



# Proceedings

of the  
Second Ministerial Meeting  
on International Food Prices

FAO Headquarters  
Rome  
7 October 2013



Food and Agriculture Organization  
of the United Nations

# PROCEEDINGS OF THE

## Second Ministerial Meeting on International Food Prices

FAO Headquarters  
Rome  
7 October 2013



FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS  
Rome 2013

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*The outlook for international food commodity markets finally looks calmer this year. Grain production has rebounded and higher stock-to-use ratios should bring greater stability to prices. The FAO Cereals Price Index is around 20 percent lower than one year ago. But the food price challenges are far from over.*



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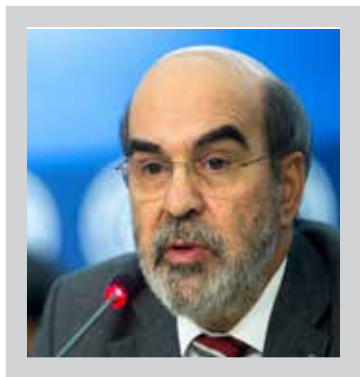
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*Note: Statements in original language are incorporated in this book.*



## >>> Foreword

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After three price spikes in the last five years, the outlook for international food markets finally looks brighter today, at least for consumers. Although increasing slightly in October, the FAO Food Price Index has followed a declining trend since April. Cereal prices are around 20 percent lower than in October 2012, thanks to a better supply outlook and healthier stock levels.

FAO is forecasting an 8 percent increase in world cereal production this year. Higher production allows for replenishment of stocks, which had fallen to historically low levels in recent years. The world stock-to-use ratio for cereals should reach to 23 percent, the highest since 2003. If this materializes, then the markets will have greater resilience to shocks and price volatility should be contained.

It is also important to recognize the role of global governance in this positive development, by increasing transparency, better market information and helping control factors that had led to price spikes before. The Agricultural Market Information System (AMIS) played an important role in making this happen. Set up by the G20 in 2011 with a multi-agency secretariat hosted by FAO, AMIS provides timely and reliable information and objective market assessments, increasing transparency in world food markets and assuring better coordination among the main players in the global markets.

Among many other initiatives, last October FAO hosted a ministerial summit to discuss food prices, co-organized with the Government of France who played a leading role in establishing AMIS.

But the current situation does not mean that our food price problems are over. International prices are still higher than their historical trend – higher than the peak in 2008, for example. On the other hand, regardless of price levels, excessive price volatility presents additional challenges, especially for small-scale farmers in developing countries with limited access to financial mechanisms to contain the impacts of low or negative returns.

The G20 Leaders' Declaration at the St Petersburg Summit last month of September was right to recognize that the agricultural market situation still needs close attention.



It is important to recall that the rise in food prices that started in 2006 came after three decades of falling prices that brought the agricultural sector in many poor and developing countries to its knees. High prices offer an opportunity to rebuild the livelihoods of small-scale producers; however, this is not happening yet. And, if high food prices are the new normal, then governments need to adapt to this situation by increasing resilience of the poorer populations and by strengthening social protection programmes, including cash transfers.

Discussions of all these issues are usually prompted by new episodes of soaring prices and take place against a background of turmoil in international markets. In such circumstances there can be very little time for strategic thinking. When the situation calls for immediate, expedient policy actions, the choices made are often those that generate quick results and have relatively low short-term costs. These solutions can, however, have undesirable effects and unexpected costs in the longer term.

The current period of relative calm on international markets gives an opportunity to reflect on a more considered assessment of how the international community can best respond to food price volatility and work together to make sure that food prices, higher or lower, do not have a negative impact on food security.

The second Ministerial Meeting on international food prices, held on 7 October 2013, was convened to do just that.

The meeting drew delegates from over 130 countries, with about 40 represented at ministerial level.

Ministers underlined the need for better regulation and transparency in commodity futures markets in order to limit excessive speculation and its effect on price volatility, stressed the importance of coordinating responses in critical situations, and recognized the role of global governance.

They also agreed that concrete and consistent steps are needed to improve sustainability in the use of natural resources, the production and consumption of food and the role that both can play in dealing with climate change.

A recurring theme in the discussions was the need for more comprehensive food security policies, combining production and social protection. The need to strengthen safety nets and social protection programs to provide a buffer for the most vulnerable groups from the adverse effects of sudden spikes in food prices emerged as a policy priority. This should complement the objective of boosting productivity in a sustainable manner and strengthening the resilience of production systems.

The collection of statements presented in this proceedings report not only serve as an account of the Ministerial Meeting but also provide a comparative view of the experience of different countries and different regions in dealing with the issues surrounding food prices.



José Graziano da Silva  
Director-General  
FAO

## Acknowledgements

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The report of the Proceedings was prepared by members of the Trade and Markets Division (EST) under the overall leadership of David Hallam, Director and Boubaker Ben-Belhassen, Deputy Director.

Special thanks go to Maria Lourdes Santos and Rita Ashton, whose dedicated efforts contributed significantly to the finalization and publication of the report.



# Agenda

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## SECOND MINISTERIAL MEETING ON INTERNATIONAL FOOD PRICES

Monday, 7 October 2013

FAO Headquarters, Plenary Hall (A Building, 3rd Floor)

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### 11:00 hours

- Group photograph with Ministers
- Welcome and opening remarks by Mr José Graziano da Silva, FAO Director-General
- Introduction and opening statement by Chairperson
- Interventions by Ministers
- Concluding remarks by Chairperson
- Closing remarks by Mr José Graziano da Silva, FAO Director-General

### 13:15 hours

- Press Conference: Sheikh Zayed Media Centre  
All participating Ministers are kindly invited to join the press conference



# Note on the Ministerial Meeting

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FAO held a second Ministerial Meeting on International Food Prices on 7 October 2013.

A first meeting in 2012 on Food Price Volatility was held in response to the third spike in international grain prices in five years. Based on the success of that first Ministerial Meeting, it was agreed to repeat the event in 2013. Although prices of cereals and oilseeds on international markets have fallen from the peaks reached in July 2012 they remain high and grain stock-to-utilization ratios remain low. There are therefore continuing concerns that markets continue to be vulnerable to supply shocks.

The main objective of the meeting was to provide a forum for the exchange of views and sharing of experiences between ministers concerning food price volatility and the policy problems it poses. The meeting was especially valuable and timely in the absence of any other international arrangements for a broad cross-section of agricultural ministers to meet in 2013 to discuss agricultural market issues. Indeed, in spite of their continuing importance, outstanding issues concerning food prices and markets are being largely overlooked in multilateral processes this year.

While there is some consensus emerging on the drivers of food price volatility, at least in the 2007-08 episode, and a better understanding of policy responses, there remain a number of outstanding issues. Speculation and its regulation, biofuel policies, trade policies and the potential role of stocks all remain controversial. The causes and consequences of price volatility for non-food agricultural commodities are much less studied and understood, yet many countries are economically dependent on their exports of such commodities. More generally, the linkages between food price volatility and food insecurity are still imperfectly understood in the absence of detailed knowledge of price transmission through value chains. The point and circumstances where volatility becomes "excessive" or degenerates into a "crisis" are also open to debate. Macroeconomic impacts have not been explored much though these can be complicated and severe especially for countries which are non-food agricultural commodity exporters but importers of food products. Governments continue to struggle to define effective policy responses to address not only the immediate market and food security problems caused by international food price volatility but also to address simultaneously the macroeconomic consequences for inflation, foreign exchange reserves, government

revenues and economic growth. They are under pressure to help mitigate the negative impacts of volatile prices on poor consumers but also to provide the enabling environment for producers to improve productivity. At the international level, debate continues on the potential role of stocks to reduce volatility, or to at least mitigate its negative effects.

The Ministerial Meeting on International Food Prices on 7 October 2013 was organized to provide a forum for discussion and debate around these topical issues to pool knowledge on how international food price volatility impacts at national level and to identify best practices in handling a multi-dimensional policy problem.

The 2013 FAO Ministerial Meeting on International Food Prices was held on the first day of the 40th Session of the Committee on World Food Security (CFS). It was not a formal part of the CFS agenda, but rather a separate FAO-organized event that took place during the CFS to allow CFS delegates to follow the proceedings and be informed by the discussions.

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## Organization and format

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The format of the meeting was similar to 2012. The meeting was chaired by the United States (USA) as the country holding the presidency of the Agricultural Market Information System (AMIS) up to September 2013. The agenda and timetable provided for opening statements from the FAO Director-General and the Chairperson of the meeting, followed by Ministerial interventions, concluding remarks from the Chair and closing remarks from the FAO Director-General. The duration of the meeting was two and a half hours. The provisional agenda is annexed to this note.

The proceedings of the meeting were webcast.

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## Outputs

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As in 2012, the ministerial statements had been collected and are published in this proceedings report as an FAO document. The publication was well-received last year as a record of the event and an international cross-section of ministerial views on food price issues at a specific point in time. For 2013, to prepare that publication in an efficient and timely way, ministers were advised in advance that a publication was planned and that they should provide copies of their statements.

The meeting was followed by a press conference hosted by the FAO Director-General.





# PART 1

STATEMENTS DELIVERED BY MINISTERS

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# FAO

STATEMENT BY:

JOSÉ GRAZIANO DA SILVA  
DIRECTOR-GENERAL

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Distinguished Ministers,  
Ladies and Gentlemen,

I would like to thank you all for accepting my invitation to join us to discuss food prices at this Second Ministerial Meeting on International Food Prices.

We have over 30 ministers and deputy ministers and other high-level authorities here with us today, participating in our second ministerial meeting on the subject.

Our first meeting last year took place when we were still working to keep food prices from spiking, after the sharp rise in maize prices in July 2012.

And that is where I want to start, striking a positive note. After three price spikes in the last five years, the outlook for international food commodity markets finally looks calmer this year.

Grain production has rebounded and higher stock-to-use ratios should bring greater stability to prices. The FAO Cereal Price Index is 20% lower than one year ago.

The price spike that some feared last year did not happen. Improved global governance and our collective efforts played an important role in making that possible.

Last year we had implemented a new weapon in our arsenal to fight excessive price volatility: AMIS, set up by the G20 during the French Presidency.

AMIS provided timely and reliable information, increasing transparency in the international food market. Just last week, the AMIS Market Information Group had its fourth meeting to continue its work on improving market information and short-term forecasts.

AMIS ensures better coordination among the main players to reduce market instability and unilateral action. And it has established itself as a key element in global governance of food markets.

But this does not mean that our food price problems are over. The G20 Leaders' Declaration at the recent Saint Petersburg Summit was right to recognize that the agricultural market situation still needs close attention.

International prices have declined but they are still above their historical levels. And prices are expected to remain volatile over the next years.

If higher and volatile prices are here to stay, then we need to adapt to this "new normal". Two key issues arise from this scenario.

Obviously, we welcome the fall in food prices for the relief this brings to poor consumers. But the recovery in food prices is not necessarily bad news. We need to remember that the recent rise in food prices comes after a three-decade fall that brought the agricultural sector in many poor countries to its knees.

These are two sides of this coin, and we are trying to bring them together to improve access.

So the first question is how can we use high prices for the benefit of poor small-scale farmers in the world?

The current situation offers an opportunity for farmers to reinvest in agriculture. But many small-scale producers do not have the means to take advantage of higher prices. We need to look carefully at this issue and ensure that a right set of policies is in place to support them.

The second issue is how to protect the low-income families, who now face higher prices. We need to increase the resilience of the poorer populations by strengthening social protection programs, including cash transfers. And whenever possible, creating ways to link social protection to productive support.

Countries throughout the world are having great success when using this menu of social protection and productive support to fight hunger and poverty.

Excellencies, Ladies and Gentlemen,

Our meeting last year was prompted by episodes of rising food prices and fear of a new global crisis.

This time around the context is very different. Markets are calmer. This gives us an opportunity to reflect, away from potential crisis situations, on a more considered assessment. By sharing experiences and knowledge, this Ministerial Meeting will help find lasting solutions to the issues surrounding food price volatility. It is also a good occasion to demonstrate and renew our political commitment to eradicate hunger and malnutrition.

Thank you for your kind attention and I would like now give the floor to Mr Joe Glauber, representing the United States, current chair of AMIS.



# United States of America

STATEMENT BY:

JOSEPH W. GLAUBER  
CHIEF ECONOMIST, US DEPARTMENT OF AGRICULTURE

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Thank you Mr Director-General. Your leadership in FAO's efforts to eliminate world hunger, food insecurity and malnutrition is well recognized. Indeed, it is an honor and a pleasure to welcome everyone and to serve as Chair at the Second Ministerial Meeting on International Food Prices.

A year ago, we witnessed the third commodity price spike in 5 years. Severe drought in North America as well as in portions of Southern Europe and the Black Sea resulted in sharply reduced production and cut stocks, particularly feed grains. Prices for many commodities such as wheat, maize and soybeans rose to record nominal levels. Many expressed concern that we would witness another food price crisis such as what we saw in 2007/08.

Instead world markets remained calm. Despite short supplies, markets worked efficiently. Unlike as in 2007/08, trade was not impeded by counterproductive restrictions and high price volatility was avoided. Higher prices encouraged increased production in the Southern hemisphere and by late fall prices began to fall from their peak in the late summer. With improved weather conditions in the Northern hemisphere this year, we will likely see improved grain production and a recovery in feed grain stocks. Prices for most commodities are down 15 to 25 percent below levels of a year ago.

In no small part, better information provided through mechanisms like the Agricultural Market Information System, and better discussion in forums such as this helped Members avoid the mistakes made in 2007/08.

But improved market conditions today must not lull us into complacency. We cannot afford to neglect the agricultural sector. We must improve productivity particularly in the developing world, and in a sustainable way that takes into consideration scarce water resources and other environmental factors. We must also continue to work to reduce trade barriers and subsidies and eliminate distorting forms of domestic support. In this regard, we must be careful to avoid policies that mitigate one country's food security problem but exacerbate the food security of its neighbors.

Lastly, I note that with the large number of ministers attending today's session, Ministers are kindly requested to limit the duration of their statements to not more than three minutes. This will allow a larger number of Ministers to take the floor and express their views on the issue of food prices. However, the full ministerial statements will be included and published in the Proceedings Report of the meeting. In addition, any member country is welcome to send a statement to be also included in the Proceedings Report.



## European Union

STATEMENT BY:

H.E. DACIAN CIOLOȘ  
COMMISSIONER FOR AGRICULTURE AND RURAL DEVELOPMENT

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I would like to thank the Director-General of the FAO for organizing this ministerial meeting. The time is right to move forward in our thinking and surpass the success of AMIS. Firstly, the markets are not currently in crisis and we can reflect without being pressured in the short term.

Secondly, Mr Graziano is currently making a significant effort to increase FAO's ability to take action in the field. I am of the opinion that it is important to seize this opportunity to move forward. I also think that the Australian G20 host has an important responsibility to stimulate the process.

Price volatility specifically affects those who are the most vulnerable.

- In Africa, it is small-scale farmers who are emigrating to cities.
- In the most developed countries and those with the most fertile land, it is small-scale family farmers that are disappearing due to precarious financial situations.
- New players, newly capitalized investors attracted by positive long-term agricultural market trends, have, in general, the capacity to weather difficult periods.

To make it perfectly clear: I am not against the good or the bad. Agriculture needs investments, including, or perhaps specifically, in less-developed countries. Our responsibility, it seems to me, is to ensure that these different agricultural models coexist in a complementary fashion and that agriculture fulfills its missions in full: combat poverty, economic growth in rural areas, and natural resource management.

Monitoring agricultural markets will be efficient in vulnerable areas if it is accomplished through agricultural policies and governance; through public and private investment; through trade and regional and sub-regional market structures; and specifically, through transparent institutional environments that are both visible and stable.

In this context, it seems to me that it is necessary to be able to quickly give concrete responses to several important issues:

- Property rights. Major sustainable investment must be made with regard to land use, in land's capacity as a natural resource, with regard to the land rights of local populations and the benefits the land provides to these populations as well as an

honest coexistence with subsistence agriculture which needs the opportunity to evolve. We have come up with the relevant guidelines. However, the exchanges I have participated in, in recent days with the governments in West Africa, have clearly demonstrated to me that we must more strongly support local, regional and national authorities. We must explicitly specify these guidelines using legal instruments adapted to the various situations.

- The same is true for research and innovation. Tomorrow's agriculture will be an agriculture based on knowledge and I believe that we are all in agreement on this point. We must provide the means for small-scale farmers and family farms to access this knowledge.
- Crisis management and crisis inventory. The natural follow up to AMIS must be a reflection on crisis inventory and, here, things seem to be moving forward. Certain African countries, in particular, seem to combine crisis inventories with market management instruments. It seems to me to be important in these cases to consider the known limits of such mechanisms and to contribute together to the instruments adapted to the new generation of agricultural policies so naked productivism is avoided as are structural over-production and the depletion of natural resources.

In closing, I would like to say again that the European Union is ready, beyond its policies of cooperation, to provide technical support to define agricultural policies and the creation of national and sub-regional markets as well as to structure agriculture so that it has solid, sustainable growth. And, I am convinced that the G20 summit, in close cooperation with FAO, has a major role to play in creating the needed dynamic.



# Union Européenne

ALLOCUTION DE:

S.E. M. DACIAN CIOLOȘ  
COMMISSAIRE À L'AGRICULTURE ET AU DÉVELOPPEMENT RURAL

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Je remercie le directeur général de la FAO pour l'organisation de cette ministérielle. Le moment est idéal pour avancer dans notre réflexion et aller au-delà du succès d'AMIS. Les marchés ne sont pas en crise : nous pouvons réfléchir sans la pression du court terme, d'un côté.

De l'autre, M. Graziano fait, actuellement, un travail considérable pour accroître la capacité d'action de la FAO sur le terrain. Il me semble donc important de saisir cette opportunité pour avancer. Je pense également que la présidence australienne du G20 a une responsabilité importante pour impulser une dynamique.

La volatilité des prix affecte notamment les plus vulnérables.

- En Afrique, ce sont les petits agriculteurs qui prennent le chemin des villes.
- Dans les pays les plus développés et les plus fertiles, ce sont les petites exploitations familiales qui disparaissent faute d'assise financière solide.
- Les acteurs nouveaux, récemment capitalisés, des investisseurs attirés par le trend positif de long terme des marchés agricoles, ont, en général, la capacité à passer les caps difficiles.

Alors que l'on se comprenne bien : je n'oppose pas les bons et les mauvais. L'agriculture a besoin d'investissements, y compris ou peut être notamment dans les pays les moins développés. Notre responsabilité me semble être de faire en sorte que ces différents modèles d'agriculture coexistent en complémentarité et que l'agriculture remplisse l'ensemble de ses missions : lutte contre la pauvreté, croissance économique dans les zones rurales, et gestion des ressources naturelles.

Le suivi des marchés agricoles sera efficace dans les zones vulnérables s'il est complété par une politiques agricoles et de la gouvernance ; par des investissements publics et privés ; du commerce et de la structuration de marchés régionaux et sous-régionaux et notamment des environnements institutionnels transparents, clairs et stables.



Dans ce contexte, il me semble nécessaire d'apporter des réponses concrètes sur quelques grands sujets rapidement :

- En matière de droit foncier. Les grands investissements doivent se faire dans un cadre durable tant du point de vue de l'utilisation des sols en tant que des ressources naturelles, du droit des populations locales et des bénéficiaires que celles-ci en tirent ainsi que d'une coexistence honnête avec l'agriculture vivrière qui doit avoir ses chances d'évoluer. Nous avons élaboré des lignes directrices. Mais mes échanges de ces derniers jours avec des gouvernements en Afrique de l'Ouest m'ont bien montré qu'il faut aller plus loin dans l'appui aux collectivités locales, régionales et nationales. Il est nécessaire d'explicitier ces lignes directrices avec des instruments juridiques adaptés aux différentes situations.
- De même en matière de recherche et d'innovation. L'agriculture de demain est une agriculture de la connaissance, je crois que nous sommes tous d'accord sur ce point. Nous devons donner les moyens aux petits agriculteurs et aux exploitations familiales d'accéder à ces connaissances.
- La gestion des crises et la constitution des stocks de crise. La suite naturelle à AMIS devrait être une réflexion sur les stocks de crise et ici il semble que les choses avancent. Certains pays d'Afrique notamment semblent combiner les stocks de crise avec des instruments de gestion de marchés. Il me semble important dans ces cas de prendre en compte les limites avérées de tels mécanismes et de contribuer ensemble à des instruments adaptés à la nouvelle génération de politiques agricoles qui évitent le productivisme brut provoquant des surproductions structurelles et l'épuisement des ressources naturelles.

Pour terminer, je voudrais redire que l'Union européenne est prête, au-delà de ses politiques de coopération à apporter un appui technique pour la définitions de politiques agricoles et la constitution de marchés nationaux et sous-régionaux à même de structurer l'agriculture autour de pôles de croissance solides et durables. Et je suis convaincu que le G20, en liens étroits avec la FAO, a un rôle majeur à jouer pour créer la dynamique nécessaire.



# Albania

## STATEMENT PRESENTED BY:

H.E. EDMOND PANARITI  
MINISTER FOR AGRICULTURE, RURAL DEVELOPMENT AND WATER MANAGEMENT

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Your Excellency,  
Mr Graziano da Silva,  
Honourable colleagues and distinguished guests,

It is a great pleasure and excellent opportunity for me as the Minister of Agriculture, Rural Development and Water Management in the new Government of Albania, to address this very high level meeting and to be part of the discussions, exchange of views and sharing of experiences in this outstanding issue such as international food price.

We are aware of the global macroeconomic situation and financial crisis, which is reflected in the sharp increases in food prices that have occurred in global and national markets over the last several years. The studies show that the rapid increases in prices of key food commodities such as maize, wheat, rice, soybeans - among others - is related to the increase in prices of energy products, and has strengthened the perception that energy and agricultural markets are becoming more closely linked.

Oil prices, affecting directly or indirectly the agricultural input prices, have shown a volatility contributing to more volatile agricultural prices. It is well known that the extent to which global prices are transmitted to domestic markets depends on how strongly integrated the latter are with the former.

My country is part of Europe and the world, with an open economy so the impact of the global increase in food prices is reflected in the local market. Albania is an importing country faced with exceptionally high import prices, which were reflected in the retail prices of the main agriculture products with an increase that varies from 20 to 200% comparing 2012 prices to 2000 prices. In 2008, the prices of wheat, rice and maize increased sharply by around 50% following the global trend. Oils increased by 60% as well.

The negative impact of the crisis and price increases has been reflected in the country GDP growth. Since 2008, Albanian GDP growth decreased and the trend continued the same way with an increase of 3% in 2012 and the estimates for 2013 are at 1.8%. The domestic agriculture products do not follow the same trend, on the contrary, the GDP in agriculture, which rates at 17.7% of the GDP, grew by 7% (estimations) in 2012 compared to 2011 and 24% compared to 2008 (current prices).

Among factors that influenced this situation was the increase of yields and productivity which has an impact on the increase of the exports with around 25% annually in the last 3 years.

Despite the positive trend of domestic production, the impact of the global financial crisis and the overall macroeconomic situation linked to the low growth rate since 2008, Albania has faced an increase in poverty. The number of the population living below the poverty line increased from 12.4% in 2008 to 14.3% in 2012. This trend has a new feature for Albania, the overall increase was accompanied by an increase of urban poverty.

The Government is aware of this situation and is taking policy measures to adjust to this situation and soften the impact to the population of the price increases. The government program aims to increase the agriculture production, increase the competitiveness in order to meet the local needs, decrease imports of food products and increase the exports of local fresh agriculture products aiming at regional markets and beyond.

We do agree that, starting from the regions, we should make strategic investments to establish climate-resistant agricultural production systems and make efficient use of resources. This requires involvement of business and civil society and promotion of scientific and technological innovation.

The information and knowledge gained both play an important role in food security issues as they do in all other fields. Global economy means interrelated movements of positive and negative events. It means to share and to coordinate with countries with whom one is partners in trade. As stated in the World Summit for Sustainable Development, existing and future investments in information and knowledge, must be structured to identify limits, inform trade-offs and deliver practical guidance for a sustainable future.

Honourable colleagues and guests, let us create our own space, maybe a regional one first and be included in the broader food security intergovernmental institutions. A space to interact in knowledge gathered or newly created. Let us be more conscious about environment, waste and climate change and make technology prevail in our policy goals.



# Algeria

STATEMENT PRESENTED BY:

H.E. ABDELWAHAB NOURI  
MINISTER OF AGRICULTURE AND RURAL DEVELOPMENT

---

The Director-General of FAO, Mr José Graziano Da Silva.  
Mr President,  
Excellencies,  
Ministers,  
Representatives of International Organizations,  
Esteemed Audience,  
Ladies and Gentlemen.

First, I would like to address my sincere gratitude to Mr José Graziano Da Silva, the Director-General of the FAO, for his invitation and for the excellent organization of this second meeting devoted to the question of international food prices.

I would like to address my warmest greetings to the president and this October assembly as well as the heads of delegation and all the participants at this meeting who are here, once again, within the context of international economic and financial crisis and continued food insecurity in numerous regions throughout the world.

This context seems today to be clearly more restricting and more complex when we speak of the African continent and the chronic instability which rages in a number of regions, with political, economic and security consequences.

As you well know, this instability dramatically exacerbates the situation of food insecurity in which millions of people find themselves; this is notably the case in the Horn of Africa and the Sahel sub-region.

The increasing scarcity of water, a crucial element for any agricultural production, is also a major source of insecurity for hundreds of millions of people throughout the world. Today, 1.2 billion people live in areas where water is physically scarce and this number could increase to 3 billion people in 2025.

If we were to create a political map of food insecurity today, we would see lines showing developed areas on one side and, on the other, vast under-developed areas with

vulnerable zones, often subjected to the vagaries of the climate which is becoming more problematic on the one hand, and on the other, rampant insecurity in these countries.

It is not a question of pitting one part of the planet against another, but rather, remembering the community of man and its destiny, and the requirement of solidarity that cannot exist only in times of crisis, but that also comes to the fore outside of such events and that transcends ideological divisions and conflicts of interest.

Mr President,  
Excellencies,  
Ladies and Gentlemen,

This second ministerial meeting devoted to international food prices is taking place at a time when the question of market vulnerability remains in place as well as other questions, such as those related to speculation of agricultural and food products, agro-fuels, trade policies, and the changing role of inventories, that continue to make themselves heard.

It is obvious to all that the countries that are net importers are those that suffer the most from agricultural and food product price volatility and that regularly experience significant threats to their food security, due to the increasing difficulties that they face in accessing commodities on the international markets.

Following the worldwide food crisis of 2007-2008, these countries were forced to implement mechanisms to support consumer prices and to strengthen their inventory for security, to prevent new shockwaves. Forced import increases to accomplish this have severely strained budgets that were initially earmarked for development programs.

This situation has resulted in increased general awareness that has led to initiatives targeted at promoting better regulation of food prices at the international level.

From this perspective, initiatives were taken, in essence, by the international community, and specifically by the Committee on World Food Security, which, during its October 2010 meeting, proposed four priority measures targeted at better control of the impacts resulting from price volatility of agriculture and food products.

This initiative has led to the creation of the Agricultural Market Information System (AMIS) which allows us to follow, in real time, food prices and to monitor their stability.

Mr President,  
Excellencies, Ministers,  
Ladies and Gentlemen,

The meeting that we are holding today on the question of food prices will allow us to create the foundation of a strategy that makes it possible to control fluctuations that have been artificially caused, for example, as a result of the opacity of certain transactions or by known speculation on certain products.

It is, therefore, very important to reflect on the implementation of appropriate mechanisms that will allow us to follow their evolution and to address them with determination. In the meantime, we should be supportive and encourage initiatives for financial and logistic support in countries that need it.

As far as Algeria is concerned, our country committed to this path many years ago, taking action or supporting initiatives of this type that support numerous countries on the African continent.

Internally, following the food crisis of 2007-2008, the Algerian government prioritized addressing the question of food security, being of the opinion that it is a crucial element of national security and it implemented an ambitious agricultural and rural development programme.

It is clearly one of reasons for which my country is currently enjoying stability, as a result of the foresightful policies of His Excellency, Mr Abdelaziz Bouteflika, President of the Republic, and at a time when the country's geopolitical environment is significantly affected by serious events that are not without consequences on the security, political and socioeconomic situation of nations in the sub-region.

The first results of this program's implementation are encouraging and led to my country being honored by the FAO in June 2013, for having reached early the first of the Millennium Development Goals related to the elimination of extreme poverty by 2015.

This honor, not an end in itself, brings us comfort in our determination to steadfastly persevere in our efforts to ensure the food security of our population and to contribute to regional and sub-regional efforts aimed at stabilizing the populations affected by climate change and by the conflicts that have risen in recent years on our borders.

Today, the international community is more than ever called to work together continually to bring together the conditions that ensure stability for these countries and allow them to prevent the phenomenon of insecurity in general, and food security in particular.

Mr President,  
Excellencies, Esteemed Audience,  
Ladies and Gentlemen,

Algeria's support for the international community's efforts against hunger and food insecurity is undeniable and translates to effective solidarity that includes development, security and peace.

In this context, and with the approval of His Excellency, the President of the Republic, Algeria has proceeded to forgive the debt of 16 countries for over a billion dollars, fourteen of which are in Africa and two in the Middle East; this is a testament to our determination to be a part of the international community's efforts to efficiently address these phenomena.

Furthermore, and in addition to the multidimensional, food assistance that Algeria offers to certain African countries, the country also regularly provides logistical support to combat the locust invasion.

In addition, Algeria's support for combatting food insecurity and price volatility in agricultural and food products is expressed today through the regional agenda, the creation of which Algeria significantly contributed to and that Algeria is implementing.

