

FAO MINISTERIAL ON FOOD PRICES

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Rome, FAO Headquarters, Plenary Hall

**Key messages delivered by
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European Commission**

- The Commission thanks FAO for this Third Ministerial on international food prices, focusing on governance and commodity markets and for the related concept note.
- While volatility is currently lower than at the time of the first FAO Ministerial, it is nevertheless expected to remain higher over the next years than in the past decade. Hence, it is wise to take a deeper look at changes in commodity markets and indeed consider governance.
- In our view, the G20 Action plan on food price volatility and agriculture already contains relevant elements of governance. Its key priorities remain valid even today, including as regards governance.
- We underline the key role of the Agricultural Market Information System (AMIS), which indeed provides a model for future development.
- Increasing agricultural production and productivity also includes some governance dimensions, in particular with respect to the role

of research. We welcome the readiness of G20 Agricultural Chief Scientists (MACS) to share information on national research priorities. This is essential in order to achieve globally a productivity and sustainability lift.

- As regards stocks, we also recall the proposal of the G20 action plan on small targeted regional emergency humanitarian food reserves systems. The European Commission is the main donor for the related pilot project developed with Ecowas and the World Food Programme. When it comes to bigger buffer stocks, we remain very cautious, based on our own past experience in the EU, and on well-documented global experience.
- Governance of international commodity markets should be in line with relevant WTO provisions. WTO rules are a form of governance, and they can be improved in the on-going negotiations under the Doha Development Agenda. We are monitoring closely developments in Geneva and the coming weeks will be crucial on securing a permanent solution.
- As regards the EU, we have consistently reformed our Common Agricultural Policy to move away from price distorting measures towards decoupled income support. The latest reform also encompasses new crisis and risk management tools. I wish to underline that the EU has not used export refunds, despite crises situations in some sectors.

- The new Research Framework Programme of the European Union, Horizon 2020, will contribute to promote agricultural research and innovation in order to allow the farm sector to adapt to new trends and to become more resource efficient.
- In addition, the new European Innovation Partnership on Agricultural Productivity and Sustainability has been set up.
- Last but not least, under our EU Development Policy, we support diversification to help developing countries to be less dependent on single commodities. We are also committed to Policy Coherence for Development – the need to look closely at the linkages between sectoral policies and development policy.
- Regarding the questions considered in the Ministerial meeting, we would like to encourage deeper insights into movements across commodity markets, both agricultural and other raw materials, both physical markets and financial ones. In particular, analysis of the impact of energy prices on the costs of production in agriculture should be pursued. Again, I recall the relevant priorities outlined in the G20 action plan on better regulation and supervision of agricultural financial markets. The EU advanced series of regulatory initiatives, encompassing financial and commodity markets.
- On the question related to the Post 2015 development agenda, we look forward to the report of UN Secretary General Ban Ki Moon

in November. We will certainly be engaged in the forthcoming inter-governmental negotiations that commence in February.

- We are looking forward for the proceedings of this Ministerial meeting and for the possibility to follow up in the Committee on Commodity Problems (CCP) later this week. The CCP is a key component of the institutional architecture on commodities. It is timely that this Ministerial meeting takes place at the eve of the 70th session of this Committee. This will help providing new impetus to a Committee that should not only address commodity problems, but find solutions.