



#### Annex 4.

### FAO COMMITTEE ON COMMODITY PROBLEMS (CCP) inputs to High-level Political forum 2019

*“Empowering people and ensuring inclusiveness and equality”*

**Goal 4.** Quality education; **Goal 8.** Decent work and economic growth; **Goal 10.** Reduced inequalities; **Goal 13.** Climate action; **Goal 16.** Peace, justice and strong institutions; **Goal 17.** Partnerships for the Goals.

The mandate of **FAO’s Committee on Commodity Problems (CCP)** is twofold: i) keep under review commodity problems of an international character that affect production, trade, distribution, consumption and related economic matters; and ii) prepare a factual and interpretative survey of the world commodity situation to be made available to Member Nations. The CCP identifies specific commodity problems and issues of global nature, and discusses and proposes response mechanisms

## I. KEY MESSAGES

### 1. Market transparency and accessibility to market information

*Transparent and properly functioning food and agricultural markets are essential for inclusive growth and equality. The availability of credible and timely data on commodity markets is crucial for this.*

- a) Commodity market monitoring, assessment and outlook are important activities to improve market transparency and inform policy decisions. It is important to strengthen these activities and support Members in achieving target SDG 2.c, *“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”*.
- b) Governments and other stakeholders are urged 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.
- c) The medium-term commodity projections produced jointly by FAO and OECD are important, useful and relevant to inform policy decisions, and their use and uptake should be promoted through national and regional institutions and South-South and triangular cooperation.

### 2. Agricultural trade



*Trade is one of the key means of implementation of the SDGs, with trade-related targets specified under several SDGs (1, 2, 8, 10, 14 and 17), requiring progressively integrated and cross-cutting approaches at global, regional and national levels.*

### Importance of agricultural trade

- a) Agricultural trade can play a crucial role as an enabler to achieve the SDGs, particularly SDG 1 on ending poverty in all its form everywhere and SDG 2 on ending hunger, achieving food security and improved nutrition, and sustainable agricultural development.
- b) 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 is important.
- c) Market access to agricultural products from developing countries is important as a way to enhance their food security and income-generating objectives.
- d) There is a need to strengthen the human and institutional capacities of developing countries to better undertake analysis on the implications of, and opportunities arising from, trade and related policies for food security and nutrition.
- e) FAO's standard-setting activities are important for international agricultural trade, and the work of standard-setting bodies should be strengthened, including ensuring sustainable funding.

### Agricultural trade and climate change

- f) Agricultural trade can play a role in climate change adaptation and mitigation and contribute towards ensuring world food security, promoting agricultural productivity growth globally, and potentially reducing global greenhouse gas emissions.
- g) There is an urge to continue strengthening capacity development activities to enable countries to face the growing challenges, especially in addressing the impact of climate change.
- h) Small Island Developing States (SIDS) are particularly vulnerable to climate change and the way it negatively affects their food production, and thus the need for open, transparent, equitable and non-discriminatory international and regional agricultural markets, which would enable them to meet their food requirements.

### **3. Smallholders' integration into markets**



*Integration into markets and value chains is important for empowering smallholders and family farmers and for promoting inclusiveness and equality.*

- a) It is important to develop policies and strategies to support smallholders' integration into markets and value chains. Globally more than 80 percent of smallholders operate in local and domestic markets. Efforts to increase the productivity of smallholders and family farmers to ensure inclusive, gender equitable rural and agricultural development would only have limited impact if linkages to markets and value chains were not strengthened simultaneously. Small family farmers can also benefit from increased market transparency and better access to market information.
- b) There is a critical need for more and better agricultural investments, in particular towards smallholder producers in developing countries. Investment in agriculture and rural infrastructure is crucial for increasing farmers' productivity and integration into markets and strengthening their resilience. It is vital for the investments to be responsible in order to be sustainable and benefit those that need them the most.