We, therefore, will welcome the agricultural minister 5+5 Summit in November 2013 in Algiers, to address questions linked to food security in the western Mediterranean.

Algeria will also welcome the International Center for Advanced Mediterranean Argonomic Studies (abbreviated as CIHEAM in French) member countries' agriculture ministers in February of 2014 to define a common strategy for sustainable food security in the Mediterranean. Experts from these same countries will also be present to exchange experiences related to agricultural and rural development.

Mr President,  
Ladies and Gentlemen,

In addition to the unbearable nature of the recurrent famines and chronic food insecurity for devastated populations, the horrific catastrophe that took place at the Lampedusa coast, which cost the lives of hundreds of men, women and children from Africa who were searching for work and a better life, perfectly illustrates the precariousness and chaos that affects certain areas of the world.

This appalling situation caused a strong reaction, indignation and disapproval from the entire international community which, as a result, has been more compelled than ever to engage in concrete actions that will allow for quickly putting an end to this type of tragedy.

From this perspective, a cooperative approach and a global partnership are more necessary than ever. They will allow us to fully assume our collective responsibility and to provide for our common values and humanity.

The most productive and most generous of our hopes and values within humanity command us to work on sustainable and equitable development that includes everyone throughout the world.

Mr President,  
Ladies and Gentlemen,

I have expressed ideas that I had hoped to share with you during one of our meetings; I consider these ideas to be of the utmost importance for understanding the problem of agricultural and food prices and for implementing a cooperative approach to the question of regulating international markets.

I thank you for your attention.





# Algérie

ALLOCUTION DE :

S.E. MONSIEUR ABDELWAHAB NOURI  
MINISTRE DE L'AGRICULTURE ET DU DÉVELOPPEMENT RURAL

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Monsieur le Directeur général de la FAO, M. José Graziano Da Silva,  
Monsieur le Président,  
Excellences,  
Mesdames et Messieurs les Ministres,  
Mesdames et Messieurs les Représentants des Organisations Internationales,  
Honorable assistance,  
Mesdames et Messieurs,

Je voudrais tout d'abord adresser mes sincères remerciements à Monsieur José Graziano Da Silva, Directeur Général de la FAO, pour son aimable invitation et pour la parfaite organisation de cette deuxième réunion consacrée la question des cours des denrées alimentaires.

Je voudrais également adresser mes chaleureuses salutations au président de cette auguste assemblée ainsi qu'aux chefs de délégations et à tous les participants à cette rencontre qui se tient dans un contexte encore marqué par la crise économique et financière internationale et la persistance de l'insécurité alimentaire dans de nombreuses régions du monde.

Ce contexte apparaît aujourd'hui nettement plus contraignant et plus complexe des lors que nous évoquons le continent africain et l'instabilité chronique qui sévit dans nombre de ses régions aux plans politique, économique et sécuritaire.

Comme vous le savez si bien, cette instabilité aggrave de manière dramatique la situation d'insécurité alimentaire que connaissent des millions de personnes, notamment dans la Corne de l'Afrique et dans la sous-région du Sahel.

La raréfaction de l'eau, élément central de toute production agricole, est également une source d'insécurité majeure pour des centaines de millions d'hommes à travers le monde. Si aujourd'hui, 1,2 milliards de personnes vivent dans des zones où l'eau est physiquement rare, ce nombre pourrait s'élever à 3 milliards de personnes à l'horizon 2025.

Si nous dressons, aujourd'hui une carte géopolitique de l'insécurité alimentaire, nous verrons apparaître les lignes de fractures montrant d'un côté des espaces développés et de l'autre de vastes territoires sous développés avec des zones vulnérables, soumises souvent aux aléas d'un climat quise dégrade d'une part, et d'autre part, de l'insécurité sévissant qui regne dans ces pays.

Il n'est pas question bien sur d'opposer une partie de la planète, à une autre, mais de rappeler la communauté de destin des hommes et l'exigence d'une solidarité qui ne soit pas simplement celle que commande l'urgence mais qui s'élève au dessus des contingences et qui transcende aussi les clivages idéologiques et les conflits d'intérêts.

Monsieur le Président, Excellences,  
Mesdames et Messieurs,

Cette deuxième réunion ministérielle consacrée aux cours mondiaux des denrées alimentaires a lieu à un moment où la question de la vulnérabilité des marchés reste entière et alors que d'autres questions, comme celles relatives à la spéculation sur les produits agricoles et alimentaires, aux agro-carburants, aux politiques commerciales et au rôle dévolu aux stocks, se posent toujours avec une grande acuité.

Il n'échappe à personne que les pays importateurs nets sont ceux qui patissent le plus de la volatilité des prix des produits agricoles et alimentaires et qui voient régulièrement leur sécurité alimentaire fortement menacée, en raison des difficultés de plus en plus grandes qu'ils éprouvent pour s'approvisionner sur les marchés internationaux.

Suite à la crise alimentaire mondiale de 2007-2008, ces pays ont été contraints de mettre en œuvre des mécanismes de soutien des prix à la consommation et de renforcer leurs stocks de sécurité pour se prémunir de nouveaux chocs. L'accroissement forcé des importations destinées à cet effet a grevé lourdement les budgets initialement consacrés à leurs programmes de développement.

Une telle situation a généré une prise de conscience collective qui a donné lieu à des initiatives destinées à promouvoir une meilleure régulation des cours des denrées alimentaires au niveau international.

Dans cette perspective, des initiatives ont été prises, en effet, par la communauté internationale, notamment celle du Conseil de la Sécurité Alimentaire mondiale qui, lors de sa réunion d'octobre 2010, a proposé quatre mesures phares visant une meilleure maîtrise des impacts générés par la volatilité des prix des produits agricoles et alimentaires. Cette initiative a donné lieu à la création du Système d'Information sur les Marchés Agricoles (AMIS) qui nous permet de mieux suivre, et en temps réel, les cours des principales denrées alimentaires et de veiller à leur stabilité.

Monsieur le Président,  
Excellences, Messieurs les Ministres, Mesdames et Messieurs,

La réunion que nous tenons aujourd'hui sur la question des cours des denrées Alimentaires pourra nous permettre de jeter les bases d'une stratégie rendant possible une meilleure maîtrise des fluctuations artificiellement provoquées, à l'exemple de celles qui sont induites par l'opacité de certaines transactions ou par la spéculation, avérée, sur certains de ces produits.

Il est donc de la plus haute importance de réfléchir à la mise en place de mécanismes appropriés qui nous permettront de suivre leur évolution et de les traiter avec détermination. Dans l'attente, nous nous devons d'encourager et d'appuyer les initiatives de soutien financier et logistique aux pays qui ont le plus besoin.

Pour ce qui la concerne, l'Aigérie s'est engagée dans cette voie il y a de nombreuses années, initiant des actions ou soutenant des initiatives de cet ordre en faveur de nombreux pays du continent africain.

Au plan interne, et suite à la crise alimentaire de 2007-2008, le gouvernement algérien a accordé la priorité au traitement de la question de la sécurité alimentaire, considérant qu'elle constitue un élément essentiel de sa sécurité nationale et mettant en oeuvre un ambitieux programme de développement agricole et rural.

C'est l'un des éléments qui expliquent de manière claire la stabilité dont jouit aujourd'hui mon pays, grâce à la politique clairvoyante de Son Excellence, Monsieur Abdelaziz Bouteflika, Président de la République, et à un moment où son environnement géopolitique se trouve fortement perturbé par les événements graves qui s'y déroulent et qui ne sont pas sans effets sur la situation sécuritaire, politique et socioéconomique des États de la sous-région.

Les premiers résultats de la mise en oeuvre de ce programme sont encourageants et ont valu à mon pays d'être distingué en juin 2013, par la FAO, pour avoir atteint, avant terme, le premier des Objectifs du Millénaire pour le Développement relatif à l'élimination de l'extrême pauvreté à l'horizon 2015.

Cette consécration, qui n'est pas en réalité une fin en soi, nous conforte dans notre détermination à poursuivre, de manière soutenue, nos efforts en vue d'assurer la sécurité alimentaire de notre population et de contribuer aux efforts régionaux et sous-régionaux destinés à stabiliser les populations affectées par le changement climatique et par les conflits survenus ces dernières années à nos frontières.

Aujourd'hui, la communauté internationale est plus que jamais interpellée pour œuvrer sans relâche à la réunion des conditions qui assureront la stabilité à ces pays et leur permettront d'endiguer le phénomène de l'insécurité en général et de l'insécurité alimentaire en particulier.

Monsieur le Président,  
Excellences, Honorable Assistance, Mesdames et Messieurs,

L'apport de l'Algérie aux efforts fournis par la communauté internationale en matière de lutte contre la faim et l'insécurité alimentaire est indéniable et se traduit dans les faits par une solidarité agissante qui englobe le développement, la sécurité et la paix.

Dans ce contexte, et sur décision de Son Excellence le Président de la République, l'Algérie a procédé à l'effacement de plus d'un milliard de dollars de dette de seize pays- dont quatorze en Afrique et deux au Moyen Orient, ce qui témoigne de sa volonté de joindre ses efforts à ceux de la communauté internationale pour faire face efficacement à ces phénomènes.

Par ailleurs, et en plus de l'aide alimentaire et multiforme qu'elle apporte à certains pays africains, l'Algérie apporte régulièrement un soutien logistique à la lutte contre l'invasion acridienne.

Sur un autre plan, l'apport de l'Algérie à la lutte contre l'insécurité alimentaire et la volatilité des prix des produits agricoles et alimentaires s'exprime aujourd'hui à travers l'agenda régional qu'elle a fortement contribué à initier et qu'elle met en oeuvre.

C'est ainsi que nous accueillerons, en novembre 2013 à Alger, les ministres en charge de l'agriculture du groupe des 5+5 pour examiner des questions liées à la sécurité alimentaire en Méditerranée occidentale.

De même que l'Algérie recevra en février 2014 les ministres en charge de l'agriculture des pays membres du CIHEAM pour définir une stratégie commune en matière de sécurité alimentaire durable en Méditerranée ainsi que des experts de ces mêmes pays pour échanger leurs points de vue sur leurs expériences en matière de développement agricole et rural.

Monsieur le Président, Mesdames et Messieurs,

Au-delà du caractère insoutenable que les famines récurrentes et l'insécurité alimentaire chronique représentent pour les populations meurtries, la catastrophe qui s'est produite au large des côtes de Lampedusa et qui a coûté la vie à des centaines d'hommes, de femmes et d'enfants venus d'Afrique en quête de travail et de bien être, en est l'illustration la plus parfaite de la précarité et des désordres que connaissent certaines régions du monde.

Cette malencontreuse situation qui, à l'évidence, a provoqué un fort sentiment d'indignation et de réprobation de l'ensemble de la communauté internationale fait que cette dernière se voit, aujourd'hui et plus que jamais, interpellée pour engager des actions concrètes qui permettront, à brève échéance, de mettre un terme à ce genre de tragédies.

Dans cette perspective, une démarche consensuelle et un partenariat mondial sont plus que jamais nécessaires. Ils nous permettront d'assumer pleinement notre responsabilité collective et de donner du sens à nos valeurs communes et à notre humanité.

Les espoirs et les valeurs les plus fécondes et les plus généreuses que portent aujourd'hui la civilisation humaine nous commandent d'œuvrer à un développement durable et équitable que s'il englobent toutes les parties du monde.

Monsieur le Président, Mesdames et Messieurs,

Ce sont là quelques idées que je tenais à partager avec vous à l'occasion d'une réunion que je considère comme de la plus haute importance pour la compréhension de la problématique des prix des produits agricoles et alimentaires et pour la mise en place d'une approche commune de la question de la régulation des marchés internationaux.

Je vous remercie pour votre aimable attention.



# Argentina

STATEMENT BY:

THE HONOURABLE LORENZO BASSO  
SECRETARY OF AGRICULTURE, LIVESTOCK AND FISHERIES

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The FAO has stated that although the prices of grains and oilseeds in international markets have fallen from their highest levels recorded in July 2012, they continue to be high. We would like to point out that measuring prices in real terms (that is, inflation-adjusted), shows that they are not higher than the prices recorded in prior years, such as in the 1970s, even at the time when those maximum prices were recorded.

We believe it is necessary to stress that price volatility is intrinsic to the agricultural sector, and that this is due to the convergence of various factors, the lack of elasticity on both the supply and the demand side, the occurrence of adverse weather phenomena, droughts and floods, and the sector's vulnerability to plagues and diseases.

However, and mostly in the years 2007 and 2008, we have witnessed price variations that are too pronounced over short periods of time. This phenomenon is known as excessive volatility. Argentina has been saying in different international forums (G20, WTO, IMF, FAO, etc.) that the main cause for this is the entry of new speculative financial players (investment funds) into commodity markets, which were displaced from traditional markets.

We believe that excessive price volatility has harmful consequences not only for the consumer, but also for the producer, who must face situations of uncertainty that have negative repercussions in incentives to invest. It is necessary to work together to build tools that will allow the risks associated with excessive volatility of food prices to be attenuated.

We believe it is important to work on coordinated actions that allow and stimulate increased production and agricultural productivity, such as encouraging technological innovation, technology transfer, and guaranteeing producers' access to them, increased investment in the sector, and encouraging family farming.

We believe that two of the initiatives currently under way within the framework of the G20 are of fundamental importance, to be able to face the risks associated with the lack of transparency in agricultural markets, and for the necessary cooperation in research to increase food production.

In the **Agricultural Market Information System (AMIS)**, Argentina is committed to continue working within this framework to improve transparency in agricultural

markets. We therefore believe that it is of utmost importance to continue debating the indicators, since the correct definition of those indicators will be fundamental to providing a tool that will allow us to efficiently evaluate market signals.

# Argentina

## DECLARACIÓN DEL:

EXCMO. SR. LORENZO BASSO  
SECRETARIO DE AGRICULTURA, GANADERÍA Y PESCA

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La FAO ha indicado que, si bien los precios de los cereales y las semillas oleaginosas en los mercados internacionales han caído desde los máximos alcanzados en julio de 2012, estos siguen siendo altos. Destacamos que una medición de los precios en términos reales (es decir deflactados), muestra que estos no resultan más elevados que aquellos registrados en décadas anteriores, por ejemplo en la década de los 70, aún en los momentos en que se registraron dichos máximos.

Entendemos preciso destacar que la volatilidad de precios es intrínseca al sector agropecuario como producto de la convergencia de diversos factores, la falta de elasticidad tanto del lado de la oferta como de la demanda, la ocurrencia de fenómenos climáticos adversos, sequías e inundaciones, así como la vulnerabilidad del sector frente a plagas y enfermedades.

Sin embargo, principalmente en los años 2007 y 2008 hemos presenciado la manifestación de variaciones demasiado pronunciadas en los precios en períodos cortos de tiempo. Este fenómeno es conocido como excesiva volatilidad. La Argentina ha venido planteando en diferentes foros internacionales (G20, OMC, FMI, FAO, etc.) que la principal causa de la misma es la irrupción en el mercado de commodities de nuevos actores financieros especulativos (fondos de inversión), que se desplazaron de los mercados tradicionales.

Entendemos que la excesiva volatilidad de los precios tiene consecuencias nocivas no sólo para el consumidor sino también para el productor, quien debe enfrentar situaciones de incertidumbre que repercuten negativamente en los incentivos a invertir. Es necesario trabajar conjuntamente para construir herramientas que permitan atenuar los riesgos asociados a la excesiva volatilidad de los precios de los alimentos.

Consideramos importante trabajar en acciones coordinadas que permitan y estimulen el aumento de la producción y la productividad agrícola, tales como el fomento de la innovación tecnológica, la transferencia de tecnologías y la garantía del acceso a las mismas por parte de los productores, el aumento de la inversión en el sector, el fomento de la agricultura familiar.



Entendemos que dos de las iniciativas actualmente en curso en el marco del G20 resultan de fundamental importancia para poder hacer frente a los riesgos asociados a la falta de transparencia en los mercados agrícolas, y a la necesaria cooperación en materia de investigación para aumentar la producción de alimentos.

En el **Sistema de Información de Mercados Agrícolas (AMIS)** la Argentina se compromete a continuar trabajando en este marco en pos de mejorar la transparencia en los mercados agrícolas. En tal sentido, entendemos de suma relevancia continuar los debates en torno a los indicadores, ya que la correcta definición de los mismos será fundamental para disponer de una herramienta que nos permita evaluar eficientemente las señales de los mercados.



# Azerbaijan

STATEMENT BY:

H.E. BAKHRAM ALIYEV  
DEPUTY MINISTER OF AGRICULTURE

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Mr Chairman,  
Gentlemen,

Today's meeting of ministers will focus on global food prices. Thirteen years ago, an absolute majority of the countries whose representatives are present today signed the Millennium Development Goals. The number 1 goal was declared to be the fight against hunger and poverty.

The right to adequate nutrition is an inalienable human right and underlies our uncompromising stance on food prices. The cost of food makes up a significant part of the minimum cost of living. This applies to Azerbaijan, as well. In addition, up to half of the country's population and up to 38% of its working-age population is engaged in agriculture.

As the representative of a country that is conscientiously meeting all of its international obligations, including the Millennium Development Goals, I would like to share our experience.

1. In line with global conditions, our country's leadership announced an oil policy that would "turn oil capital into human capital." As a result, in 12 years we were able to reduce poverty from 49% to 6% of the population. However, we cannot rest on our laurels. Fluctuations in food prices could have a significant effect on poverty rates, since a certain portion of our population is concentrated near the poverty line.
2. The government created a clear agriculture policy based on three main government programmes and concepts:
  - Social and Economic Development Programme in the Regions of the Republic of Azerbaijan for 2009-2013.
  - State Programme to Reduce Poverty and Promote Sustainable Development for 2008-2015.
  - State Programme to ensure food availability for 2008-2015.
  - Azerbaijan-2020 Development Concept: Looking to the Future.
3. It is worth noting the government's move away from fiscal policy toward investment policy, which made it possible to save rural jobs while increasing production.
4. Measures to stabilize prices when market prices change include the following:

- a. July 10, 2011 – repeal of 18% VAT on imported wheat and flour
  - b. May 15, 2008 – subsidies of 40-50 AZN (\$49.80-\$62.00) per hectare
5. Creation of State Grain Fund and ongoing expansion of warehouse capacity to increase food storage with various forms of ownership.

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## Problems

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While we have been successful, we also have certain problems with respect to which we would like to study other countries' experiences.

1. Following land reform, we were faced with the necessity of managing a large number of small land holdings. We are sincerely interested in learning about FAO's policy on supporting small farms and studying its social component.
2. Relatively low spending on agricultural science (0.2% of agricultural GDP) is a limiting factor that hinders cost reduction and increased competitiveness in the agricultural sector. As we see it, FAO is becoming a powerful scientific research center, and we welcome the decision by FAO leadership to open an office in Baku. We feel that this will reinforce the scientific and innovative potential of the region's agricultural sector.
3. Agricultural management models must continually improve in response to worldwide agricultural processes and the global challenges that we are facing (climate change, population growth, dwindling land resources). Azerbaijan is an active participant in discussions on development prospects from 2015 on.
4. Study of the impact of warehouse capacity and transportation potential on food prices will be the subject of further observation. FAO's experience with Grain Warehouse Receipts (GWRs) in Serbia and Ukraine are of interest. GWRs are a tool for easing farmers' access to financing in the off-season.
5. Approximately one million Azeri citizens are refugees, most of them rural residents. These people are three times more likely to live in poverty than the average Azeri. FAO's experience working with vulnerable groups could help us reduce poverty levels among these refugees.

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## Conclusion

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In light of the above:

1. We welcome the consultations provided to countries by FAO's units regarding Millennium Development Goals as they pertain to food security, and we are proud of Azerbaijan's active participation in this process.
2. We support changes at the FAO from a policy of reducing hunger to a policy of eradicating hunger.
3. We welcome the FAO initiative to strengthen countries' food and agricultural potential by naming 2012 the year of cooperatives and 2013 the year of family farming.

4. We welcome the trend in which the FAO, in addition to its historical mission, is gradually becoming a powerful scientific center with the projections tools and methods to respond to the challenges of the modern world.
5. It is a historical reality that the capital markets have been the engine of development in the 21st century. In this light, we welcome FAO's cooperation with global financial institutions (the World Bank Group) to implement projects in the agricultural sector.
6. We believe it is rational for FAO to establish clear priorities for each country pertaining to food security and tied to medium-term development plans.
7. Azerbaijan has no historical experience protecting gender rights in private land ownership and farming. FAO's experience with cross-cutting gender policy may help protect the interests of relevant groups.
8. Experience in implementing inclusion policies may help reduce the vulnerability of the approximately one million Azeri citizens who are refugees in the face of volatile food prices.

# Азербайджан

## ВЫСТУПЛЕНИЕ:

Г-Н БАХРАМ АЛИЕВ  
ЗАМЕСТИТЕЛЬ МИНИСТРА СЕЛЬСКОГО ХОЗЯЙСТВА

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Уважаемый председатель,  
Уважаемые господа,

Предметом сегодняшнего министерского совещания являются мировые цены на продовольствие. 13 лет тому назад абсолютное большинство стран, представители которых сегодня присутствуют здесь подписали Декларацию «Цели развития Тысячелетия». Целью номер № 1 была провозглашена борьба с голодом и нищетой.

Право на адекватное питание является неотъемлемым правом человека. Отсюда и бескомпромиссное отношение к ценам на продовольствие. Стоимость продовольствия составляет значительную часть прожиточного минимума. Данное положение актуально и для Азербайджана. Наряду с этим, аграрный сектор остается той отраслью, где аккумулируется до половины населения страны и до 38 % работоспособной части населения.

Как представитель страны, четко выполняющей взятые на себя международные обязательства, в частности, в рамках Декларации «Цели развития Тысячелетия», хотелось бы поделиться нашим историческим опытом.

1. Выстроенная руководством страны в соответствии с мировой конъюнктурой, нефтяная политика концептуально провозгласила «превращение нефтяного капитала в человеческий капитал», что позволило за 12 лет снизить уровень бедности с 49 % до 6 % численности населения. Но вместе с тем, мы не можем успокоиться на достигнутом, ибо те или иные колебания цен на продовольствие могут резко изменить картину показателей, так как определенная часть населения по показателям сосредоточена в околоразрывной зоне.
2. Государство смогло четко сформулировать свою агропродовольственную политику посредством трех основных государственных программ и концепции:
  - Программа социально-экономического развития регионов Азербайджанской Республики на период 2009-2013 годы.
  - Государственная Программа по сокращению бедности и устойчивому развитию на период 2008-2015 годы.

- Государственная Программа Азербайджанской Республики по надежному обеспечению населения продовольственными товарами на период 2008-2015 годы.
  - Концепция Развития «Азербайджан- 2020: взгляд в будущее».
3. Заслуживает адекватного внимания в аграрном секторе отказ от фискальной политики в пользу инвестиционной политики, что позволило сохранить рабочие места на селе и увеличить объемы производства.
  4. Среди мер по стабилизации цен в связи с изменениями цен на рынке можно было бы перечислить следующие шаги:
    - а/ 10 июля 2011 года -отмена 18% НДС на импорт пшеницы и муки
    - б/ 15 мая 2008 года- субсидии от 40 AZN (49,8\$) до 50 AZN (62 \$ ) на гектар.
  5. Создание Государственного Зернового Фонда и постоянное наращивание складских мощностей по увеличению емкости продовольственных хранилищ различных форм собственности.

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## Проблемы

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Наряду с безусловными успехами, имеются и определенные вопросы, по которым нам бы было интересно изучить опыт других стран.

1. После проведения земельной реформы мы встали перед лицом необходимости управления огромным количеством малоземельных хозяйств. В этом плане у нас вызывает неподдельный интерес политика ФАО по поддержке мелких хозяйств и изучение его социальной составляющей.
2. Сравнительно низкие затраты на агропродовольственную науку является лимитирующим фактором в снижении затратности и повышении конкурентоспособности агропродовольственного сектора (0,2 % от создаваемого аграрного ВВП), На наших глазах ФАО превращается в мощный научно-методологический центр. С этой точки зрения мы приветствуем решение руководства ФАО по открытию офиса в Баку, что на наш взгляд, усилит научный и инновационный потенциал агропродовольственного сектора региона.
3. Динамика мировых процессов в продовольственном секторе и глобальные вызовы, с которыми приходится сталкиваться ( изменение климата, рост населения, уменьшение земельных ресурсов ) диктуют необходимость постоянного совершенствования моделей Управления продовольственным сектором, Азербайджан активно подключился к дискуссиям по перспективам развития на период после 2015 года.
4. Изучение влияния складских резервов и транспортного потенциала на продовольственные цены является предметом дальнейших наблюдений. Заслуживает внимания опыт ФАО (в Сербии и на Украине) по так называемым складским распискам GWR-Grain Warehouse Receipt. Данный инструментарий

позволяет фермерам иметь облегченный доступ к финансовым средствам в межсезонный период.

5. Около одного миллиона граждан Азербайджана являются беженцами, причем большая часть из них являются сельскими жителями, а уровень бедности среди них в три раза превышает средний показатель страны. Опыт работы ФАО с уязвимыми группами может способствовать снижению уровня бедности в данной категории населения.

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## Заключения

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В свете вышесказанного:

1. Мы приветствуем проведение с участием структур ФАО консультаций по странам на предмет «Целей развития Тысячелетия» в части продовольственного обеспечения и с удовлетворением отмечаем активное участие Азербайджана в данном процессе.
2. Мы поддерживаем преобразования в ФАО, где концептуально провозглашен переход от «политики сокращения голода» к «политике искоренения голода».
3. Мы приветствуем инициативу ФАО, которая во имя усиления продовольственного и аграрного потенциала стран, провозгласила 2012 год годом кооперации а 2013 год-годом малых фермерских хозяйств.
4. Мы приветствуем тенденцию, в которой ФАО наряду с выполнением основной исторической миссии, постепенно превращается в мощный мировой научный центр с инструментариумом прогнозирования и методологией решения вызовов современности.
5. Исторической реальностью является то, что в XXI веке локомотивом развития являются рынки капитала. В этом плане мы приветствуем сотрудничество ФАО с мировыми финансовыми институтами (Группа Всемирного Банка) по воплощению проектов в агропродовольственном секторе.
6. Считаем рациональным проводимое со стороны ФАО четкое определение для каждой из стран приоритетов в области обеспечения продовольственной безопасности с привязкой к среднесрочным планам развития.
7. Азербайджан не имеет исторического опыта обеспечения тендерного права в условиях частнособственнического землевладения и хозяйствования. Опыт ФАО в рамках проводимой «сквозной» тендерной политики может позволить защитить интересы соответствующих групп.
8. Опыт проведения политики инклюзивности может способствовать уменьшению уязвимости оказавшихся беженцами около одного миллиона граждан Азербайджана перед проблемами волатильности цен на продукты питания.



# Belgium

STATEMENT BY:

H.E. SABINE LARUELLE  
MINISTER FOR SMALL AND MEDIUM-SIZED BUSINESSES, THE LIBERAL  
PROFESSIONS, THE SELF-EMPLOYED AND AGRICULTURE

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Mr President,  
Ladies and Gentlemen,

The volatility of international food prices is resulting in unexpected outcomes, as Commissioner Ciolos reminded us, for both the weakest consumers and producers as well as for the processing industry. For example, in Belgium, the number of beneficiaries of food assistance has increased by 25% in 10 years.

I will not repeat what has already been said, specifically regarding waste and the importance of research, innovation and technology. In addition, it will be necessary to define a clear position on the conflict between food to be used for human consumption and agricultural production that is used for non-food purposes.

I think that 3 types of transparency must be ensured:

1. Prices and inventories, as AMIS does for 4 products. We must make progress with regard to strategic public inventory, as Commissioner Ciolos pointed out.
2. Transparency for certain financial transactions that have negative repercussions and effects on the price volatility of raw agricultural commodities.
3. Transparency on how prices and margins are formulated within the agricultural chain. In Belgium, we have a Price and Margins Commission that guarantees transparency. This significantly improves the negotiation power of producers by providing them with information to which they previously did not have access. As seen in Belgium, the beef industry's inter-professional accord was agreed to by different parties within that industry (2013).

In addition, within the framework of the CAP, the EU will also be putting a similar plan in place. This volatility knows no limits.



To conclude, I fully agree with Stéphane Le Foll about the essential role of farmers and agricultural workers in facing the great global challenges we are facing, whether they be global food challenges or climate change.

We must, as a result, invest even more in agriculture and agricultural workers.



# Belgique

## ALLOCUTION DE:

S.E. SABINE LARUELLE  
MINISTRE DES CLASSES MOYENNES, DES PME, DES INDÉPENDANTS  
ET DE L'AGRICULTURE

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Monsieur le Président,  
Mesdames, Messieurs,

La volatilité des cours mondiaux induit des effets pervers comme l'a rappelé le Commissaire Ciolos sur les consommateurs et les producteurs les plus faibles mais aussi sur l'industrie de transformation. Ainsi, par exemple, en Belgique, les bénéficiaires de l'aide alimentaire ont augmenté de 25% en 10 ans.

Je ne vais pas redire ce qui a été dit, notamment sur le gaspillage, l'importance de la recherche, de l'innovation et de la technologie.

Il faudra également définir une position claire sur la concurrence entre l'utilisation alimentaire et non alimentaire des productions agricoles.

