



CONFERENCE

Forty-third Session

Rome, 1-7 July 2023

Report of the 75th Session of the Committee on Commodity Problems (Rome, 13-15 July 2022)

Executive Summary

The Committee on Commodity Problems (CCP) held its 75th Session in hybrid mode from 13 to 15 July 2022, and addressed the following matters:

1. Developments in international agricultural commodity markets
2. Medium-term agricultural outlook 2022-2031 and emerging issues
3. *The State of Agricultural Commodity Markets (SOCO) 2022*
4. Update on the World Trade Organization (WTO) agricultural negotiations and developments in regional trade agreements (RTAs) related to agriculture
5. FAO's programme of work in commodity markets and trade under the FAO Strategic Framework 2022-31
6. The Global Information and Early Warning System on Food and Agriculture (GIEWS)
7. Report of the 31st Session of the Intergovernmental Group on Oilseeds, Oils and Fats
8. Report of the 24th Session of the Intergovernmental Group on Tea
9. Multi-year Programme of Work (MYPOW) of the Committee

Matters requiring the attention of the Council

The Council is invited to endorse the findings and recommendations of the 75th Session of the Committee on Commodity Problems. The attention of the Council is drawn in particular to:

- a) *Developments in international agricultural commodity markets*: paragraphs 9.b), 9.c), 9.f), 9.g) and 9.j)
- b) *Medium-term agricultural outlook 2022-2031 and emerging issues*: paragraphs 11.d), 11.e), 11.f) and 12
- c) *The State of Agricultural Commodity Markets (SOCO) 2022*: paragraphs 14.b), 14.d), 14.e), 14.g), 14.j) and 14.k)
- d) *Update on the World Trade Organization (WTO) agricultural negotiations and developments in regional trade agreements related to agriculture*: paragraphs 15.a), 15.d) and 15.e)

- e) *FAO's programme of work in commodity markets and trade under the FAO Strategic Framework 2022-31*: paragraphs 16, 17.b) and 18
- f) *The Global Information and Early Warning System on Food and Agriculture (GIEWS)*: paragraphs 20.a), 20.c), 20.d) and 20.e)
- g) *Report of the 31st Session of the Intergovernmental Group on Oilseeds, Oils and Fats*: paragraphs 23 and 24
- h) *Multi-year Programme of Work (MYPOW)*: paragraphs 27.b), 27.c), 27.d) and 28

Matters requiring the attention of the Conference

The Conference is invited to endorse the findings and recommendations of the 75th Session of the Committee on Commodity Problems. The attention of the Conference is drawn in particular to:

- a) *Developments in international agricultural commodity markets*: paragraphs 9.e), 9.h) and 9.i)
- b) *Medium-term agricultural outlook 2022-2031 and emerging issues*: paragraphs 11.c), 11.d), 11.f) and 12
- c) *The State of Agricultural Commodity Markets (SOCO) 2022*: paragraphs 14.a), 14.b), 14.c), 14.d), 14.g), 14.i), 14.j) and 14.k)
- d) *Update on the World Trade Organization (WTO) agricultural negotiations and developments in regional trade agreements related to agriculture*: paragraphs 15.a), 15.b) and 15.c)
- e) *FAO's programme of work in commodity markets and trade under the FAO Strategic Framework 2022-31*: paragraph 17
- f) *The Global Information and Early Warning System on Food and Agriculture (GIEWS)*: paragraphs 20.c)
- g) *Multi-year Programme of Work (MYPOW)*: paragraphs 27.a) and 28

Suggested action by Council and Conference

The Council and Conference are invited to endorse the Report of the 75th Session of the Committee on Commodity Problems and recommendations on matters under their respective mandates.

Queries on the substantive content of this document may be addressed to:

