

August 2006



منظمة الأغذية  
والزراعة  
للأمم المتحدة

联合国  
粮食及  
农业组织

Food  
and  
Agriculture  
Organization  
of  
the  
United  
Nations

Organisation  
des  
Nations  
Unies  
pour  
l'alimentation  
et  
l'agriculture

Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
Alimentación

## COMMITTEE ON COMMODITY PROBLEMS

### INTERGOVERNMENTAL GROUP ON MEAT AND DAIRY PRODUCTS

#### Twenty-first Session

**Rome, 13-16 November 2006**

### PROVISIONAL AGENDA, AGENDA NOTES AND TIMETABLE

#### I. ORGANIZATIONAL MATTERS

- a) Election of Chairperson and two Vice-Chairpersons
- b) Adoption of Agenda and Timetable

#### II. MAJOR POLICY AND ECONOMIC ISSUES RELATING TO MARKETS FOR LIVESTOCK, MEAT AND DAIRY PRODUCTS

- a) Meat and Dairy Markets: Outlook and Commodity Issues
- b) Impact of Further Animal Disease Outbreaks on Livestock Markets
- c) Import Surges: Country Case Study Results and Policy Options
- d) The WTO Negotiations: Developments and Implications for Livestock, Meat and Dairy Markets

#### III. INTERNATIONAL POLICY ACTIONS

- a) Follow-up to the Guidelines for International Cooperation in the Livestock and Meat Sector
- b) Review of Symposia Recommendations: Proposed FAO and IGG Action Plan
- c) The Development Strategy for Meat and Dairy Products: A Discussion and Proposed Revisions
- d) Developments Regarding the Common Fund for Commodities (CFC)

#### IV. OTHER MATTERS

- a) Adoption of the Report of the Sub-Group on Hides and Skins (Ninth Session)
- b) Activities of Other International Organizations of Interest to the Group
- c) Date and Place of the Next Session of the Group
- d) Adoption of the Report

## **AGENDA NOTES**

1. The Twenty-First Session of the Intergovernmental Group on Meat and Dairy Products (IGG) will be held at FAO Headquarters in Rome from Monday, 13 November to Thursday 16 November 2006. In line with the Group's recognition in the previous Session of the usefulness of revitalizing the IGG Session through the organization of technical meetings, the IGG session will start Monday 13 November but will be immediately followed, on Tuesday and Wednesday, by two informal Symposia. These informal fora provide opportunities for technical experts and delegates to meet and discuss issues of importance to livestock and dairy markets. One symposium will focus on the markets and trade dimensions of avian influenza and the second on the role of value chains and comparative marketing systems in dairy development and trade. The IGG will resume on Thursday 16 November. Please refer to the proposed timetable for more details on symposia agendas.
2. The Committee on Commodity Problems (CCP), at its Sixty-second Session, decided that, "on a trial basis and for selected IGGs to be determined in consultation with their chairpersons, the final report of the session recording recommendations and major conclusions will be prepared by the Secretariat or a rapporteur and dispatched to participants within two weeks." The report of the Twentieth Session of the Meat and Dairy IGG was prepared by the Secretariat after the Session concluded, and was sent to each delegation with a request that the Secretariat be advised of any omission or error. The report was subsequently considered adopted on the advice of the Chairman.
3. Following consultations with the Bureau, it is planned that this procedure be adopted again for this session. The Secretariat would draft a record of the major conclusions of the session on the basis of the Chairperson's concluding comments for each item discussed. The draft report would be considered by the Chairperson and Vice-Chairpersons prior to dispatch to participants.
4. The Session could, however, convene to adopt its report if required. Provisions have been made to adopt the report of the Session on the afternoon of Thursday 16 November.

## **I. ORGANIZATIONAL MATTERS**

### **A. ELECTION OF CHAIRPERSON AND TWO VICE-CHAIRPERSONS**

5. At each session, the IGG elects one Chairperson and two Vice-Chairpersons who hold office until the subsequent session. Mr Richard Tudor Price (Canada) was elected Chairperson of the last IGG meeting held in June 2004. Mr. Mohamed Abdalla A. Ahmed (Sudan) and Mr Juan Alcides Santaella Gutiérrez (Colombia) were elected First and Second Vice-Chairpersons, respectively.
6. When submitting proposals for nominations of the Chair and Vice-Chairs, members may wish to consider that the elected delegates will retain responsibility until the next Session, on behalf of the Groups, for all matters related with the sponsoring of projects for submission to the Common Fund for Commodities. The Secretariat would therefore like to request that, prior to their nomination, members' availability and preparedness to fulfill that responsibility for at least two years be taken into consideration.