Je pense qu'il faudrait assurer 3 sortes de transparence:

1. Les prix et stocks, comme le fait AMIS pour 4 produits. On doit aller plus loin avec la constitution des stocks publics stratégiques comme l'a rappelé le Commissaire Ciolos.
2. Transparence sur certaines transactions financières ayant des répercussions négatives et des effets pervers sur la volatilité des prix des matières premières agricoles.
3. Transparence sur la formation des prix et des marges au sein de la chaîne alimentaire. Nous avons mis en place, en Belgique, un observatoire des prix et des marges qui garantit cette transparence. Celle-ci permet d'accroître significativement le pouvoir de négociation des producteurs en leur donnant des informations auxquelles ils n'avaient pas accès. Comme le démontre en Belgique, l'accord interprofessionnel dans le secteur bovin a été conclu entre les différents maillons de la filière bovine (2013).

De plus, dans le cadre de la réforme de la PAC, l'UE va également mettre un dispositif similaire en place. En effet, la volatilité ne connaît pas nos frontières.

Pour conclure, je rejoins Stéphane Le Foll sur le rôle essentiel de l'agriculteur et des paysans dans les grands défis planétaires, que ce soit le défi alimentaire mondial, ou encore le défi climatique.

Nous devons donc investir encore plus dans l'agriculture et les agriculteurs.

## Brazil

STATEMENT BY:

H.E. GILBERTO JOSÉ SPIER VARGAS  
MINISTER FOR AGRARIAN DEVELOPMENT

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Although in 2013 the Price Index of the FAO [Food and Agricultural Organization] fell as compared with 2012, we cannot affirm that the volatility of prices has come to an end. In addition, the high points for prices verified as of 2006 are not accompanied by reductions that take them to the prior levels.

The high points, and the failure of the prices to return to prior levels, indicate that there is a re-composition of relative prices underway, with food prices soaring higher than the average price of other groups of cost-of-living products in many other countries throughout the world.

Considering that this phenomenon began more than a decade ago, it is not an exaggeration to say that we are living through a new cycle, in which the historic trend toward the reduction in prices of agricultural products is being replaced by a longer period of price increases, with an uncertain duration, and not the result of the typical seasonal behavior of agricultural products.

The rise in prices of foodstuffs has serious consequences for the poorest portion of the population, principally in less developed countries, but it affects everyone through mechanisms that feed inflation. Inflation is always felt the most by the poor, but it also affects the economy of entire countries; for this reason, it requires monitoring, and measures that will contain it.

Brazil understands that the creation of the **Agricultural Market Information System** is an efficient response on the part of the international community in confronting price peaks and the volatility of prices for food commodities.

That system has provided the international community with the capability of monitoring and coordinating efforts; its validity was demonstrated in 2012, when a new peak in prices was seen. Conjoint monitoring permitted the sharing of information and evaluations relating to the perspectives for production, and the frustration shown by harvests of the main agricultural products on a global scale. The system permitted a levelling of information and greater stability.

The improvement of the **Agricultural Market Information System** is, however, vital to guaranteeing greater stability in those markets. What is needed is that special attention be paid to:

The search for reliable information regarding private stocks, as a means of determining the levels of reserves, and as a support for making governmental decisions.

1. Mechanisms for the regulation of future markets, so as to contain movements that extrapolate their conventional functions for providing liquidity, and for protection against risks in the face of normal variations in the markets for agricultural commodities.
2. Monitoring of the formation of prices for the main agricultural food product chains.

Most important, however, is the broadening of investments in agriculture as a means of increasing food production, through adequate financing of agricultural harvests, and as a means of broadening the capacity for storage and for the formation of adequate stocks. A good example of this strategy for increasing production as a way of reducing scarcity and avoiding excessive price increases is the record corn harvest in Brazil, which acted as a counterweight to the drop in the North American harvest that resulted from drought.

In our experience, we also try to build public policies for small-scale agriculture, with access to credit, insurance, technical assistance, access to markets and public purchases. This approach provides us with a double strategy, since Brazilian family farmers produce a significant and diversified portion of the foodstuffs consumed in our internal market, thereby guaranteeing income for small rural producers, and products that contribute to the foodstuffs and nutritional security of our population.

Finally, and also based upon our experience, we regard as fundamental policies for income distribution, in order to protect the population with the lowest buying power, and especially that portion of the population that suffers most with increases in prices of foodstuffs, whether from the aspect of quantity or quality of what is consumed. In our country, even within the context of increased food prices, the policy of increasing the minimum salary has permitted a reduction in the number of work hours necessary for the purchase of the basic market basket. And the Family Purse String Programme, a public policy for the direct transfer of income to the poorest population, assures that millions of individuals will no longer suffer from hunger, while at the same time strengthening our internal market through growth in purchasing power.



# Brasil

## DECLARAÇÃO DO:

EXMO. SR. GILBERTO JOSÉ SPIER VARGAS  
MINISTRO DO DESENVOLVIMENTO AGRÁRIO

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Embora em 2013 o Índice de Preços da FAO registre queda em relação a 2012, não podemos afirmar que a volatilidade dos preços tenha cessado. Além disso, os picos de altas de preços verificados a partir de 2006, não são acompanhados de quedas que os levem aos patamares anteriores.

Os picos de alta e o não retorno dos preços aos níveis anteriores, indicam que está em curso uma recomposição de preços relativos, com o encarecimento da alimentação em relação à média dos preços dos demais grupos de produtos do custo de vida em muitos países do mundo.

Considerando que este fenômeno iniciou há quase uma década atrás, não é exagero afirmar que vivemos um novo ciclo, no qual a histórica tendência de redução dos preços agrícolas vem sendo substituída por um período de alta dos preços, mais longo, de duração incerta e não decorrente de um comportamento sazonal típico de produtos agrícolas.

A elevação dos preços dos alimentos tem consequências graves para a parcela mais pobre da população, principalmente nos países menos desenvolvidos, mas atinge a todos via mecanismos que alimentam a inflação. A inflação sempre é mais sentida pelos mais pobres, mas afeta o conjunto da economia dos países, por isso exige monitoramento e medidas para contê-la.

O Brasil entende que a criação do Sistema de Informações sobre Mercados Agrícolas, é uma eficiente resposta da comunidade internacional frente aos picos de elevação e à volatilidade dos preços das commodities alimentares.

Este sistema dotou a comunidade internacional de capacidade de monitoramento e coordenação de esforços, que demonstraram toda a sua validade no ano de 2012, quando um novo pico de alta de preços se fez sentir. O monitoramento conjunto permitiu o compartilhamento das informações e avaliações sobre as perspectivas de produção e frustração de safras dos principais produtos agrícolas em escala global. Permitiu, com isso um nivelamento de informações e maior estabilidade.

O aprimoramento do Sistema de Informações sobre Mercados Agrícolas, portanto, é vital para garantir maior estabilidade nestes mercados. É preciso conferir especial atenção:

1. À busca de informações confiáveis sobre os estoques privados, como forma de aferir os níveis de reservas e subsidiar a tomada de decisões governamentais;
2. A mecanismos de regulação dos mercados futuros, para conter movimentos que extrapolem suas funções convencionais de prover liquidez e proteção contra riscos em face das oscilações normais dos mercados de commodities agrícolas.
3. Ao acompanhamento da formação de preços das principais cadeias agroalimentares.

O mais importante, contudo, é ampliar os investimentos na agricultura como forma de aumentar a produção de alimentos, através de adequado financiamento às safras agrícolas e como meio de ampliar a capacidade de armazenamento e formação de estoques adequados. Um bom exemplo desta estratégia de aumentar a produção, como forma de diminuir escassez e evitar aumentos excessivos de preços é o da safra record de milho no Brasil, que serviu de contrapeso à queda da safra norte-americana devido à seca.

Em nossa experiência tratamos também de construir políticas públicas para a agricultura de pequena escala, como acesso a crédito, seguro, assistência técnica, acesso a mercados, inclusive compras públicas. Esta abordagem nos permite uma dupla estratégia, pois os agricultores familiares brasileiros produzem significativa e diversificada parcela de alimentos consumidos no nosso mercado interno, garantindo com isso renda para estes pequenos produtores rurais e produtos que contribuem para a segurança alimentar e nutricional da nossa população.

Por fim, ainda baseados na nossa experiência, julgamos fundamental as políticas de distribuição de renda para proteção da população de menor poder aquisitivo, sempre a que mais sofre com as altas dos preços de alimentos, seja nos aspectos quantitativos ou na qualidade do que consomem. Em nosso país, mesmo no contexto de alta de preços dos alimentos, a política de valorização do salário mínimo permitiu a redução das horas de trabalho necessárias para adquirir a cesta básica. E o Programa Bolsa Família, uma política pública de transferência direta de renda para a população mais pobre, evitou que milhões de pessoas viessem a sofrer com a fome, ao mesmo tempo que fortaleceu nosso mercado interno, via crescimento da capacidade de consumo.

## Bulgaria

STATEMENT BY:

H.E. YAVOR GETCHEV  
DEPUTY MINISTER

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Dear Mr Chairman,  
Ladies and gentlemen,

It is an honour for me to take part in the Ministerial Meeting on International Food Prices.

Volatility of food prices undoubtedly has a significant adverse effect on a global scale. On the one hand, high food prices aggravate food security situation in developing countries and undermine efforts to cope with poverty. On the other hand, the high price volatility leads to uncertainty in the income of farmers and discourages part of the farmers to engage in agriculture.

During the past 2012/13 marketing year we have witnessed record high international prices of cereals under the influence of lower global production and reduced export potential of some of the main producer countries.

Reflecting the trend in international markets, the prices of basic cereals and oil-yielding crops in Bulgaria grew by about 15 to over 30% compared to the previous year. At certain times of the marketing year price increase of some of the crops even reach about 40-50% annually.

These high prices naturally had a positive effect on the income of grain producers in our country. They also contributed to the realization of significant grain exports for yet another year and the formation of a substantial positive balance in the trade of Bulgaria in agricultural goods.

At the same time however, the high prices of cereals seriously hampered the smaller animal breeding farms which do not have their own feed and are highly dependent on the purchase of such. As animal products produced in our country are mainly for the domestic market, their prices reflected only partially the increase of production costs. In addition, the ongoing process in recent years of restructuring of farms in Bulgaria, contributed to a reduction of the number of bred animals and a decrease in the production of products of animal origin.

Over the last few months we have been observing a dramatic decline in the prices of cereals in the world, under the influence of prospects for high global supply in the

marketing year of 2013/14. That has been directly reflected in the purchase prices in Bulgaria and in the month of September 2013 the prices of wheat and grain maize have been moving by nearly 40% below the levels of the previous year and part of the grain producers are already talking of poor economic performance and difficulties in financing of production for the next harvest.

It is clear that farmers are on the one hand some of the most affected by abrupt changes in the prices of the products produced by them, and on the other hand they are one of the factors contributing to this instability by the decisions taken by them to increase or decrease production.

Increasing the transparency and predictability of the markets of agricultural products worldwide and international cooperation in this field are essential for dealing with price volatility. In this regard, I believe the establishment of AMIS (Agricultural Market Information System under FAO) to be extremely useful. A coordinated multinational approach is certainly much more effective than separate national measures.

In conclusion, I would like to state that this ministerial meeting is an important impetus to the improvement of the food security situation in a regional and global scale. I would like to categorically state that the Bulgarian government is ready to actively participate in the implementation of concrete actions for achieving food security in the world. It is therefore necessary to further consolidate and specify the efforts of individual governments to work together with other international organizations, NGOs, financial institutions, the civil society and the scientific community.

Thank you for your attention.





# Costa Rica

STATEMENT BY:

H.E. GLORIA ABRAHAM PERALTA  
MINISTER OF AGRICULTURE AND LIVESTOCK

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I would particularly like to thank our Director-General, Graziano da Silva, and the FAO, the most important global organization for food and agriculture. Thank you for inviting us to World Food Week, in a month in which we traditionally celebrate World Food Day. It is important to all of us – both the specialists who follow us as well as those of us who represent governments – to compare projections and trends with the reality in which we live, to compare lessons learned from our own experience and those of other FAO member countries.

What happens in the agricultural sector should be of interest to everyone, to our countries and to the planet, because everyone's food security depends on it. Recent decades have shown how technology has positively impacted food production, post-harvest management, international trade, and the well-being of the global population.

But it seems that these major milestones in the green revolution, the information revolution and the technological revolution are being confronted by an imposed reality, which calls us to think again of what we have managed to do with relative success up until now. I am also firmly convinced that the information, the technology, the understanding of global phenomena, and the cooperation between countries, will guide us into the search for more effective responses to the new surroundings.

While fluctuations in the prices of agricultural products have been part of how markets traditionally operate, price fluctuations today are more frequent and unpredictable, both for raw agricultural materials and tropical products. This we call PRICE VOLATILITY, and it is affecting our countries in various ways.

Very specifically, a country such as Costa Rica has been affected by volatility and its causes because of its high dependence on imports of grains and oil crops, which are the basis of the feed industry, as well as tropical products, which are fundamental in generating foreign currency and sectoral wealth.

Analyzing the information generated by the major international organizations, we can conclude that over the long term there is a sharp tendency for international prices to

increase; these prices will never return to their levels prior to 2008. Nevertheless, for the period 2013-2018, relative stability in relation to price levels is being foretold, though they are projected to fall in the short term.

Considering that the markets are increasingly more integrated with the global economy, disturbances in the international scenario may occur and be propagated in the domestic markets much more quickly than before, with these behaviors initiating macroeconomic, climate, political and social issues.

We have many examples, such as:

- The increase of extreme weather phenomena generated by climate change, which oscillates between droughts and floods. At this time, many of our countries are being impacted by very intense rains and landslides, which affects crops, productivity at the farm level, and production and rural infrastructure.
- In connection with this, new plagues and diseases are impacting the health of people and agriculture in our countries. Just to name a few of the complexities that we are facing, I could refer to the dengue epidemic in our region, and plagues such as rot and American leaf disease in coffee, to pink cochineal which has appeared recently, and yellow dragon disease in citrus fruit.
- The new uses for agricultural products, such as the growing demand for food products for the energy sector, and urban expansion in competition with producing areas.
- The influence of macroeconomic factors, including interest rates, exchange rates, and changes to monetary policies.
- The presence of new large buyers, as it is the case with the emerging economies of China and India.

We know that the larger players in the international business of raw materials and basic products govern the major trends in the behavior of international prices, and that small countries such as Costa Rica are positively or negatively affected by these mega-trends, which add to domestic issues in shaping our own realities.

What is certain is that these scenarios create high risks for producers, especially small farmers, because uncertainty at the production level, regarding weather conditions, markets and expected incomes, has increased.

Having said all this, and understanding once and for all what is happening is the result of inter-sectorial elements in which state decisions are being made, how can we ensure, therefore, that in using every skill – of a government team, of the production sector, of the corporate sector – we are doing everything possible to minimize food insecurity?

There are no easy answers or solutions. It all depends on the conditions of each country, its degree of vulnerability to external shocks, its status as a net exporter or net importer, its own political objectives, its availability of resources, its vulnerability to weather changes and on what is being done to reduce it.

Governments are more inclined to invest when prices rise than when they fall. That is, inflation and consumers have been given relatively more importance than producers and the agricultural production structure, whose traditional instruments have been seen to fall behind at times of commercial opening.

It was initially said that information was an important element that would allow us to anticipate, and to make appropriate decisions. In our own experience, we have worked on action plans in matters of price monitoring, climate, plagues and diseases, and vulnerability, which offset both structural and situational causes. These help us to make effective decisions from a public and private management standpoint. But I reiterate that it has not been easy and we are in the process of building an integrated plan in which we can analyze all of these variables.

We know that political instruments for combating structural problems will allow us to transform production and be more competitive. However, this is true to the extent that we are able to understand these new surroundings; that we understand when we best use biotechnology, irrigation and drainage, when our agricultural practices have a lesser impact on natural resources such as water and land, when we work in mitigating and adapting to climate change without being concerned about the size of our countries, and when we are concerned with greater and better technology transfer and getting that knowledge to all of our producers.

For example, and given the high dependency on feed imports, we have made progress in setting up a National Network of Pastures and Forage to provide feed alternatives for production of meat and dairy cattle, swine and fowl, including new materials for pastures and the use of yucca in preparing meal for animal consumption.

Situational occurrences, which happen with increasing frequency in our reality, have motivated us to drive Family Farming and Life Improvement, to promote small scale works on production infrastructure, such as food processing centers (CEPROMAS), and in supporting ourselves with social security instruments, mainly for the most vulnerable populations.

Finally, I would like to thank the FAO for the opportunity to be involved in a beautiful project which, combined with family family, state purchases and food for pre-school and school-aged children, provides healthy food for our children, guaranteed markets for our producers, and better income for rural families. We must promote these virtuous circles at all levels.

We live in a changing world where price volatility is just one of the many challenges that we face. Therefore, I am calling on international agricultural support agencies, where the FAO definitely has great leadership, so that together we can safely provide food through more sustainable agriculture that will face complex scenarios, and that will be exposed as never before to greater transmission of prices, to high climate vulnerability, and to the effects of international crises.

Thank you very much for your attention.



## Costa Rica

### DECLARACIÓN DEL:

EXCSMA. SRA. GLORIA ABRAHAM PERALTA  
MINISTRA DE AGRICULTURA Y GANADERÍA

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Quiero agradecer especialmente a nuestro Director-General Graziano da Silva y a la FAO como la organización más importante, a nivel global, para la agricultura y la alimentación. Gracias por la invitación a la Semana de Seguridad Alimentaria y al mes en donde tradicionalmente celebramos el Día Mundial de la Alimentación. Es importante para todos nosotros: tanto los especialistas que nos acompañan como los que representamos gobiernos, contrastar las proyecciones y tendencias con la realidad que estamos viviendo, con lecciones aprendidas de nuestra propia experiencia como con la de otros países miembros de la FAO.

Lo que acontece en el sector agropecuario debe ser de interés para todos, porque de ellos depende la seguridad alimentaria de nuestros países y la del planeta. Las últimas décadas han dado muestra de cómo la tecnología ha impactado positivamente la producción de alimentos, su manejo post-cosecha, su comercio internacional y por ende, el bienestar de la población mundial.

Pero parece que esos grandes hitos de la revolución verde, de la revolución de la información y de la revolución tecnológica, están siendo replanteados por una realidad que se impone y que nos llama a la replantear lo que hemos hecho con relativo éxito hasta hoy. Tengo también la firme convicción que serán la información, la tecnología, el entendimiento de los fenómenos globales y la cooperación entre países los que nos darán las pautas para buscar respuestas más efectivas a este nuevo entorno.

Si bien es cierto las fluctuaciones de precios de alimentos y productos básicos han sido tradicionalmente parte del funcionamiento de los mercados, hoy más que antes nos enfrentamos a cambios frecuentes e imprevisibles en los precios de las materias primas agrícolas y de productos tropicales, a los que llamamos VOLATILIDAD DE LOS PRECIOS y que generan diversos impactos en nuestros países.

Muy particularmente, un país como Costa Rica ha sido afectado por esta volatilidad y sus causas, dada la alta dependencia de las importaciones de cereales y oleaginosas, que son la base de la industria de alimentos para animales, como en el caso de los

productos tropicales, fundamentales en la generación de divisas y riqueza de nuestro sector.

Analizando la información generada por los principales organismos internacionales podemos concluir que en el largo plazo hay una tendencia marcada al alza de los precios internacionales que nunca volverán a su estadio previo al 2008. No obstante, para el período 2013-2018 se augura una relativa estabilidad en cuanto a los niveles de precios, que en el corto plazo, se proyectan a la baja.

Dado que los mercados están cada vez más integrados en la economía mundial, las perturbaciones en el escenario internacional pueden producirse y propagarse a los mercados nacionales de forma mucho más rápida que antes, incidiendo en estos comportamientos factores macroeconómicos, climáticos, políticos y sociales.

Tenemos muchos ejemplos tales como:

- El aumento de los fenómenos meteorológicos extremos generados por el cambio climático, que transitan entre las sequías y las inundaciones. En estos momentos muchos de nuestros países están siendo afectados por la alta intensidad de lluvias y deslaves que impactan cultivos, la productividad misma a nivel de finca y la infraestructura productiva y rural.
- Ligado a lo anterior, el nuevo mapa de plagas y enfermedades están impactando la salud humana y la sanidad agropecuaria de nuestros países. Muy particularmente hago referencia a la epidemia del dengue en nuestra región y a plagas como la roya y el ojo de gallo en el café, la cochinilla rosada de reciente aparición, el dragón amarillo en cítricos, por mencionar algunas de las complejidades que enfrentamos.
- Los nuevos usos para productos agrícolas como es la demanda creciente por productos alimentarios para el sector energético y la expansión urbana en competencia con áreas productivas.
- La influencia de factores macroeconómicos, incluyendo tasas de interés, tipo de cambio y modificaciones de las políticas monetarias.
- La presencia de grandes compradores y consumidores como es el caso de las economías emergentes China e India

Sabemos que los grandes actores en el comercio internacional de materias primas y productos básicos marcan las grandes tendencias en el comportamiento de los precios internacionales y que países pequeños como Costa Rica son afectados positiva o negativamente por estas mega-tendencias a la que se suman factores domésticos, propios de nuestra realidad.

Lo cierto es que estos escenarios generan riesgos elevados para los productores, especialmente para los pequeños agricultores, pues se incrementa la

incertidumbre a nivel de producción, condiciones climáticas, mercados e ingresos esperados.

Dicho lo anterior, y entendiendo de una vez por todas que lo que está pasando tiene un abordaje intersectorial y decisiones de Estado, cómo asegurar entonces desde cada una de las competencias de un equipo de gobierno, del sector productor, del sector empresarial, que estamos haciendo todo lo posible por minimizar la inseguridad alimentaria?

No existen respuestas fáciles ni recetas. Depende de las condiciones de cada país, su grado de vulnerabilidad ante shocks externos, su status de exportador o importador neto, sus propios objetivos de política, su disponibilidad de recursos, la vulnerabilidad climática y lo que estemos haciendo para reducirla.

Los gobiernos tienden a intervenir en mayor medida cuando los precios suben que cuando bajan, es decir, se ha dado relativamente más importancia a la inflación y al consumidor que al productor y a la estructura productiva agrícola, cuyos instrumentos tradicionales se han visto rezagados ante la apertura comercial.

Decía inicialmente que la información era un insumo importante que nos debería permitir anticiparnos y tomar las decisiones apropiadas. De nuestra propia experiencia hemos trabajado en planes de acción en materia de monitoreo de precios, clima, plagas y enfermedades, vulnerabilidad, que contrarreste las causas estructurales así como las coyunturales y que nos ayuden a tomar desde la gestión pública y privada, las mejores decisiones, pero reitero, no ha sido fácil y estamos en construcción de un plan integral donde podamos analizar todas estas variables.

Sabemos que los instrumentos de política para combatir los problemas estructurales nos permitirán transformar la producción y darle mayor competitividad pero eso es cierto en la medida que entendamos este nuevo entorno desde la Investigación, cuando utilicemos de mejor forma la biotecnología, el riego y el drenaje, cuando nuestras prácticas agronómicas tengan menor impacto sobre los recursos naturales como el agua y la tierra, cuando trabajemos en la mitigación y la adaptación al cambio climático sin importar el tamaño de nuestros países y cuando nos preocupemos por una mayor y mejor transferencia de tecnología y conocimiento a todos nuestros productores.

Por ejemplo, y dada la alta dependencia de importaciones de granos forrajeros, hemos avanzado en la constitución de una Red Nacional de Pastos y Forrajes para dar alternativas de alimentación a la producción de ganado de carne y leche, porcinos y aves, incluyendo nuevos materiales de pastos y la utilización de yuca en la elaboración de harinas para el consumo animal.

Los acontecimientos coyunturales, que cada vez tienen mayor frecuencia en nuestra realidad, nos han motivado impulsar la Agricultura Familiar y el Mejoramiento de Vida, a promover pequeñas obras de infraestructura productiva, como los centros de

procesamiento de alimentos (CEPROMAS) y en apoyarnos en los instrumentos de la seguridad social, principalmente para las poblaciones más vulnerables.

Finalmente, quiero agradecer a la FAO la oportunidad de involucrarnos en un hermoso proyecto que vinculada la agricultura familiar, las compras estatales y la alimentación de niños en edad preescolar y escolar, para proveer alimentos sanos a nuestra niñez, mercados seguros para nuestros productores y mejores ingresos para la familia rural. Esos círculos virtuosos los debemos promover a todo nivel.

Vivimos en un mundo cambiante, donde la volatilidad de precios es solo uno de los tantos retos que enfrentamos. Por eso hago un llamado a las organizaciones internacionales de apoyo a la agricultura, donde la FAO definitivamente tiene un gran liderazgo, para que juntos podamos dar seguridad en la provisión de alimentos a través de una agricultura más sostenible que enfrentará escenarios complejos y que estará expuesta como nunca antes, a una mayor transmisión de precios, a una alta vulnerabilidad climática y a los efectos de las crisis internacionales.

Por su atención, muchas gracias.



# Cyprus

STATEMENT BY:

H.E. NICOS KOUYIALIS  
MINISTER FOR AGRICULTURE, NATURAL RESOURCES AND ENVIRONMENT

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Dear FAO Director-General  
Dear fellow Agricultural Ministers  
Dignitaries, Excellencies

I would like first to express my congratulations to the Director-General of FAO for his initiative to organize a second Ministerial Meeting on Food Prices.

Food prices and volatility have increased in recent years. They are expected to continue high and volatile in the medium-term. In this context, it is important to improve governance of food security.

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## Price volatility

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High food prices have serious, direct repercussions on food security in developing countries, especially those which depend on imports for:

- Their food supply. High volatility affects food security and disrupts the normal functioning of food markets, impacting particularly on the most disadvantaged sections of the population who spend a greater proportion of their income on food. It also directly affects agricultural producers, since volatility renders planning and prediction risky and difficult.

Furthermore, price volatility dictates major repercussions for countries' economies, as it increases inflation and the costs involved in adopting mitigation measures such as consumer or import subsidies.

Cyprus is a net food importing country depending especially on import of relatively large quantities of cereal grain and has therefore a special interest in the issue of prices.

Experts broadly agree on the causes of high volatility and high food prices. Among them are the inelastic demand for food and speculation in the futures markets, underinvestment in agriculture in recent years, low food stock levels, the rising demand



for food due to population growth and dietary change, and limited natural resources and climate change. It is necessary, therefore, to implement comprehensive policies to tackle these factors in order to reduce international price volatility and to mitigate their impact, especially in the more vulnerable populations.

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### Market transparency

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The most effective tool against price fluctuations is a transparent market. It is important to share timely and accurate information on supply and demand, stock level and projected production, aiming at formation of prices which reflects actual supply and demand in the physical market.

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### Increasing sustainable agricultural production and productivity

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As for the increase of sustainable agricultural production and productivity, each country's efforts for the promotion and coexistence of various types of agriculture help reduce the impact of poor harvests in major producing countries. An effective and sustainable use of limited natural resources; in particular land and water are also a key element for that.

It is also important to enhance the promotion of investment in agriculture, agricultural infrastructure resilient to climate change, research and development, the dissemination of their outcomes and women's participation in agriculture.

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### Refraining from protectionist measures such as export restrictions

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Moreover, to deal with volatile food prices, careful and appropriate response should be made to avoid a global food crisis such as those in 2007-08 and 2010-11.

In this regard, trade in agricultural products should be basically conducted in accordance with the rules of WTO and other international agreements. It is important for countries to refrain from protectionist measures such as export restrictions, and to share its awareness with the international community by sending a clear message.

Small countries may not affect the dynamics of price formation on a global scale, but they can gain a lot by conserving their natural resources and by supporting small scale farming. We also consider that it is important to ensure that price increases of the primary product are not transmitted in an unwarranted way across the whole value chain to the detriment of consumers. The EU gained valuable experience in this area following the 2008 price peaks.

Thank you Mr Chairman.



# Egypt

STATEMENT BY:

H.E. AYMAN FARID ABU HADID  
MINISTER FOR AGRICULTURE AND LAND RECLAMATION

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Mr. José Graziano da Silva, Director-General of the Food and Agriculture Organization of the United Nations,  
Honourable Ministers,  
Excellencies, Ambassadors and Heads of Delegations,  
Distinguished delegates and representatives of international organizations,  
Ladies and Gentlemen,

First of all, I would like to express my thanks and gratitude to Mr. José Graziano da Silva, Director-General of the Food and Agriculture Organization of the United Nations (FAO) for his kind invitation to participate in the Second Ministerial Meeting on International Food Prices, which coincides with the opening session of the Committee on World Food Security (CFS). We meet today to exchange views and experiences about the problems faced by policy makers in dealing with the fluctuations in food prices given the fears that these fluctuations would persist and be subject to crises and unexpected shocks.

The issue of soaring food prices had topped the priorities of the Egyptian Government after the outbreak of the revolutions of 25 January 2011 and 30 June 2013, where the principal request of the Egyptian people in their revolutions was livelihood, freedom and social justice. Egypt has been the subject of repeated food crises since 2008, reflected in successive price increases for many food commodities, putting a lot of limited-income families in a situation of not being able to purchase adequate quantities of food. It is worth mentioning that the reasons for high food prices are mainly the weak flexibility of the Egyptian economy in general, and the vulnerability of the agricultural sector in particular, as well as the low cultivated areas for some major crops such as wheat and maize, and the presence of some negative practices on the part of a number producers, intermediaries and traders related to storage, distribution channels and the timing of supply and demand, which contribute significantly to the volatility of food commodity prices.

The failure of agricultural production growth not keeping pace with the growing demand for food due population growth leads to increased reliance on imports, which exacerbates the deficit in the balance of payments. Subsidizing food commodities is one of the solutions used by the Egyptian Government through the development of a number of policies aimed at supporting low-income and poor people and ensuring their food security, including, but not limited to, a system of ration cards, which is one of the principal means of providing subsidized food commodities at specific quotas on a monthly basis to eligible low-income families in the Egyptian society.