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I. Introduction

1. The Committee on Commodity Problems (CCP) held its 75th Session from 13 to 15 July 2022. Of the 103 Members of the Committee, 85 registered for the Session, and 17 Member Nations of the Organization, the Holy See, and five international and regional intergovernmental organizations participated as observers. The list of participants is available at <https://www.fao.org/about/meetings/commodity-problems/ccp75/list-of-documents/en/>.
2. The Session was chaired by the Chairperson of the Committee, Mr Gustaf Daud Sirait of Indonesia. The other members of the Bureau were Australia, Brazil, Canada, Nigeria, the Sudan and the United Kingdom of Great Britain and Northern Ireland.
3. The Committee was informed that the European Union was participating in the Session in accordance with paragraphs 8 and 9 of Article II of the FAO Constitution.
4. The Session was convened in hybrid modality, on an exceptional basis, without creating a precedent, and in accordance with Rule II.4 of the Committee's Rules of Procedure, which provides that each session of the Committee shall normally be held at the seat of the Organization, in light of the global COVID-19 pandemic and the associated public health concerns, with some representatives attending in person at FAO headquarters, and others participating virtually. This followed consultations by the Bureau of the Committee.
5. Prior to beginning its deliberations, the Committee confirmed that the hybrid meeting constituted a formal regular Session of the Committee. The Committee agreed to apply its Rules of Procedure and practices to the conduct of this Session and to suspend any rules that may not be compatible with the hybrid mode for the purposes of this Session. The Committee agreed to the application of any special procedures or amended working modalities as may be required for the efficient conduct of the Session. It also agreed to the recording of the meeting.
6. The Committee was assisted by a Drafting Committee composed of Argentina, Australia (Chair), Brazil, Canada, Czechia, the Dominican Republic, Kenya, Malaysia, the Sudan and Thailand.
7. The Committee adopted the Provisional Agenda and Provisional Timetable for the Session. The Agenda is reproduced in Annex A, and the List of Documents in Annex B.
8. Dr QU Dongyu, FAO Director-General, addressed the Committee.

II. World Agricultural Commodity Markets

A. *Developments in international agricultural commodity markets*

9. The Committee reviewed the developments in international food commodity markets presented in documents CCP 22/2, CCP 22/INF/6 and CCP 22/INF/7. In this regard, the Committee:
 - a) underlined the significance of market transparency and emphasized the importance of timely and credible market information, in particular in view of the increasing number of risks and uncertainties caused by conflicts, climate variability, pests and diseases, and economic shocks;
 - b) expressed appreciation for FAO's work and its contribution to enhancing market transparency, and requested the Organization to continue and intensify its efforts to support informed policy decisions and promote policy coordination by providing up-to-date and objective data and information, market assessments and outlooks;
 - c) acknowledged the positive role of the Agricultural Market Information System (AMIS) in enhancing agricultural market transparency and policy responses for food security, reducing

- extreme price volatility and promoting coordinated policy action, and called on the Members to support the initiative, including through timely reporting of country-level data;
- d) stressed the important role that markets and trade can play in achieving the Sustainable Development Goals (SDGs);
 - e) underlined the need for governments, in compliance with World Trade Organization (WTO) rules, to avoid export restrictions and other trade distorting measures;¹
 - f) stressed the importance of increasing the commodity coverage, including non-grains and non-oil commodities for future market assessments and outlooks, and requested FAO to explore the possibility of allocating more resources to bring the necessary commodity expertise;
 - g) stressed the importance of increasing agricultural productivity and production in a sustainable manner, and requested FAO to further increase technical information and support Members in this regard;
 - h) recognized that many countries, in particular developing countries, are still struggling with, and have not yet recovered from, the multifaceted impacts of the 2007-2008 financial crisis;
 - i) expressed concerns about soaring prices of food, energy and inputs, particularly fertilizers, high transportation costs, and heightened concerns over world food security as a result of the disruptions caused by the COVID-19 containment measures and, more recently, the war in Ukraine; also expressed concerns about policy measures inconsistent with WTO principles;
 - j) recalled the decision and recommendations of the 169th Session of FAO Council about the impact of the war in Ukraine on global food security, and stressed the important technical role of FAO in addressing the impacts of the war on global food security.

B. Medium-term agricultural outlook 2022-2031 and emerging issues

10. The Committee took note of the information and medium-term projections for agricultural markets for the period 2022-2031 contained in document CCP 22/3 Rev.1.
11. In particular, the Committee:
 - a) reviewed the trends and the prospects for agrifood commodity markets in the medium term;
 - b) highlighted that trade, along with efficient and enhanced productivity and sustainable food systems, plays a vital role in improving global food security in all its dimensions and in enhancing nutrition, as well as addressing the challenges and uncertainties that agricultural commodity markets are facing;
 - c) underlined the importance of a freer, fairer, predictable, and non-discriminatory, rules-based multilateral trading system, under the WTO and consistent with its rules, for promoting agricultural and rural development and contributing to achieving food security and improved nutrition for all;
 - d) stressed that the current challenges could have serious implications for food security and sustainability over the medium-term; and underlined that the results from several scenario analyses to assess the impact of the war in Ukraine on international agricultural markets and global food security indicate that prices for main cereals would increase further from their already elevated levels. The Committee expressed concerns that therefore the risk of undernourishment would increase for vulnerable populations, especially in Net Food-Importing Developing Countries (NFIDCs) and Least Developed Countries (LDCs);
 - e) appreciated FAO's efforts to conduct *ex-ante* analysis, scenarios and foresight studies, in particular, assessing alternative pathways of sustainable production and consumption, trade, including consideration of trade restrictions, prices and food security, and encouraged FAO to expand its analytical efforts to include a broader range of supply, demand and risk factors;