### **B. ADOPTION OF AGENDA AND TIMETABLE**

7. The Session will consider the provisional agenda (CCP: ME 06/1) for adoption.

## **II. MAJOR POLICY AND ECONOMIC ISSUES RELATING TO MARKETS FOR LIVESTOCK, MEAT AND DAIRY PRODUCTS**

### **A. MEAT AND DAIRY MARKETS: OUTLOOK AND COMMODITY ISSUES**

8. A presentation of recent developments and issues in the global market for meat and dairy products will be made by the Secretariat. Up-to-date information on the current market situation and the short-term outlook will be tabled at the Session (CCP: ME 06/CRS.1). This presentation will be supplemented by a review of the shape of global livestock markets through the year 2015 based on medium-term projections undertaken jointly by the OECD and FAO.

### **B. IMPACT OF FURTHER ANIMAL DISEASE OUTBREAKS ON LIVESTOCK MARKETS**

9. In a context of steadily rising demand for locally produced and imported livestock products, escalating and pervasive outbreaks of animal diseases are posing considerable challenges to livestock producers, industries and policy makers around the globe. In follow-up to the Group's recognition that animal disease outbreaks have been having increasing disruptive impacts on international meat markets, the potential market and trade impact of animal disease on global markets will be examined through document CCP: ME 06/2.

### **C. IMPORT SURGES: COUNTRY CASE STUDY RESULTS AND POLICY OPTIONS**

10. During the Twentieth Session of the IGG, it was noted that more in-depth analysis was needed on identifying the impact of import surges on national markets in developing countries in the context of inter-market linkages among different types of markets, both spatially and among different products. This study reviews the results of country case studies, assesses the issue from the perspectives of the various stakeholders, evaluates the impact of these surges on the domestic industries and reviews developing institutional capability to resort to WTO trade remedy measures. With the assistance of this document (CCP: ME 06/3), the Group will have the opportunity to review other country experiences and problems and to discuss response mechanisms, covering both WTO-related instruments and other policy measures.

### **D. THE WTO NEGOTIATIONS: DEVELOPMENTS AND IMPLICATIONS FOR LIVESTOCK, MEAT AND DAIRY MARKETS**

11. The status of the Doha Round of Multilateral Trade negotiations will be reviewed, with a brief summary of any newly agreed provisions as they apply to livestock, meat and dairy markets. The development aspects of the Round, and their linkages to these markets, will be presented through a panel discussion, with special attention on issues related to Special Safeguard Mechanisms and Special and Sensitive Products. Updated information on the provisions and potential impact will be tabled at the Session (CCP: ME 06/CRS.2). The Group is invited to share country specific concerns.

### **III. INTERNATIONAL POLICY ACTIONS**

#### **A. FOLLOW-UP TO THE GUIDELINES FOR INTERNATIONAL COOPERATION IN THE LIVESTOCK AND MEAT SECTOR**

12. As part of its work to assess the impact of policies on trade in livestock, the principal meat and dairy policy measures introduced since the last IGG meeting in 2004 will be reviewed (CCP: ME 06/4), with particular consideration given to the WTO commitments taken in relation to livestock sectors. The Group is expected to examine the progress made in achieving the objectives of the Guidelines and Governments are invited to supplement or update the information contained in the document.

#### **B. REVIEW OF SYMPOSIA RECOMMENDATIONS: PROPOSED FAO AND IGG ACTION PLAN**

13. In light of the two technical symposia organized by the Secretariat, the Group is requested to review, summarize, and comment on the recommendations (CCP: ME 04/CRS.3). An oral report will be provided of the informal consultations on Tuesday 14 and Wednesday 15 November. Delegates are encouraged to comment on the follow-up needed to ensure FAO and IGG implementation of the recommendations.

