roundtable discussion conducted on March 30, 2016. It does not necessarily represent the views of the United States Agency for International Development, the United States Government, or of the individual participants of the roundtable event.*