¹ The United States of America made this Explanation of Position: "This statement inaccurately portrays WTO obligations. It is our view that FAO must respect the independent mandates of other processes and institutions, including trade negotiations, and must not involve itself in decisions and actions in other forums, including at the WTO."

- f) highlighted the usefulness of medium-term projections for national governments and institutions, and requested FAO to expand capacity development activities to promote the uptake of the commodity medium-term projections and analyses by national and regional institutions.

12. The Committee commended the partnership between FAO and the Organisation for Economic Co-operation and Development (OECD) on the medium-term outlook work, and asked FAO to maintain and further strengthen this collaboration.

III. Policy Matters

A. *The State of Agricultural Commodity Markets (SOCO) 2022*

13. The Committee took note of the report and the findings of the 2022 edition of FAO's flagship report *The State of Agricultural Commodity Markets (SOCO)* on the theme "The Geography of Food and Agricultural Trade: Policy approaches for sustainable development" presented in the documents CCP 22/4 and CCP 22/INF/8.

14. Furthermore, the Committee:

- a) underlined the importance of a freer, fairer, predictable, non-discriminatory and rules-based multilateral trading system, under the WTO and consistent with its rules, for promoting agricultural and rural development, and contributing to achieving food security and improved nutrition for all;
- b) underlined the role of trade in the needed transformation, as appropriate, towards more sustainable food systems, and hence in contributing to world food security, especially in NFIDCs, achieving the 2030 Agenda for Sustainable Development and its SDGs and strengthening resilience to socio-economic shocks, conflicts, pandemics and extreme weather events;
- c) underlined the need for trade policies to foster well-functioning, transparent and open global markets, especially in times of uncertainty and crisis, and emphasized the importance of improving agricultural productivity and efficiency, and reducing trade costs to make trade an avenue for growth;
- d) stressed that investment in research, science and innovation is a major element to foster food and sustainable production, and highlighted the importance of supporting developing countries;
- e) recalled the three integrated dimensions of sustainability, economic, social and environmental, and requested these to be reflected in future SOCO reports in a balanced and comprehensive manner, subject to the theme of the SOCO edition;
- f) highlighted the importance that future editions of SOCO continue to focus on the situation of agricultural commodity markets as they are impacted by current and emerging issues, developed through an inclusive input process;
- g) recognized the positive contribution of food and agricultural trade for promoting economic growth, social well-being and environmental sustainability objectives;
- h) recalled that sustainable agricultural development and sustainable production systems depend on local conditions and other relevant factors, without prejudging any particular product, regardless of where they are produced, consumed or traded;
- i) recognized the possibility for mutually reinforcing multilateral and regional approaches in tackling environmental externalities of global reach;
- j) underlined the potential of regional trade agreements (RTAs), equipped with legally binding environmental provisions and well-developed institutions, to effectively address environmental externalities, and stressed that multilateral agreements can effectively address global environmental externalities;
- k) recognized the challenges of climate change and highlighted the centrality of multilateral environmental agreements and international climate change instruments, in particular, the

United Nations Framework Convention on Climate Change (UNFCCC) and its Paris Agreement.

B. Update on the World Trade Organization (WTO) agricultural negotiations and developments in regional trade agreements related to agriculture

15. The Committee took note of the updates received on the WTO agricultural negotiations and on RTAs, and particularly:

- a) welcomed the agriculture-related outcomes adopted by the WTO Members at its 12th Ministerial Conference, and called upon FAO to continue to support its Members in the implementation of these outcomes to foster a freer, fairer, predictable, non-discriminatory and rules-based multilateral trading system, under the WTO and consistent with its rules, conducive to ending world hunger and malnutrition;
- b) underlined the significance of multilateralism and of a freer, fairer, predictable, non-discriminatory and rules-based multilateral trading system, for promoting agricultural and rural development and contributing to achieving food security and improved nutrition for all, as well as recognized the important role of trade in the transformation, as appropriate, towards more sustainable food systems;
- c) highlighted the significance of keeping markets open and ensuring a smooth flow of trade, and reaffirmed the importance of not imposing export prohibitions or restrictions in a manner inconsistent with relevant WTO provisions;
- d) expressed appreciation for FAO's work in the area of agrifood trade, including through the provision of up-to-date data, information and scientific evidence to inform policy discussions, underlined the importance of the technical assistance provided to Members within the Organization's mandate and competence, and requested the Organization to increase resource mobilization to support the reinforcement of this work;
- e) appreciated the close collaboration between FAO and the WTO in the field of agricultural trade, in line with their respective mandates, and asked FAO to maintain and further strengthen this good cooperation.

