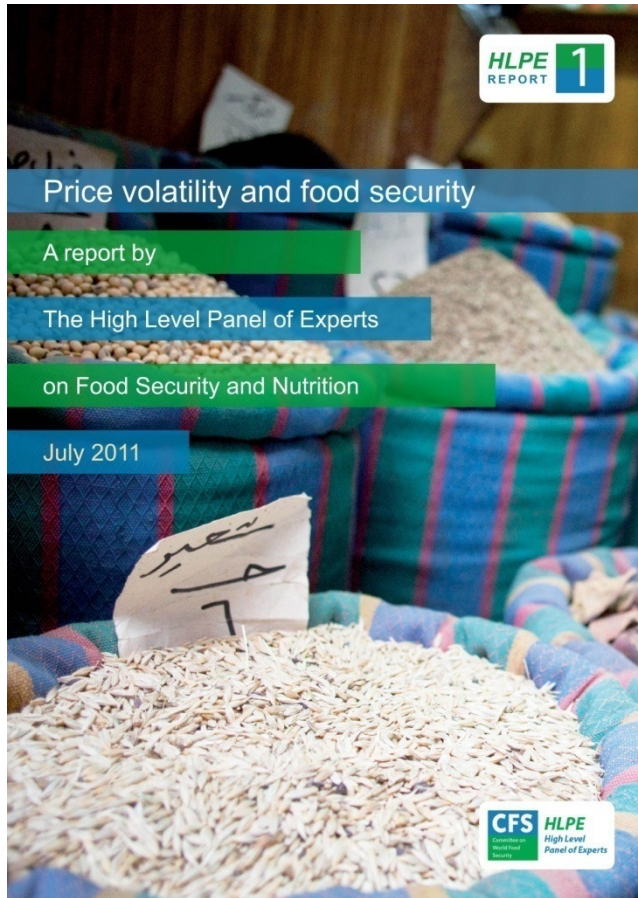




37

HLPE
High Level
Panel of Experts



POLICY ROUNDTABLE FOOD PRICE VOLATILITY

Main conclusions of the
HLPE Report on
price volatility and food
security

Benoit Daviron (Cirad)
HLPE Project Team leader

Four characteristics of the HLPE process

- A steering committee, a Project Team (Mr. B. Daviron, Mr. N. Dembélé, Ms. S. Murphy, Mr. S. Rashid), electronic consultations, expert reviewing
- A broad review of the literature
- Demand driven and oriented towards recommendations
- A strong attention to the existing diversity of analyses and policy options
- The choice to deal with difficult issues

International food prices movement: three complementary explanations

- Short term : **Volatility** (too strong and may be excessive)
- Medium term : **Cycle**, effect of past over-production and low prices (under-investments in agriculture and bio-fuels boosting policy)
- Long term : Coming and lasting **scarcities** (increasing pressures placed on natural resources) and demand growth (including for energy)

Local food prices movements: two causes

- Imported volatility from international market but also
- Domestic sources of volatility often higher than the imported volatility (natural accident, market imperfections, social unrests ...)

International Policy Options

- Build a **food security-oriented trading system**
- Adopt the **precautionary principle** for the regulation of **speculation** on futures markets
- Coordinate national **storage policies**
- Curb **developed countries' demand** for food and feed products (biofuels, animal products)
- **Invest** to finance the transition toward an **ecological** agriculture

National Policy Options

- Include the price volatility issue in comprehensive **Food Security Strategy Program (FSSP)**
- Increase the **role of the state in stabilizing** domestic prices
- Improve social safety nets: **Emergency + Prevention**



37

HLPE
High Level
Panel of Experts

Potential roles for the CFS

- Support the establishment and review of FSSP
- Support AMIS and the inclusion of **information on hunger**
- **Facilitate debates** on :
 - how **agricultural trade rules** could support food security
 - forms of international cooperation regarding **world food stocks** and food security



37

HLPE
High Level
Panel of Experts



www.fao.org/cfs/cfs-hlpe