Ladies and Gentlemen,

The strategy of agricultural development in Egypt up to 2030 is based on the optimal use of available natural resources to achieve an agricultural growth rate of up to 4 percent annually, and the goal of achieving a higher degree of food security and self-sufficiency in the strategic food products while at the same time working to increase exports of agricultural products in which Egypt has a comparative and competitive advantage, such as cotton, vegetables, fruits, aromatic plants and cut flowers.

The agricultural development strategy 2030 adopted a programme aimed at reducing the impact of rising prices of the major food commodities, including better water resource management and improved field irrigation methods.

1. Increase self-reliance in the provision of strategic food commodities: Egypt could approach self-sufficiency in a number of commodities, including wheat, maize, dairy, sugar and fish.
2. Development of consumption patterns in favour of improving nutrition levels for different population groups through the effective implementation of policies and programmes that encourage increased domestic production of products with high nutritional value, including meat, milk, eggs, fish, vegetables and fruits.
3. Reducing waste of food commodities. The need to improve the efficiency of marketing and storage operations and increase the rates of agricultural industrialization in a way that would lead to lower waste rates, which currently reach about 20 percent, through the development of a comprehensive agricultural marketing system, together with policies that would ensure the stability of this system.
4. Development of social safety nets. Egypt is one of the very first countries to have set up a support system for food commodities, but the price distortions that had accompanied the implementation of these policies has caused great damage to the support system. For this reason, as well as many other reasons, there is a need for a comprehensive and radical review of the currently applied food subsidy policies and their replacement by another set of highly effective policies ensuring that public support reaches the needy population groups while at the same time improving the level of nutrition and living standards of the different classes of poor people. This should be guided by successful international experiences.

I cannot fail to emphasize that the use of agricultural crops for the production of biofuels is something to be revised in light of the fact that one billion people are living below the poverty line and that greater efforts must be made for the use of non-food biomass in this area.

Ladies and Gentlemen,

The Government of Egypt has adopted several measures to curb the rising prices of food commodities. These were in the form of tightening the control over the various

commodities and the elimination of hoarding and smuggling, in addition to better management of the distribution methods and more effective state control over commodity inventories. The next phase will witness the introduction of new measures to adjust the bread system, and several mechanisms to control the internal market in accordance with the national law, whereby the competition law gives the Council of Ministers the right to fix the price of a particular commodity for a certain period of time to contain the phenomenon of rising food commodity prices. The Government has issued a resolution to form the Supreme Council for Consumer Protection, which will participate in the development of decisions related to consumers and to protect them based on the principle of transparency. Within the framework of the efforts by the Ministry of Agriculture and Land Reclamation, starting from this year, the Government is applying the system of contract farming to wheat and rice. The Bank for Development and Agricultural Credit will enter into contracts with the farmers as regards the areas to be planted next season and determine the level of production. As a result it will be possible to design proper policies to import wheat from global stock markets at the appropriate time, and at the best prices, to cover the needs of the great Egyptian people.

Ladies and Gentlemen,

I would like to underline the close cooperation and the constructive role that FAO plays in supporting the efforts of developing countries in different agricultural sectors in order to achieve food security, fight poverty and reduce the number of hungry people at the international and regional levels, as well as in supporting and promoting country policies towards greater sustainable agricultural development and food security, particularly in developing countries.

I would also like to extend all my thanks to Mr. Graziano da Silva, FAO Director-General, for hosting this second ministerial meeting and for providing the opportunity to all of us to gather and exchange knowledge and information to reduce the negative effects of food price volatility.

Finally, I wish every success to our important meeting and to FAO in helping our people towards achieving greater agricultural development and food security.

إن الحكومة المصرية قد أقرت إجراءات عديدة للحد من ارتفاع أسعار المواد والسلع الغذائية تمثلت في تشديد الرقابة على مختلف السلع والقضاء على ظاهرتي التهريب والاحتكار إلى جانب التحكم في طرق التوزيع وتفعيل رقابة الدولة على المخزون السلعي كما ستشهد المرحلة المقبلة إجراءات جديدة لضبط منظومة رغيف الخبز ووضع العديد من الآليات لضبط الأسواق الداخلية ووفقاً للقانون حيث ينص قانون المنافسة إن من حق مجلس الوزراء في تحديد سعر سلعة معينة ولفترة معينة للحد من ظاهرة ارتفاع الأسعار للسلع الغذائية وقد أصدرت الحكومة قرار بتشكيل المجلس الأعلى لحماية المستهلك للمشاركة في صناعة القرارات الخاصة بالمستهلكين وحمايتهم انطلاقاً من مبدأ الشفافية وفي إطار جهود وزارة الزراعة واستصلاح الأراضي تعمل الحكومة حالياً بتطبيق نظام الزراعة التعاقدية لمحصولي القمح والأرز اعتباراً من العام الحالي وسيقوم بنك التنمية والائتمان الزراعي بالتعاقد مع الفلاح على المساحات المقرر زراعتها للموسم القادم وتحديد حجم الإنتاج وبالتالي يمكن رسم السياسات الاستيرادية للقمح من البورصات العالمية في الأوقات المناسبة وبأفضل الأسعار لتغطية احتياجات الشعب المصري العظيم .

السيدات والسادة الحضور

إنني أود أن أؤكد على التعاون الوثيق والدور البناء الذي تلعبه منظمة الأغذية والزراعة نحو دعم جهود البلدان النامية في مختلف قطاعات الزراعة من أجل تحقيق الأمن الغذائي ومحاربة الفقر وخفض عدد الجوعى على المستوى الدولي والإقليمي وكذلك العمل على دعم ودفع سياسات الدول نحو تحقيق المزيد من التنمية الزراعية المستدامة والأمن الغذائي خاصة في الدول النامية .

كما أود أن أتقدم بكل الشكر للسيد/ جراتسيانو دا سيلفا مدير عام منظمة الأغذية و الزراعة للأمم المتحدة على استضافة المنظمة للاجتماع الوزاري الثاني وإتاحة الفرصة أمامنا جميعاً لجمع وتبادل المعرفة والمعلومات للتخفيف من الآثار السلبية لتقلبات الأسعار للسلع الغذائية

وفي النهاية أتمنى لاجتماعنا الهام ولمنظمة الأغذية والزراعة كل النجاح والتوفيق لخدمة شعوبنا نحو تحقيق المزيد من التنمية الزراعية والأمن الغذائي.

السياسات التي تستهدف دعم محدودى الدخل والفقراء وتأمينهم غذائياً ومنها على سبيل المثال لا الحصر – نظام البطاقات التموينية والتي تعد إحدى الوسائل الرئيسية لتوفير السلع الغذائية بحصص مدعومة ومحددة بشكل شهري للأسر المستحقة محدودة الدخل في المجتمع المصري.

السيدات والسادة الحضور

إن إستراتيجية التنمية الزراعية في مصر وحتى عام 2030 تركز على الاستخدام الأمثل للموارد الطبيعية المتاحة لتحقيق معدل نمو زراعي يصل إلى حوالي 4% سنوياً والعمل على تحقيق درجة أعلى من الأمن الغذائي والاكتفاء الذاتي من المحاصيل الغذائية الإستراتيجية وفى نفس الوقت العمل على زيادة الصادرات من المحاصيل الزراعية والتي تتمتع مصر فيها بميزة نسبية وتنافسية مثل القطن والخضر والفاكهة والنباتات العطرية وزهور القطف.

لقد تبنت إستراتيجية التنمية الزراعية 2030 العمل على الحد من آثار ارتفاع الأسعار للسلع الغذائية الرئيسية وتشمل إدارة الموارد المائية وتحسين طرق إدارة الري الحقلية.

1. زيادة الاعتماد على الذات في توفير السلع الغذائية الإستراتيجية فإن مصر يمكنها أن تقترب من الاكتفاء الذاتي لبعض السلع وعلى رأسها القمح، والذرة والألبان، والسكر، والأسماك.

2. تطوير الأنماط الاستهلاكية لصالح تحسين مستويات التغذية لفئات الشعب المختلفة وذلك بتفعيل السياسات وتنفيذ البرامج المشجعة على زيادة الإنتاج المحلي من السلع ذات القيمة الغذائية العالية والتي من بينها منتجات اللحوم، والألبان والبيض، والأسماك والخضروات والفاكهة.

3. الحد من الفاقد التسويقي للسلع الغذائية وضرورة الارتقاء بكفاءة عمليات التسويق والتخزين وزيادة معدلات التصنيع الزراعي بما يؤدي إلى خفض معدلات الفاقد التي تصل إلى حوالي 20% فى مستوياتها الراهنة، وذلك عن طريق تطوير منظومة التسويق الزراعي بشكل شامل مع وضع سياسات تحافظ على الاستقرار فى تلك المنظومة.

4. تطوير شبكات الأمان الاجتماعي تعد مصر من أولى الدول التي وضعت نظاماً للدعم العيني للسلع الغذائية، إلا أن التشوّهات السعرية التي رافقت تنفيذ هذه السياسات قد ألحقت ضرراً كبيراً بسياسات تلك الدعم ولهذا السبب وللعديد من الأسباب الأخرى فإن الأمر يقتضى إحداث مراجعة شاملة وجذرية لسياسات الدعم الغذائي المطبقة حالياً واستبدالها بسياسات أخرى ذات كفاءة عالية للتأكد من وصول الدعم الحكومي إلى الفئات المستحقة من الشعب المصري وتحقيق نفس الوقت تحسين مستوى التغذية والمعيشة لمختلف الطبقات الفقيرة في مصر استرشاداً بالتجارب العالمية الناجحة

ولا يفوتني في هذا الشأن أن نؤكد أن إستخدام المحاصيل الزراعية لإنتاج الوقود الحيوي أمر يجب مراجعته في ضوء حقيقة أن مليار إنسان يعيش تحت خط الفقر وأن جهد أكبر يجب أن يبذل لإستخدام الكتلة الحيوية غير الغذائية في هذا المجال.

السيدات والسادة الحضور

**مصر**  
بيان من:



**معالي الوزير أيمن فريد أبو حديد**  
**وزير الزراعة واستصلاح الأراضي**

السيد/ جوزيه جراتسيانو دا سيلفا  
المدير العام لمنظمة الأغذية والزراعة للأمم المتحدة

أصحاب المعالي الوزراء  
أصحاب السعادة السفراء ورؤساء الوفود  
السادة أعضاء الوفود وممثلي الهيئات والمنظمات الدولية  
السيدات والسادة الحضور

فى بداية كلمتي أود أن أتقدم بالشكر والامتنان إلى السيد/ جوزيه جراتسيانو دا سيلفا المدير العام لمنظمة الأغذية والزراعة للأمم المتحدة على دعوته الكريمة للمشاركة فى الاجتماع الوزاري الثاني للمنظمة حول الأسعار الدولية للأغذية والذي يتزامن عقده في يوم افتتاح أعمال لجنة الأمن الغذائي العالمي ونحن نجتمع اليوم لتبادل وجهات النظر والخبرات حول ما تتسببه تقلبات أسعار المواد الغذائية من مشكلات على واضعي السياسات في حكوماتنا وذلك لوجود مخاوف عديدة من بقاء تلك التقلبات للأسعار وتعرضها للأزمات والصدمات الغير متوقعة. لقد تصدرت قضية ارتفاع الأسعار أولويات الحكومة المصرية بعد اندلاع ثورة 25 يناير 2011، 30 يونيو 2013 حيث كان المطلب الأساسي للشعب المصري في ثورته هو عيش - حرية وعدالة اجتماعية ولقد تعرضت مصر لأزمات غذائية متتالية منذ عام 2008 تمثلت في ارتفاعات سعرية منعاقبة لكثير من السلع الغذائية مما عرض الكثير من الأسر المصرية محدودة الدخل للوقوع ضحية عدم القدرة على توفير الكميات المناسبة من الغذاء ومن الجدير بالذكر بأنه ترجع أسباب زيادة أسعار الغذاء بشكل رئيسي إلى ضعف مرونة الاقتصاد المصري بصفة عامة وتأثر القطاع الزراعي بصفة خاصة كما وأن نقص المساحات المنزرعة لبعض المحاصيل الرئيسية مثل القمح والذرة ووجود بعض الممارسات السلبية من جانب بعض المنتجين والوسطاء والتجار وما يتعلق بالية التخزين وقنوات التوزيع وتوقيتات العرض والطلب والتي تساهم بشكل كبير في تقلبات الأسعار للسلع الغذائية.

إن عدم ملاحقة النمو في الإنتاج الزراعي للمعدلات المتزايدة في الطلب على الغذاء في ظل وجود الزيادة السكانية يؤدي إلى زيادة الاعتماد على الواردات وبالتالي تفاقم العجز في ميزان المدفوعات ويعتبر دعم السلع الغذائية أحد الحلول التي تلجأ إليها الحكومة المصرية من خلال وضع العديد من



## El Salvador

STATEMENT BY:

H.E. PABLO ALCIDES OCHOA  
MINISTER FOR AGRICULTURE AND LIVESTOCK

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The context of the international food markets is characterized by high price volatility. Since 2007, price crises have appeared more frequently and with longer periods of adjustment than in previous years. This picture shows how vulnerable the population that lives in countries that depend on food imports is.

For many years the production structure of El Salvador was shaped in such a way that the country became highly dependent on the international market to supply its domestic market. Since President Mauricio Funes was elected, work has been done to reshape the direction of the agricultural sector, and to transform it into a profitable economic activity that contributes to the development of the country as a whole. A Family Farming Plan has been in place since 2011 that attends to small producers in an inclusive manner.

El Salvador has managed to produce in a short period of time record numbers of white maize and beans. These two grains [*sic*] are of particular importance to the country, as they form an essential part of the diet of the population. The country has managed to reverse a tendency to declining domestic agricultural production, and it has consequently reduced import dependency. This has been possible thanks to government intervention, delivering supplies to the producers who need them most, and monitoring them technically; in addition, work has been done in technological innovation, developing new varieties of seeds that are adaptable to the new reality of the country's climate.

Last year, the volume of maize produced by El Salvador allowed a reduction of imports of more than 50%; in 2008, imports were almost four times current imports. Starting from a position of being a net importer of white maize, in 2013 El Salvador has started to export maize to other parts of Central America, which until recently was one of the country's main suppliers. Similar results have been obtained in red beans.

These changes in the production structure of El Salvador happened at a time when the largest global producers of basic grains were experiencing serious problems with their crops, resulting in unprecedented spikes in international food prices. When the price of maize on international markets was at considerably high levels, El Salvador had an adequate supply of corn for the population at reasonable prices, and it became more



attractive for the mill industry to purchase corn in the domestic market than to acquire it abroad.

This economic transformation has been particularly beneficial for the national population. The price of the basic food basket in rural and urban areas has decreased considerably after reaching its highest level in 2011 (due to the damage caused in the sector by tropical depression 12E in September of that year). This shows that any intervention in the agricultural sector has economic impacts on the general population.

El Salvador has shown that by implementing adequate policies, it is possible to effectively face the adversities that occur in international markets that act in an unpredictable and irregular manner, and this reality becomes imperative when dealing with guaranteeing the population's food security.



## El Salvador

### DECLARACIÓN DEL:

EXCMO. SR. PABLO ALCIDES OCHOA  
MINISTRO DE AGRICULTURA Y GANADERÍA

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El contexto internacional de los mercados de alimentos está caracterizado por la alta volatilidad de los precios. Desde 2007, se han presentado crisis de precios de manera más frecuente y con períodos de ajuste más prolongados que los observados años atrás. Esta descripción muestra la vulnerabilidad que enfrenta la población que vive en países que dependen de importaciones de alimentos.

Durante muchos años la estructura productiva de el salvador fue configurada de manera tal, que el país se volvió altamente dependiente del mercado internacional para abastecer el mercado doméstico. Desde la entrada en el gobierno del presidente mauricio funes, se ha trabajado en redefinir el rumbo del sector agropecuario y convertirlo en una actividad económica rentable y que contribuye al desarrollo del país en su conjunto. En tal sentido, desde 2011 se ha puesto en marcha el plan de agricultura familiar para atender desde una perspectiva integral a los pequeños productores nacionales.

En poco tiempo el salvador ha logrado producir cifras record de maíz blanco y frijol. Dos granos de especial importancia para el país, dado que forman parte esencial de la dieta de la población Salvadoreña. Se ha logrado revertir la tendencia de reducción de la producción agrícola nacional y se ha reducido consecuentemente la dependencia de importaciones. Esto ha sido posible gracias a una intervención del gobierno, entregando insumos a los productores que más los necesitan y acompañándolos técnicamente; así mismo, se ha trabajado en innovación tecnológica desarrollando nuevas variedades de semilla adaptables a la nueva realidad climática del país.

En el último año, El Salvador alcanzó un volumen de producción de maíz que permitió reducir las importaciones en más de un 50%; en 2008 las importaciones fueron casi cuatro veces lo que se importa actualmente. De una condición de importador neto de maíz blanco, el salvador en 2013 ha comenzado a exportar grano a la región centroamericana, que hasta hace poco tiempo era uno de los principales abastecedores del país. Similares resultados se han obtenido para el caso del frijol rojo.

Estos cambios en la estructura productiva de el salvador, llegaron en un momento en el que los mayores productores mundiales de granos básicos atravesaban serios problemas en sus cultivos, resultando en alzas en los precios internacionales de alimentos sin precedentes. De esta manera, cuando los precios del maíz en el mercado

internacional se encontraban en niveles considerablemente elevados, el salvador tenía un abastecimiento adecuado de grano para la población a un precio razonable; incluso, a la industria procesadora de harina de maíz le resultó más atractivo comprar grano en el mercado nacional que adquirirlo en el extranjero.

Esta transformación económica ha sido especialmente beneficiosa para la población nacional; el precio de la canasta básica alimentaria en el área rural y urbana ha disminuido considerablemente luego de registrar su límite máximo en 2011 (producto de los daños ocasionados en el sector por la depresión tropical 12e en septiembre de ese año). Con esto, se tiene certeza que cualquier intervención en el sector agropecuario tiene impactos económicos en la población en general.

El Salvador ha demostrado que implementando políticas adecuadas, es posible enfrentar de manera efectiva las adversidades que se presentan en los mercados internacionales que se comportan de manera impredecible e irregular. Y esta realidad se vuelve imperativa cuando se trata de garantizar la seguridad alimentaria de la población.



# France

STATEMENT BY:

H.E. STÉPHANE LE FOLL  
MINISTER OF AGRICULTURE, FOOD AND FORESTS

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Mr Director-General of FAO  
Mr President of the Committee on World Food Security,  
Ministers and Ambassadors,  
Representatives from the private sector and civil society,  
Ladies and Gentlemen,

First, I would like to thank José Graziano Da Silva, FAO's Director-General, for organizing this ministerial meeting about international food prices during this session of the Committee on World Food Security. I would like to acknowledge the presence at this table of the President of the Committee on World Food Security and my colleagues from around the world.

This is our second meeting of this type and I hope that, as part of the Committee on World Food Security, we will be able to have regular meetings of the agricultural ministers from around the world.

This year, the world market situation is not as tight as last year, but the question of excessive agricultural and food price volatility and its impact on vulnerable populations as well as on producers around the world continues to be worthy of our attention, all of us here - governments, international organizations, the private sector and civil society.

From a wider perspective, it is a good thing to feed the planet in a sustainable fashion and, toward that goal, it is important that we all work together.

We must all be involved if we are to attain the desired results, and sustainably reduce the number of those who suffer from hunger and malnutrition. Regarding price volatility, in October 2011, the CFS adopted recommendations that were partly formed from the G20 Action plan on food price volatility and agriculture; it would be a good idea to verify the progress made up to this point.

At the international level, we have AMIS which is gathering more and more data on the four staple grains (wheat, rice, corn, soy) and also focuses on qualitative data such as

information about policies that address biofuels. These data are progressively addressed so that they are made available to all.

I thank the FAO for its essential role within AMIS in partnership with the other international organizations in the Secretariat (OECD, World Bank, etc). I would like to acknowledge the work undertaken by the United States, which chaired AMIS this year, and encourage Australia, who is taking over as chair, as well as all the countries involved in making this particular tool a success.

This improved transparency is coupled with a plan that is crucial to improved international coordination: the Rapid Response Forum allows policy makers who are AMIS members to engage in regular dialogue and to exchange key information in advance. This plan facilitates political mobilization and the implementation of actions that are adapted to potential market crises. Last year, the Forum members were in permanent contact, and shared their analysis of the situation, coordinated their message, participating in this way to the easing of the markets.

These two instruments can be modified and appropriately adapted for use elsewhere, to pursue improved market transparency, at the regional level in particular. This is the approach of the initiative launched in Malta with our Mediterranean partners, with whom we have decided to work to implement a "Mediterranean AMIS." I am convinced that these regional versions, by reinforcing transparency, will be an additional guarantee in the battle against excessive price volatility.

The commodities markets are important but let's not forget that we must reinforce financial regulation even further.

The European Union has reformed the financial markets within Europe, with the goal of increasing transparency in transactions and positions, as well as improving the ability of regulatory authorities to intervene.

With the Law on the Separation and Regulation of Banking Activities, France has decided to address certain important measures included in the European reform in advance, by, for example, introducing ambitious regulations on position limits, and strengthening measures against market abuses or manipulation.

Transparency and regulation, however, will not solve everything. A certain number of measures can be taken to assist agricultural works in managing their risk linked to price variations and limit the effects of volatility, using instruments such as contracts, such as organization of supply chains and the support of the producers networks, such as the implementation of regional systems of reserves like those developed in West Africa by ECOWAS.

These instruments are designed and expressed within the context of public agricultural and food policies that are both ambitious and adapted to the national or regional level; this is necessary for the development of sustainable agriculture.

In closing, I would like to propose that, in the future, we use this meeting of agriculture ministers from the world over to reflect together on concrete actions that can be taken. I suggest, then, that we work together in this way.

Together, all of us must continue to support food security as a policy priority of the utmost importance. We must also take action, in all of our diversity, using all means available to us, for this common goal: to reduce the food insecurity of hundreds of millions of individuals. We must, therefore, work together to prepare as best we can for next year's meeting.

Thank you for your attention, and we look forward to productive interaction.

## France

ALLOCUTION DE :

S.E. STÉPHANE LE FOLL  
MINISTRE DE L'AGRICULTURE, DE L'AGRO ALIMENTAIRE ET DE LA FORÊT

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Monsieur le Directeur Général de la FAO,  
Monsieur le Président du Comité de la Sécurité Alimentaire mondiale,  
Mesdames et messieurs les Ministres, Mesdames et Messieurs les Ambassadeurs,  
Mesdames et Messieurs les représentants du secteur privé et de la société civile,  
Mesdames et Messieurs,

Tout d'abord, je voudrais remercier José Graziano Da Silva, le Directeur Général de la FAO, pour avoir organisé cette réunion ministérielle sur la question des prix alimentaires internationaux lors de cette session du Comité de la Sécurité Alimentaire mondiale. Je salue la présence à cette table du Président du comité de la sécurité alimentaire mondiale et de mes collègues venus du monde entier.

Il s'agit de notre deuxième réunion de ce type et je souhaite que nous puissions avoir ici, dans le cadre du Comité de la sécurité alimentaire, un rendez-vous régulier des ministres de l'agriculture du monde entier.

Cette année, la situation des marchés mondiaux n'est pas tendue comme l'an dernier mais la question de la volatilité excessive des prix agricoles et alimentaires et de ses impacts sur les populations vulnérables mais aussi sur tous les producteurs du monde continue de mériter toute notre attention, à nous tous ici présents, gouvernements, organisations internationales, secteur privé et société civile.

Plus largement, c'est bien de nourrir la planète de façon durable qu'il s'agit, et cela vaut bien que nous y travaillions tous ensemble.

Toutes les énergies doivent être mobilisées si l'on veut obtenir des résultats, et faire durablement reculer le nombre de personnes souffrant de la faim et de la malnutrition. Sur la volatilité des prix, le CSA avait adopté, en octobre 2011, des recommandations nourries entre autres du plan d'action du G20 sur la volatilité des prix alimentaires et l'agriculture, il est bon de vérifier les progrès parcourus.

Au plan international, nous avons désormais AMIS (système d'information sur les marchés agricoles), qui intègre de plus en plus de données sur 4 céréales de base (blé, riz, maïs, soja) et aborde également des données qualitatives telles que des informations sur les politiques comme celles liées aux biocarburants. Ces données sont progressivement traitées pour être mises à disposition de tous.

Je remercie la FAO pour le rôle essentiel qu'elle joue au sein d'AMIS en lien avec les autres organisations internationales présentes dans le Secrétariat (OCDE, Banque mondiale, etc). Je salue le travail effectué par les Etats-Unis, qui ont présidé AMIS cette année et encourage l'Australie qui prend la relève, ainsi que tous les pays qui s'impliquent pour le succès de cet outil.

Cette amélioration de la transparence est couplée à un dispositif essentiel pour une meilleure coordination internationale : le « Forum de Réaction Rapide » permet aux décideurs politiques membres d'AMIS de maintenir un dialogue régulier et d'échanger précocement sur les informations clés. Ce dispositif facilite la mobilisation politique et la mise en place d'actions adaptées en cas de crise sur les marchés. L'année dernière, les membres du Forum ont été en contact permanent, ont partagé leur analyse de la situation, ont coordonné leurs messages, participant ainsi à la détente des marchés.

Ces deux instruments peuvent utilement être déclinés et adaptés à d'autres échelles, pour poursuivre l'amélioration de la transparence des marchés en particulier au plan régional. C'est le sens de l'initiative lancée à Malte avec nos partenaires de la Méditerranée, avec lesquels nous avons décidé de travailler à la mise en place d'un « AMIS Méditerranée ». Je suis convaincu que ces déclinaisons régionales, en renforçant la transparence, seront un gage de plus dans la lutte contre la volatilité excessive des prix.

Les marchés physiques sont importants mais n'oublions pas qu'il nous faut encore aller plus loin dans le cadre du renforcement de la régulation financière.

De son côté, l'Union Européenne s'est engagée dans une réforme de l'encadrement européen des marchés financiers, avec pour objectif davantage de transparence dans les transactions et les positions, ainsi qu'une meilleure capacité d'intervention des autorités régulatrices.

Avec la Loi de séparation et de régulation des activités bancaires, la France a décidé d'anticiper certaines des mesures importantes de cette réforme européenne, en introduisant par exemple un régime ambitieux de limite de position, et un renforcement des mesures visant à lutter contre les abus de marchés et les manipulations de cours.

La transparence et la régulation ne peuvent cependant pas tout.. Un certain nombre de mesures peuvent être prises pour aider les agriculteurs à gérer le risque lié aux variations de prix et limiter les effets de la volatilité, à travers des instruments tels que la contractualisation, tels que l'organisation des filières et le soutien à l'organisation des producteurs, tels que la mise en place de systèmes de réserves régionales comme ceux développés en Afrique de l'Ouest par la CEDEAO.



Ces instruments se conçoivent et s'articulent dans le contexte de politiques publiques agricoles et alimentaires ambitieuses et adaptées à l'échelle nationale ou régionale qui accompagnent le développement d'une agriculture durable.

Enfin, pour conclure, je souhaiterais vous proposer, qu'à l'avenir, nous profitions de ce rendez-vous des ministres de l'agriculture du monde entier, pour réfléchir ensemble à des actions concrètes. Je suggère donc que nous puissions travailler en ce sens.

Nous devons, tous ensemble, conserver à la sécurité alimentaire une priorité politique de premier plan. Nous devons aussi agir, dans nos diversités, avec tous les moyens qui sont les nôtres, dans cet objectif commun : réduire l'insécurité alimentaire de centaines de millions d'êtres humains. Il nous faudra donc réfléchir tous ensemble à la meilleure préparation possible de notre rendez-vous de l'an prochain.

Je vous remercie pour votre attention, et nous souhaite des échanges fructueux.



# Greece

STATEMENT BY:

H.E. TSAFTARIS  
MINISTER FOR RURAL DEVELOPMENT AND FOOD

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Thank you Mr Chairman,  
Your Excellencies,

For the sake of time there is no need to stress in this audience the intensity of the problem of food security. A problem made severe every day due to wars, social unrest, weather conditions and climate changes, thus making our work here today more urgent.

Agricultural markets also have frequent repercussions on the prices of farm inputs and food. All participants in the agri-food chain are affected, including the consumers. Farmers and rural communities are often further affected due to limited access to public goods, market access, access to innovations among others. Institutional and capacity building can mitigate the repercussions and encourage the development of sustainable local communities. Investment to these communities should be encouraged via the most appropriate for the local economy, production and population financial schemes, such as micro-financing, groups of production, cooperatives, innovation partnerships, among others.

Experience gained from substantial work undertaken at the FAO level, as well as work in progress in the Committee for Food Security can contribute to the fight of hunger and malnutrition in both developing and developed countries. Investment in agriculture is also a factor of paramount importance for food and nutrition security and development. Work on the subject should continue being a matter of priority.

Investing particularly in breeding seeds should be a priority. Improving locally well-adapted varieties by making use of currently available genomic technologies is the best way to achieve the goal of food security in a sustainable way with limited inputs and money availability.

Investing in Agriculture, particularly in knowledge and innovation, this is what we are doing back in our country to get out of the economic crisis that Greece has experienced lately. We use agriculture as the major pillar, together of course with tourism, to get out of the crisis. As I had the opportunity to inform you during our last meeting, we have assigned a high priority on Research and Innovation. Indeed, young scientists with doctoral or post-doctoral experience or graduate degree holders along with young educated farmers found working positions funded by the State or European funds. Their

mandate is to work for further advancing sustainable rural development and agricultural growth.