IV. Programmatic Matters

A. FAO's programme of work in commodity markets and trade under the FAO Strategic Framework 2022-31

16. The Committee appreciated FAO's achievements in the field of markets and trade during the biennium 2020-21, and commended the variety and quality of publications, products and services provided by the Organization.

17. Furthermore, the Committee:

- a) acknowledged the identified global trends and developments that will influence FAO's work in commodity markets and trade in the context of FAO Strategic Framework 2022-31 and the Medium Term Plan 2022-25 for achieving the SDGs, leaving no one behind;
- b) reviewed and endorsed the identified priorities for FAO's work in the area of commodity markets and trade in the context of FAO Strategic Framework 2022-31 and the Medium Term Plan 2022-25, as presented in document CCP 22/6, namely:
 - Commodity market monitoring, assessment and outlook
 - Food security monitoring and assessment and early warning
 - Food and agricultural trade
 - Responsible global value chains
 - Work of the commodity Intergovernmental Groups (IGGs)
 - Supporting international processes (G20/G7)
 - Production of *The State of Agricultural Commodity Markets (SOCO)*

18. The Committee welcomed the collaboration of FAO with other international organizations in delivering its programme of work in commodity markets and trade and related subjects, and requested the Organization to continue and further strengthen this cooperation.

B. The Global Information and Early Warning System on Food and Agriculture (GIEWS)

19. The Committee reviewed document CCP 22/7 on the work and future activities of the Global Information and Early Warning System on Food and Agriculture (GIEWS).

20. In particular, the Committee:

- a) expressed appreciation for the work conducted by GIEWS, as well as its various products and services, and recognized it as an important source of factual information and a leading early warning mechanism globally;
- b) noted the continued developments of GIEWS over time to address emerging issues;
- c) acknowledged the increased importance and relevance of GIEWS, in particular in view of the increasing risks and uncertainties to world food security;
- d) appreciated the collaborative efforts of GIEWS, in particular the approach of early warning based on consensus, and urged GIEWS to further strengthen the collaboration with other stakeholders in this regard;
- e) emphasized the significance of geospatial and digital technologies in collecting and analysing data and information, and requested GIEWS to further develop its capacity as well as the capacity of other stakeholders at country level to harness these solutions;
- f) recommended further communication of the information and tools, as well as data dissemination provided by GIEWS to support Members and other stakeholders, and the provision of capacity development support to users.

V. Governance Matters

A. Report of the 31st Session of the Intergovernmental Group on Oilseeds, Oils and Fats

21. The Committee endorsed the Report of the 31st Session of the Intergovernmental Group on Oilseeds, Oils and Fats (IGGOOF) hosted by Indonesia and held virtually on 4 and 5 March 2021 and 5 July 2022.

22. The Committee underlined the importance of sustainable production and trade of vegetable oils in support of the 2030 Agenda for Sustainable Development and its Goals, in particular taking into account the latest global food crisis.

23. The Committee accepted the suggestion to include an agenda item on sustainable vegetable oils production in support of the 2030 Agenda for Sustainable Development and its Goals in a forthcoming session of the IGGOOF.

24. The Committee requested that the IGGOOF continue discussions to identify possible actions that vegetable oils can continue to play in achieving the SDGs.

B. Report of the 24th Session of the Intergovernmental Group on Tea

25. The Committee endorsed the Report of the 24th Session of the Intergovernmental Group on Tea held virtually on 23 February 2022.

