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Food and Agriculture
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Продовольственная и
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CONFERENCE

Forty-first Session

Rome, 22–29 June 2019

Report of the 72nd Session of the Committee on Commodity Problems (Rome, 26–28 September 2018)

Executive Summary

The Committee on Commodity Problems (CCP) held its 72nd Session from 26 to 28 September 2018. The Committee wishes to bring to the attention of the Council and Conference the following matters.

Matters requiring the attention of Council

The attention of the Council is drawn in particular to the following:

- *Commodity market situation and short-term outlook* (Paragraphs 8, 9, 10, 11 and 12)
- *Medium-term outlook: trends and emerging issues* (Paragraphs 13, 14, 15, 16, 17 and 18)
- *Update on WTO agricultural negotiations and Regional Trade Agreements and FAO's support to Members* (Paragraphs 20, 21, 22, 23 and 24)
- *The State of Agricultural Commodity Markets (SOCO) 2018: Agricultural trade, climate change and food security* (Paragraphs 26, 27, 28, 29 and 30)
- *FAO's Programme of Work in trade and commodity markets under the Strategic Framework* (Paragraphs 34, 35, 36 and 37)
- *Themes for the next edition of The State of Agricultural Commodity Markets* (Paragraphs 38, 39 and 40)
- *The 2030 Agenda for Sustainable Development and the SDGs* (Paragraphs 41 and 42)
- *Multi-year Programme of Work* (Paragraphs 44 and 45)

Furthermore, under agenda item "Report of the 23rd Session of the Intergovernmental Group on Tea", the Committee endorsed the proposal by the People's Republic of China to observe an International Tea Day on 21 May and requested the Secretariat to work with the CCP Bureau to take this proposal forward for consideration at the 160th Session of the Council, with a view to

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presenting it to the next Session of the United Nations General Assembly (UNGA) in 2019 (Paragraph 33).

Matters requiring the attention of Conference

The attention of the Conference is drawn in particular to the following:

- *Commodity market situation and short-term outlook* (Paragraphs 11 and 12)
- *Medium-term outlook: trends and emerging issues* (Paragraphs 14, 15 and 16)
- *Update on WTO agricultural negotiations and Regional Trade Agreements and FAO's support to Members* (Paragraphs 20, 21 and 24)
- *The State of Agricultural Commodity Markets (SOCO) 2018: Agricultural trade, climate change and food security* (Paragraphs 26, 27 and 30)
- *The 2030 Agenda for Sustainable Development and the SDGs* (Paragraphs 41 and 42)

Suggested action by the Council and Conference

The Council and Conference are invited to:

- Endorse the Report of the 72nd Session of the Committee on Commodity Problems.

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

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I. Introduction

1. The Committee on Commodity Problems (CCP) held its 72nd Session from 26 to 28 September 2018 at FAO headquarters, Rome. Of the 106 Members of the Committee for the biennium 2018–2019, 83 were present at the session. Three Member Nations of the Organization, the Holy See, Palestine, and four intergovernmental organizations participated as observers. The list of Members and organizations represented at the Session (CCP 18/INF/3) is available at <http://www.fao.org/about/meetings/commodity-problems/ccp72/list-of-documents/en/>.
2. The Bureau, composed of Mr Khaled El Taweel of Egypt (Chairperson), Argentina, Australia, Canada, Congo, Sweden and Thailand, continued its term until the election of the new Bureau at the end of the Session.
3. In view of the absence of the Chairperson, and according to the Rules of Procedure of the Committee, the Session was chaired by Mr Fredrik Alfer (Sweden) in his capacity as first Vice-Chairperson of the Bureau.
4. The Committee was informed that the European Union was participating in accordance with paragraphs 8 and 9 of Article II of the FAO Constitution.
5. The Committee was assisted by a Drafting Committee composed of Afghanistan, Australia, Austria, Brazil (Chair), China, Cuba, Indonesia, Kenya, Saudi Arabia, Tunisia, United States of America and Uruguay.
6. The Committee adopted the Provisional Agenda and Provisional Timetable for the Session. The Agenda is reproduced in *Appendix A*.

