



COMMITTEE ON WORLD FOOD SECURITY

Thirty-seventh Session

Rome, 17-22 October 2011

Description of the Agricultural Market Information System (AMIS)

1. The last few years have been characterized by high and volatile food prices. Stronger demand for food crops, animal products and bioenergy in conjunction with slow growth in agricultural productivity and low stocks will continue to put upward pressure on prices and generate more volatility. Grain, production tends to shift to regions of the world that are prone to unstable weather. This contributes to food price fluctuations and also makes the forecasting of food production difficult. According to the joint FAO/OECD medium term outlook, high and volatile food prices are likely to continue in the foreseeable future. Therefore, it is important that effective global food market information mechanisms are put in place to increase transparency and to inform policy makers.

2. Information on the current situation and the outlook for global agriculture shapes expectations of future prices and allows markets to function more efficiently. Better information to governments and market participants can improve transparency and enhance the well-functioning of markets. It can also underpin policy choices and market behaviour thus reducing the incidence and magnitude of panic-driven price surges. Therefore reliable and up-to-date information on crop supply, demand, stocks and export availability can significantly help in reducing volatility. It is important that governments and the international community increase their ability to respond rapidly and effectively to food price surges and their impact on food security.

3. The food price surges of 2008 and 2010 exposed a number of weaknesses in market information systems and in the coordination of actions and policy responses. Weaknesses included lack of reliable and up-to-date information on crop supply, demand, stocks and, especially, export availability from countries and regions. The absence of clear and comprehensive indicators of current market conditions and a lack of transparency resulted in hoarding, panic buying and sub-optimal policy choices. These experiences showed that at the global level there is no effective and credible mechanism to identify serious food shortages so it is difficult to establish links between information, abnormal market conditions and coordinated policy responses.

4. The G20 collaborative food information initiative AMIS (Agricultural Market Information System) builds on and complements existing systems and improves global food market information. AMIS is not a new international organization but is a platform where countries, international organizations and the private sector can work together to strengthen synergies and collaboration in order to improve data reliability, timeliness and frequency. AMIS will also build developing countries' capacity in market outlook analysis and promote policy dialogue.
5. AMIS focuses on the global food market and includes major producing, consuming and exporting countries which together account for a large share of the world food market¹. These countries will work together with the international organizations to improve food market information.
6. AMIS is managed by a joint Secretariat located in FAO. It is made up of nine international organizations and has the capacity to collect, analyse and disseminate information on a regular basis regarding the current and future food situation and food policies.² The participation of these organizations will ensure that the information outputs of AMIS are impartial and benefit all countries - a public good for the international community.
7. In addition to the Secretariat, which will be responsible for the global market outlook analysis, AMIS will include two groups to perform the following important functions: a *Global Food Market Information Group* to collect and analyze food market information and a *Rapid Response Forum* to discuss policy responses.
8. The Global Food Market Information Group will analyze production, stocks, trade, utilization and prices. It will include food market experts from the participating countries who will be responsible for:
 - Providing the Secretariat with continuous, quality, reliable, accurate, timely and comparable information on supply, demand and short term trends
 - Helping to improve national statistics and information
 - Collecting information on, and analyzing, national policies and their international effects.
9. The Group will also identify gaps in information collection in participating countries and, through specific projects, will strive to build capacity to collect market outlook information and to improve the quality of the data in terms of timeliness, coherence and completeness.
10. The Rapid Response Forum will enhance policy dialogue when the market situation and outlook indicates a high food security risk. The Forum will be made up of senior policy makers from the capitals of the participating countries. It will meet when the food market situation warrants but will not decide on policies. Its objective is to promote discussions on options in order to enhance policy coordination. More specifically the Rapid Response Forum will:
 - Promote early exchange of key information on, and discussion of, prevention and responses to crises among policy-makers
 - Assist in mobilizing wide and rapid political support for appropriate policy response and actions on issues affecting agricultural production and markets in times of crisis without seeking to influence humanitarian responses
 - Brief and interact with the Bureau of the Committee on World Food Security (CFS) on its deliberations (as proposed by the G20).
11. The relationship between CFS and AMIS is important. CFS is the foremost inclusive international and intergovernmental platform dealing with food security and nutrition. It provides a platform for coordination and promotes greater policy convergence through the development of

¹ These are the G-20 countries and Spain together with Egypt, Kazakhstan, Nigeria, the Philippines, Thailand, Ukraine and Vietnam.

² FAO, IFAD, OECD, UNCTAD, WFP, the World Bank, the WTO, IFPRI and the UN HLTF.

international strategies and policy guidelines on food security. CFS includes in the policy debate countries, international organizations, experts and civil society, particularly organisations representing smallholder family farmers. Decisions are based on scientific evidence and state of the art knowledge.

12. AMIS could complement CFS in its efforts to respond to the challenges that emerge from highly volatile food prices. In the AMIS inception meeting on 15-16 September 2011, participants recommended that the Chair of CFS be a Permanent Observer and that a mechanism for collaboration between CFS and the Rapid Response Forum be established. Such strong synergies would result in information relevant to food price volatility, actions and policies by various bodies and the food security situation, including threats, being available to CFS.