## **II. ACTIVITIES AND TOOLS SUPPORTING MEMBER STATES**

The 2030 Agenda recognizes that transparent and properly functioning food commodity markets and the correction and prevention of trade restrictions and distortions in world agricultural markets are essential in the global effort to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture (SDG 2). Furthermore, SDG 17 on the means of implementation and global partnership contains a dedicated section to trade. All these aspects are critically important for empowering people and achieving greater inclusiveness and equality.

In this section, we highlight examples of successful activities and tools that contribute to empowering countries and people and ensuring inclusiveness and equality.

### **A. Promoting Agricultural Market Transparency and Accessibility to Information**

#### **1. Monitoring of SDG indicator 2.c.1 of food price anomalies**

FAO is the custodian UN agency for SDG indicator 2.c.1 of food price anomalies. In order to help countries monitor progress, a proper indicator has been developed.

The indicator is a measure of food price volatility, detecting abnormal increases in food prices, and gives regular price information on a basket of food products to help ensure appropriate measures can be taken in a timely manner to offset price hikes. The indicator of food price anomalies is calculated using country level data. Feeding into FAO's Global



Information and Early Warning System (GIEWS) and its activities under the Food Price Monitoring and Analysis (FPMA) tool at country level, the indicator offers to governments and concerned actors regular information on food prices. Results are analysed and disseminated on a monthly basis through the FPMA website and bulletins, with the aim of providing early alerts to countries where there is a potential of negative impacts on economic access to food because of abnormally high prices.

In order to assist countries in using the indicator, GIEWS provides technical support on the indicator's methodological approach and its calculation and an e-learning course has been developed and launched for this purpose. The course provides a clear and easy-to-use guide to understand the indicator, the methodology to estimate it and how to interpret it. It covers basic concepts related to market functioning, prices determination and price volatility and explains how to calculate the indicator and use the online FPMA tool to interpret the results at national and international levels.

More information can be accessed here:

SDG Indicator 2.c.1: <http://www.fao.org/sustainable-development-goals/indicators/2c1/en/>

FAO E-learning Centre: <https://elearning.fao.org/login/index.php>

FPMA Price Warnings: <http://www.fao.org/giews/food-prices/price-warnings/en/>

FPMA Bulletin: <http://www.fao.org/giews/reports/fpma-bulletin/en/>

## **2. Agricultural Market Information System (AMIS)**

The Agricultural Market Information System (AMIS) was launched in 2011 by the G20 as part of the Action Plan on Food Price Volatility and Agriculture. The initiative came in response to sharp price spikes and swings in international prices of basic food commodities, which exposed a number of weaknesses in market information systems and the coordination of actions and policy responses. Weaknesses included lack of up-to-date and reliable data and information on crop production, utilization, stocks and export availability. AMIS is supported by an inter-agency Secretariat hosted in FAO. The work of AMIS consists of enhancing the quality and availability of data and information on global markets of the four covered commodities (wheat, rice, maize and soybeans), analysing the global market situation and outlook; engaging in capacity building activities at country level, and promoting policy dialogue among AMIS participating countries, especially in times of market uncertainty.

AMIS has certainly contributed to improving market transparency and accessibility to data and information on global food markets. A part from the regular publications, such as the AMIS Market Monitor published 10 times a year, the Secretariat has produced several research papers and studies, guidelines and literature reviews that are available on the public website of AMIS. The initiative has also contributed to strengthening national capacities to monitor food markets. For some AMIS participant countries, the very concept



of supply and demand balances was new, making them greatly benefit from the guidance received and the targeted training activities in the respect. Others, with already functioning monitoring systems, have broadened the scope of their analysis from national to global level, for example to assess their position in global markets as a food importer or exporter.

