REGIONAL CONSULTATION ON POLICY AND PROGRAMMATIC ACTIONS TO ADDRESS HIGH FOOD PRICES IN THE CARIBBEAN

Port of Spain, Trinidad and Tobago

13-14 June 2011

Summary of Proceedings

FAO Sub-Regional Office for the Caribbean, Barbados

Table of Contents

Acronyms

CABA Caribbean Agribusiness Association
CaFaN Caribbean Farmers' Network
CAHFSA Caribbean Agricultural Health and Food Safety Agency
CARDI Caribbean Agricultural Research and Development Institute
CARICOM Caribbean Community
CCAP CARICOM Community Agricultural Policy
CCCCC Caribbean Community Climate Change Centre
CCS CARICOM Secretariat
CDB Caribbean Development Bank
CDEMA Caribbean Disaster and Emergency Management Agency
CFNI Caribbean Food and Nutrition Institute
CFP Common Fisheries Policy
CFS Committee on World Food Security
CIDA Canadian International Development Agency
COHSOD Council on Human and Social Development (of CARICOM)
COTED Council for Trade and Economic Development (of CARICOM)
CRFM Caribbean Regional Fisheries Mechanism
CROSQ CARICOM Regional Organization for Standards and Quality
CSME CARICOM Single Market and Economy
ECLAC United Nations Economic Commission for Latin America and the Caribbean
European Union
FAO Food and Agriculture Organization of the United Nations
FNS Food and Nutrition Security
GFASP Global Agriculture and Food Security Programme
ICT Information and Communication Technologies
IDB Inter-American Development Bank
IFAD International Fund for Agricultural Development
IFPRI International Food Policy Research Institute
IICA Inter-American Institute for Co-operation on Agriculture
ISFNS Information System for Food and Nutrition Security
MS Member States
NAHFSA National Agricultural Health and Food Safety Agency
NCD Non-communicable Diseases
ODA Official Development Assistance
OECS Organization of Eastern Caribbean States
OTN Office of Trade Negotiation
PAHO Pan-American Health Organization
RFNSP Regional Food and Nutrition Security Policy
SPS Sanitary and Phyto-sanitary
TBT Technical Barriers to Trade
UNICEF United Nations Children's Fund
USAID United States Agency for International Development
UWI University of the West Indies
WB World Bank
WFP World Food Programme
WHO World Health Organization

1 Introduction to the Regional Consultation

1.1 Background

This document presents the summary of proceedings of a Regional Consultation on ***Policy and Programmatic Actions to Address High Food Prices in the Caribbean*** held in Port Of Spain, Trinidad and Tobago, 13-14 June 2011. The consultation was organized against the background that the Caribbean Region is faced with another food crisis, as international prices of most agricultural commodities have increased in recent months, some sharply.

In fact, just two years after the peak of the 2007-2008 crises, global food prices started rising again from June 2010. World food prices surged to a new historic peak in February 2011, for the eighth consecutive month, according to the updated FAO Food Price Index, a commodity basket that regularly tracks monthly changes in global food prices. The Index rose to 236 points in February 2011, its highest level ever, representing an increase of 40 percent compared with June 2010 and of 5 percent compared with the record reached in June 2008. The surge in prices was led by sugar, vegetable oil and cereal prices. Within cereals, wheat prices on the international markets rose by 7 percent in February from the previous month, 75 percent higher than a year earlier. International benchmark rice prices were, however, stable and remained low in February, only about 4 percent below one year ago and 42 percent below the May 2008 peak. Maize prices increased by 9 percent in February in one month.

Several factors have been identified as underlying causes of the of volatile and rising food prices. The **structural factors** that push up prices in the 2007-08 appear to be present again:

- World demand for food commodities is growing faster than the global supply (China and India are playing an especially important role in this regard).
- Oil prices have rebounded and are close to US$100 per barrel, which will push production costs higher and make the efforts to produce bio-fuels attractive again, accompanied by the more widespread adoption of regulations to increase fuel mixture ratios.
- A few countries account for an increasingly large slice of the production and export of the main agricultural commodities, while a small number of intermediaries are responsible for the commercialization of those commodities in global agri-food chains.

Most of the **short-term factors** that make prices volatile and account for the short-term trends are also in evidence:

- Countries that play an important role in world commodity markets have been subject to highly unstable climatic conditions: there have been serious floods in Australia; droughts in Russia and Ukraine; floods in Pakistan; heavy frosts in the United States and Europe; and droughts in Brazil, Argentina and Uruguay.
- Some commodity-exporting countries continue to implement restrictive trade policies, aggravating the imbalances in agri-food markets.
- The spectre of opportunistic trading and speculative purchasing has reappeared. Although analysts were unable to demonstrate the impact of this factor conclusively

in 2007-2008, news reports at the end of 2010 suggested that surplus liquidity was being pumped into agricultural markets, contributing to the spike in prices. For example, it was reported that, during the northern summer, financial speculators at the Chicago Exchange bought futures contracts involving about 40 million tons of corn. That is more than the amount of corn consumed annually in Brazil.

Nonetheless, there are certain important differences with respect to the 2007-2008 crises:

- At that time, stocks of the main agricultural commodities stood at historically low levels; since then they have risen considerably, thanks to the national policies implemented to guarantee food security. In some countries, those policies have boosted production to meet part of the domestic demand, and limited the transmission of international prices to local markets.
- The price of rice has not been affected by the latest developments, despite the fact that rice was the crop whose price increased the most during 2007-2008. Beginning in the second half of 2008, the price of rice fell, a trend that only petered out during the second half of 2010.

It is also clear from an analysis, recently carried out jointly by ECLA, FAO and IICA, of the forces driving food prices (oil prices, expansion of ethanol production from corn, increased demand from developing countries such as China and India, climate change – giving rise to an increased frequency of natural disasters) that world food prices will continue to be volatile and remain at high levels in the foreseeable future.

The general consensus is that because of climate change, increases in the price of fuel, increased demand for food commodities tied to rising per caput incomes in China, India and other emerging economies as well as for bio-fuels, soaring prices are likely to be a permanent feature of international food commodity markets with greatly increased volatility. This growing volatility of prices in international agricultural markets is a challenge not only for farmers, but also for consumers and decision-makers. Uncertainty regarding the direction that such prices will take in the future has complicated decision making for almost all economic agents.

High and volatile food prices are therefore of concern to the Caribbean region, especially for poor households which spend a large share of their income on food. Most of the Caribbean countries, which are designated 'net-food importing developing countries (NFIDCs)', are finding it difficult to meet increased food import bills.

Given this situation, there is a growing concern globally and in the Caribbean region that measures to address rising food prices should be initiated immediately, taking into account the experience and lessons from the previous crisis. It is also recognized that the recent price surge can be better addressed through an understanding of the individual country situations, in-depth review of measures taken by various countries and the needs and priorities as well as the perspectives and capacities of different stakeholders, such as governments, the private sector, development partners and civil society organizations.

It is against this background, that the Regional Consultation was organized by the FAO Sub-Regional Office for the Caribbean in Barbados in collaboration with the Caribbean Development Bank (CDB) and the CARICOM Secretariat. Ministers of Agriculture, senior officials from the Ministries of Agriculture, Trade, Finance, and Economic Development and Planning, and Representatives from Regional Inter-governmental Organizations, development partners, donors, research institutions, the private sector and civil societies from sixteen (16) FAO Member States in Caribbean as well as from Curacao and Montserrat participated in the consultation. The meeting was coordinated by FAO Sub-Regional Office in Barbados, and was ably supported by its Regional and Headquarters Offices in Santiago, Chile and Rome, Italy, respectively. The Regional Consultation received the endorsement of the 32nd Meeting of the Council of Trade and Economic Development of the Caribbean Community (CARICOM), which was held in Georgetown, Guyana, in May 2011.

1.2 Objective

The Overall Objective of the Sub-Regional Consultation was to assist governments of FAO sixteen (16) Member States in identifying various options and designing country-specific immediate, short, medium, and long term actions in response to the current food price crisis. Specifically, it was aim to achieve the following:

- Share country experiences regarding rising food prices, the commodities involved, government priorities, policies and action programmes, and implementation problems/constraints and their impact;
- Raise awareness of the various policy options and programmatic actions and their implications to facilitate appropriate policy and programmatic decisions at the country level;
- Internalize lessons from the 2007-08 crisis based on analytical work carried out by ECLAC/FAO/IICA in Latin America and the Caribbean and by other partners as appropriate;
- Identify the needs and opportunities for external financial assistance and technical support to governments as well as potential development partners and stakeholders; and
- Identify the way forward and processes to design, coordinate and implement appropriate policy and programmatic actions as well as the arrangements for monitoring, updating and sharing of information on price changes, policy measures and results.

1.3 Expected Impact

Enhanced capacities and capabilities of member states to design policies that better address rising food prices and increased price volatility that threaten consumers and at the same time provide opportunities for producers and/or exporters.

1.4 Expected Outcomes

- Participants share and learn lessons gained during the last crisis in 2007-08, and identify options to cope with the emerging new crisis.
- Participants use and disseminate knowledge gained from the Sub-regional consultation in policy dialogue to design measures to address high food prices at country level.
- Participants engage at country level with development partners to seize opportunities for collaboration and support discussed during the Sub-regional symposium.
- FAO prepares a consolidated report to be shared with Member states.

1.5 Expected Outputs

- For participating countries:
    - o Participants are exposed to the FAO Guide for policy and Programmatic Actions at Country Level to Address High Food Prices, and exchange with their peers and other stakeholders on measures for addressing high food prices.
    - o Participants are better informed about opportunities for collaboration and support from development partners.
    - o Participants have prepared a list of next steps for policy and programmatic actions to be implemented once back in their countries with the aim of launching policy dialogue and mobilizing national resources and/or development partner support.

- For FAO and development partners:
    - o FAO and development partners are better informed on the situation and needs of participating countries to address high food prices.
    - o FAO prepares a report of the Sub-Regional Consultation with the list of next steps.

1.6 Structure and scope of the Sub-Regional Consultation

The two-day Sub-Regional Consultation was structured in eight sessions consisting of: four sessions (Sessions 1, 2, 3 and 4) for topical presentation by resource persons; two sessions (Sessions 5 and 7) for parallel break-out group discussion on key issues; one session (Session 6) for reflections from development partners; and one session (Session 8) for conclusions, key recommendations and the way forward (See ANNEX 11 for Agenda and Timetable). Topical presentations covered recent trends in food prices, experiences and policy lesions from the 2007-08 crisis, and policy and programmatic actions to address price increases and volatility. Group discussions focused on trends in prices and supply of major food commodities and policy and programme measures implemented to address food price rises, focusing on challenges and responses with respect to imported food supply, domestic production and the vulnerable population, both at the national and regional levels. Altogether, sixteen (16) FAO Member States from the Caribbean region, in addition to officials from Curacao and Montserrat participated in the consultation.

The participating countries were divided into three break-out groups based on their geographic size and magnitude and direction of food trade as follows:

- **Group 1**: Imported Food Supply: Challenges and Responses to High Food Prices
- **Group 2**: Domestic Production: Challenges and Responses to High Food Prices
- **Group 3**:Vulnerable Populations: Challenges and Responses to High Food Prices

Other participants representing international organizations, regional inter-governmental organizations, development partners, bilateral donors, research institutions, the private sector and civil society organization were strategically placed across the three groups based on their areas of expertise and interest.

2 Perspectives on Regional Consultation

The perspectives on the Regional Consultation can be gleaned from the remarks made by the various speakers at the Opening Ceremony, including those remarks made by the Minister of Food production, Land and Marine Affairs during his feature address.

Mr. Alan Bojanic, Deputy Regional Representative, Regional Office for Latin America and the Caribbean, Food and Agriculture Organization of the United Nations welcomed the participants on behalf of the Director General and the entire FAO family. He expressed sincere thanks to the Government and People of Trinidad and Tobago as host, and collaborators, the Caribbean Development Bank, the CARICOM Secretariat and his own institution, the FAO, for making the consultation a reality.

Mr. Bojanic considered the event as a continuation of the battle against the impending risk of the world's most vulnerable people declining into absolute poverty due to rising and volatile food prices. He said that the relatively recent international food price imperatives were presenting major challenges to Caribbean Agriculture and the development of the Rural Spaces. However, he suggested that the opportunity to address this crisis presents itself in an increased world's attention to agriculture and its potential to eliminate poverty and food insecurity.

Mr. Bojanic referred to the global food situation, based on work reported by the UN Food and Agricultural Organization (FAO), International Fund for Agricultural Development (IFAD), International Food Policy Research Institute (IFPRI), and UN Economic Commission for Latin America and the Caribbean (ECLAC), which indicates that availability of food is expected to worsen with time as demand is outstripping supply and productivity has declined. This situation, he said, could be exacerbated by the impact of climate change and reduced availability of water for agricultural purposes. He suggested that that food prices will not return to levels experienced before the food crisis of 2007/2008 and they will continue to be extremely volatile. With f**ood inflation** driving **general inflation,** a large section of the population will have substantially less resources to address other basic human requirements, such as, health, housing and education, and in this context he suggested that it was very likely that the **Millennium Development Goal (MDG)** of reducing poverty and hunger by 2015 will not be achieved.

Mr. Bojanic, cited available data from the FAO which has shown that in 2009, more than one billion people were chronically undernourished, representing around one sixth of the world's population. This number, he said, represented an increase by over 150 million over the 2006 recorded figure as a result of soaring food prices which peaked in mid-2008, and the subsequent global financial and economic crisis. The 2007/08 crises situation, he pointed out restricted access to food, particularly for the poorest, and as a consequence, earlier progress in reducing hunger and achieving both the 1996 World Food Summit target and the first Millennium Development Goal was reversed.

He said that the number of hungry and malnourished people is estimated to have decreased to 925 million in 2010 as world food commodity prices declined from their mid-2010 peaks and economic conditions improved, particularly in developing countries. But the figure remains higher than it was before the food and economic crises which started in 2007, and concerns about the negative impact of high and volatile food prices on the level of poverty and food security have emerged again.

