
The important role of trade in promoting resilience in our global food systems

CFS Partner Event

14 October 2020

The Event was moderated by Jaine Chisholm Caunt, Director General, Grain and Feed Trade Association. Gafta is a trade association representing the international grain and feed trade and was established in 1878. Membership comprises over 1900 agricultural companies in more than 98 countries around the world.

A keynote address was given by Dr Lee Ann Jackson, Head of the Agro-food Trade and Markets Division in the OECD's Trade and Agriculture Directorate, followed by a Panel of speakers.

Panel Speakers

Ms Doaa Abdel-Motaal, Senior Counsellor, World Trade Organization

Mr Gerard Masila, Executive Director, Eastern African Grains Council, Kenya

Mr Tom Vilsack, CEO, US Dairy Export Council (USDEC), Former US Secretary of Agriculture

Ms Ruramiso Mashumba, Chairperson Zimbabwe Farmers Union Youth, Global Farmer Network

Mr Leonardo Rocha bento, Secretary at the Brazilian Mission to the WTO in Geneva

(Presentations provided during the event are available on the International Agri-food Network website: <https://agrifood.net/about>).

Summary points

This event, organized by GAFTA and partners, looked at the important role of trade in promoting resilience in the global food system. COVID-19 has caused a major global health crisis and the primary focus is to ensure health and safety of citizens and protect essential workers. Open trade is key to protecting global food security and supports and compliments domestic production as no economy is self-sufficient. Aim of the panel is to hear not only from WTO and OECD but from farmers and traders who play a key role in ensuring food supplies and global food security.

COVID -19 has been an incredible stress test for food systems. Whilst there was disruption to trade and logistics, trade in agricultural products demonstrated its resilience due to the essential nature of food products. The pandemic has reminded us that we cannot take a functioning trade system for granted. A well-functioning trading system is now more important than ever. Addressing hunger requires all of us and now more than ever we should be looking at food systems in their entirety to understand how to deliver for people and planet. Governments trade policies will be crucial going forward and panelists encouraged open and predictable trade policies to ensure resilient, sustainable food supply chains and for food security. FAO tells us 1/3 of global agricultural production crosses international borders at least twice. This is an indication of how important the global supply and trade system is to our food systems. Short supply chains are not the answer. With international trade feeding one in every six people on our planet, disruptions to trade in food have been particularly worrying during this global pandemic. Nevertheless, trade does show signs of rebounding and agriculture has shown resilience.

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Before COVID-19 food systems faced a triple challenge of: i) food security and nutrition, ii) resource use and climate change and iii) livelihoods and rural development. It is important to ensure international, regional and local trade is part of the solution to address these challenges. Food systems are diverse around the world, however better policies can make a difference in terms of challenges faced. A shift to less distorting support to agriculture would enhance food system resilience. Enhancing the role of trade in building resilience requires connection, consistency and cooperation among all stakeholders.

The importance of growing local food for food security was noted, however it was stressed that countries can never neglect the importance of trade because it gives farmers jobs. Pandemics might happen again or climate change, we therefore need to look at how to develop country cold chain facilities, make investment flows, produce crops with longer shelf life and speaking on the African experience, explore Africa can trade among itself.

In the grain trade, it was noted that Eastern Africa Grain trade is putting in intervention to structure markets and keen on working in trade dynamics integrating East African grain trade in international grain trade. The Eastern African region has not explored international grain markets fully due to limited competitiveness and high production and transaction costs and strict international standards. Trade can play an important role in resilience of grain value chain by improving market access for small holder farmers, linking regional and global markets through structured trading systems. Improved grain trade in the eastern African region requires, policy reforms, facilitating structured grain trade and facilitating access to climate smart technologies for production and trade.

The world grows enough food to feed our population but increasing supply chain concerns and trade barriers further complicate the ability to get people the food they need. Companies have to be creative when it comes to the supply chain. They must find the balance of keeping essential workers safe while making sure the production process is continued, by modified to minimize the risks. Ensuring there are low to no barriers to trade makes it easier to get agricultural products to areas of the world that want and need them. With robust and open trade, we ensure there are markets for our farmers in uncertain times while providing safe, nutritious, high-value products to the rest of the world.

This will not be the last pandemic, nor the last global event that threatens our supply chains and food systems. We must take lessons away from this experience so when it happens again, we can better address issues like hunger and food insecurity from the beginning. The threat of food nationalism is a big threat. While many have rejected this, there are signs this needs to be closely monitored. This will contribute to global food insecurity. In a global trading system, we need to cooperate and collectively work to minimize disruption, encourage more flexible systems.

While food insecurity was already a reality in the world before the COVID-19 pandemic. The pandemic gave voice to the heralds of food self-sufficiency. The pandemic itself has proven that this assessment is far from true. Food supply chains have proved to be more resilient and robust than other chains, and trade in agricultural products has been more resilient than overall trade. To mitigate the impacts of shocks and “build back better”, instead of restricting international trade, it is essential to facilitate and increase it.

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