Dear Colleagues,

While productivity growth and innovation are of paramount importance, trade and the functioning of the markets have also been recognized as major aspects for the management of unstable food prices. Moreover, the role of smallholders in value added chains, particularly climate change effects, could contribute significantly not only to financial sound and sustainable rural communities, but also encourage young and more educated people to enter agricultural production. A substantial amount of work has been completed on the subject of risk assessment and management internationally. Further cooperation on the subject at multilateral level could provide the appropriate tools for improving our practices, providing at the same time a shield against price volatility for both farmers and consumers.

Thank you very much for your attention.



# India

STATEMENT BY:

H.E. K.V. THOMAS

MINISTER OF STATE (INDEPENDENT CHARGE), CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

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Mr Chairman,  
Distinguished Ministers,  
Excellencies,  
Honourable Delegates and Observers,  
Ladies and Gentleman,

It gives me immense pleasure to join all the Member States in this meeting on International Food Prices. This initiative of FAO reiterates its commitment to contain Food Price Volatility and to achieve the ultimate goal of Global Food Security.

India supported the initiative of the G-20 Forum to tackle food price volatility as contained in the declaration made by Agriculture Ministers made at the meeting held in Paris during June 2011. It called for an Action Plan on Food Price Volatility and Agriculture, to focus generally on agricultural production and productivity, market information and transparency, international policy coordination, reducing the effects of price volatility for the most vulnerable and financial regulation of agricultural financial markets.

India is supporting the initiatives launched by the G-20 forum especially the **Agricultural Market Information System (AMIS)** and the **Rapid Response Forum (RRF)**. We have already taken necessary measures in this direction by appointing the focal points for AMIS and RRF to make these mechanisms fully operative. It is also encouraging to note that the AMIS and RRF mechanisms will have appropriate linkage with CFS which is a welcome step and this is going to further strengthen the initiative of the G-20 countries.

The recent analysis of our domestic market data shows declining prices of food during August 2013 as compared to the corresponding period of the previous year. The decline was mainly observed in cereals, oils/fats and sugar though there is a hike in the prices of milk and meats. The rate of inflation for milk and sugar was stable at the lower level and it was declining for edible oils. My Government has taken several measures both administrative and fiscal to contain the price rise of essential commodities which is showing promising results.

India has recently enacted the landmark "The National Food Security Act" which gives "Right to Food" to 67% of its population by ensuring them foodgrains at the most affordable prices, thereby protecting them against any price volatility.

India is always in the forefront to contribute to the food aid programmes internationally directly to the needy countries as well as through World Food Programme. We also supported the initiative of the G-20 emergency humanitarian food reserve and its pilot programme. To address emergency food security needs at regional level, India has the major contribution to the Food bank set up by the South Asian Association for Regional Cooperation (SAARC).

India has removed restrictions on export of cereals especially rice and wheat in September, 2011. By this measure, during 2012-13 more than 10 million tonnes of rice and 5 million tonnes of wheat have been exported from India. This has helped many nations in meeting their requirements of food grains. However, we reserve the right to regulate such export when warranted to meet our domestic needs because India believes that domestic food security is our first and foremost priority.

By virtue of the fruitful deliberations in this October meeting, I am confident that sound mechanism will be evolved by improved data sharing and coordination at intergovernmental level. Initiatives like AMIS and RRF are timely steps in that direction and I will appeal to all nations to participate actively in this mechanism.

Excellencies, ladies and gentlemen, dear colleagues, I wish for meaningful discussions and look forward to productive outcomes from this Ministerial Meeting on International Food Prices.

# Islamic Republic of Iran

STATEMENT BY:

H.E. KHALIL AGHAEI  
VICE MINISTER OF THE JIHAD-E-AGRICULTURE

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Mr President,  
Honorable Ministers,  
Ladies and gentlemen,

On behalf of the government of the I.R. of Iran I should express my appreciation of the FAO Director-General Mr Da Silva for convening this important meeting.

Excellencies,

According to UN assessments, the world population will reach 9.1 billion in 2050 which is 34 percent higher than the present population. At the same time, Therefore, there will be increasing demand for foodstuff and the people's diet will move towards further consumption.

Despite the fact that agricultural products have experienced severe fluctuations, the consumption rate has fairly increased and this trend will continue. This contributes to increases in the price of many agricultural, fishery, livestock, and renewable bio-fuels.

Major reasons of increased consumption are: increased per capita income; population growth; increasing the income of the middle class in the developing economies; development of urbanization; and the shift in the consumption patterns.

During the past 50 years, agricultural productions have increased 2,3 percent annually. In the past, the cycles of high prices have reacted to the enhancement of production in the agriculture sector and products with low demands have experienced a lowering price trend for many years. Nevertheless, the downward price of agricultural products have reversed since 2000 and has experienced an upward trend, as a result of which the price of agricultural products have almost doubled during the past 10 years.

Excellencies,

Currently, the share of the agriculture sector of the water supplies of the world is around 70 percent. The water and soil resources are not spread evenly in the world. Many nations in the Near East, north Africa, and south Asia are faced with a shortage of water supplies and suffer from lack of enough soil resources. The number of countries and regions of the world which suffer from lack of enough water supplies will increase in coming years. The

main factor for coping with decreasing water resources is the enhancement of productivity in the use of water.

The most important challenges of the agriculture sector are a low productivity rate and a lack of stability in production. Considering the existing constraints, we should concentrate on increasing the productivity in the agriculture sector.

Ladies and Gentlemen,

Increased production costs and increased demand for bio-fuels (which consequently lead to increased demand for agricultural products) are major reasons for higher prices. On the other hand, increased prices encourage farmers and livestock breeders to increase their production through enhancing investment, productivity, and the use of better varieties, animal food, and advanced technology.

Dear delegates,

The Islamic Republic of Iran has obtained significant achievements in various subsectors of agriculture, such as livestock and poultry, organic production, and foodstuff. It has produced more than 100 million tons of agricultural products annually. The Islamic Republic of Iran is prepared to share its achievements and experiences with other member states within the context of regional and international agreements. Considering the above-mentioned issues, we propose the following suggestions for enhancing sustainable food security and reducing price fluctuations in the agriculture sector:

- Encouraging and creating proper economic, technical, and legal context for innovation and empowering research, education, and extension systems.
- Paying due attention to the role played by the private sector in the development and introduction of new technologies and innovations.
- Paying due attention to the importance of reducing the loss of agricultural products, as one of the instruments for enhancing productivity.
- Paying attention to the cycle of agriculture production and consumption chain.
- Sustainable use of water and soil resources and proper control of the use of chemical fertilizers and pesticides.
- Formulation and implementation of programmes that are compatible with climate change in different countries.
- Technology transfer and extension in the agriculture sector.
- Enhancing cooperation among major exporters of foodstuff.
- Transparency in the foodstuff market.
- Adoption of common procedures in international gatherings for the production and trade of foodstuff.
- Prioritization of the production and trade of agricultural crops in international interactions.

Thank you.



# Italy

STATEMENT BY:

H.E. GIUSEPPE CASTIGLIONE  
SECRETARY OF STATE, MINISTRY OF AGRICULTURE, FOOD AND FORESTRY

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Mr Director-General, distinguished guests, Ladies and Gentlemen,

It is a great honor for me to be able to speak at this session of the Committee. I would like to first note the Italian government's support of this Committee's activities and the numerous initiatives that will take place in the next few days.

The various causes of rising food prices are well known, and include: climate change, financial speculation on futures and food markets, reduced trade flows due to import restrictions.

Consumers and producers are the first to be affected by the phenomenon of price volatility; they are not able to plan long-term investments since market instability prevents them from assessing profitability.

In Italy as well, we suffer from the extension of this phenomenon. Last year, we saw a 10% increase in the price of agricultural products. In addition, our country has been affected by the recent turmoil in international agricultural markets. This once again proves that rising food prices is a global phenomenon.

The uncontrolled increase in food prices has also had an impact on hunger and malnutrition throughout the world. For all of these reasons, Italy wholeheartedly supports the international community's commitment to combating these phenomena—the number of which, unfortunately, does not cease to increase—by implementing all the specific measures required to do so.

It is important that we maintain an active role in the Global Strategic Framework for Food Security and Nutrition and pursue international policy commitments, such as the Rapid Response Forum and that we intervene in the two following directions:

1. One, typically regulatory, with an important role given to public institutions, whether they be domestic or international;



2. the other direction, focused on market action and on incentives and moral suasion, targeting the development of new dynamics linked to the food trade.

With regard to the first point, we believe it is necessary to:

- Review biofuel policies, by, for example, discouraging and limiting excessive investment in this particular industry which is responsible for removing significant amounts of arable land from agricultural production.
- Regulate financial activity in food markets, by providing national authorities with the powers and responsibilities to regulate mechanisms that interfere with food markets. Greater transparency must be ensured in financial markets so that they are more stable and more accessible to farmers.
- Invest in preventing and managing environmental emergencies by supporting research and creating emergency plans as well as promoting all efforts to improve the tools used to manage agricultural risks.
- Strengthen basic services and stimulate domestic systems that provide social protection.

With regard to market dynamics and moral suasion, we believe it is necessary to:

- Invest in local production and avoid export restrictions by providing larger market access and by following WTO rules. In addition, the supply chain should be shortened to encourage local production, to reduce food costs and to diversify the markets.
- Reach an agreement on responsible agricultural investment that is to be approved in 2014. It is also important to ensure that there is strong support for a public-private partnership that follows a code of ethics as the means of regulating markets and a common policy in the area of global food reserves.
- Support international organizations and civil society as is the case, for example, with the consultations held within this Committee that involve Associations and NGOs.
- Support actions by the New Alliance, the movement born in the G8, as an additional tool to support wider consensus mechanisms, such as the CFS.
- Support small, medium and family agricultural businesses, of which our country is an enthusiastic advocate and we are inspired by these businesses, due to their long history of cooperative agriculture.
- Encourage the planting of protein-rich crops, as is already happening, for example, in the case of the Agricultural Market Information System for wheat, corn, rice and soy. Related to this, I would like to point out that our country has recently engaged in pursuing regional cooperation for soy and protein-rich crops.
- Finally, we must reconfirm the commitment to the principles of Los Cabos G20, emphasizing the removal of barriers for humanitarian reasons.

I am sure that the discussions today will result in useful information and suggestions for quickly making joint decisions, within a context of sustainability.



# Italie

## ALLOCUTION DE:

S.E. GIUSEPPE CASTIGLIONE  
SOUS-SECRÉTAIRE D'ÉTAT  
MINISTÈRE DE L'AGRICULTURE, DE L'ALIMENTATION ET DE LA FORESTERIE.

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Monsieur le Directeur-Général, invités distingués, Mesdames et Messieurs,

C'est un grand honneur pour moi de prendre la parole lors de cette session du Comité. Je voudrais tout d'abord marquer le soutien du gouvernement italien aux activités de ce Comité et aux nombreuses initiatives qui auront lieu au cours des prochains jours.

Les différentes causes de la hausse des prix des denrées alimentaires sont désormais connues, y compris: le changement climatique, la spéculation financière sur les contrats à terme et sur les denrées alimentaires, la réduction des flux commerciaux en conséquence des restrictions aux importations.

Les consommateurs et les producteurs sont les premiers à être touchés par le phénomène de la volatilité des prix, car ils ne peuvent pas planifier leurs investissements à long terme, puisque l'instabilité du marché leur empêche d'évaluer la rentabilité.

En Italie aussi, nous subissons la propagation de ce phénomène. En fait, l'année dernière nous avons enregistré une hausse de 10% des prix des produits agricoles. Même notre Pays a subi les conséquences de la récente tourmente sur les marchés internationaux de produits agricoles. Cela donne un nouvel témoignage de la nature mondiale du phénomène.

L'augmentation incontrôlée des prix des denrées alimentaires a également un impact sur la faim et la malnutrition dans le monde. Pour toutes ces raisons, l'Italie partage énergiquement l'engagement de la communauté internationale dans la lutte contre ces phénomènes, dont le nombre malheureusement croît de plus en plus, en mettant en place toutes les mesures spécifiques nécessaires.

Il est important pour nous de maintenir un rôle actif dans le *Cadre Stratégique Mondial pour la Sécurité Alimentaire et la Nutrition* et de poursuivre les engagements politiques internationaux, tels que le *Forum de Réaction Rapide* et d'intervenir dans deux les directions suivantes:

1. Une, typiquement réglementaire, avec un rôle important attribué aux institutions publiques, soit nationales, soit extranationaux;
2. L'autre direction, basée sur l'action du marché et sur des mesures d'incitation et de moral suasion, visant à encourager le développement de nouvelles dynamiques liées au commerce des produits alimentaires.

*Sur le premier point, nous croyons qu'il est nécessaire:*

- **Examiner les politiques sur les biocarburants**, par exemple en décourageant et en limitant l'investissement démesuré dans ce domaine, qui soustrait des importantes extensions des terres arables à la production agricole.
- **Régler l'activité financière sur les marchés alimentaires**, en attribuant aux autorités nationales pouvoirs et responsabilités dans la régulation des mécanismes déformant des marchés alimentaires. Il est nécessaire assurer une plus grande transparence sur les marchés financiers afin qu'ils soient plus sécurisés et accessibles aux agriculteurs.
- **Investir dans la prévention et la gestion des urgences environnementales**, en soutenant la recherche et l'élaboration de plans et en promouvant tout effort pour améliorer les outils de gestion des risques en agriculture.
- **Renforcer les services de base et stimuler les systèmes nationaux de protection sociale.**

*En ce qui concerne la dynamique du marché et de la moral suasion, il est recommandable de:*

- Investir dans des productions locales et éviter les restrictions aux exportations, en ouvrant plus largement les marchés et en appliquant les règles de l'OMC. De l'autre côté, il faut aussi raccourcir la chaîne d'approvisionnement afin d'encourager la production locale, de réduire le coût des aliments et de diversifier les marchés.
- Parvenir à un accord sur les Investissements responsables en agriculture, qui doivent être approuvés au cours de 2014. Il faudrait assurer un soutien fort au partenariat public-privé aussi à travers l'utilisation de codes d'éthique comme moyen de régulation des marchés et une politique commune dans le domaine des réserves alimentaires mondiales;
- Apporter un soutien aux organisations internationales et à la société civile, comme c'est le cas, par exemple, des consultations tenues dans ce Comité, qui entraînent Associations et ONG.
- Soutenir les actions de la New Alliance, le mouvement né au sein du G8 comme un outil supplémentaire pour soutenir les mécanismes de consensus plus larges, telles que le CSA.
- Soutenir les petites et moyennes entreprises agricoles et l'agriculture familiale, dont notre pays est convaincu partisan et inspirateur, en raison de sa longue histoire d'agriculture de consortium;
- Encourager les cultures protéiques, comme se passe déjà, par exemple, dans le cas de l'Agricultural Market Information System pour le blé, le maïs, le riz et le soja. À cet égard, je signale que notre Pays s'est récemment engagé à poursuivre une coopération au niveau régional sur la soja et sur les cultures protéiques.
- Et enfin, nous devons confirmer l'engagement du G20 à Los Cabos mettant l'accent sur l'élimination des barrières pour des raisons humanitaires.

Je suis sûr que les discussions d'aujourd'hui apporteront des informations et des suggestions utiles pour prendre rapidement des décisions conjointes, dans une perspective de durabilité.



# Japan

STATEMENT BY:

H.E. YOSHIMASA HAYASHI  
MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES

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Mr Chairperson,  
Dr José Graziano da Silva,  
Your Excellencies,  
Distinguished delegates and participants,

First of all, I would like to express my deep appreciation to Dr Joseph Glauber, Chief Economist of the United States Department of Agriculture, and FAO Director-General Dr José Graziano da Silva, for organizing this meeting. I am truly honored to have this opportunity to deliver our contribution to the global food security and agricultural policy.

We all know that food and nutrition are the most essential for our health and lives. However, still one in eight suffers from chronic hunger. Japan is keen to securing global food security and agricultural development in a sustainable manner. At the Fifth Tokyo International Conference on African Development, TICADV, we established the goal of empowering farmers as mainstream economic actors.

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## Addressing world food security

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We have seen high and volatile international food prices for the past few years. I think many people still clearly remember that this had led to concerns regarding food insecurity and social unrest across countries. The international food market this year has not experienced acute price hikes as we witnessed last year. However, food prices still remain above the historical averages. Furthermore, in the medium to long term, the world's food demand is projected to increase steadily due to world population growth, the economic development of developing countries and the increased use of food products for non-food purposes such as biofuel production.

In order to respond to this challenge of growing demand, our efforts to improve food security must be strengthened. Each country should increase its sustainable agricultural production and productivity, considering the diversity of environmental conditions worldwide and the multifunctionality of agriculture, forestry and fisheries.

In this context, I would like to stress that production increase must be accompanied by the co-existence of various types of agriculture in the world since this can mitigate the impact from poor harvest of certain crops on the international market.

At the same time, we cannot overlook the large amount of global food losses and waste. According to the FAO estimate, global food losses and waste amount to as much as 1.3 billion tons per year. Reduction of food loss is a big challenge for those of us considering food security. Developed countries, including Japan, should minimize food waste in their own market.

An effective food value chain should be established, particularly in developing countries, to ensure smooth and efficient food distribution from production to consumption, and also contribute to the reduction of food losses. Japan would like to contribute to establishing such a food value chain in developing countries.

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## Responsible agricultural investment

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To enhance food security, we should not forget the importance of promoting investment in agriculture, agricultural infrastructure, research and development, the dissemination of their outcomes, and women's participation in agriculture.

Investment in all stages of the agricultural value chain to be conducted in a manner that harmonizes the benefits of receiving countries and local communities, including small farmers, in order to avoid unilateral development by investors.

Thus, Japan has promoted the concept of "responsible agricultural investment" since 2009. Japan will continue its contribution to the discussion on responsible agricultural investment being discussed at the CFS, the Committee on World Food Security.

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## Refraining from export restrictions

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Arbitrary policy interventions, such as export restriction of foods is one of the major factors causing soaring food prices and social instability across countries. Therefore, countries should refrain from such interventions and make efforts to stabilize international food prices.

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## Market transparency

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Sharing accurate and timely information on trends, supply and demand in the market among countries is important to prevent excessive price volatility. We expect that the

Agricultural Market Information System, AMIS, which was agreed at the Meeting of G20 Agriculture Ministers, will play a vital role for that purpose.

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## Japanese agricultural policy

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Lastly, I would like to take this opportunity to introduce recent developments in Japan's agricultural policies. We have to strengthen our agriculture, forestry and fisheries as a competitive industry to ensure stable food supply, since Japan is the largest net food importer with its population of well over 100 million.

On the other hand, our rural society faces various challenges, including a shrinking and aging farmers population as well as increasing abandoned farmlands. In order to address these challenges, we have outlined a new strategy titled "Aggressive Agriculture, Forestry and Fisheries." Under this new policy, we aim to achieve two objectives simultaneously, like the two wheels of a cart. One is to convert agriculture, forestry and fisheries into a new growing industry, and the other is to maximize the multifunctionality of agriculture, forestry and fisheries by fully utilizing various resources inherited in rural areas.

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## Conclusion

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Lastly, I would like to conclude my statement by saying that Japan will continue its efforts to contribute to improving global food security, in collaboration with other countries and relevant international organizations, including FAO, and the international community.

Thank you for your attention.

## Lithuania

STATEMENT BY:

H.E. MINDAUGAS KUKLIERIUS  
VICE MINISTER FOR AGRICULTURE, LITHUANIA

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Your Excellences, distinguished delegates,

It's my honor to deliver the following statement on behalf of the three Baltic States: Lithuania, Latvia and Estonia. We are united in line with the member states of FAO to achieve the Zero Hunger Challenge and to be a strong supporter to find an eligible balance to the international food trade.

During the first Ministerial meeting on Food Price Volatility 2012, there was an agreement to establish a high level panel discussion as an effective instrument. With gathering today we fulfill this initiative. We should agree, dear colleagues, that the main topic today is to identify the circumstances where volatility becomes "excessive" or degenerates into a "crisis". Consequently, the signals from the International Food Market on prices give a controversial forecast to our farmers on how to manage their future.

The recent figures of our region regarding harvest statistics show an annual raise; at the same time, the price increase is considerably higher. From a macroeconomic point of view it coincides with a considerable range of speculations among different players in the markets at all levels. This results in real market distortion with the anxiety and uncertainty for tomorrow.

We would like to foster the negotiations on possible ways on how to reduce the speculation impact on the international food prices at all the levels, including the political level. Being the key players, we have to start acting and take measures right now for sustainable and efficient agriculture in the future. We need to share the responsibility and set honesty as a principle in the global food trade.

The Baltic States region is still expanding in the agricultural sector, therefore the issue on food prices still remains sensitive. Hence, we acknowledge FAO's mandate in the world agricultural sector as extremely important, and in order to move towards responsible global food trade we encourage the organization to take an active role in the discussions on international food prices.

Finally, we have to ask ourselves personally, what we will do tomorrow in front of the desk, when we'll take the decisions.

I wish all of us success in facing the global problems we address here.



# Madagascar

STATEMENT BY:

H.E. SEM RAVATOMANGA ROLAND  
MINISTER OF AGRICULTURE

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Mr Chairman,  
Director-General,  
Delegates,

First of all, I would like to express my delegation's thanks to the Italian authorities for making our stay an agreeable one. I would also like to thank the Director-General of our Organization, our dear friend Mr Graziano for this invitation to take part in the second ministerial meeting on international food prices. I must say that I have listened carefully to the Director-General's opening remarks, which, in my humble opinion, are a source of inspiration for the present delegates.

Mr Chairman, I would also like to congratulate you for your leadership and I look forward to your closing remarks.

Ladies and gentlemen,

The volatility of international food and agricultural prices has direct consequences on the ability of households to put food on the table. Madagascar, despite the good production levels recorded in 2008 after the Green Revolution, could be threatened by the rise in worldwide prices seen in recent times. Supply is not keeping up with demand. Population growth is not under control.

This situation has been aggravated by the political crisis and the resulting economic and social repercussions. Furthermore, anti-locust measures failed due to lack of funds between 2009 and 2012 (as a result of the political crisis) but is, fortunately, on the right track this year, thanks particularly to FAO and the World Bank whom I would like to gratefully thank at this time.

Price instability affects small producers and their ability to invest and react to increased domestic demand, resulting in poverty in rural areas, estimated to be 85 percent of the population.



All of this has led to the collapse of the productivity of family farms which are already in a precarious state; isolation and deterioration of the road infrastructure affect the cost of transportation; this is coupled with disorganized supply chains and sales, which is a result of the political crisis.

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## Looking ahead

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Madagascar in 2025 will have competitive and sustainable agricultural production that includes small farms as well as modern agribusiness to ensure food security and to provide access to export markets. This is the country's vision for the agricultural, livestock and fisheries sector and we are seeking to make it a reality through PSAEP/CAADP.

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## In the short term

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The reduction of poverty will be a priority in the short term, government policy is to provide 70 percent from public investments. The key areas will be related to food security, nutrition, jobs, revenue and adapting to climate change. We will also promote the creation of food reserves at the local and national levels.

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## In the medium and long term

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We will prioritize sustainable economic growth, contributing 60 percent from public investments. It will be key to create agricultural and livestock investment zones with private funds. In addition, there are plans for improved fishery and aquaculture management as well as expanded export markets.

To this effect, the Government will devote at least ten percent of the national annual budget to agricultural and food safety as is stipulated in the Maputo Declaration. Madagascar's PSAEP/CAADP Agreement will be signed on 21 October 2013.

Ladies and gentleman, I thank you for your attention.



# Madagascar

## ALLOCUTION DE:

S.E. SEM RAVATOMANGA ROLAND  
MINISTRE DE L'AGRICULTURE DE MADAGASCAR

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Monsieur le Président,  
Monsieur le Directeur-Général,  
Mesdames et Messieurs les Délégués,

Je voudrais tout d'abord exprimer toute la gratitude de ma délégation à l'endroit des hautes autorités d'Italie pour les dispositions qui ont été prises pour rendre agréable notre séjour. Je voudrais également dire merci au directeur général de notre institution, notre cher ami Graziano, pour cette invitation à prendre part à cette deuxième réunion ministérielle sur les cours mondiaux des denrées alimentaires. Je dois vous dire que j'ai écouté avec attention les observations liminaires du directeur général qui à mon humble avis sont sources d'inspiration pour les délégués ici présentes.

Je voudrais également, monsieur le Président, vous saluer pour votre leadership et attendre avec intérêt vos observations finales.

Mesdames et Messieurs,

La volatilité des cours internationaux des produits alimentaires et agricoles a des conséquences directes sur la capacité des ménages à se nourrir. Madagascar, malgré la bonne production enregistrée en 2008 suite à l'opération révolution verte, pourrait être menacée par la hausse des prix mondiaux observés ces derniers temps. L'offre ne suit pas la demande. La croissance démographique n'est pas maîtrisée.

Cette situation a été aggravée par la crise politique qui a des répercussions sur le plan économique et social. De plus la lutte antiacridienne non maîtrisée faute de moyens entre 2009 et 2012 (à cause de la crise politique) mais heureusement en bonne voie cette année grâce, notamment, à la FAO et à la Banque mondiale que je remercie solennellement ici.

L'instabilité des prix affecte les paysans producteurs et leurs capacités à investir pour répondre à la croissance de la demande domestique d'où accentuation de la pauvreté en milieu rural estimée à 85% de la population.

Tout ceci a entraîné l'effondrement de la productivité des exploitations familiales qui sont déjà en état de fragilité; l'enclavement et la dégradation des infrastructures

routières ont des conséquences sur les coûts de transport; conjugués avec la désorganisation des filières d'approvisionnement et de commercialisation, Conséquences de la crise politique.

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## Au niveau des perspectives

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Madagascar en 2025, s'appuie sur une production agricole compétitive et durable intégrant exploitations agricoles et unités agroindustrielles modernisées pour assurer la sécurité alimentaire et conquérir les marchés d'exportation. telle est la vision du pays pour le secteur agriculture, élevage et pêche qu'on cherche à réaliser à travers le PSAEP/CAADP.

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## Sur le court terme

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La réduction de la pauvreté sera privilégiée à court terme. Dans la politique du gouvernement en y consacrant 70% des investissements publics. Les domaines clés concernés seront la sécurité alimentaire, la nutrition, l'emploi, le revenu et l'adaptation aux changements climatiques. Nous allons promouvoir également la constitution de réserves alimentaires tant au niveau local, que national.

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## Sur le moyen et long terme

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Nous allons privilégier la croissance économique durable en y affectant 60% des investissements publics. les axes clés seront la création avec le privé des zones d'investissements agricoles et d'élevage; ainsi que des plans d'aménagement de la pêche et de l'aquaculture et l'élargissement des marchés d'exportation. À cet effet, le gouvernement affectera annuellement au moins 10% du budget national au secteur AEP tel que stipulé dans la déclaration de maputo.

La compacte PSAEP/CAADP de Madagascar sera signée le 21 octobre 2013.

Mesdames et Messieurs, je vous remercie de votre aimable attention.



## Malta

STATEMENT BY:

H.E. RODERICK GALDES  
PARLIAMENTARY SECRETARY FOR AGRICULTURE, FISHERIES AND ANIMAL  
RIGHTS

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Malta welcomes the publication of the 2013 edition of the report on the State of Food Insecurity in the World (SOFI 2013) and finds the continuing work on the development of multi-dimensional indicators to be a useful contribution in this important debate. Malta also shares the message on the importance of social protection and nutrition-enhancing interventions, policies to increase agricultural productivity and rural development, diverse sources of income and long-term commitment to mainstreaming food security and nutrition in public policies and programmes. Realization that the problem of food security must be tackled in a holistic manner is paramount, and that economic growth on its own is not sufficient to eliminate hunger and malnutrition.

Malta continues to believe that the fight against hunger is one of the main priorities in the global development agenda, and we are concerned when reading that there is not the same progress across regions. Sub-Saharan Africa continues to have the highest prevalence of undernourishment and the progress in hunger reduction and we believe that without greater efforts in this area, it will not be possible to achieve progress in addressing the other challenges faced by the most vulnerable people in these countries, including migration.

Finally Malta also supports the message that more attention needs to be devoted at sustaining agricultural productivity in these countries, with a particular emphasis on developing smallholder capacities.



# Mauritania

STATEMENT BY:

H.E. MOHAMED OULD MOHAMEDOU  
FOOD SECURITY COMMISSIONER

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Thank you, Mr. Chairperson

I would like first of all to value the initiative by FAO to convene a ministerial meeting on food prices, given the importance of this subject for us in many ways.

Mauritania is a desert country; it is marked by a weak agricultural capacity (less than 0.5 percent of the national territory are suitable for agricultural use). And agricultural production barely covers 30 percent of the national needs in periods of good agricultural seasons. Most of the consumer products in the country are imported and, therefore, affected by the rise in food prices in the international markets. This has direct consequences on the prices of food commodities in the local markets in the country. The crisis of rising prices in 2008 had a significant negative impact on the ability of poorer families to purchase food. Since then, prices did not go back to the pre-crisis levels, but on the contrary prices started to increase again since July 2010.

In May 2011 the prices of imported wheat increased by 85 percent compared to March 2010, which translated into a 40-percent increase in the Mauritanian market. Other consumable goods such as oil, rice and milk registered similar increases. These increases in prices have resulted in the deterioration of the food security situation, especially for the most vulnerable families. The low levels of agricultural production and the limited financial resources of these families to buy food from the market is one of the main causes of food insecurity in Mauritania.

