

***High Level Regional Consultation on Policies to Respond to High Food Prices
In the Asia and Pacific Region
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Opening Statement

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Mr. Chairman, officials from the Asian and Pacific countries, civil society, and multilateral and bilateral institutions, a warm good morning.

The Asian Development Bank is pleased to co-organize with the Food and Agriculture Organization, the International fund for Agricultural Development (IFAD), and the World Food Programme this *High Level Regional Consultation on Policies to Respond to High Food Prices in Asia and the Pacific Region*.

As observed by my colleagues, we have had two major food price surges since 2007-2008. We had another scare of a food price spike just two months ago. While it has stabilized, the price situation remains unpredictable. However, projection studies have indicated that in the next two decades or so, food prices will remain high and volatile.

This does not augur well for the Asia and Pacific region – home of two thirds of the world's poor and malnourished. With the region's deteriorating natural resource base, rising but uneven economic growth, and with majority of its population becoming urban dwellers, achieving food security for all its citizens will be a major challenge particularly as the food problems confronting the region and the world have become diverse and complex.

We have seen that national- and international-driven food policies are important levers and catalysts to achieving and sustaining food security. One positive outcome from the food price crisis environment is that it puts food security back on the radar screen of policymakers, leading to increases in food security related investments. We note in particular the reversal in the previous downtrend in agriculture R&D investments. However, because of the decades long of neglect in agriculture and food sector, there is still a lot of catching up in investments that will need to be done.

In the global front, we witnessed the increased attention to sharing and disseminating accurate and timely market information and intelligence on food situation. Global efforts include the G20 together with international community establishing the Agriculture Market Information System (AMIS), the regional efforts in the ASEAN Food Security Information System, and the private sector-initiated food security indices like the Rice Bowl Index.

We also note that the appropriate food policies to address the short term causes of food price volatility and long term factors for rising food prices have been given due recognition through

the development of new instruments in risk management. The FAO's 2011 *The State of Food Insecurity in the World* has clearly identified various policy options.

What we think are lacking, and we hope that this august forum will deliberate on them in the next two days are the following:

- Food security for all in Asia and the Pacific would require coordinated and coherent food trade policies to which major stakeholders in the food chain are committed to pursue. With the impasse on the DOHA round, there may be need to jumpstart renewing the confidence in food trade at subregional levels and through more intra South-South exchanges. The time for collective action on developing and implementing coherent food policies is now!
- The debate between food self-sufficiency and food security has become quite counter-productive. Instead, what seems to be needed instead is a political economy framework that will enable stakeholders in food import dependent and food exporting economies to articulate their food requirements through transparent, accountable, and predictable institutional arrangements. In addition, what initiatives are needed to encourage piloting of novel forward contract arrangements between and concerned parties? What roles can the private sector and civil society play?
- With the frequent occurrence of extreme weather due to climate change, there may be need to revisit the concepts of food reserves and reserve management as food safety nets and insurance schemes. Should we think of subregional "food reserve" hubs? Can the private sector be engaged on this initiative?
- The conduct of more rigorous understanding of the food staples and other chains is important. Our recent study showed that food staples chains are transforming. Right policies and investments matter to facilitate their modernization and their being inclusive and sustainable.
- Communicating the right messages is important. What gets in the news are the food doomsday projections, which can create panic hoarding behavior like in 2007-2008. There may be need for regular policy dialogues and exchanges that include the media.

Thank you and wishing all an engaging and productive dialogue.

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