II. Statement by the Deputy Director-General (Operations)

7. Mr Laurent Thomas, Deputy Director-General (Operations), delivered an opening statement, on behalf of the Director-General, emphasizing the important role of the CCP in the work of the Organization.

III. World agricultural commodity markets

A. Commodity market situation and short-term outlook

8. The Committee reviewed the market situation and short-term outlook for food and agricultural commodities and expressed appreciation for the information provided.
9. The Committee stressed the importance of FAO's commodity market monitoring, assessment and outlook work and the reports produced for improved market transparency and informed policy decisions.
10. The Committee underlined the importance of strengthening these activities and supporting Members in an effort to achieve target 2c of the second Sustainable Development Goal (SDG 2), to “*Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility*”.
11. The Committee urged governments and other stakeholders to continue improving the monitoring of supply, demand, trade and prices of food and agricultural commodities and to make the data and information publicly accessible in a timely manner.
12. The Committee noted that the Secretariat could explore taking into consideration other factors in its analysis of global commodity markets, as appropriate.

B. Medium-term outlook: trends and emerging issues

13. The Committee took note with appreciation of the medium-term projections produced jointly by FAO and the Organisation for Economic Cooperation and Development (OECD) and discussed their possible implications for food security and agricultural development.
14. The Committee stressed the importance of the medium-term commodity projections and their usefulness and relevance to inform policy decisions.
15. The Committee highlighted the importance of liaising with national and regional institutions to increase the uptake and use of the commodity projections for informing policy decisions.
16. The Committee recommended South-South and triangular cooperation to promote the uptake and utilization of the medium-term projections.
17. The Committee recommended the inclusion of other commodities that are important for food security.
18. The Committee expressed support for FAO's standard-setting activities and their important role in international trade.

IV. Policy Matters

A. Update on WTO agricultural negotiations and Regional Trade Agreements and FAO's support to Members

19. The Committee welcomed the update received on the WTO agricultural negotiations and on Regional Trade Agreements.
20. The Committee emphasized the role that agricultural trade can play as an enabler to achieve the SDGs, particularly SDG 1 on ending poverty in all its forms everywhere and SDG 2 on ending hunger, achieving food security and improved nutrition and promoting sustainable agriculture.
21. The Committee underlined the importance of a universal, rules-based, open, non-discriminatory, equitable and predictable bilateral, plurilateral and multilateral trading system that is conducive to world food security, improved nutrition and sustainable agricultural development.
22. The Committee welcomed FAO's support to Members in agricultural trade agreements and stressed the importance of continuing this work.
23. The Committee re-iterated its support for strengthening the work of standard-setting bodies, including ensuring sustainable funding.
24. The Committee took note of the proposal to convene an Intergovernmental Group (IGG) meeting on Oilseeds, Oils and Fats in 2019 to formulate voluntary guidelines on vegetable oils in support of the SDGs and agreed that the proposal would be submitted for consideration by the CCP Bureau.

B. The State of Agricultural Commodity Markets (SOCO) 2018: Agricultural trade, climate change and food security

25. The Committee welcomed the 2018 edition of *The State of Agricultural Commodity Markets (SOCO)* on "Agricultural trade, climate change and food security" and took note of its findings.

26. The Committee recognized the role that agricultural trade can play in climate change adaptation and mitigation and its contribution towards ensuring world food security, promoting agricultural productivity growth globally, and potentially reducing global greenhouse gas emissions.
27. The Committee underlined FAO's role to enhance and facilitate policy dialogue at global, regional and national levels at the juncture of trade and climate change, including the Paris Agreement and the WTO agreements, to strengthen the mutually supportive role of these multilateral accords considering their respective mandates, thus supporting concrete actions by the most vulnerable countries.
28. While taking note of the United Nations Framework Convention on Climate Change (UNFCCC), the Committee stressed the need to undertake further analysis of the implications of trade and related policies for achieving food security and nutrition objectives, as well as meeting the Paris Agreement target of keeping the rise in global average temperature to significantly below 2 °C.¹
29. The Committee urged FAO to continue strengthening its capacity development activities to enable countries to face the growing challenges, especially in addressing the impact of climate change.
30. The Committee acknowledged the particular vulnerability of Small Island Developing States (SIDS) and the way their food production is affected. The Committee underlined the need for open, transparent, equitable and non-discriminatory international and regional agricultural markets, which will enable them to meet their food requirements.