Mr. Bojanic stated that there is a growing recognition globally and in the Caribbean region that policy and programmatic actions to address high and volatile food prices must focus on medium and long term investment programs for sustainable solutions. In this context he further stated that while the present crises and their impacts have focused public and private attention on food and agriculture after decades of neglect, attention must look beyond these sudden crises to the structural causes if hunger is to be reduced and eventually eradicated.

Mr. Bojanic suggested that in the medium and longer terms, solving the problem of hunger requires greater investments in Caribbean agriculture, particularly in low-income food deficit countries. This, he said, is important both as a means of increasing food production and, equally, as an engine of overall economic growth, given that a high percentage of Caribbean poor depends on agriculture for their livelihoods. Caribbean countries, he implored, must give high priorities to investment in research and rural infrastructure, support of producer organizations and the strengthening of the access of smallholders and other food chain actors to financial resources and risk management tools in order to enhance their agricultural sectors in terms of productivity and resilience in the face of the crises. Stable and effective policies, regulatory and institutional mechanisms, and functional market infrastructures that promote investment in the agricultural sector, he said, were paramount.
He further suggested that investments in food processing and agricultural research and technological innovation, improved institutions and governance at local, national and regional levels, and access to and better management of the natural resources, including land, water and biodiversity were also vital to the process.

He told the participants that FAO has played and will continue to play a key role in providing timely information, technical assistance, and in bringing countries and development partners together, including through the reformed Committee on World Food Security, to debate and agree on important policy decisions.

In concluding, the Deputy Regional Representative stated that the challenges before the Caribbean were huge. Notwithstanding, he was convinced that a united Caribbean region working together, could win the battle against hunger and poverty. He pointed to the fact that there are countries in the Caribbean region that have succeeded in reducing hunger, and some of them have even moved from net food importing developing country (NFIDC) status to net exporters, which means that the Caribbean knows what to do and how to do it to overcome all the challenges and ensure a food-secure Caribbean region.

One key success element in the fight hunger, he suggested, is full commitment to a regional agenda. For things to change, he said the Caribbean needs to mobilize awareness, political will and the resources required to reach the goal established. In this context, he applauded efforts being made by the region in the development and implementation of Jagdeo Initiative on Agriculture, the Lillendaal Declaration on Agriculture, which represents the commitment of the Heads of government to the development of the Agricultural sector, the Regional Food and Nutrition Security Policy and Action Plan, and the CARICOM Community Agricultural Policy. His hope was that the Caribbean would continue on that course for the benefit of the entire region.

In her address to the Consultation, Mrs. Florita Kentish, Coordinator of FAO Sub-Regional Office for the Caribbean, Barbados expressed sincere appreciation to the Caribbean Development Bank and the CARICOM Secretariat for collaborating with the FAO in organizing the Regional Consultation on Policy and Programmatic Actions to address the high food prices in the Caribbean Region. Appreciation was also extended to the Government and people of this beautiful Twin-island Republic of Trinidad and Tobago for being such gracious hosts to this event.

In presenting the context in which the Consultation was being held, Mrs. Kentish expressed the fear that the Caribbean was again faced with another food-price crisis, as international prices of most agricultural commodities have increased in recent months; some sharply.

She stated that while the rise in oil prices have impacted the price of food through the domino effect of increased cost of inputs to the food production and distribution process, other factors have also played a significant role in this price escalation. These factors, she said, included increased demand for food commodities which are tied to rising per capita incomes in China, India and other emerging economies as well commodities for bio-fuel production, climate change, depreciation of the United State dollar (US $), and speculation are also having significant impact. She said there was a general consensus that soaring prices were likely to be a permanent feature of the international commodity markets with greatly increased volatility. This growing unpredictability of prices in the international agricultural markets, she stated, was a challenge not only for farmers, but also for consumers and decision makers.

This situation, she said, has therefore raised concerns about food and nutrition status of the people of the region, especially vulnerable groups of poor families that constitute approximately 20 percent of the population. Food accounts for approximated average of 20 percent of total household expenditure in Caribbean Member States. High food prices were, therefore, expected to have the greatest on the poor as they spend a large portion of their income on food; in some cases up to 40 percent. The situation was also expected to impact negatively on the achievement of the **Millennium Development Goal 1 (MDG 1)**, as fair and stable food prices were crucial for economic growth, and hunger and poverty reduction.

Based on the situation, the Coordinator stated that one could therefore conclude that the region was in crisis as a result of the escalating prices which was threatening the quality of life of the population and the poor in particular.

Mrs. Kentish suggested some imperatives in the elaboration of policies and programmatic actions to address the food crisis facing the region. In the first instance, she stated, the

Caribbean needs to recognize that the short term options are quite limited and the approach should be to pursue medium and long term strategies for sustainable solutions.

Secondly, the region must adopt a more proactive approach based on risk analysis and forecasting, collective utilization of the region's resource endowment, aggressive mobilization of external resources, and exploitation of the opportunities for South-South cooperation.

Finally, she said, to be able to successfully address the situation of rising and volatile food prices, the Caribbean needs to develop policies and actions at both the national and regional levels that are bold, innovative and multi-sectoral, and effected through strategic partnerships. In that context she suggested that the presence at the Consultation of the public and private sectors, regional institutions, international development partners and civil societies was therefore testament that the Region was on the right track towards achieving those objectives.

Mrs. Kentish concluded by wishing for a productive and fruitful two days of dialogue and bold decision making for the benefit of the agricultural sector in the Region. She stated that the Caribbean Region demands that of the all the participants.

Mr. Clairvair Squires, Acting Division Chief, Social Sector Division, Caribbean Development Bank (CDB), in his address to the Regional Consultation, , expressed sincere gratitude to the FAO for not only proposing the Regional Consultation, but also for inviting the CDB to be a major collaborator for such an important event. He also expressed the need for increased investment in the agricultural sector and stated that the CDB was willing and ready to work with the relevant strategic partners to ensure increased flow of financial resources to enhance the agricultural development process in the region.

Ms. Desire Field-Ridley, Advisor, Single Market and Economy, CARICOM Secretariat, in her address stated that spiraling and volatile food prices have placed upward pressure on the general price inflation, imperil the already difficult lives of the poor and vulnerable and create an adverse impact on sustained economic growth in the Caribbean Region. She suggested that the situation could trigger social and political instability. She further stated that in order to arrest the domestic food inflation situation with lasting solution, a multi-stakeholders collaborative approach was required across Caribbean Member States and Non-State actors. The situation needs to take into consideration sustainability aspects and interconnectivity of different commodity value chain and sectors, she concluded.

In his feature address to the Regional Consultation, Senator the Hon. Vassant Bharath, Minister of Food Production, Land and Marine Affairs, Trinidad and Tobago, welcomed the participants and extended greetings on behalf of the Government and people of the Twin-island Republic of Trinidad and Tobago.

The Minister applauded the efforts of the FAO, CDB and CARICOM Secretariat in organizing the Regional Consultation, and suggested that the objectives were correct in that they emphasized the sharing of country experiences regarding rising food prices, the identification of opportunities for collaboration at the regional and national levels, and the raising awareness of the various policy options and programmatic actions and their implications to facilitate appropriate policy and programmatic decisions at the country and regional levels. The internalizing of lessons learnt from the 2007-08 crisis, the identification of the needs and opportunities for external financial assistance and technical support to governments and potential development partners and stakeholders, and the identification of the way forward and processes to design, coordinate and implement appropriate policy and programmatic actions as well as the arrangements for monitoring, updating and sharing of information on price changes, policy measures and results are important issues for dialogue and bold decision making at the consultation, he stated. He, therefore, hoped that the Consultation would help to identify timely policies and programmes for governments and other stakeholders to implement in order to prevent a recurrence of the devastating impact that the food price shock experienced in 2007-08, had on the economies of countries of the Caribbean region.

Minister Bharath referred to a Caribbean Region confronted by poverty, problems of hunger and malnutrition, growing population and food consumption mainly supported by a high and rising food import bill of over US $4.0 million, urban expansion and rural-urban population shifts, and conversion of fertile agricultural lands to housing and tourism. In this context, Mr. Bharath opined that the Caribbean region must focus on the production of affordable food, not cheap food. The Minister further suggested that the Region must become resilient to rising food prices, taking into account climate change, risk mitigating measures, market information, safety nets, and institutional arrangements.

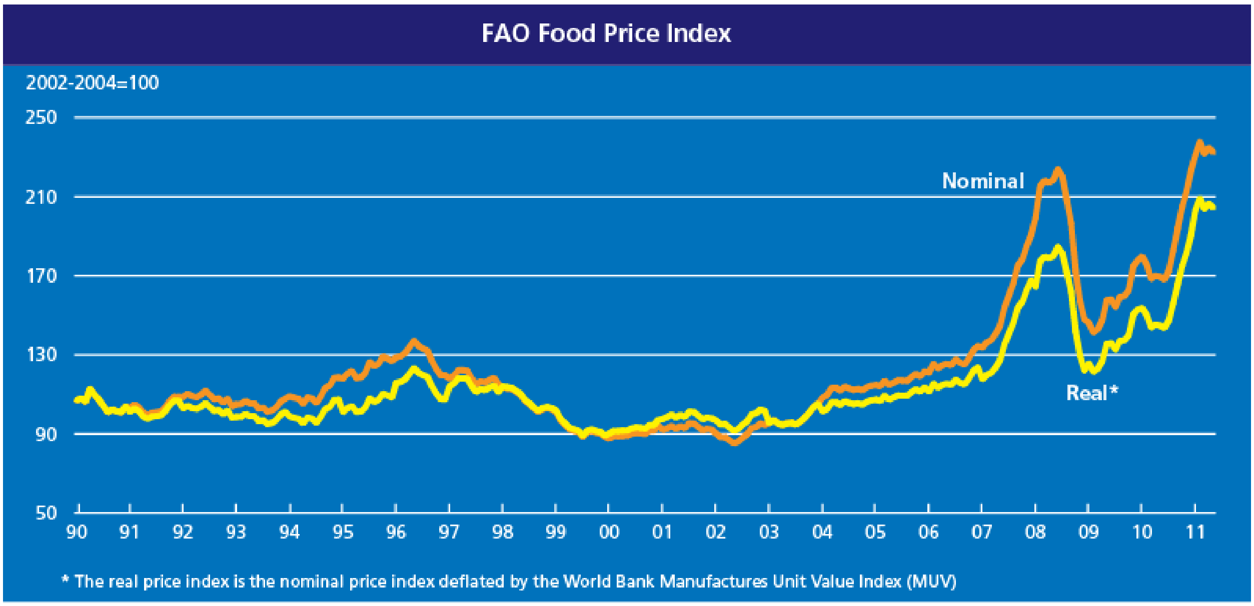
Mr Bharath urged his fellow Ministers and other relevant stakeholders present to fully commit themselves to a Caribbean Agenda to address soaring and volatile food prices. He told the Consultation that the time for less talk and more actions was now.

3 Overview of Current Food Price Situation at the Global and Regional Levels

3.1 Overview of Current Food Crisis Situation at the Global Level and Policy Lessions Learnt from 2007/08 Fluctuations.

The Caribbean Region is now faced with another food crisis, as international prices of most agricultural commodities have increased in recent months, some sharply. Since July 2010, global food prices have been increasing, with the largest year-on-year rise recorded in February, 2011 at 34 percent. At the same time, the price of Brent crude oil has been going up, rising by 40 percent. Figure 3.1 presents trends in the FAO Food Index between 1990 and early 2011, while Figure 3.2 presents vividly monthly movements in the FAO Price Index between 2007 and 2011.

Figure 3.1: FAO Food Price Index, 1990 – 2011.

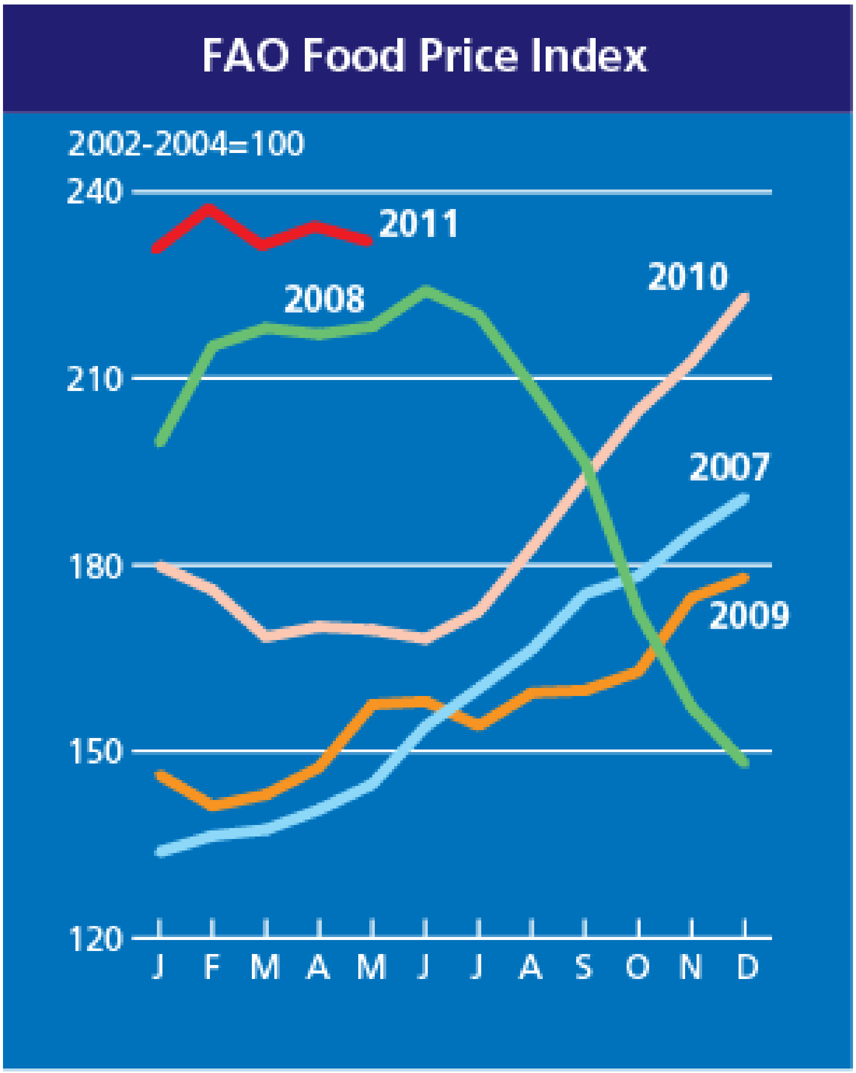


Source: Gunther Feiler, Policy Officer, FAO: Regional Consultation on Policy and Programmatic Actions to Address High Food Prices in the Caribbean, Trinidad, 13-14 June, 2011

The problem of rising food prices started in response to the severe drought last August (2010) in Russia followed by untimely or heavy rains in other countries, including Australia, China, Europe and the USA (**Figure 3.3**). The world was in a better position in 2010 than in 2009 with respect to food production and stock. But with food stocks declining, peak food demand expanding and bio-fuel production growing, prices are expected to continue to rise. However, one silver lining on the horizon is that rice supplies have remained stable and rice prices are not only half as high as they were in 2008.