#### **C. THE DEVELOPMENT STRATEGY FOR MEAT AND DAIRY PRODUCTS: A DISCUSSION AND PROPOSED REVISIONS**

14. The Group developed a strategy for the development of the sector at its Fifteenth Session in 1994. In light of changing markets for livestock products, the diverse and broader challenges for industries and the recent inclusion into the mandate by the Group of dairy and dairy products, members may want to review this strategy at its Twenty-first Session. In addition to the inclusion of dairy in the commodity strategy, it was recommended that the approach be organized more as a strategic plan for commodity development. The Secretariat will present a revised strategy approach in document CCP: ME 06/5 for consideration by the Group.

#### **D. DEVELOPMENTS REGARDING THE COMMON FUND FOR COMMODITIES (CFC)**

15. The IGG on Meat and Dairy Products is a designated International Commodity Body (ICB) under the rules of the Common Fund for Commodities (CFC) and, in this role, it has promoted projects on dairy and meat products. A status report on commodity projects within the area of competence of the IGG (covering livestock, meat and dairy) will be submitted to the Group for their information and comment (CCP: ME 06/6). Delegates will be informed of progress made in implementing various projects that are being currently supervised and review new project profiles for sponsoring.

### **IV. OTHER MATTERS**

#### **A. ADOPTION OF THE REPORT OF THE SUB-GROUP ON HIDES AND SKINS (9<sup>TH</sup> SESSION)**

16. The Group will consider the report (CCP: ME 06/7) of the Ninth Session of the Sub-Group on Hides and Skins, which was held in Tanzania in 2006.

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**B. ACTIVITIES OF OTHER INTERNATIONAL ORGANIZATIONS OF  
INTEREST TO THE GROUP**

17. The Group will be informed of recent and planned activities in other organizations which are observers to the IGG.

**C. DATE AND PLACE OF THE NEXT SESSION OF THE GROUP**

**D. ADOPTION OF THE REPORT**

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**PROVISIONAL TIMETABLE OF THE INTERGOVERNMENTAL GROUP AND  
THE SYMPOSIA**

<b>Monday, 13 November:</b>	<b>IGG</b>
08:00 - 09:00	Registration
09:00 - 09:30	Opening Session
09:30 - 17:30	Working Session (Items I and II)
<b>Tuesday, 14 November:</b>	<b>Symposium: " Markets and Trade Dimensions of Avian Influenza Prevention and Control "</b>
08:00 - 09:00	Registration
09:00 - 17:30	Symposium
	Dinner (optional – expenses covered by participants)
<b>Wednesday, 15 November:</b>	<b>Symposium: "Dairy Value Chains and Comparative Marketing Systems"</b>
08:00 - 09:00	Registration
09:00 - 17:30	Symposium
	Dinner (optional – expenses covered by participants)
<b>Thursday, 16 November:</b>	<b>Final IGG Session</b>
09:30 - 12:30	Working Session (Items III and IV)
14:30 - 17:30	Adoption of the Report (if required)

## **An FAO Symposium:**

### **Markets and Trade Dimensions of Avian Influenza Prevention and Control**

*Tuesday, 14 November 2006*

Shaping the landscape of global livestock industry are the escalating and pervasive outbreaks of animal diseases. In a context of steadily rising demand for locally produced and imported livestock products, these outbreaks are posing considerable challenges and imposing costs on livestock producers, industries, and policy makers around the globe. While the short term costs of animal disease outbreaks are shown to be considerable, they also hold long term implications for trading patterns, policy formulation, industry investment and sector development.

It is clear that the costs of disease outbreaks and economic implications for an industry transcend the actual costs of controlling the disease. This is true in developed countries, where despite the availability of government's means to compensate a given sector, market shocks induce costly ripple effects throughout the industry and economy. It is even more true in developing countries where control measures need to be assessed in terms of the impact on industries and market participants, in particular small producers who are at risk from livelihoods shocks. The choices of policy intervention and control measures can have differential impacts on markets, trade, and different sub-groups of the sector. Increasingly, and very acutely in the case of avian influenza which has implications for human health, policy makers are forced with the difficult question of how the livestock sector should be structured and how markets should evolve to limit the damaging impact of animal disease outbreaks.