V. Programme Matters

A. Report of the Joint Meeting of the 39th Session of the Intergovernmental Group on Hard Fibres and the 41st Session of the Intergovernmental Group on Jute, Kenaf and Allied Fibres

31. The Committee endorsed the Report of the Joint Meeting of the 39th Session of the Intergovernmental Group on Hard Fibres and the 41st Session of the Intergovernmental Group on Jute, Kenaf and Allied Fibres, held in Tanga (United Republic of Tanzania) from 15 to 17 November 2017.

B. Report of the 23rd Session of the Intergovernmental Group on Tea

32. The Committee endorsed the Report of the 23rd Session of the Intergovernmental Group on Tea, held in Hangzhou (People's Republic of China) on 17-20 May 2018.
33. The Committee endorsed the proposal by the People's Republic of China to observe an International Tea Day on 21 May and requested the Secretariat to work with the CCP Bureau to take this proposal forward for consideration at the 160th Session of the Council, with a view to presenting it to the next Session of the United Nations General Assembly (UNGA) in 2019.

¹ We take note of the decision of the United States of America to withdraw from the Paris agreement. The United States announced it will immediately cease the implementation of its current nationally determined contribution and affirms its strong commitment to an approach that lowers emissions while supporting economic growth and improving energy security needs. The United States of America states it will endeavour to work closely with other countries to help them access and use fossil fuels more cleanly and efficiently and help deploy renewable and other clean energy sources, given the importance of energy access and security in their nationally determined contributions.

C. FAO's Programme of Work in trade and commodity markets under the Strategic Framework

34. The Committee welcomed the report on the achievements in FAO's work in commodity markets and trade in 2016–17 under the Strategic Framework and appreciated the variety of products and services aimed at improving market transparency, informing policy decisions, promoting responsible agricultural investment and supporting global and regional governance processes.
35. The Committee agreed with the identified global developments and trends that will guide FAO's work and activities in commodity markets and trade.
36. The Committee endorsed the main priorities for FAO's work in the areas of commodity markets and trade, as presented in document CCP 18/6, to be taken into consideration in the review of the Medium-Term Plan (MTP) 2018–2021.
37. The Committee, again, underlined the importance of global standard-setting work.

D. Themes for the next edition of The State of Agricultural Commodity Markets

38. The Committee considered the proposed themes for the next edition of The State of Agricultural Commodity Markets 2020, and found the three proposals relevant.
39. The Committee requested the Secretariat to pursue further consultation with the CCP Bureau, taking into consideration the views expressed in the plenary.
40. The Committee urged the Secretariat to launch the SOCO report well in advance of the CCP Session to allow sufficient time for the Members to analyse the findings.

VI. Governance Matters

A. The 2030 Agenda for Sustainable Development and the SDGs

41. The Committee welcomed with satisfaction FAO's support to the implementation of the 2030 Agenda and the SDGs, in particular with reference to the work and activities under the mandate of the CCP, and requested FAO to continue this work.
42. The Committee expressed appreciation for the contributions of the CCP to the High-level Political Forum on Sustainable Development (HLPF) in 2017 and 2018 and requested the Secretariat to work with the Bureau in preparing the input for the 2019 HLPF on the theme "Empowering people and ensuring inclusiveness and equality", building on the discussion in the plenary.

B. Multi-Year Programme of Work (MYPOW)

43. The Committee took note of the progress report on the implementation of the CCP MYPOW 2016–19.
44. The Committee appreciated the increase in inter-sessional activities and encouraged their continuation in the future.
45. The Committee reviewed and approved the proposed MYPOW for the period 2018–2021.

VII. Other Matters

A. Biodiversity Mainstreaming Platform

46. The Committee welcomed FAO's Biodiversity Mainstreaming Platform and took note of the information received regarding its establishment.

