

Contributions to the HLPF 2016 from the Committee on Commodity Problems (CCP)

I. An assessment of the situation regarding the principle of “ensuring that no one is left behind” at the global level:

Leaving no one behind – the cardinal principle of Agenda 2030 – is at the centre of the mandate and work of the Committee on Commodity Problems (CCP). Established in 1949, the CCP is open to all FAO Members and currently consists of 110 Members, plus observers. A principal function of the CCP is to keep under review commodity problems of an international character affecting production, trade, distribution and consumption, and related economic matters, especially to the extent that these impact on hunger, food security and the incomes of small-scale producers.

Among the almost 800 million individuals still suffering from hunger today, a large and growing majority live in rural areas, among which are many small-scale food producers, particularly women, and landless workers. It is the poorest and most hungry people around the world that are most vulnerable to external factors and shocks, whether these are excessive commodity price volatility, climate change, shift in trade policies and flows, or other factors. “Ensuring that no one is left behind” calls for the integration of smallholders and family farmers into markets and value chains. They also need up-to-date and reliable information on commodity markets, and especially prices so they get the best price for their produce.

II. The identification of gaps, areas requiring urgent attention, risks and challenges:

Besides the aforementioned function of keeping commodity problems of an international character under review, the CCP also prepares a factual and interpretative survey of the world commodity situation; and reports and submits suggestions to the FAO Council on policy issues arising out of its deliberations and those of its Subsidiary Bodies. The CCP normally meets once every two years, while additional sessions may also be held upon Members’ request.

One of the main areas examined in the 2014 session of the CCP as requiring urgent attention for the potential risks and challenges involved was the issue of commodity price volatility and particularly the extent to which food stocks could be used to reduce price volatility and stabilize markets. Successive food price spikes in recent years had highlighted the vulnerability of international markets to supply and demand shocks and focused analytical attention on the relationship between stocks and prices.

Besides the issue of price volatility, other areas that require great attention include market transparency and policy coordination; trade policy and the global trading system; agricultural investment in the context of long-term commodity price trends; climate change and effects on commodity markets and trade flows; and the integration of small and family farmers into markets and value chains.

III. Valuable lessons learned on ensuring that no one is left behind:

As mentioned above, in its 2014 session the Committee examined the suitability of food stocks for limiting price volatility, recognizing that the most vulnerable people are usually the hardest hit by exposure to such shocks. The Committee considered and discussed a wealth of analysis and

concluded that although emergency reserves have an important contribution to food security, past attempts to use buffer stocks to stabilize prices had proven ineffective and costly in practice.

Recognizing that ensuring that no one is left behind also involves collecting and producing high quality, granular data, the Committee also issued specific recommendations to governments to intensify their efforts to improve the quality and timeliness of data and estimates for a wide range of parameters relating to trade and markets, including production, utilization, trade, stocks and prices. It is indeed expected that many of these metrics will feed into national, thematic and even global reporting and monitoring under the 2030 Agenda. This includes SDG indicator 2.c.1 (Indicator of Food Price Anomalies) which is under FAO custodianship.

IV. Emerging issues likely to affect the realization of this principle:

A number of items in the provisional agenda of the 71st session of the CCP (October 2016) are relevant to the 2030 Agenda or the SDGs and will highlight linkages to the new global framework. For instance, the State of Agricultural Commodity Markets (SOCO) 2015–16 flagship report features a chapter on linking trade and food security to the 2030 Agenda. It reflects on the ways trade has been identified as an enabler in the SDGs' means of implementation and the FfD outcomes and makes particular reference to SDG targets 2.b, 2.c, 8.a, 10.a, 14.6, 17.10, 17.11 and 17.12, though it also posits that the specific linkages between trade and food security have not been fully articulated in the SDG framework. In addition, an item on FAO's new corporate Climate Change Strategy draws strong linkages between the SDGs, the global climate agenda and the Addis Ababa Action Agenda, as integral components of a single 2030 Agenda. Furthermore, and as in each session, the Committee will discuss commodity market situation and outlook, in both the short and medium terms, highlighting the major emerging issues in commodity markets and agricultural trade.

Under the agenda item on FAO's work programme in trade and markets, members will receive an update on the 2030 Agenda and FfD outcomes as a critical, integral framework for global governance that has an impact on global agricultural commodity markets and international trade. The same item will also elaborate on a number of tools and mechanisms that FAO deploys or hosts in the area of trade and markets, and which are of direct relevance to several SDG targets, particularly 2.b and 2.c. These include the Agricultural Market Information System (AMIS) – a comprehensive mechanism for global market information, monitoring and analysis; the Global Information and Early Warning System (GIEWS), which provides regular assessments of food supply, demand and market situation; and a range of other initiatives through which FAO supports a more effective engagement of countries in trade-related deliberations.

V. Areas where political guidance by the High-level Political Forum on Sustainable Development is required:

The CCP secretariat is aware of the ongoing informal consultations on the follow-up and review framework for the 2030 Agenda, facilitated by Belize and Denmark, and the draft resolution issued on the modalities. While the CCP is particularly interested in the first theme scheduled for 2017, “Ensuring food security on a safe planet by 2030”, its session cycle would make it challenging for it to contribute substantively already at this early stage.

The CCP would welcome any political guidance by the HLPF on priority areas for future work with a view to making the CCP more pertinent to the global follow-up and review process. Guidance would

be appreciated particularly on possible monitoring and reporting roles for the CCP within the context of the SDGs.

VI. Policy recommendations on ways to accelerate progress for those at risk of being left behind:

The Committee has issued numerous policy recommendations to the FAO Council and Conference over the years, aiming to accelerate progress for those at risk of being left behind, particularly the almost 800 million people still suffering from chronic hunger, many of which are small-scale food producers. For instance, the Committee has recognized the importance of improved market access to commodities from developing countries as a way to enhance food security and income generating objectives of these countries. It has provided advice as regard direction for future work and support to Members in the area of policy interventions and support to smallholder participation in markets, including allocation of appropriate resources and the importance of analysis and research to improve the understanding of patterns of smallholder market participation and their determinants.

The Committee has also recognized that increased coordination among countries and enhanced market transparency could contribute to stabilizing markets both domestically and globally, and has stressed the need for more timely and reliable information on commodity markets, improved food security and vulnerability information and analytical studies as a measure to enhance market transparency and reduce price volatility. In earlier sessions, the CCP had stressed the high importance of the Doha Round Agreement for its potential contribution to creating an enabling environment for agricultural development and food security and to responding to high and volatile food prices. It has underlined the importance of urgent and successful conclusion of the Doha Round, while also recognizing the role of various international organizations in delivering technical assistance programmes and in conducting studies on markets and trade policy issues and implications for food security.

The CCP Reports available on the Committee's webpages comprise the main repository of its policy recommendations.