The Year 2011 started with relatively comfortable stocks, which can help offset the food shortages, unlike the situation in 2008. But declining stocks for maize and soybean coupled with high prices will mean price volatility is going to continue. But it may not lead to the recurrence of the 2007-08 food crises, although one may argue there are some similarities between the situations now and then. During the situation more than three years ago, large movements in the prices of edible oils, cereals, and dairy influenced the food price increase.

Figure 3.2: Monthly FAO Food Price Index, 2007 - 2011



Source: Gunther Feiler, Policy Officer, FAO: Regional Consultation on Policy and Programmatic Actions to Address High Food Prices in the Caribbean, Trinidad, 13-14 June, 2011

The current rise in the prices of cereals and edible oils is also contributing to the food price increase, but the rise in dairy products has not been a consistent source of increase in the composite food price index.

Uncertainty regarding the direction that prices will take in the future has complicated decision making for almost all economic agents, There are short-term uncertainties related to future food prices as a result of several factors including:

- The final outcome of the 2011 harvests;
- The lifting or continuation of export restrictions;

- Political instability in North Africa and the Middle East regions;
- Price developments in other commodity markets, oilseeds in particular;
- Outside factors: oil prices, world growth rate, stability of the US dollar, etc.

Figure 3.3: A Turbulent Season for Grain Prices

Source: Gunther Feiler, Policy Officer, FAO: Regional Consultation on Policy and Programmatic Actions to Address High Food Prices in the Caribbean, Trinidad, 13-14 June, 2011

Higher food prices are bidding up general price inflation in many Caribbean countries since food carries a large weight in the consumer price index (CPI) of many Member States, regarding the direction that such prices will take in the future has complicated decision making for almost all economic agents.

High food prices are of concern to the Caribbean region, especially for poor households which spend a large share of their income on food. Most of the Caribbean countries, which are designated 'net-food importing developing countries (NFIDCs)', are finding it difficult to meet increased food import bills. In fact, the impact and implications of the 2007-08 global food crises on the Caribbean Region were many and varied and characterized by:

- significant surges in domestic food price inflation in many countries of the Region, where food price inflation was higher than aggregate inflation and contributed to the underlying inflationary pressures;
- increases in the poverty levels in many countries through its direct impact on the indigence line, which is defined as the food component of the poverty line;
- erosion of consumer purchasing power negatively affecting households that are vulnerable to food insecurity, and thus affording less protection of the right to food for these population groups while raising the need for social safety net programmes and increased social expenditures;
- increases in the number of chronically hungry and malnourished people in the Region and, therefore, an expected rise in the prevalence of related diseases and in the number of premature deaths, while lowering the return on social investment, such as education;
- negative distributional effects in general on poor people, especially those located in urban areas, whose wellbeing is likely to worsen further pushing them into deeper poverty;
- negative impact on the food trade balance and therefore on the balance of payments situation of many Caribbean countries, especially the resource-poor countries that are net food importers; and
- increased likelihood of social unrest.

Notwithstanding, high food prices have benefited some farmers in the Caribbean, including the regional rice producers.

However, given the general situation, there is a growing concern globally and in the Caribbean region that measures to address rising food prices should be initiated immediately, taking into account the experience and lessons from the previous crisis. It is also recognized that the recent price surge can be better addressed through an understanding of the individual country situations, in-depth review of measures taken by various countries and the needs and priorities as well as the perspectives and capacities of different stakeholders, such as governments, the private sector, development partners and civil society organizations.

3.2 Regional Perspectives

In examining the implications of high food prices on growth and poverty in the region, the issue of whether high food prices could be a trigger to growth and poverty reduction, especially in the reduction of rural poverty, in the context of an agricultural sector that is geared towards providing mainly for domestic and regional needs.

Studies conducted CDB, World Bank, the Inter-American Development Bank (IDB), and the UNDP have demonstrated high levels of indigence, poverty and vulnerability in the Caribbean region as can be gleaned from **Table 3.1** for selected countries.

Table 3.1: Levels of Indigence, Poverty and Vulnerability in Selected Caribbean States

Country	SLC Year	Indigence rate (%)	Head Count Index (%)	Vulnerability (1.25xPoverty Line)
Antigua and Barbuda	2005/06	3.7	18.3	10.0
Belize	2002	10.8	33.5	10.8
Dominica	2008/2009	3.1	28.8	11.5
Grenada	2007/08	2.4	37.7	14.6
St. Kitts and Nevis	2007/08	1.0	21.8	13.8
St. Lucia	2005	1.6	28.8	11.5
St. Vincent and the Grenadines	2007/08	2.9	30.2	18.0
Trinidad and Tobago	2005	1.2	16.7	9.0

The regional response of the Caribbean Community (CARICOM) to the 2007/08 food price crises took into consideration the existing poverty situation in member States and involved:

- A review of the Common External Tariff (CET) Schedule of CARICOM to identify items which attract a high CET and which have a significant weight in the CPI baskets of Member States;
- An analysis of the revenue implications of the removal or reduction of the CET on specific commodities;
- Recommendation of a set of commodities which may be considered for the removal or reduction of the CET; and

- Elaboration of key considerations including the need for monitoring at the national level of benefits to the consumer of the amendments to the CET.

The immediate actions proposed then following the examination of the CET were:

- Temporary removal of Common External Tariffs (CET) of essential items without compromise to plans and programs for import displacement;
- Commitment to initial list of products for enhanced production as platform for regional food security;
- Improvement in market access for regional supplies – transport, regulations, Non-tariffs measures;
- Promotion of the provision of supplies from domestic and regional sources for institutional clients – school feeding;
- Upgrading of infrastructure from farm to domestic market, including packaging and presentation; and
- Collective purchasing from extra-regional sources.

Measures that were utilized by the Member States were many and varied and included price control; moral suasion; improved information to consumers; fiscal exemptions, including reducing duties below the CET on essential items; diversification of sources of supply; State Agencies bulk purchasing and intervention in the market place; subsidies and transfers; and collective bulk-purchasing across countries.

It is important to recognize that the identification and elaboration of solution to the current situation of high and volatile food prices in the Caribbean must be done against the backdrop that high prices are here to stay, that there are slack resources of land and labour, and that the region is committed to a regime of food and nutrition security for all.

Immediate interventions may be targeted at reducing prices being faced by the poor. However, in the medium- to- long term the region must consider both demand and supply side factors. On the demand side there must be induced shifts, not only in tastes and preferences at the national and regional levels, with a focus on healthy and nutritious cuisine utilizing regional and domestic supplies. This should help to impact significantly on the ever increasing food import bill of the region, and therefore impacts in a positive way on the low level of domestic supply in the food consumption bundle of most Caribbean countries (**Table 3.2**).

On the supply side, it was recommended that there should be a recommitment to the implementation of the Jagdeo Initiative on Agriculture which is aimed at the alleviation of the main constraints to agricultural development in the region. In this context, the region needs to promote private sector (Individuals or Entities) involvement in agriculture to drive the expansion of activities; promote investments in research and technology; improve transportation and logistics; improve marketing, and adequacy of marketing infrastructure including storage; increase access to credit and to finance; increase access to land; and improve agricultural health and food safety standards and systems.

Table 3.2: Imports as % of Domestic Supply in Selected Food Groups

Countries	Fruits	Milk	Vegetables	Cereals
Antigua and Barbuda	14.7	48.9	15.9	98.7
Barbados	78.9	78.4	28,5	110.4
Belize	0.3	86.3	25.9	29.2
Dominica	0.1	54.9	9.7	97.7
Grenada	0.4	95	18.7	176.2
Guyana	0.5	61.4	14.1	19.5
St. Kitts & Nevis	33.8	81.5	68.7	100
St. Lucia	0.6	94.5	76.4	100
St. Vincent $ the Grenadines	0.4	86.6	13.8	205.9
Suriname	1.4	35.6	13.8	22.5
Trinidad &Tobago	11.6	95.5	50.4	103.9

4 Caribbean Food Supply Situation

4.1 Analysis of the CARICOM Food Import Bill

Global food prices have spiked twice in the past decade, compounding the impacts of rises in energy prices and on global recession. The resulting fiscal imbalances are placing development gains at risks leading to public calls for governments to address the risk of rising food import bills. It was against this background that a study was commissioned by FAO project on "Promoting CARICOM/CARIFORUM Food Security" for the benefit of Caribbean Member States **to analyze the composition and policy options surrounding the food import bill (FIB) of the CARICOM Member States, as well as policy options for its reduction.** The study explored the composition (in product terms), value (in both absolute terms and relative to key variables), and policy/investment options for national governments concerned with rising levels of food imports. Using available trade and production data, the study explored three policy concerns – macroeconomic stability, regional food production and consumer health – aimed to answer three questions: First, *what is the composition and context of the FIB?* Second, *in what policy areas is the FIB a concern?* Finally, *what measures can be taken mitigate its negative impacts?*

This study revised key estimates of the region's food import bill, estimating a total CARICOM FIB of nearly US$4.0 billion for all fourteen Member States in 2008. Using Member State import data for 2008, the CARICOM Secretariat estimated the region's annual food import bill (exclusive of Haiti) at some US$3.5 billion. In the FAO commissioned study, the FIB estimates were revised in three fundamental ways, so that the new estimates included the trade in beverages, excluded intra-CARICOM trade, and included estimated food imports into Haiti. The study found that estimated FIB levels dropped significantly from 2008 to 2009, largely due to falling global food prices, falling energy prices and the effects of the global recession.

With respect to *levels* of the CARICOM FIB, the study reported a sharp increase over time, although it was difficult to characterize trends at the Member State level. The data showed a steadily increasing aggregate CARICOM FIB since the early 1960s, punctuated by discontinuous jumps from 1977-1980, 1994-1997 and particularly 2003-2008, where FIB levels doubled. Four Member States – Haiti, Jamaica, T&T and the Bahamas – accounted for nearly ¾ of the region's food imports. With respect to major demographic and trade indicators, the study finds that:

- FIB values as a percentage of GDP have either stabilized or fallen over time;
- Per capita FIB levels reflected regional disparities in population and economic structure, particularly the number of tourism arrivals and existing domestic production;
- The region's trade balance in foodstuffs sharply deteriorated over time (with significant variation at the Member State level); and

- Compared with total merchandise imports, the share of the food has gradually fallen over time, as other categories of imported goods (particularly machinery, fuel and vehicles) accounted for a greater share of total imports.

With respect to the *composition* of the FIB, the study reported a dominance of processed goods and a handful of "big-ticket" items. Based on import data provided by the CARICOM Secretariat and the FAO, the study reported the current regional import basket to be largely dominated by:

- Wheat, maize and derived products;
- Food preparations, excluding extracts, sauces, cereals, and soups;
- Chicken, pork, beef and mutton;
- Cheese and dry/evaporated milk;
- Rice;
- Beverages;
- Sugar, both raw and refined;
- Fisheries products (dried, frozen and smoked); and
- Inputs into the production of animal feed.

Of these products, food preparations, rice and sugar have largely driven growth in FIB levels. Goods were largely sourced from the United States, the European Union and CARICOM. The data also showed that over time, the share of processed and semi-processed goods to have risen much faster than that of raw foodstuffs.

The study examined the balance of goods that were regionally produced/exported/trade and those that were imported from extra-regional sources, and observed a clear division between the two categories. Trade and production data showed that CARICOM consumption of fresh produce, meat products, fish, baked goods, rice, beverages and sugar was largely sourced from regional food producers. With respect to dairy, wheat/maize, food preparations and inputs into production of animal feed the balance leaned towards extra-regional sources, with household-level expenditures suggesting a strong bias in favour of imported foodstuffs (or regionally produced items reliant on imported inputs). The report of the study noted however that there was an urgent need for consumption data (by at the household and industry level) to determine which sectors of the economy relied more on imported foodstuffs and thus to determine where market opportunities exist.

For the first area of policy concern, the study examined the potential impact and responses of the FIB on regional food production. CARICOM food producers offer a wide range of foodstuffs, and in many sectors have moved towards the production of the higher value-added and processed goods increasingly demanded by consumers. The region's producers however face multiple handicaps that increase both the cost and risk of production, placing them at a price disadvantage vis-à-vis larger overseas competitors. Given these handicaps, there were strong concerns that food imports are "crowding out" domestic production, particularly in those sectors where there exists direct competition (e.g. frozen poultry/beef versus fresh poultry/beef) or high substitutability (e.g. wheat flour versus cassava flour), with producers in Jamaica, T&T, Barbados, Belize and Guyana particularly vulnerable. With respect to coping strategies, the study suggested a need for a carefully targeted strategy of "competitive import replacement", given the potential scale of resources required and the opportunity costs in terms of neglecting other national/regional investment priorities. As a result, the choice of sectors and projects must be guided by clear criteria. The study suggested that potential investment opportunities (**Table 4.1**) should:

- Be a viable candidate to replace a major food import item (i.e. in light of existing consumer tastes and production processes);
- Already be widely produced within at least two Member States and, if possible, regionally traded;
- Exhibit potential competitiveness in terms of price, taste and quality vis-à-vis imported substitutes; and
- Exhibit value chain characteristics whereby public investment can potentially result in competitive and productive increases.