C. Multi-year Programme of Work (MYPOW)

26. The Committee reviewed the progress report on the implementation of its MYPOW 2021-23 as provided in document CCP 22/10.
27. The Committee also:
- a) highlighted the importance of the CCP adopting a food systems perspective in its work;
 - b) encouraged the Bureau, with the support of the Secretariat, to organize topical inter-sessional events between the CCP sessions;
 - c) requested the Bureau to reflect on the need to review the name of the Committee, and its harmonization in the different UN official languages, taking into account recent situational changes such as the growing focus on positive contributions by commodity markets and trade;
 - d) emphasized the role of the CCP within the areas of its competence in monitoring and analysing the impacts of crises and conflicts, with a special emphasis on the impact of the war in Ukraine on global food security under the mandate of the FAO, economic downturns, trade disruptive measures and trade diversions, climate change, the COVID-19 pandemic, and other shocks and crises.
28. The Committee approved its MYPOW for the period 2022-24.
29. The Committee expressed appreciation for the excellent work by the Bureau composed of Mr Gustaf Daud Sirait of the Republic of Indonesia (Chairperson), Australia, Brazil, Canada, Nigeria, the Sudan, and the United Kingdom of Great Britain and Northern Ireland.

VI. Other Matters

A. Election of the new Bureau Members

30. The Committee elected by acclamation H.E. Ambassador Yaya Adisa Olaitan Olaniran of the Federal Republic of Nigeria, as the Chairperson of the Committee.
31. The Committee elected by acclamation the following six members of the incoming Bureau to act as Vice-Chairpersons: Argentina (Latin America and the Caribbean); Australia (Southwest Pacific); Germany (Europe); Indonesia (Asia); Mauritania (Near East); and the United States of America (North America).
32. The Committee congratulated the elected Chairperson and the elected Bureau members and wished them every success in their roles.

B. Arrangements for the 76th Session

33. The Committee took note that the 76th Session of the CCP would take place in Rome in 2024 and that the exact date would be determined by the Director-General in consultation with the Chairperson of the Committee, according to the appropriate procedures.

C. Any other business

34. No other business was raised.

VII. Adoption of the Report

35. The Report of the 75th Session of the CCP was adopted by acclamation.

ANNEX A

Provisional Agenda

1. Procedure of the Session

- 1.1 Adoption of the Agenda and Timetable
- 1.2 Designation of the Chairperson and Members of the Drafting Committee
- 1.3 Statement by the Director-General

2. World Agricultural Commodity Markets

- 2.1 Developments in international agricultural commodity markets
- 2.2 Medium-term agricultural outlook 2022-2031 and emerging issues

3. Policy Matters

- 3.1 The State of Agricultural Commodity Markets (SOCO) 2022
- 3.2 Update on the World Trade Organization (WTO) agricultural negotiations and developments in regional trade agreements related to agriculture

4. Programmatic Matters

- 4.1 FAO's programme of work in commodity markets and trade under the FAO Strategic Framework 2022-31
- 4.2 The Global Information and Early Warning System on Food and Agriculture (GIEWS)

5. Governance Matters

- 5.1 Report of the 31st Session of the Intergovernmental Group on Oilseeds, Oils and Fats
- 5.2 Report of the 24th Session of the Intergovernmental Group on Tea
- 5.3 Multi-year Programme of Work (MYPOW)

6. Other Matters

- 6.1 Election of the new Bureau Members
- 6.2 Arrangements for the 76th Session
- 6.3 Any other business

7. Adoption of the Report

ANNEX B

List of Documents

Document symbol	Title
CCP 22/1	Provisional Agenda and Agenda Notes
CCP 22/2	Developments in international agricultural commodity markets
CCP 22/3	Medium-term agricultural outlook 2022-2031 and emerging issues
CCP 22/4	The State of Agricultural Commodity Markets (SOCO) 2022
CCP 22/5	Update on the World Trade Organization (WTO) agricultural negotiations and developments in regional trade agreements (RTAs) related to agriculture
CCP 22/6	FAO's programme of work in commodity markets and trade under the FAO Strategic Framework 2022-31
CCP 22/7	The Global Information and Early Warning System on Food and Agriculture (GIEWS)
CCP 22/8	Report of the 31st Session of the Intergovernmental Group on Oilseeds, Oils and Fats
CCP 22/9	Report of the 24th Session of the Intergovernmental Group on Tea
CCP 22/10	Multi-year Programme of Work (MYPow)

Information documents

CCP 22/INF/1	Provisional Timetable
CCP 22/INF/2	List of documents
CCP 22/INF/3	Provisional list of delegates
CCP 22/INF/4	Statement of competence and voting rights submitted by the European Union (EU) and its Member States (MS)
CCP 22/INF/5	Statement by the Director-General
CCP 22/INF/6	FAO Food Price Index
CCP 22/INF/7	Developments in global fertilizer markets
CCP 22/INF/8	In Brief: The State of Agricultural Commodity Markets (SOCO) 2022