To face this situation, the public authorities established in 2008, 2011 and 2012 national programmes for emergency intervention directed to alleviate the crisis of rising commodity prices on the most vulnerable groups of the population.

These emergency plans have been implemented in the rural areas and also in the marginal neighbourhoods in urban areas, where shops have opened to sell food at social prices. Also a network of food reserves had been set up in the rural areas threatened by food insecurity.

These efforts undertaken by the Government were very costly, which had an impact on the level of financial resources that were earmarked for basic infrastructure and development. And as an example, the 2012 emergency programme accounted for 10 percent of the national budget. But the programme has enabled the rescue of thousands of people from starvation and malnutrition.

On the other hand, our country has developed a new national strategy for food security as well as a strategy for agricultural development of the rural sector. These strategies have been translated through a Government decision to significantly increase agricultural production, through:

- Reclamation of new agricultural areas
- Supplying the market with agricultural inputs
- Providing support to farmers (agricultural loans, seeds and other inputs)
- Efforts to mechanize the traditional agriculture sector
- Fighting the enemies of agriculture
- Connecting the isolated production areas

The Government of Mauritania is fully aware of the need to find a durable solution to the issue of rising basic food prices, encouraging all initiatives aimed at stabilizing food commodity prices, as well as the development of a special programme to enhance the resilience of fragile population groups to shocks affecting the food security of low-income food-deficit countries.

كما تمت إقامة شبكة للمخازن الغذائية القروية في المناطق الريفية المهددة بانعدام الأمن الغذائي. هذه الجهود المبذولة من طرف الحكومة كانت كلفتها كبيرة الشيء الذي كان من تداعياته انخفاض مستوى الموارد المالية التي كانت مرصودة للبنية التحتية الأساسية وللتنمية. وكمثال، فقد استحوذ البرنامج الاستعجالي لعام 2012 على 10% من ميزانية الدولة. ومع ذلك فقد مكن البرنامج من إنقاذ آلاف الأشخاص من المجاعة وسوء التغذية.

من جهة أخرى، وضعت بلادنا إستراتيجية وطنية جديدة للأمن الغذائي، وأيضاً إستراتيجية للتنمية الزراعية للقطاع الريفي. وتمت ترجمة هذه الاستراتيجيات من خلال قرار من الحكومة بزيادة معتبرة للإنتاج الزراعي من خلال:

- استصلاح مساحات زراعية جديدة
- تمويل السوق بالمدخلات الزراعية
- دعم المزارعين (القرض الزراعي، البذور ومدخلات أخرى)
- جهود مكثفة الزراعة التقليدية
- محاربة أعداء الزراعة
- فك العزلة عن مناطق الإنتاج

وتعى الحكومة الموريتانية ضرورة إيجاد حل مستديم لظاهرة ارتفاع أسعار المواد الأساسية، وهي تشجع كافة المبادرات الهادفة الى ضمان استقرار أسعار السلع الغذائية، فضلاً عن وضع برنامج خاص موجه للرفع من قدرة الطبقات الهشة من المواطنين على مقاومة الصدمات التي تمس الأمن الغذائي للبلدان ذات الدخل الضعيف والعجز الغذائي.

شكرا السيد الرئيس؛

أود في البداية تثمين مبادرة منظمة الأغذية العالمية بعقد اجتماع وزاري حول أسعار المواد الغذائية، بالنظر الى أهمية هذا الموضوع بالنسبة لنا من عدة جوانب.

فموريتانيا تتميز بأنها بلد صحراوي قدرته الزراعية ضعيفة (أقل من 0.5% من التراب الوطني صالحة للاستغلال الزراعي). والإنتاج الزراعي يغطي بالكاد 30% من الاحتياجات الوطنية في مواسم الحملات الزراعية الجيدة. واغلب المواد الاستهلاكية في البلد مستوردة وتتأثر بالتالي بالارتفاع في أسعار المواد الغذائية في الأسواق الدولية مما ينعكس مباشرة على أسعار السلع الغذائية في الأسواق المحلية في البلد. وقد كان لأزمة ارتفاع الأسعار في 2008 تأثير سلبي كبير على قدرة للأسر الأكثر فقرا على توفير الغذاء. ومنذ ذلك الحين لم تعود الأسعار إلى المستوى السابق قبل الأزمة، بل على العكس عرفت منذ يوليو 2010 زيادة جديدة في أسعار المواد الغذائية.

وفي مايو 2011 سجلت أسعار القمح المستورد زيادة بنسبة 85% مقارنة بمارس 2010 وهو ما انعكس على السوق الموريتانية بزيادة 40%. كما سجلت مواد استهلاكية مثل الزيت، الأرز والحليب ارتفاعا مماثلا. ونجم عن هذه الزيادات في الأسعار تدهور في وضعية الأمن الغذائي خصوصا بالنسبة للأسر الأكثر هشاشة. إن ضعف الإنتاج الزراعي وضعف الموارد المالية التي تملكها هذه الأسر للتمويل من الأسواق هي من أسباب انعدام الأمن الغذائي في موريتانيا.

ولمواجهة هذه الوضعية وضعت السلطات العمومية في سنوات 2008، 2011 و2012 برامج وطنية للتدخل الاستعجالي موجهة للتخفيف من وطأة أزمة ارتفاع أسعار المواد الأساسية على الطبقات الأكثر هشاشة من السكان.

هذه الخطط الاستعجالية تم تنفيذها في الوسط الريفي وأيضا في الإحياء الهامشية في الوسط الحضري، حيث فتحت دكاكين لبيع المواد الغذائية بأسعار اجتماعية.





# Republic of Moldova

STATEMENT BY:

H.E. VIOREL GUTU  
DEPUTY MINISTER OF AGRICULTURE AND FOOD INDUSTRY

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Mr Chairman,  
Excellencies,  
Ladies and Gentlemen,

I would like to thank Mr Director-General for convening the second Ministerial Meeting on food prices giving us the opportunity to address the most important issues related to price fluctuations that continue to have a significant impact on international market stability and welfare of the world population.

As an initial point, I would like to emphasize that the topics to be discussed today are especially meaningful for Moldova, taking into consideration the following two aspects: our situation as an economy in transition and severe weather variability that is happening with increasing frequency over the last decade.

Examining food price volatility should start with the characteristics of food markets. I have to say that Moldova is a small country where prices are highly affected by regional trends. Having as neighbours a number of big players in the production of agricultural commodities, we, inevitably depend to a large extent to fluctuations on the regional markets, as well as volatility registered on the global market.

One of the features that characterize our economy, like one that faces the challenges of an economy in transition is the process of market monopolisation. And another alarming fact in this connection is that this process covers not only the market, but also access to the main infrastructure facilities, like railroads, warehouses, shipping management systems, etc. The outcomes of the big trading companies' activities are noticeable especially on the cereal and oilseed markets. As a consequence, small farmers, the most vulnerable part of the population, are those who have the biggest losses. The lack of consolidation of small farmers leads to their inability to have a strong position on the market and influence further development. For small countries like Moldova it is extremely important to be aware of the situation and identify timely and appropriate policy responses to cope with the negative impacts.

It is a well-known fact that farmers are paying the highest prices for agricultural inputs and at the same time get the lowest prices for their outputs, along the value chain. The key solution to this situation is encouraging farmers to participate in business along the value chain, especially by consolidation and association of their efforts to greater market integration.

We must also recognize that bad weather events, natural catastrophes, and climate change in the medium to long-term, will all contribute to the uncertainty in the supply-demand picture, and considering the latest projections, it is highly likely that severe weather variability will be occurring quite frequently. Therefore, we should be aware that price uncertainty may continue for the foreseeable future. In this regard, we must develop mid and long-term agricultural policies responses to deal with all these challenges. Clearly, we need to increase sustainable agriculture production that can be achieved by raising food crop yields and their resilience, better use of price risk management tools, strengthening agricultural research, science and innovation and increase investment in rural areas. Many of the tools and technologies required to reduce the impact of extreme weather are available now. And many more are under development or waiting for the right policies to catalyse them.

In connection to my previous statements, I would like to point out that for us the combination of the two mentioned factors, monopolizing the market and lack of preparedness to weather related risks, has a direct role in aggravating food crises and the impact increases progressively.

In the end, I would like to reiterate my statements made at the Second Global Conference on Agriculture, Food Security and Climate Change "Hunger for Action" in Vietnam, that there is enough knowledge in the world, but there is not enough dissemination of this information; there is enough money to implement activities which would round the corners of crisis, we just have to increase our efforts to get financial resources directed to these scopes.

# Niger

STATEMENT BY:

H.E. M. ABDOU LABO  
MINISTER OF STATE, MINISTER OF AGRICULTURE

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His Excellency, the President of the Committee on World Food Security (CFS),  
Ministers and Heads of Delegation of the country and institutional members of the  
committee,

His Excellency, the Director-General of FAO,  
Ambassadors,  
Distinguished Guests,

I would like to add my voice to those of the distinguished orators who preceded me in  
addressing the President and members of the Committee; my heartfelt congratulations  
for the trust placed in them for guiding the Committee on World Food Security (CSF).

Mr President,

The goal of my address is to inform you of the food and nutritional security component of  
the 3N Initiative: the Nigériens Nourissent les Nigériens (Nigeriens Nourish Nigeriens)  
in the Nigerien Renaissance Program of His Excellency, Mr Issoufou Mahamadou,  
President of the Republic, Head of the State of Niger.

As a reminder, Niger was food self-sufficient and a grain exporter through the 1960s, but  
has experienced frequent deficits for the last three decades. Statistics show that there is  
a significant grain deficit in one out of three years. Note that domestic grain demand is  
around 3.8 million tons and average available grain production is around 3.2 million tons,  
resulting in an average annual deficit of 600 thousand tons. Annual demographic growth  
of 3.3%, one of the highest in the world, is gradually increasing this deficit and makes it  
difficult to meet the country's food demand. The average available grain production per  
capita dropped to a level below 200 kg/person/year during the years of low production:  
1973, 1984, 2004 and 2011.

Food insecurity was characterized by a long, severe hunger gap . This gap, touched  
17.3% of the population in 2010, a year in which approximately 6 out of 10 households  
were unable to meet their food requirements for a period of more than 6 months.

Mr President,

To remedy the problems outlined above, Niger, through His Excellency Issoufou Mahamadou, President of the Republic, Chief of State, 3N Initiative, "Nigeriens Nourish Nigeriens," is having a green revolution, Nigerien style, the goal of which is to definitively protect our country from the disastrous consequences of the vagaries of the climate, although, in our country, drought is no longer a synonym for famine.

The objective is to shelter the Nigerien population from famine and to guarantee them the conditions for full participation in national production and the creation of wealth. Specifically, this entails:

- Curbing the national food deficit by increasing irrigated crops and improving the quality of food by increasing productivity and crop diversification;
- Increasing household capacity for resilience by increasing household revenue;
- Increasing national and local forecasting, prevention and management abilities with regard to food crises and emergencies;
- Reducing malnutrition in the most vulnerable groups through diversification and nutritional education.

Mr President,

The 3N Initiative is an innovative, relevant and coherent programme, that is today mobilizing the joint efforts of all the sons and daughters of Niger. This initiative, having been in place for two years, clearly shows that the path is being forged and Nigeriens Nourish Nigeriens is a testament to the results being achieved.

The access being provided to the means of production (land, equipment and other agricultural inputs) has allowed for notable participation by women and youth in activities related to crop irrigation. Significant production of vegetables, grains and legumes was attained and rural youth lived, and lived better, in their regions, substantially reducing the exodus of the workforce.

In addition, the implementation of the 3N Initiative during the 2012 winter crop allowed grain production of five million tons to be attained—an increase of 48% over the 2011 crop, and an increase of 27% over the average for the last five years. The macro-economic effects quickly make themselves felt; the rate of economic growth has considerably increased, from 7% to 10.8%.

For the rest, the 38th session of the FAO conference held last June acknowledged the progress our country has made with regard to fighting hunger. Therefore, Niger received the certificate of success from the FAO Director-General, to celebrate our country's progress toward food security for all.

These success have allowed us to reach Objective #1 of the Millennium Development Goals, three years early.

This progress was also recognized by the Economic Community of West African States (ECOWAS) through the creation of its High Level Committee on Food and Nutritional Security for which the chairmanship was bestowed by his peers upon SEM Issoufou Mahamadou, President of the Republic of Niger.

Mr President,

To consolidate the gains and ensure sustainability and efficiency for all of these actions, we need to grow progressively and to make lasting investments in agriculture. Projects are currently being developed or have begun, to use the important funding announced by our partners at the Paris round table for funding our 2012-2015 economic and social development plan and the 3N Initiative.

The transformation of our agriculture system is also occurring through reform of the sector and the agricultural profession to secure access to the land as well as factors and other methods of production.

Toward this end, political will to create successful conditions for our green revolution will be translated into drafting, adopting and implementing the law on agricultural guidelines and planning (abbreviated in French as LOPA). Laws specific to rural areas, regarding seeds and fertilizers, are currently being revised or adopted.

A National Program addressing applied research and agricultural extension services (abbreviated as PNIRAVA in French) centered around Farmers Field Schools will begin soon to ensure support and advice, training and promotion of the entire agricultural profession. In addition, a test project for preserving/transforming products has recently begun with funding from FAO. Everything that will contribute to improved productivity, production and food availability.

We invite our partners to follow us in this exciting process of reform.

Mr President, I would like to express the gratitude of the Nigerien government and people to our partners for their valuable assistance in search of food and nutritional security research in our country.

Finally, I would like to offer my thanks to the Italian government and the Director-General of the FAO for the warm welcome and excellent organization of this particular session.

Thank you for your attention.



# Niger

STATEMENT BY:

S.E. M. ABDOU LABO

MINISTRE D'ÉTAT, MINISTRE DE L'AGRICULTURE

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Excellence Monsieur le Président du Comité de la Sécurité Alimentaire mondiale (CSA) ;  
Excellences Mesdames/Messieurs les Ministres et Chefs de délégation des pays et institutions membres du comité ;  
Excellence Monsieur le Directeur Général de la FAO ;  
Excellences Mesdames et Messieurs les Ambassadeurs ;  
Excellences Mesdames/Messieurs, Distingués Invités ;

Je voudrais joindre ma voix à celles des éminents orateurs qui m'ont précédé pour adresser au Président et aux membres du Comité, mes vives félicitations pour la confiance placée en eux pour diriger le Comité de la Sécurité Alimentaire (CSA) mondiale.

Monsieur le Président,

Le but de mon propos est de vous entretenir de la composante Sécurité alimentaire et nutritionnelle de l'Initiative 3N : les Nigériens Nourrissent les Nigériens du Programme pour la Renaissance du Niger de Son Excellence Monsieur ISSOUFOU MAHAMADOU, Président de la République, Chef de l'Etat du Niger.

En rappel, le Niger autosuffisant en denrées alimentaires et même exportateur de céréales jusqu'à la fin des années soixante, connaît des déficits fréquents au cours des trois dernières décennies. Les statistiques font ressortir un déficit céréalier significatif une année sur trois. Ainsi, pour des besoins céréaliers nationaux de l'ordre de 3,8 millions de tonnes, la production céréalière moyenne disponible est de 3,2 millions de tonnes, soit un déficit annuel moyen de 600 milles tonnes. Le croit démographique annuel de 3,3%, l'un des plus élevés au monde, creuse graduellement le déficit et rend difficile la couverture des besoins alimentaires du pays. La production céréalière moyenne disponible per capita descend à un niveau inférieur à 200 kg/personne/an pendant les années de mauvaises productions de 1973, 1984, 2004 ou 2011.

L'insécurité alimentaire était caractérisée par une période de soudure longue et sévère. Elle a atteint 17,3% de la population en 2010, année au cours de laquelle environ 6 ménages sur 10 n'ont pu couvrir leurs besoins alimentaires au-delà de 6 mois.

Monsieur le Président,

Pour remédier aux problèmes ci-dessus évoqués, le Niger, par l'entremise Son Excellence Monsieur ISSOUFOU MAHAMADOU, Président de la République, Chef de l'Etat, l'Initiative 3 N, les Nigériens Nourrissent les Nigériens », est une révolution verte à la Nigérienne dont le but est de sortir définitivement notre pays des conséquences désastreuses des aléas climatiques afin que désormais dans notre pays, sécheresse ne soit plus synonyme de famine.

Son objectif global est de mettre les populations Nigériennes à l'abri de la famine et de leur garantir les conditions d'une pleine participation à la production nationale et à la création de richesses. De manière spécifique, il s'agit de :

- Résorber le déficit alimentaire national en intensifiant les cultures irriguées et améliorer la qualité de l'alimentation par l'augmentation de la productivité et la diversification des cultures ;
- Augmenter la capacité de résilience des ménages pauvres par l'augmentation de leurs revenus ;
- Accroître les capacités nationales et locales d'anticipation, de prévention et de gestion des crises alimentaires et catastrophes ;
- Réduire la malnutrition des groupes les plus vulnérables par la diversification et l'éducation nutritionnelle.

Monsieur le Président,

L'I3N est un programme novateur, pertinent et cohérent qui mobilise aujourd'hui les efforts conjugués de tous les fils et de toutes les filles du Niger. Le bilan de deux années de mise en œuvre de cette initiative montre clairement que la voie est tracée pour que les Nigériens Nourrissent les Nigériens comme en témoignent les résultats atteints.

En effet, l'accès facilité aux moyens de production (terre, équipements et autres intrants agricoles), a permis une participation remarquable des femmes et des jeunes aux activités de cultures irriguées. D'importantes productions de légumes, céréales et légumineuses ont été obtenues et les jeunes ruraux ont vécu et mieux vécu dans leurs terroirs, réduisant fortement le départ en exode des bras valides.

De même, la mise en œuvre de l'I3N au cours de la campagne agricole d'hivernage 2012 a permis d'obtenir une production céréalière de cinq millions de tonnes, soit une augmentation de 48% par rapport à la campagne 2011, et de 27% par rapport à la moyenne des cinq dernières années. Les effets macroéconomiques se sont vite fait sentir car le taux de croissance économique s'est considérablement accru, passant de 7% à 10,8%.

Du reste, la 38ème session de la conférence de la FAO tenue en juin dernier a reconnu les progrès que notre pays a réalisés en matière de lutte contre la faim. Ainsi, Le Niger a été récipiendaire de l'attestation de réussite délivré par le Directeur Général de la FAO, pour fêter les succès de notre pays dans le combat de la sécurité alimentaire pour tous.

Ces succès ont permis d'atteindre l'Objectif N°1 du Millénaire pour le Développement trois ans avant le terme.

Ces progrès ont été également reconnus par l'Union Economique et Monétaire Ouest Africaine (UEMOA) à travers la création de son Comité de haut niveau sur la sécurité alimentaire et nutritionnelle dont la présidence a été confiée par ses pairs à SEM Issoufou Mahamadou, Président de la République du Niger.

Monsieur le Président,

Pour consolider les acquis et assurer la durabilité et l'efficacité de toutes ces actions, nous avons besoin d'accroître progressivement et de sécuriser de manière pérenne les investissements dans l'agriculture. Des projets sont actuellement en cours d'élaboration ou de démarrage pour absorber les importants financements annoncés par nos partenaires lors de la table ronde de Paris sur le financement de notre plan de développement économique et social 2012-2015 et de l'I3N.

La transformation de notre agriculture passe également par une réforme du secteur et de la profession agricoles afin de sécuriser l'accès à la terre, aux facteurs et autres moyens de productions.

A cette fin, la volonté politique de créer les conditions du succès de notre révolution verte sera traduite par l'élaboration, l'adoption et la mise en œuvre de la loi d'orientation et de programmation agricole (LOPA). Les lois spécifiques relatives au code rural, aux semences et aux engrais sont en cours de révision ou d'adoption.

Un Programme national intégré de recherche appliquée et de vulgarisation agricole (PNIRAVA) centré autour des Champs-écoles paysans (CEP) démarrera sous peu pour assurer l'appui/conseil, la formation et l'encadrement de toute la profession agricole et un projet test de conservation/transformation des produits vient de démarrer sur financement de la FAO. Toutes choses qui contribueront à l'amélioration de la productivité, des productions et des disponibilités alimentaires.

Nous invitons nos partenaires à nous accompagner dans cet exaltant processus de réformes.  
Monsieur le Président,

J'exprime ici la gratitude du gouvernement et du peuple nigérien à nos partenaires pour leur précieux concours à la recherche de la sécurité alimentaire et nutritionnelle de notre pays. J'adresse enfin mes remerciements aux autorités italiennes et au Directeur Général de la FAO pour la qualité de l'accueil et la parfaite organisation de la présente session.

Je vous remercie de votre aimable attention.





# Peru

STATEMENT BY:

H.E. MILTON VON HESSE LA SERNA  
MINISTER OF AGRICULTURE AND IRRIGATION

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Good morning distinguished Ministers,

I am honored to represent Peru in the Second Ministerial Meeting on International Food Prices, and to be able to share with you the Peruvian experience in this area.

In Peru, agriculture is an economic activity that represents 25% of the Employed, Economically Active Population. It is an instrument of revenue generation for people who live out in the country, allowing them to improve their quality of life.

As economic agents, farmers seek to maximize their income, for which they have to reduce their costs of production, increase production levels, and obtain competitive prices.

The majority of international analysts agree that there is a certain degree of price volatility in markets for agricultural products, which, according to FAO studies, obey three rules: (i) variations in production from one period to another due to natural disturbances such as weather phenomena; (ii) behavior of demand for food, which is inelastic in the short term; and (iii) supply cannot respond to short-term price variations. Added to these three factors are structural factors that affect long-term volatility, such as climate change, ties to energy markets, and integration of agricultural markets with financial markets, causing uncertainty for investments and vulnerability for consumers, especially those with lower income levels.

Thus, taking into consideration that the objective is to maximize farmers' revenues, in a small, open and price-taking economy, it is key for the State to promote greater productivity and ties with the end markets. This is the case of Peru, which may be considered to be (1) a small economy, that is to say, it is a price-taking economy; (2) an open economy, and finally; (3) a food-importing economy.

It is thus that our country is exposed to international price fluctuations, in particular for commodities – corn, wheat, soy, etc. However, the volatility of domestic prices in Peru follows structural and internal situational conditions more than the transmission

of international prices. To offset this volatility, a set of monetary, fiscal and commercial policies are being implemented in the country, as well as sector policies, which are being applied from MINAGRI.

Peru's macroeconomic performance over the last decade has been exceptional, consolidating it as the economy that is leading economic growth in Latin America. Growth of average real GDP was 6.4%, the highest in Latin America, and average inflation was 2.8%, the lowest in the region. According to the most recent report from the World Economic Forum, the macroeconomic environment in Peru is among the world's 20 best.

This success of macroeconomic solidity in Peru has resulted in Peru being rated investment grade since 2009, and current private investment represents nearly 22% of GDP, being the main motor of economic growth.

Furthermore, since the 1990s, the government has been engaged in a commercial opening process, encouraging the integration of the Peruvian economy into the world. This is how, over the last 25 years, it has reduced nominal tariffs from 70% to 3.2%, and signed Free Trade Agreements (FTAs) with the largest global economies, encouraging competition, innovation and technology transfer. This has allowed an increase in agricultural exports five times over the last ten years, achieving a surplus commercial agricultural balance since 2004, and taking more products to more than 150 markets worldwide.

In addition, Peru has specific instruments to face international price volatility, such as the Price Band, which serves to stabilize import costs and the internal prices of a selected group of agricultural products: hard yellow corn, hulled rice, white sugar and whole powdered milk. This instrument consists of setting an upper level and a lower level for the international prices of each imported product, and applying customs duties or additional customs discounts, as applicable.

Finally, the MINAGRI is implementing a series of interventions directed towards improving the levels of technification, competitiveness, and therefore of productivity of farmers, which also contributes to attenuating price volatility, such as, for example:

- The My Irrigation programme, which seeks to raise the technological level of irrigation systems in micro basins in high Andean zones, at altitudes of about 1500 meters above sea level.
- The Good Seed Pilot Program, which seeks to implement a focalized mechanism that supports improving the productivity of crops of the high Andean population whose vulnerability is the highest, by delivering vouchers to purchase fertilizers.
- AGROIDEAS, which, through the development and execution of various business plans for small farmers in the high Andean zones, contributes not only to fomenting competition, but also technification and associativity.
- Connecting producers with the markets, encouraging the participation of agricultural producers and key players in the sector, in various national and international fairs.

- Increasing agro exports through investments in Agrarian Cleanliness and Safety.
- Encouraging agricultural innovation and information, which helps to improve the competitiveness of agricultural producers and to attract more investments in the sector by strengthening the National Institute of Agricultural Innovation and the publication of the IV National Agricultural Census.

In conclusion, since Peru is a small, open, price-taking economy, it is important to monitor the behavior of food prices, especially because price volatility creates uncertainty for producers, deterring their investments and in turn causing more vulnerability for consumers with less capacity for income. Therefore, besides tax, monetary and commercial policies, MINAGRI employs sector policies that help to increase agricultural producers' productivity and connection with the market.



# Peru

## DECLARACIÓN DEL

EXCMO. SR. MILTON VON HESSE LA SERNA  
MINISTRO DE AGRICULTURA Y RIEGO

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Buenos días distinguidos Señores Ministros, es un honor para mí representar al Perú en la Segunda Reunión Ministerial de la FAO sobre los precios internacionales de los alimentos y poder compartir con ustedes la experiencia peruana en la materia.

En el Perú, la agricultura es una actividad económica que representa el 25% de la PEA Ocupada; y es por tanto, un instrumento de generación de ingresos para las personas del campo, que les permite mejorar su calidad de vida.

Los agricultores, como agentes económicos, buscan maximizar sus ingresos, para lo cual requieren reducir costos de producción, incrementar niveles de producción y obtener precios competitivos.

La mayoría de analistas internacionales coincide en que se observa un cierto grado de volatilidad de los precios en los mercados de productos agropecuarios y que, según estudios de la FAO, éstos obedecen a tres factores: i) las variaciones en la producción de un período a otro a causa de perturbaciones naturales como los fenómenos climáticos; ii) el comportamiento de la demanda por alimentos que es inelástica en el corto plazo; y iii) la oferta no puede responder a las variaciones de precios en corto plazo. A estos tres factores se suman factores estructurales que afectan la volatilidad a largo plazo, como el cambio climático, los vínculos con los mercados energéticos y la integración de los mercados agrícolas con los mercados financieros; generando incertidumbre para las inversiones y vulnerabilidad a los consumidores, especialmente aquellos con menor nivel de ingresos.

En este sentido, tomando en cuenta que el objetivo es maximizar los ingresos de los agricultores, en una economía pequeña, abierta y tomadora de precios, es clave que el Estado apueste por promover mayor productividad y articulación con los mercados finales. Este es el caso del Perú, que puede ser considerado como 1) una economía pequeña, es decir, es una economía tomadora de precios, 2) una economía abierta, y finalmente, 3) una economía importadora de alimentos.

Es así que nuestro país se encuentra expuesto a las fluctuaciones de los precios internacionales, en particular de los commodities – maíz, trigo, soya, etc. Sin embargo, la volatilidad de los precios domésticos en el Perú obedece en mayor medida a condiciones estructurales y coyunturales internas que a la transmisión de los precios internacionales. Para contrarrestar esta volatilidad, se han venido implementando en el país un conjunto de políticas monetarias, fiscales y comerciales, y también políticas sectoriales que desde el MINAGRI se vienen aplicando.

El desempeño macroeconómico del Perú en la última década ha sido excepcional, consolidándose como la economía que lidera el crecimiento económico de la región latinoamericana. El crecimiento del PBI Real promedio fue de 6,4%, el más alto en América Latina y la inflación promedio se ubicó en 2,8%, la más baja de la región. Es así que de acuerdo al último reporte del World Economic Forum, el entorno macroeconómico del Perú se encuentra entre los 20 mejores del mundo.

Este éxito de solidez macroeconómica en el Perú ha permitido que el Perú obtenga grado de inversión desde el año 2009 y actualmente, la inversión privada represente cerca de 22% del PBI, siendo el principal motor del crecimiento económico.

Además, el gobierno ha iniciado desde los noventa un proceso de apertura comercial, promoviendo la integración de la economía peruana al mundo, es así que en los últimos 25 años, se redujo el arancel nominal promedio de 70% a 3.2%; y se suscribieron Tratados de Libre Comercio (TLC) con las economías más importantes del mundo, promoviendo competencia, innovación y transferencia tecnológica. Esto ha permitido incrementar las agroexportaciones en 5 veces en los últimos diez años, logrando una balanza comercial agropecuaria superavitaria desde el año 2004, y llevando más productos a más de 150 mercados a nivel mundial.

Adicionalmente, el Perú cuenta con instrumentos específicos para hacer frente a la volatilidad de precios internacionales, como la Franja de Precios, que sirve para estabilizar los costos de importación y los precios internos de un grupo seleccionado de productos agrarios: maíz amarillo duro, arroz pilado, azúcar blanca y leche entera en polvo. Este instrumento consiste en fijar un nivel superior y otro inferior para los precios internacionales de cada producto importado; y aplicar derechos arancelarios o rebajas arancelarias adicionales según sea el caso.

Finalmente, el MINAGRI se encuentra implementando una serie de intervenciones dirigidas a mejorar los niveles de tecnificación, competitividad y por ende de productividad de los productores agrarios, que también contribuyen a atenuar la volatilidad de precios, como por ejemplo:

El programa Mi Riego que busca tecnificar los sistemas de riego de las microcuencas en zonas altoandinas, sobre los 1,500 metros de altura.