Table 4.2: Summary of Potential "Competitive Import Replacement" Opportunities

Imported / Regionally Product	Targeted Investment
Meat	Feed production; processing automation/scale; standards implementation; regional initiatives
Food preparations	Studies to identify market opportunities for domestic producers; support for product standards; support for increased vertical integration; funding/training for producers of new/niche products
Maize (corn)	Marketing campaigns; crop insurance; financing for processing capacity; research & development; bulk purchase of fuel/fertilizers; secondary market studies; land utilization
Refined sugar & sweeteners	Explore increased sugar refining capacity; explore downstream sugar/sweetener products; research & development for alternative/natural sweeteners
Fresh & processed fish	Invest in processing (dry/smoked) facilities; research & development; improved technology
Rice	Increase cultivation; public-private mechanisms; value-added/processed goods
Fresh & processed fruit and vegetables	Increase cultivation; strengthen product compliance; protect against praedial larceny; invest in storage and processing capacity
Wheat flour / cassava flour	Research & development; capital/re-tooling funds; encourage collective production; lobby/assist milling industry; encourage regional/hemispheric FDI

The study emphasized that sectoral interventions should be not be undertaken unless accompanied by a series of economy- and industry-wide measures to encourage investment into the food and beverage sector. These measures included targeting:

- *Policy constraints*, through more competitive-oriented tariff and tax policies;
- *Institutional constraints*, through stronger industry associations that focus on marketing, mediation and research and development, thus ensuring that aid flows through industry and large-scale, commercially-viable producers as well as agriculture ministries and primary producers;
- *Profitability constraints*, through a regional multi-window initiative that focuses resources on plant modernization, efficiency improvements, waste treatment, distribution/marketing and business development;
- *Human resources constraints*, through better training and mobility;
- *Infrastructure constraints*, through implementing regional best practices in the regulation, pricing and financing of key infrastructure and utilities; and
- *Services constraints*, through lower business costs and more consistent/transparent border procedures.

For the second area of policy concern, the study explored the macroeconomic concerns surrounding the FIB. Based on macroeconomic data, the study reported that many CARICOM Member States exhibited worrying levels of fiscal/current account balances and external debt, largely from rising expenditure-to-revenue ratios and vulnerability to external price shocks. In the context of these unfavourable macroeconomic conditions, during food price shocks CARICOM governments were forced to adopt costly buffer mechanisms to mitigate the impact of food price rises on vulnerable groups – amply demonstrated during the 2007-08 global price shock and subsequent recession. There were additional concerns over rising import levels (both food and non-food) in the handful of Member States with fragile hard currency reserve levels and exchange-rate regimes. To mitigate these risks – particularly in the most vulnerable Member States (i.e. Jamaica and the CARICOM Less Developed Countries), the study suggested:

- Investing in a concerted effort to improve public financial management at the national level;
- Creating a risk mitigation and management system similar to those created in response to the region's vulnerability to natural disasters;
- Careful targeting, particularly as regards any economy-wide price controls or subsidies, of any interventions funded from the public purse; and
- Examining *all* categories of imported goods (not just food), given that foodstuffs account for less than 14% (by value) of total imports into the region.

For the third area of policy concern, the study explored the link between food imports and CARICOM consumer health. CARICOM eating patterns have exhibited a worrying trend, particularly with respect to increased consumption of oils, fats, sugars/sweeteners and highly processed wheat-based products. These changes in food consumption have led to significant social costs – including rising obesity, lower life expectancy and higher incidence of related chronic illnesses – and economic costs, including rising healthcare and disability costs. The study emphasized that these trends must be viewed in the context of larger social trends – particularly shifts in demographics, food retailing channels and increased exposure to overseas eating habits – where rising food imports are both a cause and effect of negative health outcomes. The key policy issue then for CARICOM governments is related to the re-orientation of consumer tastes towards healthier food (regardless of its source), and to encourage the production of healthy food alternatives within the region. In order to mitigate the risks posed by some of these trends, the study suggested encouraging:

- Further consumer education on the benefits of a healthy, local diet;
- Stronger fiscal incentives to discourage sugary and fatty food intake;
- A strong link between import replacement and goals for recommended food intake; and
- Measures to encourage the hospitality sector to source from local producers (and thus higher tourism consumption of healthier local alternatives), focusing on the establishment of joint institutions to mediate marketing and supply concerns.

The study concluded by suggesting that CARICOM policymakers should focus on "managing" the risks surrounding the region's food import bill, rather than solely focusing on its reduction. The study has found, in several areas, that food imports are linked to concerns about macroeconomic health, regional production, and consumer health. The study however emphasized that in many cases the concerns arose in a context of wider socio-economic shifts and variables – such as public financial management, economic reform and demographic changes – and that measures aimed purely at FIB reduction were unlikely to positively impact the well-being of CARICOM Member States unless wider measures were taken, some aimed well outside the food and agricultural sector. Looking forward, the study concluded by proposing a number of areas for further study and attention, including the need for:

- A compulsory study of intra-regional trade to identify significant opportunities for cross-border investments;
- A broader debate that focuses not only on primary agriculture but also on food processors, distributors and retailers;
- A recognition of the different national policy priorities throughout the region;
- A stronger regional framework for addressing FIB issues, focusing on further studies on the food and beverage sector, and ensuring stronger communication between regional policymakers, donors and private producers; and
- Improvements in the reliability, periodicity and public availability of household and industry statistics.

4.2 Developing an Action Plan for the Promotion of Regional Agri-business

The presentation examined production related issues that could impact on the development of an Action Plan for the promotion of regional Agri-business. It highlighted the fact that regional food production was either been flat or declining during the 2004-08. In fact, the commodities championed as competitive food import replacements for the region were onions, carrots, small ruminants and their by-products, root and tubers and corn as substitutes for wheat flour and rice, and in some countries legumes.

The presentation highlighted the important imperatives that must be taken into consideration in the development of a Regional Agri-business Action Plan aimed at contributing to the mitigation and /or moderation of high and volatile food prices in the Caribbean region.

In the first instance, the Caribbean region has no ability to influence world food prices. Therefore the extent to which increased regional production could help to moderate food prices is quite limited. The major items imported are either not produced regionally or if produced are done so in limited amounts. Even where there may be some significant production of some basic commodities (rice probably being the only such item) domestic prices are governed by international prices. Even large producing countries do not have the ability to insulate themselves completely against large fluctuations in food prices. This point is vividly illustrated by the experiences during the last food price spike (2007), where some countries such as Argentina responded by restricting exports. In Argentina's case, farmers reacted angrily and the measures had to be withdrawn. In any event, export restrictions have the unintended effect of reducing the incentives to farmers to maintain/increase production and only compound the problem further. Indeed, global food security is damaged by such actions.

Secondly, the region is a high-cost producer of both traditional and non-traditional products. If, as has been stated repeatedly in regional policy documents, the agricultural sector must move in the direction of greater business orientation, it follows that investment should flow towards the production of higher valued products, which are distinctive and where the value of the final product far exceeds the cost of the material inputs used. There are examples of such production taking place – rum (an industry that has reengineered itself away from bulk production to high-value production), liqueurs (in various countries), high-quality cocoa production (Grenada, Tobago), etc. While a certain amount of protection is undoubtedly necessary for the sector, there are often many unintended effects, which are negative for agricultural producers. These include:

- Increased prices result in low amounts demanded and sometimes a shift to lower-priced foods (often, foods with lower nutritional content), many of which are imported;
- Agro-processors find their inputs increasingly unaffordable; and
- The overall international competitiveness of the sector declines

Thirdly, the cost of non-agricultural goods has a major impact on the competitiveness of agriculture. To the extent that official policy has the effect of raising the cost of those goods, the competitiveness of agriculture will continue to decline, even with substantial protection. Labour costs are particularly important – when labour is offered for agricultural work, the value of the wages demanded is measured in terms of its purchasing power for (mainly) non-agricultural goods.

Fourthly, the structures of the intra-regional market need to be re-examined. The Common External Tariff (CET) is much too uneven and does not provide uniform protection for the region's agriculture. There is, in addition, too much room for exceptions, some of which are built in to the structure of the CET while others result from ad hoc suspensions of the tariff on a country basis.

Finally, production efficiency and output will only increase when certain structural and administrative issues in the CARICOM Single Market and Economy (CSME) are addressed. These include Sanitary, Phyto-Sanitary (SPS) and other restrictions; transportation; market information and intelligence; labour mobility; and cross-border investment

5 Responses to High Food Prices

5.1 Policy Responses of National Governments

The policy options that are being employed countries of the Caribbean Region to mitigate the effects of the global food crisis and to enhance Food Security may be categorized under three broad areas:

(a) Interventions to ensure household food security by strengthening targeted safety nets;
(b) Interventions to lower domestic food prices through short-run trade policy measures or administrative actions; and
(c) Interventions to enhance long term food supply.

Actions for Ensuring Household Food Security via Targeted Safety Nets

The options employed in this category to address rising food prices and food insecurity were all related to targeted cash transfers to vulnerable groups. These measures enhanced the purchasing power of the poor without distorting domestic incentives to produce more food, and without reducing the incomes of farmers and marketers. Various kinds of cash transfer programmes are being utilised by Caribbean countries aimed at strengthening targeted safety nets. These include:

- Increase in wages and salaries for workers;
- Cost of living Adjustments (COLA) for workers at the lower end of the salary scale;
- Increase in the Income Tax Threshold;
- Increase in Old Age Pension; and
- Increase in Public Assistance to Vulnerable Individuals.

The scale, targeting efficiency and value of such transfer programmes tended to be directly related to the overall levels of development, given the administrative complexities and fiscal costs entailed.

Table 5.1 presents a summary of the actions taken by Member States at the National level. The scale, targeting efficiency and value of such transfer programmes tend to be directly related to the overall levels of development, given the administrative complexities and fiscal costs entailed.

TABLE 5.1: Actions for Ensuring Household Food Security via Targeted Safety Nets

Actions Taken by Country	The Bahamas	Barbados	Dom. Republic	Guyana	Haiti	Jamaica	Suriname	Trinidad & Tobago
Increase in wages and salary			Yes	Yes				
Cost of Living Adjustments			Yes	Yes				
Increase in Income Tax Threshold				Yes				
Increase in Old Age Pension				Yes				
Distribution of Food to vulnerable Groups			Yes	Yes	Yes	Yes	Yes	Yes
Nutritional supplement Programme for Children and Pregnant Mothers			Yes		Yes			Yes
Execution of Work with high Labour intensity					Yes			
Provision of Funds to help in purchase of Food						Yes		
Targeted Conditional Cash Transfer Programme								Yes

Actions for Ensuring Household Food Security by Moderating Domestic Food Prices

Some Caribbean countries have utilised the additional options of lowering domestic prices by reducing tariffs and taxes on key staples as well as on production input along the entire food chain. Measures include the subsidisation of basic food commodities such as flour and rice, reduction in the Value Added Tax (VAT) on certain food items (some being zero-rated) and reduction in the duty and excise tax on fuel and energy related products such as gasoline, kerosene and cooking gas. Some governments have also sought to contain the impact of the fuel prices and other costs escalations on electricity and water tariffs by absorbing the overwhelming majority of the increase in the fuel bill.

Caribbean Member States have imposed tariffs on food imports, both to encourage domestic production and boost domestic revenue. While reductions in tariffs and taxes can provide some relief to consumers, it will be at a fiscal cost. The revenue loss can be significant and the fiscal implications of combining this measure with additional social protection expenditures may well require cutbacks in lower priority, public sector investment areas.

During the 2007-08 food price shock, Guyana, the main regional rice exporter, implemented a system for the strict monitoring of rice exports to ensure adequate supply for their local market. In addition, both Guyana and Suriname imposed restrictions on the export of some rice products while some countries varied their sources of imports aimed at reducing prices.

Table 5.2 presents a Summary of interventions implemented by Member States to address the food crisis situation and enhance food security.

TABLE 5.2: Actions for Ensuring Household Food Security by Moderating Domestic Food Prices

Actions Taken by Country	Bahamas	Barbados	Dom. Republic	Guyana	Haiti	Jamaica	Suriname	Trinidad & Tobago
Subsidization of Basic food Commodities			Yes	Yes	Yes			
Reduction/elimination of Value Added Tax (VAT) on some Foods.				Yes				Yes
Reduction/elimination Of Import, Excise and /or Stamp Duties on Food Items	Yes			Yes				
Imposition of Export Quotas on some Commodities				Yes			Yes	
Strict Monitoring of Exports				Yes				
Non-Restriction on imports of some basic food items				Yes				
Reduction of Some Taxes /Duties on selected imported production inputs(e.g. fuel, fertilizers)		Yes	Yes	Yes				
Tax Free policy for Agricultural Sector			Yes					
Provision of Direct Subsidy to Producers of basic food outputs			Yes					

Measures to Stimulate a Medium-to-long-term Food Supply Response

While higher grain prices are clearly a burden to Member States in the region, they also present an opportunity to stimulate food production and enhance the contribution of agriculture to the medium-and-long-run growth. Higher grain prices may present viable investment opportunities, and therefore help to reverse the generally declining trend in government, private sector and donor investment in the agricultural sector.

It should be noted that some of the short-run policy options discussed above may limit the scope for long-term solution. For example policy responses that seek to distort markets through controlled prices, export restrictions, or direct government involvement in marketing activities are likely to lower the food supply response over the medium term.

For many Caribbean countries, transport and logistics are key components of the food production chain, and while countries can do little to reduce ocean shipping costs, cost of domestic distribution, the importance of strengthening inland transport links and improving transport capacity in controlling food price increases should not be overlooked. Moreover, improvements in customs facilitators, logistics performance, and efficient storage can also have significant benefits for consumers, while generating a favourable supply response.

