



منظمة الأغذية
والزراعة
للأمم المتحدة

联合国
粮食及
农业组织

Food
and
Agriculture
Organization
of
the
United
Nations

Organisation
des
Nations
Unies
pour
l'alimentation
et
l'agriculture

Продовольственная и
сельскохозяйственная
организация
Объединенных
Наций

Organización
de las
Naciones
Unidas
para la
Agricultura
y la
Alimentación

WELCOME ADDRESS

by

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delivered at the

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***Your Excellency, Mr Theera Wongsamut, Minister of Agriculture and
Cooperatives, Thailand
Honourable Ministers, Vice Ministers, Senior Officials,
Distinguished participants,
Ladies and gentlemen,***

Good morning, and welcome you to this High-Level Regional Consultation on “Policies to Respond to High Food Prices in Asia and the Pacific Region” co-organized by the Food and Agriculture Organization (FAO), the Asian Development Bank (ADB), The International Fund for Agricultural Development (IFAD), and the World Food Programme (WFP).

First of all, I wish to express my sincere gratitude to your excellencies and all participants for accepting our invitation to attend this important gathering, despite of short notice and busy schedule .

We felt it is extremely important to organize this meeting sooner rather than later when fears of a re-emergence of another food price crisis are starting to mount as a

consequence to the sharp increases in global market prices of maize, wheat and soybeans, and the negative impact of severe droughts in USA, Russia, Kazakhstan, Ukraine and other affected countries. The FAO Food Price Index climbed to 213 points in August 2012, but yet below the peak of 238 points reached in February 2011 and 18 points less than in August last year. Food prices in general remain two times higher than 10 years ago.

Let us not forget that in the Asia and Pacific region, despite the world's fastest economic growth, there were 578 million undernourished people which represented 62% of the global total in 2010. In deed, it is this region which suffers most from under nourishment. In many countries in this region, domestic consumer food prices such as those of rice and wheat increased by 10-20 percent in the past one year. For the poor, who spend as much as 70% of their household budget on food, high and unpredictable food prices have made their situation worse.

Nevertheless, it is premature to predict another food crisis at this stage, as the situation is different from the time in 2008. For example, crude oil price remains relatively lower and generally stabilized if compared with that of 2008, food grain stock situation remains much better than that of worst situation in 2006-07, and most importantly rice production is not affected and this year's rice output is expected to exceed slightly over last year's historical production record. There are enough rice stock in international market which generally facilitated the international rice price stabilized at low level.

On the other hand, estimated decline of wheat and coarse grain outputs this year by 5 percent and 1.5 percent, respectively poses concern over possible rapid decline of international cereal stock. With the combination of present relatively low cereal stock position (which is almost similar level in 2008/09 and 2010/11) and the reversal of supply – demand balance which switched to over demand and short supply mode in global market (this means we do not produce enough food to meet the demand and we are eating food from previous year's stock), there is a possibility of sharp decline of global cereal stock during the 1st half of next year. If this will be happened, the cereal prices will become more vulnerable to external shocks. We need to monitor very closely the situation and take precautional measures to prevent negative consequences to food prices.

One of the most important steps which we need to take is to learn from the lessons from previous food price crisis. Especially, policy measures such as to refrain from imposing food export restrictions, discourage excess use of food grains for bio-energy production, prevent excess speculations of food commodities beyond usual market practices, enhance market transparency, promote social safety net such as conditional cash voucher scheme, promote emergency humanitarian food reserves, implement special programmes to support small scale farmers to boost sustainable food production and productivity growth, and reduce post-harvest loss and food waste, would be some of key measures which were learned from past experiences.

***Your excellencies,
Ladies and gentlemen,***

FAO's vision is of a world free of hunger and malnutrition, where food and agriculture contribute to improving the living standards of all, especially the poor, in an economically, socially and environmentally sustainable manner. To achieve this vision,

sustainable increase in food production, affordable and stable food prices as well as targeted safety nets for the poor are critical for our success in eradicating hunger.