- El Programa Piloto Buena Siembra que busca implementar un mecanismo focalizado que apoya la mejora de la productividad de los cultivos de la población altoandina en mayor estado de vulnerabilidad, a través de la entrega de vales para la compra de fertilizantes.
- AGROIDEAS que a través del desarrollo y ejecución de diversos planes de negocios para pequeños agricultores de las zonas alto andinas contribuye no solo a fomentar la competitividad, sino la tecnificación y asociatividad.
- Articulación de los productores con los mercados, incentivando la participación de productores agrarios y de actores claves en el sector, en diversas ferias nacionales e internacionales.
- Incremento de las agro exportaciones a través de la inversión en Sanidad e Inocuidad Agraria.
- Fomento de la innovación e información agraria, las cuales ayudan a mejorar la competitividad de los productores agrarios y a atraer mayores inversiones en el sector, a través del fortalecimiento del Instituto Nacional de Innovación Agraria y de la publicación del IV Censo Nacional Agropecuario.

En conclusión, considerando que el Perú es una economía pequeña y abierta, tomadora de precios, es importante monitorear el comportamiento de los precios de alimentos, sobre todo porque su volatilidad genera incertidumbre a los productores desalentando sus inversiones y a la vez mayor vulnerabilidad a los consumidores con menos capacidad de ingresos. En tal sentido, además de las políticas fiscales, monetarias y comerciales, el MINAGRI aplica políticas sectoriales que ayudan a incrementar la productividad y la articulación con el mercado de los productores agrarios.

## Portugal

STATEMENT BY:

H.E. ASSUNÇÃO CRISTAS  
MINISTER OF AGRICULTURE AND SEA

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Dear Director-General of the Food and Agriculture Organization of the United Nations, meu Prezado amigo Professor José Graziano da Silva, Mr Chairperson, Dear Colleagues and Ministers,

I would like to thank the Director-General for convening this second ministerial meeting on food price volatility. It is no coincidence that we are also here today, opening the 40th Session of the Committee on World Food Security. I hope that our contributions may help to feed the debate of the Committee.

Given time constraints, I shall refrain from an analysis of the root causes of food price volatility and its importance. I will not refer either to the European Union's Common Agriculture Policy as a regulatory instrument. We know that action to combat price volatility involves stabilising the food supply, in a context of an increasing demand, driven by a growing world population, expected to be over 9 billion in 2050. I shall concentrate, therefore, in sharing with you three measures taken by the Government of Portugal on this regard.

Portugal has a food deficit of about 30% and it is also for that reason that we are committed to achieve agri-food self-sufficiency by 2020 in gross value, that is, to make exports rise above imports. This is about promoting international trade and cooperation: we are and we will remain an open economy and also believe that we all need each other's goods in a growing interdependent world. Portugal's food exports have been increasing by more than 12% every year since 2000.

If consensus has emerged on the need of policy responses, it's far more controversial how we tackle that. Let me share with you three examples of my country:

1. We created a strategic instrument: the Land Bank, that we are now developing. The idea is to list and publicize the arable available land in a web platform, so that investors and farmers may have access to relevant information. We are specially focussed on young farmers, as this Land Bank is also a crucial tool to foster job creation and fight against poverty. As I said when we launched this programme, we simply cannot afford wasting productive land. Inaction is far too expensive!
2. We shall not be able to deal with price volatility if we do not work to increase the resilience of our agricultural systems, so vulnerable to climate changing and human action. In this regard, irrigation policies come on our top priorities. In the southern

region of Portugal we are developing a large hydro-agricultural investment, covering more than 10 000 sq. kms, benefiting 1 million inhabitants. More than 1 billion euros have been invested in the last decade in an integrated solution for agriculture, environment and energy. Alqueva dam is the largest artificial lake in Europe, irrigating already 68 000 ha, providing public water supply to several urban areas, producing electricity and developing quality tourism. We aim at a total of 120 000 ha of irrigated land by the time of its completion in 2015.

3. In the beginning of our term in office, we created a Dialogue Platform that brought together the players of the food supply chain: producers, processors and retailers. The Government worked as a broker or a facilitator on this forum, where approaches often departed from distant viewpoints but came closer in a self-regulatory exercise that allowed the adoption of rules accepted and cherished by all. The major step of this process was the increased transparency and confidence between stakeholders.

Dear Director-General, Dear Colleagues and Delegates,

Portugal is working at an international level to fight against malnutrition, with a special focus on the Portuguese Speaking Countries Community, which has approved its own Strategy for Food and Nutrition Security in 2011, in Maputo. Over 28 million people are affected in CPLP. FAO has supported this initiative since the very beginning, a cooperation that I wish to highlight. As a member, Portugal contributes with funds to the initiative and provides knowledge, experience and expertise to support its implementation.

I hope that our meeting today and our reflections about best practices on food price volatility will contribute to enlighten the path ahead. That is our shared responsibility towards our communities in times of change.

Thank you.





# Republic of Korea

STATEMENT BY:

H.E. YEO IN-HONG  
VICE MINISTER OF AGRICULTURE, FOOD AND RURAL AFFAIRS

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As you may know, the world today is faced with the risk of surge and volatility of international grain prices and there is a need to strengthen concerted efforts at the global level with the aim of mitigating the effects of price uncertainty. Under these circumstances, I would like to extend my sincere appreciation to FAO for holding the Agriculture Ministers' Meeting this year during the Committee on World Food Security (CFS) following the one last year.

Fortunately, thanks to recent favorable weather conditions, the upward trend in prices of major grains such as wheat, maize and soybeans has somewhat slowed down. Nevertheless, we cannot become complacent.

The supply and demand of agricultural produce are affected not only by weather conditions, but also by policies on production and consumption. As a result, the international community needs to take continuous interest in rapid rise and volatility of prices to collectively respond through various consultative channels.

As part of such efforts, in Asia and the Pacific where two-thirds of the world hunger population live, discussions on regional food security are underway led by several consultative bodies in the region and the upcoming 8th East Asia Summit this week is expected to provide the basic direction to be taken for cooperation to ensure food security.

Furthermore, APEC has recently adopted the Road Map on Food Security towards 2020 to realize the vision of "APEC economies that are free from hunger and malnutrition" with strategy to develop agriculture in the region, facilitate investment and infrastructure development and enhance trade and markets.

ASEAN+3 have been operating "ASEAN+3 Emergency Rice Reserve (APTERR)" to minimize food insecurity in both the supply and demand sides in the region. Korea is also doing its part to achieve that goal.

In this context, what is important is that the Committee on World Food Security (CFS) should play a leading role in creating a synergy effect by closely connecting discussions

on food security undertaken by diverse regional and international consultative bodies. In particular, in order to cope with fluctuation in global food prices, international cooperation is critical to address factors like climate change and natural disasters that directly affect food production, and continuous discussion and consensus building are also essential to deal with food consumption related issues, including biofuels policy.

As for surge and volatility of international grain prices, food exporting and importing countries have their own views and different political and economic situations so that it will take time to achieve a desirable outcome.

In this sense, we hope FAO will take the lead in providing a forum for discussion and debate and seeking ways to elicit comprehensive collaboration with regional consultative bodies and NGOs while at the same time making continued efforts to reach a global consensus.

Thank you.

## Sri Lanka

STATEMENT BY:

H.E. MAHINDA YAPA ABEYWARDENA  
MINISTER OF AGRICULTURE

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Mr Chairperson,  
Your Excellency,  
Ladies and Gentlemen,

Being Minister of Agriculture of Sri Lanka, it is indeed a privilege and honour for me to make a statement at this important session, on behalf of the Government and people of Sri Lanka.

Moreover, I wish to convey the well wishes of His Excellency Mahinda Rajapakse, The President of Sri Lanka and the Government to all and also to express our sincere gratitude to Mr Jose Graziano da Silva, Director-General, for inviting Sri Lanka to this ministerial segment.

The Government of Sri Lanka is very affirmative of the pressing need to attain food security, through self sufficiency. In this context, the Sri Lankan Government has been achieving many successes during these years. We are now self-sufficient in rice, and making arrangements to export the surplus.

We have reaped significant results from the National Campaign, called "Let Us cultivate and Lift up the Nation", implemented during 2007-2010 to accelerate the domestic food production, to gradually decrease the importation of certain commodities, such as big onion, chili, maize, green gram and soya bean, etc.

Outcomes of this approach became a strength in facing the 2008 world food crisis. Thus, our government continued the programme with a high priority, while executing a complementary home gardening programme, called "Divi Neguma" to increase vegetable production, and make available the produce year round, with an aim to stabilize prices.

The prime objective of the "Divi Naguma" is to fortify people's economic status, and minimize their dependence on market for food requirements. These programmes were supported, with a supply of high yielding seeds, training, technical assistnace and credits etc.

Besides, we conduct another Social Protection Programme for Food Security called "Samurdhi" - the Prosperity - in which the poorest of the poor receives a monthly grant, and a part of that to meet the expenses related to their food, as food stamps and the

balance goes to their savings account, to make use of their livelihood development whenever necessary.

In view of the Social Protection for Food Security, Sri Lanka implements most common country-wide two programmes, namely, "Mid day Meal for School Children", which is to feed school children and the "Three Posha (Nutrient) Programme" to feed infants, pregnant and child feeding mothers.

Fertilizer Subsidy Scheme is the major input subsidy under Social Protection for Food Security, that Sri Lanka has been implementing for years, whenever necessary to support farmers to encourage on farming. This scheme not only supports farmers to reduce the cost of production, but also influences to decrease farm gate prices for the benefit of consumers.

The organic Fertilizer Promotion Programme, which was a supplementary to food production, was initiated in 2010, with a view to lessen chemical fertilizer usage, which is not environmentally friendly and causes unrecoverable damages to the top soil. Results prove the application of compost with chemical fertilizer increases the crop productivity.

This year, my Ministry started two key programmes to attract the young generation to agriculture, as youths are not in favour of farming, since it is not profitable and also they believe it is old-style. One programme is meant to develop the agricultural entrepreneurship among young farmers, and makes them become entrepreneurs. Other is to train farmers and youths to evolve traditional farming to commercial farming, with 50% financial support from the Ministry.

Finally, I place in record that many agencies are with us to assist and support to implement our food security programmes to achieve the desired goals and objectives. I thank the FAO, which is in the forefront of this process in terms of technical assistance.

I thank you.



# Thailand

STATEMENT BY:

H.E. YUKOL LIMLAMTHONG  
DEPUTY PRIME MINISTER AND MINISTER FOR AGRICULTURE AND COOPERATIVES

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Dr Jose Graziano da Silva, FAO Director-General,  
Distinguished Ministers,  
Distinguished delegates,  
Ladies and gentlemen,

On behalf of the Ministry of Agriculture and Cooperatives, the Kingdom of Thailand, may I extend my sincere appreciation to FAO for the invitation to attend the FAO Ministerial Meeting on International Food Prices today.

Since 2007, according to the UNDP report on food price fluctuations, all regions of the World have been inevitably faced with sharp increases in prices for major food commodities. Meanwhile, many factors influence food price volatility such as agriculture and energy policy, commodity prices and market speculation, extreme weather events and rising global demand. As if increasing agricultural production and improvement in food distribution are not significantly concerned, this situation would considerably impact on the world's poorest populations.

Mr Chairman,  
Your Excellencies,  
Ladies and gentlemen,

Having said that, in terms of food price volatility, production and market costs are the key factors. If the production and market costs increase, the high price of food and agricultural products also increase significantly. Therefore, increasing the productivity and reducing the food losses and food waste should be more emphasized on leading more stable and reasonable manner.

By saying that, Ministry of Agriculture and Cooperatives has launched the policy on Agricultural zoning for increasing the productivity by giving a recommendation to farmers for matching and planning the appropriate commodity with appropriate soil, climate condition along with selecting proper inputs. This policy will urge farmers to plant or raise the selected commodities that will provide the maximum yields with good

quality of those commodities. By doing these, we are able to manage the demand and supply of food and agricultural products, especially energy crops in Thailand not only for domestic consumption but also for global consumption as well. Therefore, demand and supply management plays a crucial role in response to fulfilling the needs of consumer.

Similarly, distribution of food and agricultural products and logistics need to be cautiously planned in a systematic manner to connect to the market point for transferring all food and agricultural products to the point of the consumer's need. In addition, the package of training to farmers and officers has to be installed to transfer them to be smart farmers and smart officers who are capable of improving the farming activity with high knowledge and active information. In supporting the information for farmers and officers, Thailand, as a lead country, launched ASEAN Food Security Information System or AFSIS which is one of a regional cooperation on supply of agricultural products information. Furthermore, AFSIS can be used for formulating policies and plans to eliminate the food price fluctuation.

In agricultural development for smallholders, Thailand has applied the Philosophy of self-sufficiency in which farmers will grow and raise their interested commodity for their own consumption. Based on this concept, the farmers are able to save the cost of buying food that means the farmer would have less impact from food price volatility.

Besides, reducing food losses and food waste is required in order to provide more stable and reasonable food price. On the other hand, food education is one of the most important concerns that disseminate to all consumers and stakeholders in order to raise the public awareness of food losses and food waste. Furthermore, it would be thoughtful as learning on how to utilize food waste according to the zero waste concepts such as bioenergy and biomass.

We do believe that this practice will assist farmers to gain a better living. As a consequence, sellers will provide food at a reasonable price, consumers can access a safe and quality food, and eventually the world is able to overcome food waste as well as, ultimately bring more reasonable food prices at national, regional and global levels. Thailand is thereby willing to share experience to all countries and hope that we will reach the target of food security under the UN Millennium Development Goals in the coming future with the well-being of people and safety food system.

Mr Chairman,  
Your Excellencies,  
Ladies and gentlemen,

Lastly, I wish to express my sincere gratitude to the FAO Director-General, distinguished Ministers and delegates for joining with us and to exchanging vigilant views on this vital issue to flag concerns at the regional and national levels. Thailand continuously positions to cooperate with one another on all aspects of food related issues, so we can come up with useful policy recommendations for further cooperation in the future.

Thank you very much for your kind attention.

## Timor-Leste

STATEMENT BY:

H.E. MARCOS DA CRUZ  
VICE-MINISTER FOR AGRICULTURE AND FISHERIES

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Chairperson,  
Excellencies,  
Ladies and gentlemen,

I would like to express my profound gratitude to the FAO and especially to the Director-General, Dr José Graziano da Silva for inviting a Timor-Leste representative to participate in this very important meeting. I hope that this meeting will provide a unique opportunity for all of us here to exchange views and experiences on issues surrounding the level of volatility of international food prices and food security in general.

Ladies and Gentlemen,

Nearly 50 percent of the Timorese lived below the national poverty line, estimated at \$1.50 per capita per day. Poverty makes people unable to feed themselves. Therefore, reducing poverty and increasing agricultural production to ensure food and nutrition security are essential for development in Timor-Leste. Food security is a national problem that affects more than half of the population but is particularly prevalent in the rural areas where agricultural resources are poor and unstable. It is influencing national safety, economic development, people's livelihood and society stabilization.

Agriculture is the main source of livelihood for over 70 percent of the Timorese population. Enhancing agricultural production, productivity and rural livelihoods has been the main objective of all Governments in Timor-Leste. Investment in agriculture is a fundamental instrument to provide food and nutrition security, reduce poverty, create employment, generate sustainable broad-based economic growth, ensure environmental sustainability, and achieve the Millennium Development Goals. However, until now, agricultural investment has not yet produced the desired results, and therefore Timor-Leste remains strongly dependent on food imports. The agricultural production remains below potential and household food and nutrition security are still unsatisfactory. The issue of food security is not so much about availability of food grains staples but the composition of the overall food basket. As economic growth picks up, it is common to observe a change in dietary patterns where people substitute staple food with high-value food.

Ladies and Gentlemen,

Please allow me to mention about changes of staple food patterns in my country. Traditionally, Timorese used to eat different varieties of food crops that were grown in different seasons and based on the local climate, including different grains, tubers, beans, vegetable and protein for animals. But today, Timorese eat less variety in food crops and moreover there seems to have been a major change in staple food consumption patterns (from maize-based to a rice-based diet) as rice has become readily available due to private and public sector importation. Therefore, it is not surprising that Timor-Leste is one of the countries that have been and will be affected by food price volatility as we rely heavily on importation to meet country food demand as well as demand for seed and other agricultural inputs for increasing agricultural production and productivity in the country.

The demand for staple food is growing quickly as the population continues to grow. With a population of over 1 million and based on annual consumption of 100 KG/pp/year, Timor-Leste requires approximately 115 000 mt. However, a more recent analysis of staple food supply and demand indicates that food consumption patterns are changing rapidly and are not only influenced by the current rural urban population drift but also the increase in rice consumption by younger people as they mature. This situation will increase food demand especially rice, and it has been estimated that by 2030, Timor-Leste will need to supply 193 500 mt of rice to feed its growing population.

Distinguished participants,

Food availability is the component that is closely linked to agriculture. Availability of food depends upon a combination of factors such as domestic production, trade and stocks.

Climate change affects not only agricultural production systems and thereby food availability, but also people's ability to access food which, in turn, has implications on nutritional concerns.

It is recognized that the availability of staple food is not a sufficient condition to ensure food security of the poor. It is also necessary that the poor have sufficient means to purchase food. The capacity of the poor to purchase food can be ensured in two ways - by raising the incomes or supplying food grains/staples at subsidized prices, and by implementing income generating projects and programmes. Accessibility to food is conditioned by income levels, purchasing power and social safety nets (income supplementation, price support, direct food transfer, etc.).

To achieve our primary goals of food security by 2020, we will improve our farming practices and take action to boost the production of specific crops. We are contributing



to great progress of increasing food crop production and productivity by investing in agriculture infrastructure, quality seed, agricultural extension agents, and by introducing new technologies, machinery, irrigation support, fertilizer, drugs, pesticides, nets, boats and technical assistance in land preparation and rehabilitation of plantations, as well as enacted a number of policies and legislations. I would like to also mention here that with the support of FAO, the Government of Timor-Leste is currently reviewing its food and nutrition security to address the current need especially to guide the country in providing better opportunities for every Timorese to participate and engage in the aspect of food security and nutrition.

Chairperson, Director-General and Distinguished participants,

Before ending my statement, I would like to thank the Director-General of FAO for convening this ministerial session to address the issue of the price volatility of agricultural commodities. I am looking forward to getting continuous support from you to help my country to address food security and to generate income for the rural poor. I strongly believe that through collaborative efforts, we can support each other to address food price volatility and global food security issues.

Thank you for your kind attention.



# Uganda

## STATEMENT BY:

H.E. RWAMIRAMA BRIGHT K.  
MINISTER OF STATE FOR AGRICULTURE ANIMAL INDUSTRY AND FISHERIES IN  
CHARGE OF ANIMAL INDUSTRY

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Mr Chairman,  
Dear colleague Ministers,  
Excellencies,  
Distinguished Ladies and Gentlemen,

On behalf of Government of Republic of Uganda I wish to express my appreciation to Prof. Graziano da Silva the FAO Director-General and his staff for extending the kind invitation for Uganda to participate in this timely and crucial meeting. It gives me much pleasure to interact with friends to deliberate on ways to address the challenges imposed by food price volatility in our region and elsewhere in the world. For us, this is indeed time well spent.

Mr Chairman, we may recall that the Global Food Crisis which started around 2008 climaxed around 2009-2010 when the world witnessed many food riots especially in the developing World. Consequently in December 2011, Uganda in collaboration with FAO, hosted a national Workshop on food price volatility which was very successful. The aim was to raise awareness of various policy options and programmatic actions and their implications for short and long-term agricultural development, food and nutrition security at the country level. The highly consultative meeting brought together political leaders, members of parliament, representatives of government, non-Governmental Organizations and the private sector, whose views have since been considered in our national legislation and policy making.

Ladies and Gentlemen,

Much as its share in total gross domestic product (GDP) has declined from over 50 percent in the early 1990s to less than 20 percent in the recent past, the Agricultural sector in Uganda still remains the most important sector. It employs more than 75 percent of the population in addition to supporting livelihoods of close to 70 percent of all households. This underscores the need for significant increase in investment in the sector.

The current food price crisis has reinforced the need to improve agricultural production and productivity and calls for increased investment into the sector by both the governments and developing partners. Mechanisation of Agriculture, Soil fertility

management, Irrigation, Animal Nutrition, Improved planting and staking materials and value addition need serious attention. Needless to say that these investments will only be meaningful if they are directed by appropriate policy measures that safeguard the interests of the majority of the population, which largely depends on agriculture.

Mr Chairman, we believe that although well-functioning markets are considered essential to energize agricultural development, they are not sufficient especially in the most developing economies. We also strongly believe that state-driven agricultural development remains critical if the sector is to be rejuvenated. This is why we call upon our development partners to reconsider supporting increased function of the state in this direction. Extension services in developing countries cannot be left to the private sector alone. We are convinced that Uganda as a country should attain a level of food self-sufficiency which entails increasing support to her farmers and protecting them against unfair competition and price fluctuations created by market distortions. We call upon the FAO and the Committee on Food Security to guide countries on how to benefit from available opportunities for such protection provided for under different arrangements such as the WTO.

Four questions Uganda would like to pose for recapitulation are:

1. How have the policies we have pursued over the last two decades affected the agricultural sector?
2. What lessons can we draw from other parts of the world such as Asia that were able to transform the Agricultural sector?
3. How can the state driven, Market mediated and small farmer based strategy that transformed Asia's agriculture be applied to improve national food security in Africa?
4. What level of state intervention is required in the Agricultural sector, and what intervening conditions and mechanisms should prevail?

Mr Chairman,

From the 2007-2008 crisis, Uganda learnt that governments often took panicky and rushed policy decisions such as export bans and speculative purchases and hoarding of food commodities with the rational intention of protecting their citizens. The effect of this was widespread food shortage that in turn led to worsening global and domestic food price volatility. These concerns were deliberated during the two policy consultations on food price volatility, and are always considered by the government during decision making. Our approach today is very different. We believe in turning challenges into opportunities, for example, during the last food crisis Uganda responded by encouraging farmers to produce more and apply more efficient productive technologies.

The consultations provided policy decision-makers from relevant government ministries (agriculture, planning, trade and finance) with the opportunity to exchange experiences

from the 2008 food price crisis. It also enabled them to appreciate the pros and cons of the various policy measures mapped out in FAO's updated Guide for policy and programmatic actions at country level to address high food prices. Despite all these engagements, Uganda is still not very sure of the best policy options for the short, medium and long term actions to address the challenge of food price volatility. This is mainly due to different policy frameworks in different regional members. Harmonisation is the best way to go.

Distinguished ladies and gentlemen, I believe that as we continue with our dialogue, many participants wonder why we should be concerned with food price volatility. The truth is that price volatility contributes to food insecurity, and therefore is part of a bigger problem that needs broader overview. We should think of high food prices as being double-edged, posing a problem for the vulnerable on the one hand and an opportunity for farmers on the other. The question therefore is thus not one of trying to get prices low per se, but rather affordable prices that are good for both the vulnerable and the farmers sustainably.

Mr Chairman, in 1996, we as Members committed ourselves to reduce by half, the number of hungry people in the world to less than 500 million by 2015. Today while we deliberate on food price volatility, the 2013 State of Food Insecurity in the World gives the number of people suffering from chronic hunger at 842 million, and points to the fact that we are off target. Although it is a progressive improvement from one billion in 2008 to 870 million in 2011, this number is still unacceptably high.

The same publication estimates that Uganda will not meet her food target of reducing the number of hungry people from 27.1% in 1990-92 to 13.5%, and that instead the number will be higher at 30.1% in 2015. Some recent studies have challenged these figures and showed more positive results. We believe that attributing the slow performance to sluggish growth in agricultural productivity is oversimplification of a situation that requires more careful analysis. First, Uganda exports food to some neighboring countries. In addition, some citizens in the northern part of the country who had been confined in internally displaced camps due to a war situation and therefore nonproductive are now resettling on their land and getting active in agriculture and other development activities. We need studies to explore the effect of these two phenomena on Uganda's food security.

Colleagues and Excellencies, what we consider as the main challenge leading to insufficient progress in attainment of food security is that we tend to focus on short-term solutions and quick fixes instead of addressing the root causes, which demand more time and resources. This makes the smallholder farmers more dependent and less productive. To that end, the Uganda Government has adopted the National Development Plan and Development strategy and investment Plan (DSIP) for the Agricultural Sector

as key policy frameworks, in which agriculture and food security are given adequate prominence. As our economy improves, we intend to continue progressively allocating more resources to these areas in line with the 2003 Maputo Declaration where African Heads of State committed themselves to allocate at least 10 % of their national budget to agriculture. We believe that if achieved, that will greatly improve food security within the country and neighboring countries.

Honourable Ministers, Excellencies, distinguished Ladies and Gentlemen,

As I conclude my remarks, let me re-affirm Uganda's continued commitment to the collaboration with FAO in the work on food price volatility in particular and matters of agriculture, food security and nutrition in general for the good of our people. Uganda's doors, and principally the Ministry of Agriculture, Animal Industry and Fisheries are wide open to FAO in that regard. "When you want to run fast you move alone, when you want to reach far you go with others".

Uganda is committed to the partnership with FAO and other stakeholders in search of solutions to Food Price Volatility. Lastly let me express Uganda's appreciation for FAO's work on the policy and programmatic actions on Food Price volatility at the national level. We look forward to FAO to translate the agreed recommendations into action and for support towards the implementation level. I thank the organizers for the excellent arrangements and look forward to receiving a record of these proceedings for future reference and action.

I thank you for your kind attention.



# Ukraine

STATEMENT BY:

H.E. IVAN BISIUK

FIRST DEPUTY MINISTER OF AGRARIAN POLICY AND FOOD OF UKRAINE

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Sir,  
Colleagues,

On behalf of Ukraine, I am pleased to welcome all participants of this round table on the important topic of food security and the war on hunger.

I want to emphasize that Ukraine's cooperation with the United Nations (UN) and the Food and Agriculture Organization (FAO) is a top priority in our country's foreign policy.

Ukraine supports United Nations initiatives to fight hunger and improve food quality and the stability of global food security as stated in the Millennium Development Goals.

Meetings of ministers to develop coordinated policy to improve forecasting and price stability on the global markets are an influential tool for promoting global food security.

Each year, Ukraine is increasing its presence on food markets by increasing gross production and shipping it to regional consumer markets. According to our calculations, in the 2013-2014 sales year we will remain a leader in exporting sunflower oil and will significantly increase our grain export to 30 million tons, which is greater than our domestic consumption.

For this reason, Ukraine is prepared to play a more active role in the United Nations' food programs.

A large number of Ukrainian companies apply to participate in UN hunger programs. We are prepared to significantly expand the assortment of products by adding animal products such as dry milk, butter and other items to the grains and vegetable oils currently offered.

Ukraine commends the initiative to create and develop the Agricultural Market Information System (AMIS), which will help balance global production and consumption, promote early consolidated action by countries, and provide information to prevent problems from arising.

In this light, we would like to ask our colleagues to support Ukraine in its bid to lead AMIS in 2015.

I wish all participants of the 40<sup>th</sup> session of the Committee on World Food Security a productive experience.

Thank you.



# Украина

## ВЫСТУПЛЕНИЕ:

Г-Н ИВАН БИСЮК  
ПЕРВЫЙ ЗАМЕСТИТЕЛЬ МИНИСТРА АГРАРНОЙ ПОЛИТИКИ И  
ПРОДОВОЛЬСТВИЯ УКРАИНЫ

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Уважаемый господин,  
Уважаемые коллеги,

От имени Украины я рад приветствовать всех участников круглого стола такой важной темы - продовольственная безопасность и борьба с голодом.

Хочу подчеркнуть, что сотрудничество Украины в рамках ООН (Организации Объединенных Наций), в частности – ФАО (сельскохозяйственной и продовольственной организации), является одним из приоритетных внешнеполитических направлений нашей деятельности.

Украина поддерживает инициативы Организации Объединенных Наций, направленных на борьбу с голодом, повышение качества продовольствия и стабильности мирового продовольственного обеспечения как это отмечено в Декларации развития тысячелетия.

Встречи на уровне Министров через выработку согласованной политики, направленной на прогнозируемость и стабильность цен на мировых рынках, являются влиятельным инструментом формирования глобальной продовольственной безопасности.

Украина с каждым годом наращивает свое присутствие на рынках продовольствия в мире через увеличение валового производства и его поставок на основные региональные рынки потребления. По нашим расчетам в этом 2013/14 маркетинговом году мы, сохранив лидерство по экспорту подсолнечного масла, существенно увеличим экспорт зерновых - до 30 млн. тонн, что больше, чем потребляется внутри страны.

Поэтому Украина готова усилить свою роль в выполнении продовольственных программ Организации Объединенных Наций.



Значительное количество компаний Украины делают свои заявки на участие в программах борьбы с голодом ООН. Мы готовы существенно расширить ассортимент продукции, дополнив зерно и растительные масла продуктами животноводства, такими как сухое молоко, масло, ... другими.

Украина очень высоко оценивает инициативу создания и быстрого развития АМИС (сельскохозяйственной маркетинговой информационной системы), которая позволит отрабатывать мировые балансы производства и потребления, заблаговременно формировать консолидированные действия стран, информировать, таким образом упреждать возникновение проблем.

В связи с этим мы бы предложили нашим коллегам поддержать Украину в ее желании возглавить АМИС в 2015 году.

Желаю участникам 40-й сессии Комитета по глобальной продовольственной безопасности плодотворной работы.

Спасибо.



# PART 2

WRITTEN STATEMENTS

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# Germany

STATEMENT BY:

H.E. ILSE AIGNER

MINISTER FOR FOOD, AGRICULTURE AND CONSUMER PROTECTION

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The German Ministry for Food, Agriculture and Consumer Protection presents its appraisal on the aspects raised by the Director-General in the concept note for this meeting. We share the view that more discussion is needed on these issues:

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## Market estimate

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The global supply situation of the world's four most important crops, which were selected for the Agriculture Market Information System AMIS for this reason (wheat, maize, rice, soybeans), has eased significantly compared to a year ago.