So how have Caribbean countries responded to high and volatile food prices to ensure some degree of food security in the long term? Caribbean countries are not sitting still and have all launched programmes aimed at boosting food supply. **Table 5.3** presents a summary of the interventions implemented by Member States to enhance domestic food supply.

TABLE 5.3: Action for Measures to Stimulate a Medium-to-long-term Food Supply Response

Actions Taken By Country	The Bahamas	Barbados	Dominican Republic	Guyana	Haiti	Jamaica	Suriname	Trinidad and Tobago
Establishment of Presidential/Inter-Ministerial Food Security Council			Yes	Yes				Yes
Development of Food Security/ Sovereignty Plan		Yes					Yes	Yes
Strengthening of Ministry of Agriculture				Yes		Yes		
Strengthening of Agribusiness Organizations	Yes		Yes					Yes
Strengthening of Marketing institution			Yes			Yes	Yes	Yes
Strengthening of Research and technology Innovation Entity			Yes	Yes		Yes	Yes	Yes
Strengthening of Agricultural Health and Food Safety Systems		Yes		Yes		Yes	Yes	Yes
Strengthening of Agricultural Incentive Regime	Yes							
Making Land available/ more accessible		Yes	Yes	Yes		Yes		Yes
Making Credit available/ more accessible		Yes	Yes	Yes		Yes		Yes
Making Inputs available and at subsidized prices	Yes		Yes	Yes	Yes			
Promotion of value added			Yes			Yes		
Strengthening of Agricultural Insurance			Yes	Yes		Yes		Yes
Promotion of "Grow More Food " campaign				Yes		Yes	Yes	Yes
Promotion of School and Backyard Garden programmes	Yes	Yes		Yes		Yes		Yes
Increased Investment in Irrigation and Drainage				Yes	Yes	Yes		Yes
Promotion of greenhouse Technology	Yes	Yes				Yes		Yes
Identification and promotion of priority Commodities for Food Security				Yes		Yes		Yes
Promotion of Investment in Agribusiness	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Establishment of Investment Unit in Ministry of agriculture						Yes		
Strengthening of Support services to Farmers	Yes	Yes	Yes	Yes		Yes	Yes	Yes

Food security is being given the highest attention in most Member States. For example, the Dominican Republic has established a Presidential Council on Food Security, while Guyana and Trinidad and Tobago have established Inter-Ministerial Councils.

Some Caribbean countries have identified and are promoting priority commodities for production to enhance food security. Work on selected priority commodities is being aggressively pursued in Guyana, Jamaica and Trinidad and Tobago.

The Member States have all embarked on programmes of strengthening of critical institutions and entities. These include the Ministries of Agriculture and Rural Development, Agribusiness Organizations, Marketing institutions and entities, Research and Development agencies and entities, and the Agricultural Health and Food Safety systems. In addition, Jamaica has established an Investment Unit in the Ministry of Agriculture. All member States have strengthened their support services to farmers.

Most countries have implemented land reform programmes to make land more available and accessible. The agricultural credit programmes have been strengthened to make credit available and accessible to the sector. Guyana is implementing a USD 21.9 million Agricultural Export Diversification Programme as well as a USD 6.0 million Rural Enterprise and Agricultural Development Programme. In addition, the country has increased its investment in drainage and irrigation with an average annual budget of USD 5.0 million. Trinidad and Tobago has increased its budget allocation to the Ministry of Agriculture, Land and Marine Resources for infrastructural development (access roads, irrigation and drainage works). The country has also increased its allocation to the Agricultural Development Bank for lending to the sector.

Guyana has launched a “Grow More Food” campaign, while Jamaica launched a similar programme under the theme “Eating What We Grow and Growing What We Eat”. Similar programmes have been launched in Suriname and Trinidad and Trinidad and Tobago.

Caribbean countries are also promoting urban backyard gardens and school garden programmes, distributing seeds and other planting materials, chemicals and fertilisers, and mobilising resources for enhancing agricultural production. Member States have strengthened their agricultural incentive regimes as well as their agricultural insurance programmes

5.2 Responses of the Private Sector

5.2.1 The Rice Industry

The production cost of rice along the value chain in the Caribbean region has been affected by the costs of fuel, fertilizer, labour, and capital.

Globally, it was government policies and not the levels of production that resulted in the price surge. The policies included the restriction of supplies by large producers to avoid shortages for their own consumers, the waiving of taxes by importing countries in order to stabilize their own supplies and prices, and the building of strategic reserves during the crisis.

Notwithstanding the challenges faced by the Rice Industry, the food price crisis offered significant opportunities for the growth and development of the sub-sector in the region.

5.2.2 Poultry Industry

The Poultry Industry is the largest regional agro-industrial enterprise, with an average annual production of approximately 200,000 metric tonnes of meats and 29,800 metric tonnes of table eggs. Annual gross industry sale is estimated at over US $500 million. The industry fixed investment is estimated at US $400 million, with annual new investment injection estimated at US $12 million. The industry employs over 75,000 persons directly, and is the largest generator of small business and rural entrepreneurship. It is a major purchaser of goods and services.

The regional average annual consumption of poultry meat is 35 kilogram per capita, ranging from 32 kilogram to 41 kilogram per capita across member States. Eighty-two percent (82%) of all animal protein and 55% of all protein consumed in the Caribbean is obtained from poultry. Annual average egg consumption still remains low in the Region at 71 eggs per capita.

The region's poultry producers however face multiple handicaps that increase both the cost and risk of production, placing them at a price disadvantage vis-à-vis larger overseas competitors. Given these handicaps, there were strong concerns that poultry imports are "crowding out" domestic production, particularly where there exists direct competition (e.g. frozen poultry versus fresh poultry) with producers in Jamaica, T&T, Barbados, Belize and Guyana particularly vulnerable.

In the formulation of policy and programmatic actions to address the high and volatile food prices, four critical issues within the poultry industry must be addressed to ensure its sustainability. These issues relate to:

- Industry stability
- Level playing field and industry trade defense
- Indigenous research
- Regional supply of feed-stuffs.

5.2.3 Supermarket Retail Business

The impact of high and volatile food prices on the supermarket retail business was presented based on the experience gained by Hilo Food Stores, a major supermarket chain in Trinidad and Tobago, a country which is net food importing developing country (NFIDC). The experience of Hilo highlighted three popular misconceptions on issues related to food price shocks.

Misconception 1: In periods of high inflation supermarkets make more profit.

Misconception 2: Expansion of the agricultural sector is the (Total) solution

Misconception 3: The price of groceries at the local supermarket has 'sky rocketed'!

Table 5.4 presents Hilo food basket (65 items) summary statistics for the period June, 2008 through to June, 2011, indicating food inflation rates.

Table 5.4: Hilo Food Basket Summary Statistics,

June 2008 – June 2011

Cost of Food Basket At: (TT $)		**Cost of Food Basket At: (TT $)**		**Inflation Rate (%)**
June 2008	1,664.56	June 2009	1,665.66	0.28
June 2009	1,665.66	June 2010	1,765.35	5.98
June 2010	1,765.35	June 2011	1,828.75	3.30
June 2008	**1,664.56**	**June 2011**	**1,828.75**	**9.56**

The supermarket retail business reported that high and volatile food prices were having two major impacts on consumers. In the first instance there was a 'flight to affordability', characterized by such consumers behavior such as 'trading down', shopping around, 'cherry picking' specials, purchase of more low margin (basic) items, and buying on an 'as needed basis. There were strong indications that nutritional requirements were being sacrificed for affordability.

Secondly, there was no 'aspirational' shopping, characterized by declining purchase of high margin discretionary items, shoppers sticking to prepared shopping lists, and declining sales of impulse items. On the basis of the response of the consumers, the supermarkets were forced to develop promotional strategies to attract and retain, as well as to reward loyal consumers.

In a broader context, supermarket retail businesses respond to the food price shocks through the conduct of more aggressive negotiations with suppliers, reducing choice to generate volume with fewer suppliers, exploring alternative sources of supply (Brazil, other Latin American countries), increased direct procurement, discounting payables to secure discounts, bulk packaging to reduce cost, and reducing all 'non-essential' expenditure.

The supermarket retail business identified of range of issues that must be addressed by governments of the region in order to enhance the efficiency and cost effectiveness of the that industry. These include:

- Standardization of labeling laws, which would allow Caribbean to take advantage of regional volumes on 'House' Brands,
- Reduction in the chronic inefficiencies at the Ports and Customs, which to a large extent have significantly increased the final cost of goods to consumers;
- Revision of the duty/tariff structures which protect a few products;
- Rationalization of the cumbersome and unnecessary licensing requirements for some products such as liquor, which have increased the cost of doing business;
- Rationalization of labour laws which apply a premium to Sundays and Public holidays, in order to reduce the cost of doing business.

The supermarket retail business is presently collaborating with food manufacturers, food processors, and farmers to address the high and volatile food prices.

- Working with manufacturers to increase supermarket retail business offering of bulk items – Diapers, Soap powder, Dishwashing liquid etc.
- Sourced / Developed additional value brands – Cereals etc.
- Expansion of House Brands into other categories – Milks etc.
- Working with produce packers on improved facilities to reduce spoilage
- Currently discussing Hydroponics with local farmers
- Regional sourcing of produce – chartering of a vessel.

The supermarket retail business expressed to need to establish an information platform for price monitoring, management and reporting.

5.3 Initiatives of Development Partners

5.3.1 CARICOM Secretariat

There is consensus in Region that there is the need for a regional response to reposition the agricultural sector. This is driven by its declining contribution to the Caribbean economy and the deepening of regional integration through the CARICOM Single Market and Economy (CSME) and between CARICOM and the Dominican Republic (DR). Within CARICOM, there has been a history of common policies and strategies for agricultural development. Such frameworks include the 1996 Regional Transformation Program for Agriculture (RTP) and the 2003 Jagdeo Initiative (JI), which was developed in response to a CARICOM Heads of Government call for a regional agricultural repositioning strategy that would allow the Region to decide on the sort of institutions and mechanisms needed to reposition agriculture to be implemented through interventions to alleviate nine (9) Key Binding Constraints (KBCs).

Jagdeo Initiative (JI) Nine (9) Key Binding Constraints (KBCs)		
No.	**Constraints**	**Lead Country/Agency**
1	Inadequate Financing and Investment in the Sector	Barbados/CARIBBEAN Development Bank (CDB)
2	Inefficient and outdated Agricultural Health and Food Safety Regulations	Trinidad and Tobago/CARICOM Secretariat
3	Inadequate Land and Water Resource Management and Distribution Systems	Guyana/ Food and Agriculture Organization (FAO)
4	Deficient and uncoordinated Disaster Risk Management	Antigua and Barbuda/FAO/IICA/CARDI
5	Market and Marketing Development and its linkages	Jamaica/Caribbean Agribusiness Association (CABA)
6	Ineffective Research and Development	St. Lucia/CARDI
7	Lack of skilled human resources	Dominica/University of the West Indies
8	Disorganized, Un-Coordinated Private Sector	St. Vincent and the Grenadines/Caribbean Agribusiness Association (CABA)
9	Inadequate Transportation System	St. Kitts and Nevis/CARICOM Secretariat

More recent policy initiatives include the Common Fisheries Policy and Regime, Draft Community Industrial Policy, Draft Biotechnology Policy, Agribusiness Strategy, and externally-funded initiatives launched by the CARICOM Secretariat from late 2008, to develop a Regional Strategic Development Plan (RSDP) that will give effect to the Single Development Vision, the Community Agriculture Policy, and the Regional Policy for Food and Nutrition Security in CARICOM.

At their Thirtieth Meeting in Liliendaal, Guyana, 2-5 July, 2009, Heads of Government of the Caribbean Community declared that agriculture is of strategic significance for the sustainable development of the Community, and have identified the sector as one of the drivers of the region's economic growth, contributing as it does to rural development, GDP, employment and export earnings of the Member States of the Community. The Liliendaal Declaration on Agriculture and Food Security re-affirms political commitments to pursue a strategic approach to transforming the agricultural sector into an internationally competitive one with increased capacity to contribute to the sustained economic development of the Community, profitability of entrepreneurs, the economic livelihood of the rural sector and to food and nutrition security. These separate initiatives are expected to bear strongly on the environment for agricultural and rural development in the region.

Within CARICOM, the broad policy objectives for agriculture in the Caribbean have remained generally consistent over time and are reiterated in the Jagdeo Initiative. They emphasize the need for:

- The fundamental transformation of the agricultural sector towards market-oriented, internationally competitive and environmentally sound production of agriculture products;
- Increased production, productivity and world market share;
- Increased diversification of processed agriculture products; and
- Improved food and nutrition security.

The policies and strategies are being implemented within the context of a Common Single Market and Economy, where the Region is promoting production integration, cross border investments, food and nutrition security, production and trade/value chain, sustainable development of natural resources, rural modernization and youth programmes and a modern agricultural knowledge and information system.

The institutional mechanisms established by the CARICOM Secretariat to implementthe policies and strategies include:

- Policy advocacy and fund resource mobilization for regional initiatives
- Guidance and monitoring of Policy implementation in the Member States
- Coordination of CARICOM institutions (Caribbean Agricultural Research and Development Institute (CARDI), Caribbean Agricultural Health and Food Safety Agency (CAHFSA), Caribbean Food and Nutrition Institute (CFNI), Caribbean Fisheries Resources Mechanism (CFRM), Caribbean Disaster management Agency (CDEMA), Caribbean Regional Organization for Standards and Quality (CROSQ)

- Liaison with key associated institutions – University of the West Indies(UWI), University of Guyana (UG), Organization of Eastern Caribbean States (OECS) and International Development Partners (FAO, IICA etc)
- Liaison with key private sector stakeholders (Caribbean Agri-business Association (CBA), Caribbean Farmers Network (CAFAN)
- Information exchange and monitoring
- Marketing Intelligence system – NAMIS – NAMDEVCO/UNCTAD
- Agribusiness Development Strategy
- SPS Regime – CAHFSA
- Standards and quality – CROSQ
- Trade Agreements – Economic Partnership Arrangements (EPA), Canada-CARICOM bilateral, ETC.
- Value chain networking and coordination
    - FAO – onion, pineapple, peppers, ackee, roots and tubers
    - Centre for Enterprise Development (CDE) – sweet potatoes, cassavs
    - IICA –
    - Member States

An effective and efficient response to price volatility and food crises, which are highly likely to recur in the future, should include a long-term strategy to reduce both consumer vulnerability to rising food prices and producer vulnerability to sudden falls in farm-gate prices. Attention to governance practices in this process such as participation, equity, transparency and accountability, is essential. This is the context in which the CARICOM Regional Food and Nutrition Security Policy (RFNSP) was formulated and endorsed in Grenada at the special meeting of the CARICOM Council on Trade and Economic Development-34th Special COTED (Agriculture) in October 2010.