Through a mixture of presentations and dialogue, the symposium responds to increasing concern about the socio-economic impact of animal disease in the context of market shocks and policy formulation. The ultimate objective of the symposium is to inform FAO delegates and invited participants on guidelines and principles which support policy makers in understanding:

- The role of market and trade in determining the direct and indirect costs of animal disease outbreaks.
- The economic and social implications of various policy responses in the context of production systems, linkages to markets, and magnitude of disease outbreaks
- Appropriate policy and institutional measures to put in place which minimize the economic costs of animal disease
- The role of public/private sector linkages in mitigating AI-induced market shocks
- Lessons learned from different country specific control mechanisms
- Appropriate international policies and their role in maintaining market opportunities in the context of AI outbreaks

### **PROVISIONAL AGENDA**

08:00 - 09:00 Registration

09:00 - 09:15 Opening, Review of the Objectives of the Symposium

09:15 – 11:00 The Economics of Animal Disease Prevention and Control

- Understanding the role of markets and trade in the spread of animal disease; theory and empirical findings
- How do markets respond to disease outbreaks? The differential impact on market participants.
- The hidden costs: impact on livelihoods and households.
- Policy choices and institutional options: how do they affect disease costs

RESPONDANTS from developing/developed countries

11:00 - 11:20 Break

11:20 – 12:15 Public/Private Sector Linkages: Issues in maintaining markets for large and small poultry operations. What are the trade-offs?

12:15 - 13:00 RESPONDANTS: Developing country representatives

13:00 - 14:00 Lunch Break

14:00-15:00 International Trade Dimensions of Animal Disease Control: What are the policies needed to minimize market disruption?

RESPONDANTS: International Rules: Where are the gaps?

15:00-15:30 Effective Communication: A tool for minimizing disruptive market impacts

15:30 – 16:00 “Best Market Practises in Mitigating Market and Trade Impacts of Animal Disease”. What are the requirements? Panel of Experts

16:00 - 16:30 Developing country responses on “Best Market Practises in Preventing Disease”.

16:30 - 17:30 Summary and Recommendations by Experts (experts=selected speakers)

20:30 Dinner (optional – expenses covered by participants)



## **An FAO Symposium:**

### **Dairy Value Chains and Comparative Marketing Systems**

*Wednesday, 15 November 2006*

The dairy industry is present in most all countries of the world with varying importance in terms of its role in producer livelihoods and in food consumption. Globally there appears to be considerable potential for growth as incomes grow, populations urbanize, and as technology spreads to facilitate new product development and shelf life.

In developing countries dairy is a growing industry, and in many cases strongly so. In many of these countries, milk is largely marketed through the informal sector. In some countries, cooperatives also play an important role. In developed countries, where the dairy industry is highly organized and integrated with processing and retailing activity, the industry is often marked by a high degree of protection. At the same time, increasing trade, and in particular trade agreements both regional and multi-lateral have the prospect of impinging on national milk marketing systems.

Marketing systems are determined by extensive legislation, and affect players throughout the supply chain. This Symposium would examine various marketing systems and their impact on the dairy value chain. The main questions to be addressed are: "How do alternative marketing systems affect the performance of the dairy value chain, and for whom?", "How far into the marketing chain should producers venture?" "Which systems will work best in the evolving trade policy environment?"

The objective of the symposium is ultimately to focus on dairy policy and how it may best serve the industry in the future. Presentations by key industry experts will cover key fields of interest. A wrap-up panel/discussion will provide conclusions/recommendations.

Proceedings/papers from this Symposium will be published by FAO if appropriate financing is found.

### **PROVISIONAL AGENDA**

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|---------------|--|
| 08:00 - 09:00 | Registration   |
| 09:00 - 09:15 | Opening, Review of the Objectives of the Symposium                           |
| 09:15 - 10:30 | Dairy Value Chains and Comparative Marketing Systems: An Overview Discussion |
| 10:30 - 11:00 | Break  |
| 11:00 - 11:45 | Marketing Systems, Prices and Income Shares Along the Value Chain            |
| 11:45 - 12:30 | Marketing Systems and Growth: A Comparative Analysis                         |
| 12:30 - 14:00 | Lunch Break  |

14:00 - 14:45    Marketing Systems and Development: The Role and Future of Informal Dairy Markets in Developing Countries

14:45 - 15:30:    What is the Future for Dairy Policy? - Pressures and Opportunities

15:30 - 16:00    Break

16:00 - 16:45    Panel - Representation by Producers, Processors and Retailer Industry Participants

16:45 - 17:30    Facilitated Discussion - Some Recommendations for Policy Development

20:30             Dinner (optional – expenses covered by participants)