Global markets are characterised by the expectation of a sufficient and partly abundant supply. Therefore German experts do not see any scope for increasing prices for wheat and also for rape, our most important native oil seed. The supply situation for rice continues to be good. Global soybean production is expected to exceed utilization resulting in a further recovery of global stocks. However, soybean production forecasts are highly dependent on the tentatively projected growth of South American crops.

In its entirety, the global market situation is neither characterized by strong upward nor downward price spikes. We do know, however: The market situation can change very fast, especially on account of weather-induced harvest losses.

Especially difficult market situations absolutely require that the international community works together to obtain a coherent market policy response at global level. To this effect, the G20 countries set up the AMIS Agricultural Market Information System in 2011.

AMIS had to stand its first test in summer 2012, when strong price fluctuations and shortage scenarios briefly recalled memories of the 2007/2008 crisis period. Different political stakeholders called for action and for holding an "emergency meeting" of the Rapid Response Forum. A dispassionate understanding of the members with each other and with the AMIS Secretariat made it possible that the development, considered serious, was no longer perceived as a crisis situation.

Earlier this month the 4th meeting of the Global Food Market Information Group of AMIS took place here in Rome. There it was found that in the first 24 months much work had been done with the decisive involvement of the FAO in the AMIS Secretariat.

The extension to include information by the earth observation system GEOGLAM was particularly welcomed.

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## Trade and prices

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Fair trade and open markets can make one contribution to prevent and alleviate price volatility.

Global trade contributes to balancing out some of the causes for price volatility on agricultural markets: Crop failures in one region can be offset by surpluses in other regions. Different climatic zones allow for a balanced supply of markets. Price and supply adjustments can therefore be made at much shorter notice globally than on national markets.

The 2007-2008 period clearly demonstrated that interference in trade fuels price volatility even more. At the time, an export restriction had driven prices further up than the market data had suggested. Hence unreasonable intervention in the market can increase price volatility. There are no sufficient rules for this situation. Therefore the risk of price volatility due to trade measures continues to exist.

It is only possible to counter this situation by recognising price fluctuations at an early stage and by taking internationally agreed countermeasures, for instance under AMIS. National go-it-alone policies are at the expense of the poorest.

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## Speculation and its regulation

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Speculations by financial investors at commodity futures markets are under criticism, since they supposedly trigger price movements of agricultural commodities which cannot be explained fundamentally.

Among scientists, the effects of financial speculations on price movements are discussed controversially, and at this moment in time not enough data are available to provide a definitive explanation of these effects. Here AMIS could lend a hand by providing data for physical markets.

The criticism is, however, all but unfounded. The German Ministry of Agriculture commissioned an on-going research project looking into the carry-over effects of price developments at agricultural commodity futures markets related to physical markets. First results clearly indicate that the price formation at physical markets is geared to the price movement at stock markets. Speculative distortions such as the emergence of bubbles can hence be carried over to physical markets.

Germany therefore supports the measures adopted by the G20 states to establish transparency and appropriate regulation. Concerning transparency policy, we support regular reporting by the trading venues (based on the model of the US-American Commitment of Trader Reports). With regard to regulation we support the plans for the introduction of position limits for financial investors.

These measures have been taken into account by the EU in the Financial Instruments Directive MiFID, which is currently being negotiated in Brussels.

Regulating financial markets to prevent possible negative effects on the pricing of agricultural commodities is an international task. Germany encourages all countries to get involved in its implementation to prevent the establishment of regulatory arbitrage.

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### Circumstances making price fluctuations "excessive" and crisis-prone

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As a rule, price fluctuations have a fundamental reason. Among the possible causes are weather extremes, harvesting losses, trade policy interventions and many more.

Financial speculations at agricultural commodity futures markets can overheat such fundamental events and hence reinforce upward and downward price movements. Transparency at physical markets is instrumental in calming down rumour-mongering at financial markets.

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### Price transmission through value chains

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From the German standpoint consumer prices should not be too high in order to ensure that the population can be supplied with quality goods at affordable prices. On the other hand, producer prices should not be too low to ensure that small farms, which make a valuable contribution to rural development and nature conservation, can also exist.

If market power is abused at individual levels of the value-added chain this can result in distorting up- and downward price spikes with consumer prices that are too high and/or producer prices that are too low. Therefore the main objective should be to create adequate framework conditions for a fair, functioning competition at all levels of the value added chain.

Market transparency plays a major role for this. Germany therefore generally supports measures for the creation of transparency in the agricultural commodities, intermediates and food markets.

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## Biofuel policies

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The impact of the use of agricultural commodities for biofuel production on global food prices is discussed controversially by the scientific community and can vary depending on the crop considered.

As a rule it can be assumed that in case of an additional demand for raw materials the general trend is a price surge of the respective crop.

Up to now global price fluctuations cannot be put down to the use of biofuel in a significant manner. It can, however, be expected that interaction between the agricultural markets and the energy markets will intensify and that hence the effects of changing energy prices on agricultural commodity prices will increase.

It is necessary to continue monitoring the further development of the correlation between agricultural prices and crude oil prices in conjunction with biofuel use.

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## Potential role of stockkeeping

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The following remarks do expressly not refer to decentralised emergency reserves such as those managed by the World Food Programme:

- The idea of stabilising agricultural markets and farm prices by building international buffer stocks has not yet proven its worth on any account.
- The biggest problems include the management of the stocks, the susceptibility to corruption and the enormous administrative and financial burden.
- To contain future crises on agricultural markets less focus should be put on government regulation and more on market-based instruments. If price incentives can take worldwide effect unhindered, extreme price fluctuations are diminished. Especially in times of crisis the international community needs to rely on the imperative of free markets to distribute scarce goods more efficiently.
- Regional stockkeeping as it is currently being prepared in an exemplary manner under the PREPARE<sup>1</sup> project in cooperation with ECOWAS is only intended to compensate for short-term food shortages.
- The previous discussions already showed at their beginning how difficult it is to implement such a project. In particular it needs to be clarified who is to decide on when to buy or sell food and at what price and how the decision is to be taken.
- The results and experience gained with these pilot projects need to be assessed and considered for future decisions on intervention storage.

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<sup>1</sup> Pre-positioning on Predictable Access and Resilience.

# Hungary

STATEMENT BY:

H.E. GÉZA POPRÁDY  
STATE SECRETARY FOR RURAL DEVELOPMENT

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Mr President,

It is a great honour for me to represent Hungary at the Second Ministerial Meeting on International Food Prices. I would like to thank the Director-General and his colleagues for the excellent organisation of this meeting.

The increase of food and feed prices in the last 5 years raised attention to the need for tackling the issue of price volatility, which has caused social and economic damages. This issue has been addressed at several occasions at international level, where the reasons behind food price volatility have been identified such as speculation, biofuels production and changes in grain stocks. As part of the solution the Agricultural Market Information System has been established. These initiatives have been looking – quite rightly – for global solutions for these globally present issues. At the same time there is also a need for solutions at national level. Please allow me to elaborate on this further by using some Hungarian examples.

Hungary had to deal with a feed market crisis in 2012, which was caused by high food and feed prices due to a serious drought and consequently followed by a crop shortage. Hungary took several short term measures, inter alia established a restructuring programme in order to avoid the decrease of livestock population. Animal husbandry provides higher income for farmers because of its higher value added and this way it decreases their vulnerability to speculation.

We shall limit the excessive and unjustified increase of food prices if we shorten the length of the food supply chain by giving preference to local products. In Hungary we stimulate the establishment of farmers' markets in order to provide fresh and quality food for the consumers without intermediates. It is beneficial both for the farmers and for the consumers.

The solution of the social problem of the increased food prices is an important task for Hungary, too. In 2012 the consumer prices of the food increased to a higher extent than the average inflation rate in Hungary. It had a bad effect on the consumers because they spend significant part of their income for food. In order to limit the increase of the food prices the Ministry of Rural Development in Hungary has been preparing measures to decrease the value added tax on pork and poultry products.

As a result of the early intervention and the quick response to the 2012 price increase Hungarian agriculture has remained stable and predictions for 2013 are promising so far.

I am convinced that this Ministerial Meeting is a great occasion for discussing national solutions, good practices and exchange of experiences.

Thank you Mr President.





# Kenya

STATEMENT BY:

H.E. FELIX KIPTARUS KOSKEI  
CABINET SECRETARY, MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES

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Excellencies,

Ladies and Gentlemen,

It is indeed a great pleasure to be invited and attend this Second Ministerial meeting on International Food Prices organized as part of the agenda of the Fortieth Session of the Committee of the World Food security. At the very outset, I would like to thank the Director-General of the Food and Agriculture Organization for inviting me to this important Session and give my contribution to this very important agenda.

I note that by sharing experiences and knowledge in this Ministerial Meeting will contribute to enhancing the effectiveness of measures to address food price volatility and to reduce its impact on the most vulnerable populations who spend as much as 70 to 80 percent of their incomes on food. It will also provide a unique opportunity to renew commitment to eradicating hunger.

Ladies and Gentlemen,

Kenya is a low-income country with a GDP per capita estimated at US\$ 775. Agriculture is a major economic activity. Currently, one out of every four Kenyans suffers from chronic food insecurity and poor nutrition. Between two and four million people require emergency food assistance at any given time. In addition, over 35,000 children (under 5 years of age) suffer from acute malnutrition, while approximately one out of every five Kenyans cannot attain the minimum dietary requirements to sustain a healthy and productive life. Food prices and their volatility significantly contribute to this problem.

In the last few years, Kenya has had to deal with the problem of high, erratic and volatile food prices, especially for staple and essential food commodities. Price variations are not problematic, if they move along an established trend reflecting market fundamentals or when they exhibit typical seasonal patterns. However, when they are large and cannot be anticipated, the variations create a level of uncertainty, which increases risks for producers, traders, consumers and governments.

Since 2007, prices of most food commodities have continued to rise each year, except in 2010 when the country achieved relatively large domestic supplies of foods due to favorable weather conditions. For most of the commodities, prices stabilized in 2011. However, the stabilized prices were higher than the initial prices in 2007. The country is not self-sufficient in most food commodities, which have to import to meet the consumption gap. Since 2007, the import prices of most of the commodities have also been increasing, though they stabilized in 2012.

Ladies and Gentlemen,

Allow me to mention some of the factors, amongst many, responsible for food price volatility in Kenya. First, on the supply side, high global petroleum prices and fluctuation of the dollar have led to increased costs related to local food production and supply. Secondly, Kenya is mainly dependent on coarse grains, namely maize, rice and wheat. While most of the maize is produced locally, between 30 to 55 percent of wheat and rice is imported. Since 2007, there has been decline in availability of these coarse grains due to factors such as use of the commodities for bio-fuel as well as restrictive international trade practices. On the demand side, population growth has also outstripped food production in most parts of the country. While population has been increasing, the number of youths taking up farming has been decreasing.

Lastly, the climate change has also led to more unreliable weather, intense and prolonged droughts as well as floods that have resulted in poor harvesting of crops, loss of livestock especially in arid and semi-arid regions, and subsequent price increases and higher volatility.

Ladies and Gentlemen,

I would like to share in this Session my Kenyan experience on this agenda. Kenya being in the horn of Africa, It was one of the countries that were severe affected by the crisis. In the year 2011, FAO in partnership with the African Union held a two-day high level seminar at the United Nations Economic Commission for Africa Conference Centre in Addis Ababa, Ethiopia aimed at enabling the Eastern African countries to make informed decisions on how to respond to issues of high food prices. Consequently, as a follow up of this East African sub-regional policy consultation on price volatility. As a follow up of the subregional policy consultation. The Kenya Government in collaboration with FAO went ahead at the national level. Last year 2012 a national Workshop on policy and programmatic actions on price volatility was organized with a broad stakeholder participation, including other development partners, Civil Society and private sector amongst others. The aim was to raise awareness of various policy options and programmatic actions and their implications for short and longer-term agricultural development, food and nutrition security at country level. This was well timed and highly appreciated.

Ladies and Gentlemen,

From experiences, poor households adopt adverse coping strategies in order to manage the effects of price volatility. Households' response behaviors include reducing the number and size of food intake, consuming less preferred food types, and reducing spending on essential non-food expenditures such as health and education. With respect to most pastoralists who keep livestock as a form of wealth and not directly as a source of food, in order to access food during periods of high food prices, they sell livestock at low prices thus leading to poor terms of trade in the main livestock-based livelihoods. For these reasons, prices of livestock products such as meat and milk have increased at a much lower level compared to prices of crop commodities.

Owing to the increasing food prices, an estimated half of overall household income in rural and slums areas goes to food purchases. Generally, close to half of rural and urban poor households are net buyers of food. Thus the increasing food prices have disadvantaged the lower income groups leading to more food insecurity, malnutrition and general vulnerability.

Although high food prices are initially seen as an opportunity for farmers to increase production and improve their profits, Kenyan farmers have not benefitted much from the high prices. Largely, this is attributed to general high increase in production and transport costs associated with the high cost of petrol and related product costs.

Kenya imports most of the coarse grains from neighboring countries in East Africa. During periods of high food prices, some countries banned export of certain commodities. Kenya also banned export of maize and the ban has not been lifted to date. These trade barrier practices have been discussed at the EAC regional levels but permanent solutions have not been reached. In the meantime, farmers in the regions have experienced lost trade opportunities which would also help in moderating national food prices.

Ladies and Gentlemen,

With regards to policy interventions and programmatic actions, the following are being undertaken. In order to manage high prices caused by a rising population and demand for food, there is an increasing public investment in agriculture towards meeting the Maputo Declaration. This will translate into increased funding for enhanced extension and advisory services, pest and disease control, training especially for the youth, irrigation development, rural infrastructure, agricultural research, science and technology and value addition.

In addition, the country is undertaking various interventions such as enhancing farmers' adaptation strategies to mitigate adverse effects of climate change through various programmes; promotion of agricultural insurance and establishment of contingency funds to assist farmers who suffer losses due to climate change; encouraging peri-urban agriculture through Urban and Peri-urban Agricultural Project which is enabling

poor households, especially youth, in the slum areas to produce food and minimize spending on food; enhancing food market information systems; strengthening food supply chain linkages, as well as bilateral and multilateral trade negotiations; management of food exports and imports by deepening regional integration by removing non-tariff barriers; expanding national food reserves and using the reserves to cushion consumers during periods of high prices. There is also need for establishment of a regional food reserve; provision of financial resources to implement social protection programmes such as Women and Youth Development Funds, Cash Transfer Programmes, School Meals Programmes, among others; enhancing access to production inputs at subsidized prices and encouraging diversification of food base through promotion of traditional high value crops that are drought tolerant especially in the arid and semi arid lands of the country; and improved macro-economic policies to reduce impacts of food price increases. The interventions include management of inflation, reduced taxation of basic commodities and other fiscal policies.

Ladies and Gentlemen,

In conclusion, allow me express my gratitude to FAO for the work done on price volatility and we very much appreciate taking forward the recommendations made during the policy consultation. I would also like to state that this is a valuable opportunity for Ministers to get together and discuss pertinent issues on food security and urge that we need your support to elevate agriculture to achieve our goal.

Thank for your kind attention.



# Spain

STATEMENT BY:

H.E. ISABEL GARCÍA TEJERINA  
SECRETARY GENERAL OF AGRICULTURE AND FOOD

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I would like to thank the Director-General of the FAO for the invitation to this meeting of ministers, whose purpose is to analyze international food prices.

The prices of raw materials in food have recently shown a lowering trend due to the abundant harvests in 2013, which has served to greatly alleviate market tensions over the last two years.

Nevertheless, a series of factors continues to weigh on the markets, which may change the market's current trend.

First, it is relevant to point out relatively low inventory levels in some raw materials (maize and soybeans) when compared with consumption. This is extremely important when it occurs in the main exporting countries, which is what is happening at this time.

On the other hand, recent years have seen a slowing down of the rate of growth in agricultural yields, while demand has continued to grow rapidly. This is due to the low levels of investment in agriculture, which have slowed production growth.

Since 2007/2008, we have been in the midst of a period of price instability in basic agricultural products, and under these circumstances agricultural investments have been discouraged.

Furthermore, in response to the continuing growth in demand, new geographic areas are being incorporated to production whose variability of yields is high.

The global markets are more dependent now than they were in the past on supplies from new regions of agricultural production.

In these regions, the yields are less stable and therefore the supply is more variable. This impacts price variability.

All of this has raised volatility to unheard-of levels, together with the unmatched growth in demand in recent years due to higher global population, which increases

every year by 80 million people, new food habits in emerging countries and the link of basic agricultural products to energy, plus scarce supply in some years due to adverse weather events within a context of low inventories.

A certain degree of price volatility is inherent to agricultural product markets, as they are affected by climate variability, stationary production, and inelastic supply and demand for agricultural products.

The volatility of food prices might have very serious consequences, especially in developing countries. Volatility affects food security and has repercussions particularly in those countries that are food importers and exporters of non-food basic agricultural products.

Different forums have recently questioned what the greatest impacts of price volatility have been, than on its causes. The effects of price oscillations, to a certain extent, may be ameliorated by means of financial hedging instruments.

Futures markets for basic products are increasingly attractive to financial investors. The presence of non-commercial operators who take large positions in the markets for basic products has been on the rise.

Excessive levels of speculation may give rise to sudden or irrational fluctuations in the prices of basic products.

At times, agricultural markets have been behaving like the financial markets – known as “financialization” – and not responding to the market fundamentals of supply and demand.

It is necessary to move forward with regulation of the financial instruments that are used in the markets for basic agricultural products. During this year, however, the entry of financial flows to the markets for basic food products has decreased, mainly due to the decline in product prices.

The markets for agricultural futures must function correctly and thus serve the purpose for which they were created.

The Action Plan on price volatility in foods, approved within the framework of the G20, assumed the start-up of SIMA (the Information System for Agricultural Markets), which is an effective tool for increasing information and transparency in agricultural markets. This Plan is contributing to providing stability to the markets.

Finally, I would like to indicate Spain’s complete willingness to continue collaborating in the different FAO forums, in order to reduce the volatility of food prices.

Thank you very much.

## España

### DECLARACIÓN DEL:

EXCMA. SRA. ISABEL GARCÍA TEJERINA  
SECRETARIA GENERAL DE AGRICULTURA Y ALIMENTACIÓN

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Deseo agradecer al Director-General de la FAO la convocatoria de esta reunión ministerial con objeto de analizar los precios internacionales de los alimentos.

Los precios de las materias primas alimentarias, recientemente muestran una tendencia bajista a causa de las abundantes cosechas 2013, esto ha supuesto paliar, en gran medida, las tensiones de los mercados de los dos últimos años.

No obstante, permanecen gravitando sobre los mercados una serie de factores que pueden volver a cambiar la tendencia actual del mercado.

En primer lugar, cabe destacar los niveles de existencias relativamente bajos en algunas de dichas materias primas (maíz y soja) al compararlos con los consumos. Esto resulta significativamente importante cuando ocurre, como sucede actualmente, en los principales países exportadores.

Por otro lado, en los últimos años se ha producido una cierta ralentización de la tasa de crecimiento del rendimiento agronómico, a la vez que la demanda ha seguido creciendo rápidamente. Debido a bajos niveles de inversión en la agricultura que han frenado el crecimiento de la producción.

Desde 2007/2008 nos encontramos en un periodo de inestabilidad de los precios de los productos básicos agrícolas y en estas circunstancias se desalientan las inversiones agrícolas.

Además, para responder al continuo crecimiento de la demanda se han ido incorporando a la producción zonas geográficas donde la variabilidad del rendimiento es mayor.

Los mercados mundiales son más dependientes que en el pasado de los suministros de las nuevas regiones de producción agrícola.

En estas regiones los rendimientos son menos estables y por tanto la oferta es más variable. Lo que incide en la variabilidad de los precios.

Todo esto, junto al imparable crecimiento de la demanda en los últimos años, debido al aumento de la población mundial, cada año se incrementa la población en 80 millones, los nuevos hábitos alimentarios en los países emergentes y el vínculo de los productos

básicos agrícolas con la energía, lo que unido a una escasa oferta en algunos años por adversidades climáticas y en un contexto de bajas existencias, ha elevado la volatilidad ha niveles desconocidos.

Un cierto grado de volatilidad de precios es inherente a los mercados de productos agrícolas al depender de la variabilidad climática, una producción estacionaria, y de una oferta y demanda de productos agrícolas inelásticas.

La volatilidad de los precios alimentarios puede tener consecuencias muy graves, especialmente en los países en desarrollo. Afecta a la seguridad alimentaria y repercute, sobre todo, en los países que son importadores de alimentos y exportadores de productos básicos agrícolas no alimentarios.

En diferentes foros, últimamente se viene cuestionando que se actúe más sobre los efectos de la volatilidad de los precios que sobre las causas. Los efectos de las oscilaciones de precios, en cierta medida, pueden amortiguarse cubriendo el riesgo a través de instrumentos financieros de cobertura.

Los mercados de futuros de productos básicos resultan cada vez más atractivos para los inversores financieros. La cuota de los operadores no comerciales que toman posiciones largas en los mercados de productos básicos ha ido en aumento.

Niveles excesivos de especulación pueden dar lugar a fluctuaciones repentinas o irrazonables en los precios de los productos básicos.

Los precios de los mercados de los productos agrícolas, últimamente, se comportan, en ocasiones como los mercados financieros, lo que se conoce como “financiarización”, y, no responden a los fundamentales del mercado, oferta y demanda.

Es necesario avanzar en la regulación de los instrumentos financieros que intervienen en los mercados de productos básicos agrarios. Aunque, durante este año, disminuye la entrada de flujos financieros en los mercados de productos básicos alimentarios, motivado, principalmente, por el descenso de los precios de estos productos.

Los mercados de futuros agrarios deben funcionar correctamente y así servir al propósito para el que se crearon.

El Plan de Acción sobre volatilidad de los precios de los alimentos, aprobado en el marco del G20, supuso la puesta en marcha del SIMA (Sistema de Información de Mercados Agrarios) que constituye una eficaz herramienta para aumentar la información y transparencia de los mercados agrarios. El citado Plan está contribuyendo a proporcionar estabilidad a los mercados.



Por último, señalar la plena disposición de España a continuar colaborando en los diferentes foros de FAO a lograr reducir la volatilidad de los precios de los alimentos.

Muchas gracias.



# Dominican Republic

CONTRIBUTION BY:

## PERMANENTE MISSION OF THE DOMINICAN REPUBLIC ON FOOD PRICE VOLATILITY

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The delegation of the Dominican Republic congratulates the Director-General for the technical vision and political courage in placing the subject of international food prices on the Agricultural Ministers' table of discussion. This is a subject of crucial importance for reinforcing democratic governance, because it contributes to guaranteeing investments in agriculture and widespread access to nutrition. Without bread, there is no peace.

We have come a long way since the United Nations General Assembly adopted, in December 2011, my country's proposal to open channels of communication among all governmental and institutional stakeholders with a view to find coherent, global solutions to this alarming challenge to food security. In the fifteen months since FAO hosted a High Level Debate on the causes and consequences of food price volatility, we have seen increasingly deeper research on this phenomenon. The findings allow for displaying cautious optimism.

Refuting initial doubts from some actors, the Agricultural Market Information System (AMIS) has been consolidated into a key tool in the global exchange of relevant and accurate data. This accomplishment, in which the three Rome-based agencies play an essential role, is a clear example of an international public good, and its success reaffirms the indispensable role of the United Nations system in the search for solutions to humanity's common problems.

The growing prestige of AMIS represents an effective barrier against those that could feel tempted to promote speculative practices taking advantage of an absence of transparent information. The scarcity of trustworthy data (especially from the largest producers) was one of the triggers of the volatility crisis that made AMIS a pressing need. The idea of strengthening and perfecting AMIS was the first conclusion of the High Level Debate held in this house on 6 July of last year.

Information exchange, enriched by experts from all over the world and propelled to all countries by the aggregated authority of the Ministers, stimulates us all to intensify our efforts. There are pending issues, such as the indispensable systemic and structural reforms to the global financial system. Economies cannot grow, international trade cannot expand, and both sellers and buyers are incapable of prospering, in the absence of order and stability. Transparency generates trust, and trust is the market's fundamental column.

FAO informs us that in the past year the number of hungry people has gone down, and has recognized the results that a number of countries have achieved in reaching the first millennium development goal, including the Dominican Republic. But FAO warns that the situation could turn: reserves are still below optimal levels, the practice of using food to create fuel persists, many links in the value chains are still not fully understood, the climate continues to transform in a chaotic manner... and speculators are on the lookout.

We know the lessons from the crisis unleashed in 2007-2008: suffering and death, particularly among women, children and the elderly in developing countries, as well as threats to political stability in low-, medium-, and even high-income countries. It is for this reason that we reiterate that the time for concrete action has come: the hungry cannot wait.



# República Dominicana

## CONTRIBUCIÓN DE:

### MISIÓN PERMANENTE DE LA REPÚBLICA DOMINICANA

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La delegación de República Dominicana felicita al Director-General por la visión técnica y la valentía política de colocar, de nuevo, el tema de los precios internacionales de los alimentos sobre la mesa de discusión de los Ministros de Agricultura. Se trata de una materia de crucial importancia para reforzar la gobernabilidad democrática, porque contribuye a garantizar la inversión agroalimentaria y el acceso generalizado a la nutrición. Sin pan no hay paz.

Hemos avanzado mucho desde que en diciembre de 2011 la Asamblea General de Naciones Unidas adoptara una propuesta de mi país orientada a abrir vías de comunicación entre todos los actores gubernamentales e institucionales, con miras a encontrar soluciones coherentes y globales a este inquietante desafío a la seguridad alimentaria. En los quince meses transcurridos desde que la FAO hospedara un Debate de Alto Nivel sobre las causas y consecuencias de la volatilidad de los precios, hemos visto cada vez más profundas investigaciones sobre el fenómeno, y los resultados dan lugar a manifestar un cauto optimismo.

Refutando las dudas iniciales expresadas por algunos actores, el Sistema de Información sobre Mercados Agrícolas (SIMA) se ha consolidado como una herramienta clave en el intercambio global de datos relevantes y precisos. Este logro, donde las tres agencias con sede en Roma juegan un papel esencial, es un claro ejemplo de un bien público internacional, y su éxito reafirma el papel indispensable del sistema de Naciones Unidas en la búsqueda de soluciones a los problemas comunes de la humanidad.

El creciente prestigio del SIMA representa una barrera eficaz contra quienes podrían verse tentados a promover prácticas especulativas aprovechando la ausencia de información transparente. Uno de los detonantes de la crisis de volatilidad que hizo del SIMA una necesidad impostergable fue la escasez de datos confiables, sobre todo por parte de los más voluminosos productores. La idea de fortalecer y perfeccionar el SIMA fue la primera conclusión del Debate de Alto Nivel celebrado en esta casa el 6 de julio del año pasado.

El intercambio de información, enriquecido por expertos de todo el mundo e impulsado a todos los países por la autoridad conjunta de los Ministros, nos estimula a redoblar

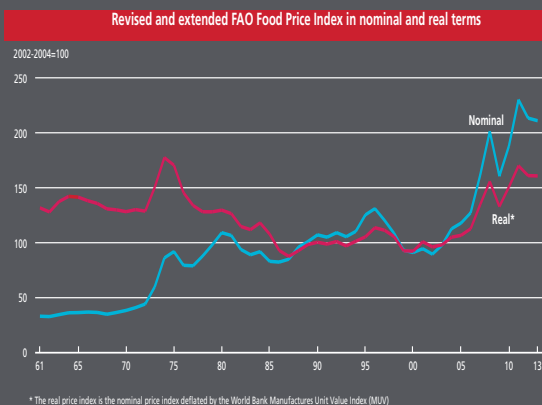
esfuerzos. Hay materias pendientes, como las imprescindibles reformas sistémicas y estructurales al sistema financiero global. Las economías no pueden crecer, el comercio internacional no puede expandirse, y tanto vendedores como compradores son incapaces de prosperar, en ausencia de orden y estabilidad. La transparencia genera confianza, y la confianza es la columna fundamental del mercado.

La FAO nos informa que en el último año el número de los hambrientos ha descendido, y ha reconocido los resultados de un número de países en la consecución del primer objetivo de desarrollo del milenio, incluyendo República Dominicana. Pero la FAO nos advierte que la situación podría dar un giro: las reservas continúan por debajo de los niveles óptimos, la práctica de usar alimentos para crear combustible prosigue, muchos eslabones en las cadenas de valor aún no son comprendidos por entero, el clima continúa transformándose de modo caótico... y los especuladores están al acecho.

Conocemos las lecciones de la crisis desatada en 2007-2008: sufrimiento y muerte, en particular entre las mujeres, los niños y los ancianos de países en desarrollo, así como amenazas a la estabilidad política en países de rentas bajas, medias, e incluso altas. Es por ello que reiteramos que la hora de acciones concretas ha llegado: los hambrientos no pueden esperar.

## FAO held a second Ministerial Meeting on International Food Prices on 7 October 2013. A first meeting in 2012 on Food Price Volatility was held in response to the third

spike in international grain prices in five years. Based on the success of that first Ministerial Meeting, it was agreed to repeat the event in 2013. Although prices of cereals and oilseeds on international markets have fallen from the peaks reached in July 2012, they remain high and vulnerable to supply shocks. There are, therefore, continuing concerns about the challenges posed by food prices for global food security.



## SECOND MINISTERIAL MEETING ON INTERNATIONAL FOOD PRICES

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