The RFNSP established 4 broad policy objectives:

- **Food Availability** - Promote the sustainable production, processing, preparation, commercialization and consumption of safe, affordable, nutritious, high quality **Caribbean** food commodities/products. **This includes food, agricultural, rural, infrastructural development, land use and trade issues.**
- **Food Access -** Ensure regular access of Caribbean households, especially the poor and vulnerable, to sufficient quantities of safe, affordable, quality food at all times, particularly in response to diverse socioeconomic and natural shocks. **Prices, incomes, agricultural public health, food safety and social development issues are covered.**

- **Food Utilization/Nutritional Adequacy -** Improve the nutritional status of the Caribbean population, particularly with respect to Non-communicable Diseases (NCDs) including diabetes, hypertension, overweight and obesity. **Healthy lifestyle choices from early childhood-education, health, nutrition and social welfare issues are the major considerations.**
- **Stability of Food Supply -** Improve the resilience of the region's national communities and households to natural and socio-economic crises **Information and early warning systems, disaster preparedness and management, and adaptation to climate change issues are included**.

COTED agreed that the next step in the process would be the preparation of an Action Programme/Plan, using the same modality of the TWG and giving priority inter alia to the following areas identified by Member States:

- Promotion of increased availability of regionally produced quality nutritious food (looking at the whole supply chain from farmer to consumer) at remunerative market prices so as to increase production, productivity and returns to farmers;
- Identification and mapping of vulnerable groups (who are the food insecure, why are they food insecure and where are they located?) with special emphasis on women, children, the elderly and the physically and mentally handicapped, and establishment of a national and regional database of this information;
- Removal of non-tariff barriers to trade (SPS-TBT barriers) that increase marketing costs and hinder access to and distribution of food within the Region, as well as the development of strategies to address regional transportation so as to reduce distribution costs and improve the movement of food commodities across the Region;
- Promotion of healthy Caribbean diets and optimal nutrition to reduce Non-Communicable Diseases (NCDs), obesity and malnutrition, especially at all stages of the education system;
- Building of resilience to the recurring threats to food security bearing in mind that the Region is prone to the risks posed by climate change and natural disasters, through the establishment of a Regional Information and Early Warning System for Food and Nutrition Security, the construction of risk profiles for the Region's main crops in support of emergency preparedness, agricultural risk management and crop insurance.

Finally, the attainment of food and nutrition security entails actions in areas that fall within the purview of diverse ministries and institutions at national level and across regional institutions and organs of the Community. The diversity in the scope and nature of these issues underscores the need for a holistic, multi-disciplinary, uniform and coordinated approach for their resolution, being mindful of five important concerns:

- the requirement of an economically feasible and sustainable degree of food self-sufficiency (food availability);
- the assurance of adequate natural resource and environmental conservation measures (food availability/stability of supplies);
- the need to improve linkages between health, nutrition, food retailing, manufacturing and production along the food supply chain (food utilization/nutritional adequacy);
- the protection and expansion of agricultural and other employment and incomes in a value-chain approach and the use of productive safety nets in the context of National Poverty Alleviation Strategies (household food access); and
- the need for effective disaster prevention, mitigation and management systems and climate change mitigation and adaptation measures (**stability of supplies**).

The 32nd Meeting of the Council of Trade and Economic Development of the Caribbean Community (CARICOM), which was held in Georgetown, Guyana, in May 2011.

- Agreed that to adequately respond to the urgent issues associated with the rising fuel and food prices in the wake of the political unrest in the MENA region, CARICOM's responses must be bold, innovative and multi-sectoral, to be effected through partnerships that include private sector, regional institutions (eg UWI, CARDI) and international development partners such as FAO, IICA, EU etc.
- Also Agreed that the Region must adopt more proactive approaches based on risk analyses, forecasting utilization of regional natural resources, aggressive resource mobilization at the international level and exploiting opportunities under existing south-south cooperation e.g. with Brazil where the agricultural institution (EMBRAPA) can assist the Region to boost agricultural research and agro-tourism linkages:
- Noted that while short term options are limited, the medium and long term strategies must propose solutions which are sustainable and impacting.

noted the suggested list of items that may be used as inputs into agriculture and food production with a view to reducing the CET on agricultural inputs, so as to lower the cost of food production, delivery and preparation along the food supply chain and thus result in the lowering of market prices to the final consumers;

established a Technical Team to determine -

i. a list of goods which have a significant weight in the Consumer Price Index, are not significantly produced or have a close substitute in the Region, for consideration for suspension of the CET for a two year period; and

ii. a reduction or elimination of the CET on certain inputs and equipment used in food production and preparation with the aim of reducing the cost of production and delivery of food within the Region.

iii. Strategies to continue to protect the Region's consumers from exploitation given the adverse impact on the economies in Member States resulting from the increase in commodities.

iv. agreed that urgent action should be taken to advance the implementation of previously agreed policy actions including the Jagdeo Initiative, Common Fisheries Policy and Regional Food and Nutrition Security Policy;

v. Also noted the work being done to finalize the Regional Food and Nutrition Security Action Plan in response to rising food prices and recommended policy action to address the short, medium and long term constraints to agricultural development.

vi. Urged Member States to make use of the offers made by Belize and Guyana to make land available for increased production of food

5.3.2 Economic Commission for Latin America and the Caribbean (UNECLAC)

The UNECLAC is involved in the following four broad strategic areas in the Caribbean Region. These areas include:

- Economic Development and Integration
    - Trade and Integration; macroeconomic policies
- Social Development
    - Sustainable Social Development; Gender; and Population
- Statistics and Knowledge Management
    - Economic and Social Statistics; Library services
- Sustainable Development
    - Climate change and Energy; The Green Economy
    - Disaster Management and Risk Reduction Disaster Assessments and Training

UNECLAC work to date in support of enhancing food and nutrition security in the Caribbean has encompassed the analysis of food price volatility in Latin America and the Caribbean. The study notes that price volatility is here to stay, information generation is important to plan and make the right decisions, there are no universal solutions to tackling this situation, and that poverty among the rural population in the region increases their vulnerability to climate change.

5.3.3 Inter-American Institute for Cooperation on Agriculture

IICA has identified four strategic objectives in its 2011-2014 Medium Term Pan (MTP):

1. To improve the productivity and competitiveness of the agricultural sector (*promoting technological, organizational and human innovation and development of markets).*
2. To strengthen agriculture's contribution to the development of territories and to rural well-being *(supporting national policies, strategies and institutional arrangements for greater articulation and coordination among institutions)*
3. To improve agriculture's capacity to mitigate the effects of, and adapt to, climate change, and make better use of natural resources;
4. To improve agriculture's contribution to food security *(supporting policy development, strategy implementation and institutional frameworks to strengthen the supply of food and small farmers' access to it)*

The Food and Nutrition Security component of IICA's strategy in the Caribbean Region is being addressed through the implementation of the project entitled "Promoting Food and Nutrition Security in the Caribbean Region." The project aims **t*o promote and add value to existing regional actions that seek to include food and nutrition security (FNS) as an integral part of the process of sustainable and equitable human development.***

The specific objectives of this intervention are:

- To support the identification of, and achieve improvement in, the production, productivity and efficiency of value addition of priority commodities for food and nutrition security through the generation and transfer of appropriate technology targeted at small and medium sized producers.
- To promote the formation of product clusters and value chains as a means to more effectively integrate and link small and medium size producers and family farms into the market thus enhancing income generation and access to food.
- To support Caribbean countries individually and collectively in the design and implementation of campaigns which promote the attributes of Caribbean food products.
- To support the development of food and nutrition security information systems at the national and regional levels and conduct policy analyses and studies with a view to achieving more informed policy/programme formulation and decision making.
- To facilitate improved dialogue at the regional and national levels and increased regional cooperation and information exchange on food and nutrition matters including the development of early warning systems.

The three (3) lines of action defined in MTP of IICA provide the general framework for the development of the interventions to address food and nutrition security in the Caribbean Region. These three (3) lines of action are:

Line 1: Institutional Innovation for a new paradigm for technological change for food production and diversification;

Line 2: Institutional Framework and Services to better able small and medium-sized farmers and family agriculture to become better involved in the market; and

Line 3: Analysis, monitoring, and dissemination of policy and information on the situation and prospects of the food security

5.4 Caribbean Development Bank (CDB)

The Caribbean Development Bank (CDB) intends to be the leading catalyst for development resources into the Region, working in an efficient, responsive and collaborative manner with Borrowing Member Countries and other development partners, towards the systematic reduction of poverty in their countries through social and economic development. In this context, the CDB aims:

- to assist the borrowing member countries to optimize the use of their resources, develop their economies and expand production and trade
- to promote private and public investment, encourage the development of the financial upturn in the region and facilitate business activity and expansion
- to mobilize financial resources from both within and outside the region for development
- to provide technical assistance to its regional borrowing members
- to support regional and local financial institutions and a regional market for credit and savings
- to support and stimulate the development of capital markets in the region

The major assault by the CDB on poverty in the Caribbean is effected through its Basic Needs Trust Fund (BNTF) initiatives. The CDB provides loans, starting at a minimum of US $750,000, for initiative aimed at enhancing food and nutrition security in the region.

6 Policy and Programmatic Options to Address High Food Prices

6.1 Guide and Tools for Policy and Programmatic Actions

In May 2008 – at the height of the 2007/08 crisis, FAO developed a "**Guide for immediate country level actions**" through its Initiative on Soaring Food Prices (ISFP) that reviewed policy instruments available to governments and highlighted the pros and cons of each of these instruments. Given the new circumstances by the end of 2010, resulting from the significant rise in the Food Price Index, the FAO felt it would be timely to publish an updated **Guide** that would review the pros and cons of the various policy and programmatic actions that the countries could use t address high food prices, and their likely impact at country and household level.

In mid-January 2011, FAO published an updated **"Guide for Policy and Programmatic Actions at Country Level to Address High Food Prices"**, which covers, in a more condensed manner, the pros and cons of three types of measures: macroeconomic and trade-related measures; measures in favour of producers; and measures in favour of consumers. The **Guide** addresses the conditions under which policies and programmes are best adapted and also cautions against measures that might appear useful in the short-term but which could have harmful longer-term effects or become difficult to remove, thus turning into a constraint once the situation becomes more "normal".

The policy measures proposed in favour of producers include market management measures such as price support and production support such as input subsidies. Trade policy measures include reductions in import taxes on food items and agricultural inputs; tax breaks for importers, financial support or loans to fund imports; the streaming of custom procedures; and forward contracts for food. The policy measures suggested in favour of consumers include tax policy measures such as the reduction or removal of value-added tax (VAT) on food, the removal of road blocks or internal taxes, the reduction of taxes on fuel for transport; and market management policies such as boosting imports managed by the government, food aid in kind, compulsory requisition of private stocks and the progressive release of food kept as public reserves. In the case of the poorest consumers, additional measures include safety net measures such as cash transfers and food vouchers, food distribution in kind, universal food subsidy; supplemental cash income and credit facilities for consumers.

The **Guide** has been circulated to FAO offices world-wide, and widely in-country, as well as to all members of the United Nations High Level Task Force on High Food Prices. It has also been made available to Permanent Representatives in Rome.

In addition to ensure that high-level government officials are aware of the Guide and the lessons learnt in designing their immediate actions in response to the current price crisis, FAO decided to organize seminars at regional and sub-regional levels. These 2-3 day seminars are aimed at providing opportunities for policy decision makers to exchange their experiences during the 2007-2008 crisis, and at the same time be exposed to the pros and cons of the various measures reviewed in the FAO Guide. Regional Economic Integration Organizations and development partners invariably sponsor, and take part in the seminars, with opportunities provided for Regional Economic Integration Organizations and relevant development partners to explain what tools and instruments they have to support regional and country-level actions, and for the government participants to map out a way forward with a view to accessing possible technical and financial support, if needed.

The focus of the French Presidency of the G20 is on food price volatility. It was agreed with France that FAO and the OECD would take the lead in writing a paper on implications of price volatility on global food security. The paper was completed in March 2011. The paper covers clear definition of what is meant by food price volatility (volatility and uncertainty; price surges and periods of extreme volatility, volatility in global and national markets); significance of impact of food price and input price volatility on poverty and food security and development; trends in prices and volatility over the long run and the last decade; and **review and distinguish policy options between managing volatility and coping with volatility** including emergency food reserves, international and national safety nets, market-based mechanisms to stabilize food import bills on the one hand, and on the other hand to protect producers against price and other risks, and measures to increase productivity, sustainability and resilience of agriculture. The paper also made proposals for improvement of global governance. The paper is still to be finalized.

Under the ISFP Initiative, FAO created the **Price Analysis Tool** of the Global Information Early Warning System (GIEWS). The tool supports the monitoring and analysis of price movements and price transmissions. An improved online version of the tool has been made available since April 2011 (**www.fao.org/giews/pricetool2**).

The **Price Analysis Tool** covers seventy-eight (78) countries and provides information on food prices for cereals, legumes and meat products (1038 national price series and 11 international export price series). Basic statistics, databases and graphics are provided for analysis. FAO plans to incorporate all Low Income Food Deficit Countries (LIFDC) as well as transition countries into the system of analysis.