In this connection, investment in agriculture is critical because of the need to feed a world population that is projected to reach 9.2 billion by year 2050. To meet the demand of the growing population, world food production would need to increase by 60 percent globally (77 percent in developing countries alone) between 2005-07 and 2050. This has to be achieved under the existing constraints such as the stagnation of expansion of arable land, scarcity of water, increasing negative impact of climate change and natural disasters, rapid bio-energy development and competition of natural resources between food and energy crops, etc. FAO predicts that we would be able to attain this target, provided that there will be adequate investment in agriculture to promote agricultural research, infrastructure, capacity building and other essential needs.

On the other hand, we need to realize that “supply” or production or cereal supply focused interventions alone could not solve the all fundamental problems of hunger and under nutrition. As already obvious, food price hike and volatility is affecting the nutritional status of people, especially the poor. Further more, nearly two billion people are suffering from micro-nutrient malnutrition. In addition to nearly one billion under nourished population who suffer from lack of adequate food to maintain their health, we have similar number of over one billion people on the planet who suffer from over weight and non-communicable diseases such as diabetes.

Why they can't help each other to solve each other's problem?
Isn't this a real social injustice?

While social safety nets and nutrition awareness must be promoted further, we also need to take longer- term strategic and social protection measures to solve “access” issues through increasing income and promote access by the poor to adequate and nutritionally balanced food , especially small scale and landless farmers who contribute to the majority of food production and constitute the largest portion of the poor and hunger population in this region.

Mr. Chairman,

FAO is not aimed at just to write reports or establish committees, but rather focuses its efforts for field oriented actions; action to boost food production and sustainable productivity growth. FAO's field programme delivery in this region increased by nearly 300 percent between 2008 and 2011 with the implementation of over 500 field projects and the total annual delivery of approximately US\$ 250 million in this region alone. Majority of them are aimed at to boost food production, promote food security and nutrition. FAO and EU closely collaborated to help developing countries in establishing long-term food security and promoting investment in agriculture through EU Food Facility Programme under which nearly 10 countries in this region received direct benefit. FAO collects and analyses food price data weekly and publishes “Weekly Food Price Monitor” and “Monthly Food Situation Update” in this region with an aim to monitor food price situation and take precautional measures.

The FAO Regional Office for Asia and the Pacific is also working with other partners through the implementation of the Action Plan on Food Price Volatility and Agriculture adopted by the G20 Ministers of Agriculture in 2011 and the Leaders Declaration following the G20 Summit in Mexico, which were developed with a great deal of assistance from FAO and its sister agencies.

This include the implementation of global initiatives at regional level such as Agricultural Market Information System (AMIS) with an aim to enhance market transparency. FAO Regional Office has also hosted the secretariat of the implementation of the Regional Action Plan for the Global Strategy to Improve Agriculture and Rural Statistics to enhance accuracy and reliability of statistical data. FAO is also working closely with regional economic organizations such as ASEAN and SAARC. FAO assisted ASEAN to develop and implement the ASEAN Integrated Food Security Strategy and its associated Strategic Plan of Action and expanding its collaboration to cover Food Security, nutrition, bio-energy, climate change and other associated priority areas.

*Excellencies,
Ladies and Gentlemen,*

The main aim of this consultation is to learn from past experience in coping with food price crisis and identify measures and policy options to prevent (or minimise the negative impact of) re-emergence of another food price crisis in the future. At the end of the consultation, we expect to agree and produce summary conclusions, which will form our common views and basic consent for agreement for future follow up actions.

We named this consultation “ in Asia and the Pacific “. However, due to unavailability of key officials from Pacific Island Forum (PIF) and FAO’s own colleagues, there is no participation from the Pacific Island countries.

As originally planned and in line with previous arrangement, we will organize similar consultation in Pacific Island countries later, and the outcomes of this consultation would feed into such meeting.

Finally,

I wish to thank each of you once again for your valuable participation to this meeting.
Food is no more cheap as it used to be in the past.
Food is our basic human needs and fundamental human right to survive .
Without food, there will be riots, social unrests and a civil war.
Food is not just a food, but will influence our peace, social stability, world security, as well as the survival of our children and future generations.

Let’s work together.

Thank you