B. Election of the new Bureau Members

47. The Committee elected by acclamation Mr Fredrik Alfer of Sweden, as the new Chairperson of the Committee.

48. The Committee elected by acclamation the following six Members of the incoming Bureau of the Committee: Argentina (Latin America and the Caribbean); Eritrea (Africa); Indonesia (Asia and the Pacific); Jordan (Near East); Solomon Islands (South West Pacific); and the United States of America (North America).

C. Arrangements for the 73rd Session

49. The Committee noted that the 73rd Session of the Committee on Commodity Problems would take place in Rome in 2020 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.

D. Any other business

50. The Committee expressed appreciation for the work conducted by the Chairperson, Mr Khaled El Taweel of Egypt.

APPENDIX A

Agenda of the 72nd Session of the Committee on Commodity Problems

- 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 Commodity market situation and short-term outlook
 - 2.2 Medium-term outlook: trends and emerging issues
- 3. Policy Matters**
 - 3.1 Update on World Trade Organization (WTO) agricultural negotiations and Regional Trade Agreements and FAO's support to Members
 - 3.2 The State of Agricultural Commodity Markets (SOCO) – Agricultural trade, climate change and food security
- 4. Programme Matters**
 - 4.1 Report of the Joint Meeting of the 39th Session of the Intergovernmental Group on Hard Fibres and the 41st Session of the Intergovernmental Group on Jute, Kenaf and Allied Fibres
 - 4.2 Report of the 23rd Session of the Intergovernmental Group on Tea
 - 4.3 FAO's programme of work in commodity markets and trade under the Strategic Framework
 - 4.4 Themes for the next edition of SOCO
- 5. Governance Matters**
 - 5.1 The 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs)
 - 5.2 Multi-year Programme of Work (MYPOW)
- 6. Other Matters**
 - 6.1 Biodiversity Mainstreaming Platform
 - 6.2 Election of the new Bureau Members
 - 6.3 Arrangements for the 73rd Session
 - 6.4 Any other business
- 7. Adoption of the Report**

APPENDIX B

List of documents

Document symbol	Title
CCP 18/1 Rev.1	Provisional Agenda and Agenda Notes
CCP 18/2	Commodity market situation and short-term outlook 2016–2018
CCP 18/3	Medium-term agricultural outlook: trends and emerging issues
CCP 18/4	Update on World Trade Organisation (WTO) agricultural negotiations and Regional Trade Agreements (RTAs) and FAO's support to Members
CCP 18/5	The State of Agricultural Commodity Markets (SOCO) 2018: Agricultural trade, climate change and food security
CCP 18/6	FAO's programme of work in commodity markets and trade under the Strategic Framework
CCP 18/7	Themes for the next edition of The State of Agricultural Commodity Markets
CCP 18/8	The 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs)
CCP 18/9 Rev.1	Multi-year Programme of Work (MYPOW)
Information documents	
CCP 18/INF/1	Provisional Timetable
CCP 18/INF/2	List of documents
CCP 18/INF/3	List of delegates and observers
CCP 18/INF/4	Statement of competence and voting rights submitted by the European Union (EU) and its Member States (MS)
CCP 18/INF/5	Statement by the Deputy Director-General (Operations)
CCP 18/INF/6	The Agricultural Market Information System (AMIS)
CCP 18/INF/7	The Global Information and Early Warning System on Food and Agriculture (GIEWS)
CCP 18/INF/8	Food aid data collection for the CSSD: An appraisal of existing systems and a proposal to address gaps
CCP 18/INF/9	Investment, trade, output and commodity prices
CCP 18/INF/10	Climate change and its impact on the work and activities of FAO
CCP 18/INF/11	Biodiversity Mainstreaming Platform

- CCP 18/INF/12 Report of the Joint Meeting of the 39th Session of the Intergovernmental Group on Hard Fibres and the 41st Session of the Intergovernmental Group on Jute, Kenaf and Allied Fibres (Tanga, the United Republic of Tanzania, 15–17 November 2017)
- CCP 18/INF/13 Report of the 23rd Session of the Intergovernmental Group on Tea (Hangzhou, the People's Republic of China, 17–20 May 2018)
- CCP 18/INF/14 Emerging Opportunities for the Application of Blockchain in the Agri-food Industry