The **Food and Agriculture Policy Decision Analysis (FAPDA)** is an ISFP related initiative that was created based on the demands of member States to have information on policy decisions taken during the 2007-08 price shock. The tool is aimed at the coordination of policy decisions, regionally and globally, based on the process of collecting, registering, classifying, and analyzing short to long term country policy information (macro-economic and trade, producer and consumer). This is effected through an established centralized database on "Food and Agricultural Policy Decisions".

The **Monitoring African Food and agriculture policies (MAFAP)** is aimed at strengthening "informed" decision making and enhance policy dialogue in order to ensure that policies and financial investments are fully supportive of agriculture development, the sustainable use of natural resources and enhanced food security. It involves a collaborative effort among the FAO, Gates Foundation, International Food Policy Research Institute (IFPRI) and the New Partnership for Africa's Development (NEPAD). **MAFAP** to date has produced analytical reports and "Policy for a Capacity Development of Local and International Partners", including the FAO as a learning organization.

6.2 Perspectives on Guide and Tools for Policy and Programmatic Actions

In a broad context, the presentation and discussions on the guide and tools for policy and programmatic actions suggested that the:

- Adaptation of a regional agenda of policy and programmatic actions to address food and nutrition security in general and high food prices in particular in the Caribbean is important; and that the CARICOM Secretariat and the FAO Sub-regional Office for the Caribbean has done very well in this context.
- Effective participation of the range of relevant ministries is important for development and implementation of effective policies and programmatic actions in order to ensure ownership and facilitate cross-ministerial domestic dialogue
- Effective participation of the private sector, NGOs and farmers organizations is crucial for inclusive dialogue.
- High level government participation is essential to ensure concrete commitment to follow-up actions at the country and regional levels.
- Participants appreciated the need for coordinated in the development and implementation of policy and actions for mitigating high food prices.
- Participants recognized that regional cooperation is an important step towards price stabilization.
- Country level focused actions and follow-up are important for real impact in mitigating high food prices.
- Very positive feedback from the participants so far on the usefulness of the consultations
- An appreciation for the very positive support received from the Chile Regional and Rome-based FAO units as well as development partners that have participated.

In a much more thematic context, the participants recognized that short- medium- and long term policies and actions are essential to ensure food security in a sustainable manner, and that safety nets are important to address the food insecurity of vulnerable populations. However, notwithstanding the importance of medium- to long-term policies and programmatic actions, most of the times governments tend to adopt short-term policy actions to address high food prices due to social and political reasons. For these reasons, social safety nets policies, which are ideally short-term measures, continue to stay for a long time.

The management of demand and supply is the key to addressing high food prices. The trust of policies should be on the utilization of technologies that are gender-sensitive and contribute to the enhancement of poor farmers' livelihoods. The development and implementation of strategies for the promotion of backyard agriculture becomes important in this context.

CARICOM policymakers should focus on "managing" the risks surrounding the region's food import bill, rather than solely focusing on its reduction.

Increased investment flows are required for research and development, production and market related infrastructure, and better policy and regulatory frameworks to improve efficiency and productivity at all stages of the value chain in order to ensure adequate supply of food to meet an every increasing demand.

The transparent management of food and input prices information within and among countries of the Caribbean region should be promoted.

7 Conclusions, Key Messages and Way Forward

The participants at the two-day Regional Consultation that was organized by the FAO Sub-Regional Office for the Caribbean in Barbados in collaboration with the Caribbean Development Bank (CDB) and the CARICOM Secretariat concluded that the event was a very timely response to the soaring and volatile food prices, which must be addressed as a matter of urgency. They thought that a major underlying cause of the recent the recent food price shock of the and the 2007-08 food price crisis was the neglect of the agricultural sector by the international community, regional stakeholders and national governments. The consultation suggested that in order to reverse the current situation, the Caribbean needs to recognize that the short term options are quite limited and the approach should be to develop and pursue medium and long term strategies at both the national and regional levels that are bold, innovative and multi-sectoral, and effected through strategic partnerships for sustainable solutions.

During the consultation the participants examined issues such as the latest global food crisis situation, comparison with and policy lessons from the 2007/2008 crisis; the Caribbean region's situation and the implications of high food prices on growth and poverty ; the Caribbean food supply status with a focus on the CARICOM food import bill; the responses of the private sector and civil society to the crisis; accessing technical support services available; the role of donor and financial institutions and the way forward.

The important messages of the six speakers at the opening ceremony were that:

- Food prices globally had increased sharply in recent months and there was the need to prevent or reduce the risks and to be better prepared for excessive price increases;
- There has been a rising trend in food prices in the region with increased price volatility creating uncertainty among farmers, traders, consumers and decision makers ;
- This rising food prices situation was raising concerns about food and nutrition status of the people of the region, especially vulnerable groups of poor families that constitute approximately 20 percent of the population. Food accounts for approximately 20 percent of total household expenditure in Caribbean Member States and high food prices were expected to have the greatest impact on the poor as they spend a large portion of their income on food - in some cases up to 40 percent.

- The situation was also expected to impact negatively on the achievement of the MDG 1, as fair and stable food prices were crucial for economic growth and hunger and poverty reduction.

- There was the need to recognize that the short term options were quite limited and that the approach should be to pursue medium and long term strategies for sustainable solutions.

- The region must become more resilient in its response to rising food prices and there was therefore the need to adopt a more proactive approach based on risk analysis and forecasting, collective utilization of the region's resource endowment, aggressive mobilization of external resources, and exploitation of the opportunities for South-South cooperation.

- To be able to successfully address the situation of rising and volatile food prices there was the need to develop policies and actions at both the national and regional levels that were bold, innovative and multi-sectoral, and effected through strategic partnerships.
- The region must attract more investment for agriculture, through innovative financial instruments.
- There was the need for the full commitment of all stakeholders to a Caribbean agenda to address soaring food prices.
- The region was demanding less talk but more action in the production of affordable, not necessarily cheap food.

The participants discussed the issue of high food prices and recommended that in order to address the issue in the short, medium and long term the Member States and Region needed to:

- Improve the information and policy coordination on issue of food prices through the establishment of a Regional Technical Working Group on Monitoring/Managing Food Prices, with responsibilities for monitoring global and domestic prices and policies, recommending policy and program actions and mobilizing resources for action;
- Strengthen the implementation of praedial larceny best practice legislation to reduce food theft (losses) and increase investment;
- Harmonize labelling and quality standards to enhance extra- and intra-regional trade;
- Reduce post- harvest loss through the promotion of investment in cold storage and agro-processing facilities, collective storage capacity, and effective and efficient transportation systems;
- Promote small and medium-size farming activities through increased supply of/access to farm inputs, collective purchasing arrangements, promotion of urban / backyard

gardens, improved technical assistance / extension services, and promotion of farmers markets;

- Encourage and facilitate cross- border investments;
- Re-commit to the implementation of the Jagdeo Initiative on Agriculture, which is aimed at increasing agricultural production in the region, through the alleviation of the key binding constraints to the sector;
- Explore the potential of producing sorghum and corn as inputs for feed production, and if techno-economically feasible implement actions to facilitate the same;
- Increase the focus on product diversification;
- Promote and strengthen farmers' organizations;
- Remove non-competitive business practices, reducing the costs and administrative hurdles to the establishment of new enterprises etc.;
- Strengthen social safety nets and feeding programmes targeting schools, the physically challenged, the elderly etc. However such programmes should be backed by purchase agreements with domestic producers to further stimulate the development of profitable agricultural enterprises;
- Establish clusters to reduce production and marketing costs and by extension the cost to the consumer;
- Strengthen advocacy - government/consumer groups. Ongoing initiatives, such as the publication of data on the availability of best prices were seen as favourable. There was however a need for countries to develop a legal framework for the protection of consumers. While some countries had enacted competitive laws, many had not instituted the framework to enforce implementation of the legal provisions;
- Strengthen information collection, analysis and dissemination systems, particularly in the areas of production and marketing to reduce inefficiencies and by extension costs;
- Promote local foods as a way of reversing the taste and preference for imported food;
- Monitor and manage food-aid given the potential negative impact on domestic production; and
- Incorporate the relevant elements of the summary and conclusions of the consultation in the Regional and National Food and Nutrition Security Plans of the Caribbean.

The participants at the Consultation also indicated/recommended key players in the sector who should spearhead some of these actions; in order to ensure implementation and sustainability.

Summary matrix of priority actions, outcomes, expected outputs and proposed responsibilities is presented in **Annex 1**.

ANNEX I

Summary Matrix of Priority Actions Recommended

PRIORITY AREAS OF ACTION	OUTCOMES	EXPECTED OUTPUTS (EO)	PROPOSED RESPONSIBILITY	
			LEAD AGENCY	SUPPORT ORGANIZATIONS
Policy and Legislative Frameworks within the Food Sector	**O 1:** Enhanced decision making process, including better coordination and monitoring, on policy and other actions related to high and volatile food and input prices.	**EO 1.1:** Integrated Information Platform established (regional nucleus and national nodes) for the monitoring, evaluating and reporting on global and domestic prices and policy with respect to priority commodities in the food consumption bundle as well as inputs. **EO 1.2:** Technical Working Group on Monitoring/Managing Food Prices established with responsibilities for: • Monitoring global and domestic prices and policy • Recommending policy and program actions • Mobilizing resources for actions **EO 1.3:** Monthly Reports on global and domestic prices of priority commodities published throughout the Caribbean region.	FAO FAO FAO	Ministries of Consumer Affairs, Agriculture, Trade, Health and Education; Prices Commission; Chambers of Commerce, CFNI, Consumer groups, and CARICOM Secretariat

	O 2: Increased trade in local commodities	**EO 2.1:** Best practices related to trade, consumer welfare and protection strengthened, documented and shared with relevant stakeholders.	Office of Trade Negotiation (OTN) and CARICOM Secretariat.	Ministries of Finance, Trade, and Agriculture; World Trade Organization (WTO).
		EO 2.2: Quality standards and labelling requirements of commodities harmonized (The idea of a Caribbean "Seal of Quality" is to be explored).	Caribbean Regional Organization for Standards and Quality (CROSQ).	National Bureaus of Standards; OTN; CFNI.
		EO 2.3: Regional mechanism for increased consultations and policy recommendations prior to Common External Tariff (CET) adjustments established..	OTN and CARICOM Secretariat.	Ministries of Finance, Trade, and Agriculture
		EO 2.4: Legislation on Consumer Protection and Fair Competition developed /reformed/ enacted and institutional framework for the implementation of legal provisions strengthened,	Ministries with responsibility for Consumer Welfare and Economic Development	Caribbean Competition Council (CCC).
		EO 2.5: Food aid programs monitored and managed given the potential	Ministries of Agriculture,	Ministries with responsibility for

		negative impact on domestic production **EO 2.6:** Studies to demonstrate the relationship between protectionist measures and their impact on the stability of supply, employment generation and producers efficiency conducted and the results shared.	National Level Praedial Committee UWI	Trade, Consumer Affairs and Economic Development, FAO, IICA CACHE, Ministries of Agriculture and Education, Private sector
Food supply, production, productivity and reduced post harvest losses	**O 3:** Increased investment flows to the agricultural and rural sector in Caribbean countries	**EO 3.1:** Legislative and institutional framework established to facilitate cross-border investments. **EO 3.2:** Techno-economic feasibility of the production of corn and sorghum as inputs for feed production conducted, and feasible investment decisions taken. **EO 3.3:** Public -private partnerships increased flows of funds for research and development..	CARICOM Secretariat CARICOM Secretariat CARDI and the CARICOM Secretariat	CDB, Banking Institutions, Private Sector, Ministries of Agriculture and Finance. Private Sector, Ministries of Agriculture and Finance, Guyana, Belize, Suriname, Jamaica, Trinidad and Tobago Private Sector, Ministries of Agriculture and Finance, other Research and Development

				Institutions/Units within and outside of the Caribbean.
		EO 3.4: Development and commercial banks increased allocation of funds to the agricultural development sector in the Region	National and Regional Banking Associations	Ministries of Agriculture and Finance, CDB, Private Sector.
		EO 3.5: Mechanisms established /strengthened for the mobilization of resources for the implementation of projects under the Jagdeo Initiative.	CDB	CARICOM Secretariat, Ministries of Agriculture and Finance, Banking Community.
		EO 3.6: Increased investment flows for the expansion and enhancement of value added, cold storage and warehousing facilities, and transportation systems.	CARIRI; Ministries of Agriculture; Private sector; CARICOM Secretariat	SRC; UWI and other institutions of Higher of Education; Ministries of Agriculture , Trade, Finance; Farmers Organizations; Shipping agencies.

	O 4: Governments of the region re-committed to the alleviation of the key binding constraints within the framework of the Jagdeo Initiative at both the national and regional levels.	.**EO 4.1:** Strategic Plan of Actions and Work Programs to address agricultural health and food safety issues developed and in the implementation mode.	CARICOM Secretariat.	Ministries of Agriculture, Health and Trade, FAO, IICA
		EO 4.2: Strategy for the provision of adequate, affordable and quality transport facilities for the shipment of agricultural products intra- and extra-regionally developed	CARICOM Secretariat	Ministries of Agriculture, Finance, Trade and Transport, Private Sector, Shipping Association, Airline Associations
		EO 4.3: Strategy for the strengthening of marketing infrastructure with integrated agricultural production information and market intelligence systems developed and executed.	CARICOM Secretariat	Ministries of Agriculture and Trade, Private Sector, FAO, IICA.
		EO 4.4: Strategy to promote and strengthen Agri-business Organizations developed and implemented.	Private Sector (CABA, CaFAN)	Ministries of Agriculture, Farmers Organizations, FAO, IICA.
		EO 4.5: Agricultural research and development agenda to make available to sector relevant applied technologies for production and post harvest and processing technologies elaborated and implemented.	CARDI	Ministries of Agriculture, CIRAD, EMBRAPA, FAO.