Perhaps most importantly, AMIS has built a network of trust among the major food producing and consuming countries. The network was put to test in 2012 when a drought in North America sharply affected maize and soybean yields, while hot and dry conditions in Southern Europe raised concerns over wheat yields. Given the importance of both regions for global food markets, many observers sensed another food price crisis. However, unlike in 2007/08, countries were able to revert to AMIS for providing a forum to assess the market situation and discuss adequate responses. Despite pressure on the G20 to take action, AMIS participants decided against holding an emergency meeting, which in their view would have further destabilized markets. AMIS also advised against hasty policy action that had exacerbated crises in the past. The 2012 episode illustrated that AMIS can avert market instability.

More information on AMIS can be accessed here: <http://www.amis-outlook.org/home/en/>

## **B. Promoting Agricultural Trade**

### **1. E-learning courses**

Two courses were developed on trade to strengthen country capacities in developing and implementing evidence-based trade policies and negotiating and formulating trade agreements. The main objective of the courses is to help countries benefit from agricultural trade, taking into consideration their specificities and needs for sustainable and inclusive economic growth. This should empower countries and contribute to better inclusiveness and equality.

Course 1: Agriculture in International Trade Agreements

Course 2: Trade, Food Security and Nutrition

The courses have been adapted, translated and delivered as facilitated e-learning courses through the UNITAR platform to mainly public-sector policy officers. Delivered in three regions: Eastern and Southern Africa (about 100 participants from 15 countries, in English); Central and West Africa (about 50 participants from 14 countries, in French); and post-Soviet countries in Europe and Central Asia (about 80 participants from 12 countries, in Russian).

More information can be accessed here:

<https://elearning.fao.org/course/index.php?categoryid=17>



## 2. Regional Initiative on Agri-Food Trade and Regional Integration

The Initiative focuses on strengthening national and regional capacities in Europe and Central Asia to deal effectively with the challenges posed by greater trade integration. Its main objective is to support countries in enhancing their agri-food trade policy environment for small and medium-sized agricultural and food producers. The Regional Initiative has three main components: (1) Capacity development on WTO trade agreements and effective use of WTO procedures; (2) Implementation of global food quality and safety standards including addressing sanitary, animal health and phytosanitary issues; (3) Supporting food export diversification and promotion to develop more inclusive and efficient agri-food systems.

As part of the implementation of the Regional Initiative, the Agricultural Trade Expert Network in Europe and Central Asia has been created to facilitate the generation and sharing of knowledge and help countries to make the appropriate policy decisions in the development of the region's trade potential. The network brings together around 40 experts, from post-soviet countries as well as some EU countries, who conduct research, carry out training programmes and advise governments and the private sector on issues related to agri-food trade and trade policy, including trade agreements.

More information can be accessed here: <http://www.fao.org/europe/regional-initiatives/agri-food-trade/en/>

### C. Promoting Partnerships

#### **World Banana Forum (WBF)**

The WBF has been established to provide a platform where the main stakeholders of the global banana supply chain can work together to achieve consensus on best practices for the sustainable production and trade of banana.

By bringing together governments, producers, retailers, importers, exporters, consumer associations, research institutions, trade unions and civil society organizations, the WBF's mission is twofold:

- a) inspire collaboration between stakeholders that produces pragmatic outcomes for the betterment of the banana industry; and
- b) achieve consensus of best practices regarding workplace issues, gender equity, environmental impact, sustainable production and economic issues.

The Forum has produced a number of tools for the banana sector, including:



Food and Agriculture  
Organization of the  
United Nations



- A set of best practices for sustainable production easily accessible through a dedicated web portal;
- A Manual on Occupational Health and Safety to train workers, company staff and growers;
- A practical guide for measuring and reducing the carbon and water footprints of growers;
- A global multi-stakeholder Task Force to combat Fusarium wilt Tropical Race 4.

The WBF can serve as an inspiration and a model for other commodities to follow a similar approach.

More information on the WBF can be accessed here: <http://www.fao.org/world-banana-forum/vn/>

- used on multi-stakeholder partnerships