		EO 4.6: Strategic Plan of Action to satisfy the human resource requirements of the agricultural sector of the Region developed and executed. **EO 4.7:** Support provided to initiatives related to the strengthening the land and water resources distribution and management systems in the Caribbean. **EO 4.8:** Disaster risk management measures, including the building of capacity for preparedness and risk reduction and the establishment of an effective and efficient agricultural insurance regime as a risk transfer mechanism supported in the Region. **EO 4.9**: Praedial larceny best practices documented and shared with relevant stakeholders.	UWI CARICOM Secretariat CARICOM Secretariat (ASSC/ TMAC) CARICOM Secretariat (ASSC/ TMAC), National Level Praedial Committee	CACHE, Ministries of Agriculture and Education. Ministries of Agriculture, Lands, Water, and the Environment, FAO, CIMH. Ministries of Agriculture and Finance, Insurance Companies, CCRIF, CEDMA, DFID, FAO, IICA Ministries of Agriculture and National Security; Farmers groups
	O 5: Increased supply and availability of food.	**EO 5.1:** Technologies for minimizing post harvest spoilage and losses for priority commodities adopted.	CARDI	Ministries of Agriculture, CARIRI, SRC of Jamaica, UWI and other Institutions of

				Higher Education in Agriculture, FAO, IICA, EMBRAPA, Private sector.
		EO 5.2: Increased focus and improvements in value added processes and facilities.	CARIRI	Ministries of Agriculture, SRC of Jamaica, UWI and other Institutions of Higher Education in Agriculture, FAO, IICA, EMBRAPA, Private sector.
		EO 5.3: Improved capacity and quality of cold storage facilities.	Ministries of Agriculture / Private Sector	Ministries of Finance and Trade, Farmers Organizations.
		EO 5.4: Collective storage (warehouse) facilities improved.	Ministries of Agriculture / Private Sector.	Ministries of Finance and Trade, Farmers Organizations, Shipping agencies.
		EO 5.5: Efficiency, effectiveness, capacity and quality of national and regional transportation systems improved.	CARICOM Secretariat	Ministries of Agriculture, Finance, Trade and Transport, Private Sector, Shipping Association, Airline Associations.

	ER 6: Increased adoption of technologies for improved agricultural production and productivity.	**EO 6.1:** Best agricultural practices for the management of climate change documented and shared with relevant stakeholders. **EO 6.2:** New and improved plant varieties and animal breeds introduced in the agricultural production processes. **EO 6.3:** Best practices related to water management (drainage and irrigation) for better crop and livestock yields documented and shared with relevant stakeholders.	CARDI, Disaster Risk Management TMAC of the Jagdeo Initiative CARDI Ministries of Agriculture	Ministries of Agriculture, Farmers Organizations, FAO, IICA. Ministries of Agriculture, Farmers Organizations, FAO, IICA, EMBRAPA, CIRAD, etc. Farmers Organizations. FAO. IICA, CARDI.
	O 7: Small and medium-size farming activities promoted.	**EO 7.1:** Clusters to reduce production and marketing costs and by extension the cost of final producer to the consumer established. **EO 7.2:** Collective purchasing arrangements to increase the access to input supply at lower cost established. **EO 7.3:** Urban farming and backyard gardening activities promoted.	Ministries of Agriculture Farmers organizations Ministries of Agriculture	Farmers Organizations. FAO. IICA, CARDI. Ministries of Agriculture, FAO. IICA, CARDI. Farmers Organizations. FAO. IICA, CARDI.

		EO 7.4: Farmers markets promoted.	Ministries of Agriculture	Farmers Organizations. FAO. IICA, CARDI.
Social safety nets / Mitigation interventions	**O 8:** Aggressive public education program on the benefits of consuming healthy and local foods developed and implemented.	**EO 8.1:** Local products promoted as a way of reversing the taste and preference for imported food, including the promotion of alternative methods of preparation.	CFNI	Public information Units of the Ministries of Agriculture, Consumers Affairs, Education, and Health, FAO, IICA.
		EO 8.2: Programs and information packages for the stimulation of interest in urban farming and backyard gardening developed and promoted.	Ministries of Agriculture	Ministries of Consumers Affairs, Education, and Health FAO, IICA, CARDI.
		EO 8.3: Programs and information packages for the stimulation of interest in healthy eating habits developed and implemented.	Ministries of Health	Public information Units of the Ministries of Agriculture, Consumers Affairs, and Education, FAO, IICA.
	O 9: Social safety net programs targeting the most vulnerable groups in the society strengthened	**EO 9.1:** Strengthened cash transfer mechanisms to ensure better targeting and efficiency and effectiveness.	Ministries of Finance	Ministries of Agriculture, Health and Economic Development.
		EO 9.2: Feeding programs targeting schools, physically challenged, elderly,	Ministries of Health	Ministries of Finance, Agriculture,

		etc. and backed by purchase agreements with domestic producers to further stimulate the development of profitable domestic agricultural enterprises, strengthened.		Health and Economic Development.

ANNEX II

MINISTRY OF FOOD PRODUCTION,
LAND AND MARINE AFFAIRS

REGIONAL CONSULTATION ON POLICY AND PROGRAMMATIC ACTIONS TO ADDRESS HIGH FOOD PRICES IN THE CARIBBEAN

The Carlton Savannah,
Port-of-Spain, Trinidad and Tobago
13-14 June 2011

Agenda and Timetable

DAY ONE: 13 JUNE 2011

08.15 – 08.45 hrs.	**Registration**
08.45– 09.30 hrs.	**Opening Ceremony**

- Chair: **Dr. Arlington Chesney,** Executive Director, Caribbean Agricultural Research and Development Institute (CARDI), St. Augustine, Trinidad and Tobago
- Welcome Remarks: **Mrs. Florita Kentish**, Sub-Regional Coordinator for the Caribbean, Food and Agriculture Organization of the United Nations, Barbados
- Address: **Mr. Clairvair Squires**, Acting Division Chief, Social Sector Division, Caribbean Development Bank, Barbados
- Address: Representative of the **CARICOM Secretariat,** Guyana
- Address: **Mr**. **Alan Bojanic**, Deputy Regional Representative, Regional Office for Latin America and the Caribbean, Food and Agriculture Organization of the United Nations, Chile
- Feature Address: **Senator the Hon. Vasant Bharath**, Minister of Food Production, Land and Marine Affairs, Trinidad and Tobago
- Closing Remarks: **Dr. Lystra Fletcher-Paul**, FAO Representative, Food and Agriculture Organization of the United Nations, Guyana

09.30 – 10.00 hrs.	**Tea/coffee break**
10.00 – 10.05 hrs.	**Introduction to the Regional Consultation:** Objectives and Expected Outputs, **Mr. David Phiri**, Chief, Policy Assistance and Support Service, Policy Assistance Division, FAO
10.05 – 10.45 hrs.	**Session I: Overview of Current Food Price Situation at the Global and Regional Levels** **Chairperson: Ms. Desiree Field-Ridley,** Advisor, CARICOM Single Market and Economy (CSME), CARICOM Secretariat

- Latest Global Food Crisis Situation, Comparison with and Policy Lessons from the 2007/2008 Crisis – **Mr. Gunther Feiler,** Policy Officer and **Mr. David Phiri**, FAO
- Regional Situation and Implications of High Food Prices on Growth and Poverty in the Region – **Mr. Ralph Henry**, Chairman, Kairi Consultants Ltd.

10.45 – 11 00 hrs.	**Plenary Discussions**
11.00 – 11.40 hrs.	**Session II: Caribbean Food Supply Situation**

Chairperson: Mr. Gregg Rawlins, Representative, Inter-American Institute for Cooperation on Agriculture

- Analysis of the CARICOM Food Import Bill – **Mr. Sacha Silva**, FAO Consultant
- Developing an Action Plan for the Promotion of Regional Agri-business – **Mr. Nigel Durrant**, Agricultural Trade Specialist, Office of Trade Negotiations, CARICOM Secretariat

11.40 – 12.00 hrs.	**Plenary Discussions**
12.00 – 12.30 hrs.	**Session III: Caribbean Regional Response to High Food Prices**

Chairperson: The Hon. Ezechiel Joseph, Minister of Agriculture, Lands, Forestry and Fisheries, Saint Lucia

- Regional Food and Nutrition Security Policy and Action Plan – **Mr. Michael Smart,** FAO Consultant
- Policy and Programme Measures adopted at the Regional and National Levels – **Mr. Sergio Garcia**, Program Manager, Agriculture and Industry, CARICOM Secretariat

12.30 – 12.45 hrs.	**Plenary Discussions**
12.45 – 14.00 hrs.	**Lunch break**
14.00 – 15.30 hrs.	**Session IV: Private Sector and Civil Society Responses (Three Simultaneous Presentations)**

ISSUE I – Imported Food Supply: Challenges and Responses to High Prices

Moderator: Mr. Sacha Silva.

Presenters:

- **Mr. David Affonso**, HiLo Food Stores, Trinidad and Tobago
- **Mr. Christopher Levy**, Jamaica Broilers Group Limited, Jamaica – Corn and Wheat
- **Mr. Jagnarine Singh**, Guyana Rice Marketing Board, Guyana – Rice
- **Mr. Phillipe Agostini**, Coconut Growers Association of Trinidad and Tobago – Oil and Fats
- **Ms. Gillian Pollidore**, National Flour Mills, Trinidad and Tobago

ISSUE 2 – Domestic Production: Challenges and Responses to High Prices

Moderator: Mr. Nigel Durrant, CARICOM Secretariat

Presenters:

- **Mr. James Paul,** Caribbean Agriculture Farmers Assoc/Barbados Agricultural Society- Fresh Produce and Milk
- **Mr. Henry Canton,** Citrus Products of Belize Limited, Belize – Juices
- **Mr. Robin Phillips,** Arawak and Company, Trinidad and Tobago **–** Poultry
- **Mr. Desmond Ali,** Caribbean Poultry Association, Trinidad and Tobago – Meat
- **Farouk Shah,** Trinidad and Tobago Agri-business Association – Processed Fruits and Vegetables

ISSUE 3 – Vulnerable Populations: Challenges and Responses to High Prices

Moderator: Mr. Ralph Henry.

Presenters:

- **Mr. Kusha Haraksingh**, CARICOM Competition Commission
- **Mr. Ralph Henry**, Kairi Consultants Limited, Trinidad and Tobago
- **Mr. Calvin James**, Caribbean Network for Integrated Rural Development, Trinidad and Tobago -Rural producers

- **Mr. Michael Pryce**, Jamaica- Urban/Backyard farming programmes,

- **Ms. Wendy Lee Yuen**, Prices Commission, Trinidad and Tobago

15.30 – 16.45 hrs.	**Session V: Break-out Groups Session**
	Chairperson: The Honourable Hilson Baptiste, Minister of Agriculture,, Lands, Housing and the Environment
15.30 – 15.45 hrs.	**Formation of break-out groups of countries and briefing**
	Facilitator – Mr. Robert Best, Project Coordinator, CARIFORUM/CARICOM Regional Food Security Project
15.45 – 16.45 hrs.	**Break-out Groups discussions** in light of the day's deliberations and own experiences

- What are the Most Fundamental Challenges to Food Supply Related to High Food Prices Arising from Imports?

- What are the Most Fundamental Challenges to Food Supply related to High Food Prices arising from Domestic Production, Processing Distribution?

- What Policy and Programme Measures will Work Best to Address the Situation of High and Volatile Food Prices in the Short, Medium and Long Term?

16.45 – 17.15 hrs.	**Tea/coffee break**
17.15 – 18.00 hrs	**Break-out Groups presentations and discussion**
	Chairperson: The Honourable Hilson Baptiste, Minister of Agriculture, Lands, Housing and the Environment
19.00 – 21.30 hrs.	**Welcome Reception**

DAY TWO: 14 JUNE 2011

08.30 – 08.40 hrs.	**Recap of Day One: Mr. Gunther Feiler**
08.40 – 9.25 hrs.	**Plenary Discussions**
09.25 – 9.55 hrs.	**Tea/coffee break**
09.55 – 11.40 hrs	**Session VI: Panel Discussion: Role of Development and Financial Institutions**

Panel I
Chairperson: Senator the Hon. Vasant Bharath

Discussion Issue:
Nature and Scope of Development and Financial Instruments in support of Policy and Programmatic actions – Technical Assistance, Information and Education; Effective Coordination Mechanisms

Discussion Panel Members

- FAO – **Mr. David Phiri**
- FAO – **Mr. Gunther Feiler**
- CDB – **Mr. Clairvair Squires**
- CARDI – **Mr. H, Arlington D. Chesney**

11:40 – 12.45 hrs. **Panel II:**
Chairperson: Mr. Clairvair Squires

Discussion Panel Members:
- IICA – **Mr. Gregg Rawlins,** Representative, Inter-American Institute for Cooperation on Agriculture (IICA)
- ECLAC – **Mr. Kelvin Sergeant,** Economic Affairs Officer, ECLAC Subregional Headquarters for the Caribbean
- CARICOM Secretariat – **Mr. Sergio Garcia**

12.00 – 12.45 hrs.	**Plenary Discussions**
12.45 – 14.00 hrs.	**Lunch break**
14.00 – 15.00 hrs.	**Session VII: Cooperation and Collaboration**
	Chairperson: The Hon. Montgomery Daniel, Minister of Agriculture, Forestry and Fisheries, St. Vincent and the Grenadines
	Break-out Groups sessions: Stakeholder dialogue on cooperation and collaboration
	Facilitator: Mr. Vincent Little, Regional Advisor/Consultant, Food and Nutrition Security, FAO
15.00 – 16.00 hrs.	**Plenary:** Break-out Groups presentations
16.00 – 16.30 hrs.	**Tea/coffee break**
16.30 – 17.00 hrs.	**Session IX: the Way Forward**
	Chairperson: Mrs. Florita Kentish
	▪ Summary and conclusions ▪ Recommendations on the way forward
17.00 – 17.15 hrs.	**Closing Remarks**
	▪ **Mrs. Florita Kentish**