



Food and Agriculture
Organization of the
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FAO COMMITTEE ON COMMODITY PROBLEMS (CCP)

Inputs for the 2020 High-Level Political Forum (HLPF)

7-16 July 2020

“Accelerated action and transformative pathways: realizing the decade of action and delivery for sustainable development”

ANNEX 4

Inputs by the FAO Committee on Commodity Problems

FAO’s Committee on Commodity Problems (CCP) helps in promoting integrated and transformative approaches to accelerate progress through its mandate i) keeping under review commodity problems of an international character that affect production, trade, distribution, consumption and related economic matters; and ii) preparing 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 and actions to face them. It deliberates on key issues, debates the effects on global food security and makes policy recommendations. The work of the CCP is pertinent to the 2030 Agenda for Sustainable Development and to a number of Sustainable Development Goals (SDGs), and in particular to SDGs 1, 2, 8, 12, 13 and 17, as well as the intersection among the various Goals.

1. **Key policies and measures to ensure “accelerated action and transformative pathways” for realizing the decade of action and delivery for sustainable development**
 - a) **Market transparency and accessibility to market information** is crucial for global food security, especially in terms of informing policy decisions. There is a need to increase efforts to improve the monitoring and assessment of supply, demand, trade and prices of food and agricultural commodities and make the information publicly available in a timely manner to enhance transparency and promote coordination of action.
 - b) **Agricultural Trade can pay an important role as an enabler** to achieve the SDGs, particularly SDG 1 on ending all forms of poverty everywhere and SDG 2 on ending hunger, achieving food security and improved nutrition and promoting sustainable agriculture.
 - c) **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. It is crucial to **enhance and facilitate policy dialogue** at global, regional and national levels at the juncture of trade and climate change.
 - d) Policies and strategies to support **smallholder, women and young farmers’ integration into markets and value chains** need to be developed to promote **inclusiveness and equality**.

Efforts to increase the productivity of smallholders and women and young 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. There is a critical need for more and better investments, in particular towards smallholder producers in developing countries.

2. Contribution of the CCP to accelerated action and transformative pathways and realizing the decade of action and delivery for achieving the 2030 Agenda

- The work of the CCP is pertinent to a number of SDGs, particularly to SDG2 (target 2.b and target 2.c) and SDG 17 (section on trade), and to accelerating action towards achieving the 2030 Agenda.
- CCP makes important contributions to the enabling environment for more effective and informed decisions and action at the global, regional and national levels, by reviewing commodity markets and emerging issues, promoting dialogue and providing policy recommendations, guiding work priorities and advising on technical assistance and capacity development needs of countries.
- The CCP guides FAO's work on global issues that affect commodity markets and agricultural trade. Under the CCP mandate, FAO maintains a comprehensive market intelligence service for food and agricultural commodities, provides analytical and policy relevant information and is responsible for servicing the arrangements for early warnings and alerts on food shortfalls. The CCP also urges to promote multi-stakeholder partnerships for the sustainable production and trade of agricultural commodities.

3. Selected recommendations for accelerating progress and moving on transformative pathways for realizing the decade of action (72nd Session of CCP, 26-28 September 2018)

- a) 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.
- b) The Committee recommended South-South and triangular cooperation to promote the uptake and utilization of medium-term projections for agricultural commodity markets.
- c) 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.
- d) The Committee urged to continue strengthening capacity development activities to enable countries face the growing challenges, especially in addressing the impact of climate change.
- e) The Committee acknowledged the particular vulnerability of Small Island Developing States (SIDS) and the way their food production was affected. The Committee underlined the need for open, transparent, equitable and non-discriminatory international and regional agricultural markets, which would enable them to meet their food requirements.

Examples of work areas and instruments as part of the input of the CCP to accelerating progress towards realizing the decade of action and achieving the 2030 Agenda

Example 1

Investing in data and statistics for the SDGs and strengthening statistical capacities to address gaps in data on the Sustainable Development Goals in order to allow countries to provide high quality, timely, reliable, disaggregated data and statistics and to fully integrate the Sustainable Development Goals in monitoring and reporting systems:

A. 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 the 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), analyzing 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.

Another important feature is that 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 as 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 accessible here: <http://www.amis-outlook.org/home/en/>

B. OECD-FAO Agricultural Outlook

The *OECD-FAO Agricultural Outlook* is an annual report that brings together the commodity, policy and country expertise of both organizations and inputs from collaborating member countries, to provide an annual assessment of medium-term prospects of global agricultural markets:

The medium-term outlook offers policy makers and stakeholders an assessment of national, regional and global market prospects in the coming decade for major agricultural commodities, biofuels and fish. The

baseline projections represent a plausible scenario about the future based on specific assumptions regarding macroeconomic conditions, agriculture and trade policy settings, weather conditions, long-term productivity trends and international market developments. They represent a metric against which stakeholders can assess variations in key determinants of the markets, such as crop yields, shifts in consumption patterns or changes in domestic and trade policies. Its underlying modelling system ensures the consistency of baseline projections and is an instrument for the quantitative analysis and assessment of policy options and resource allocation decisions.

The 2019 edition of the report downloadable here: <http://www.fao.org/3/ca4076en/CA4076EN.pdf>

Example 2

Enhancing national implementation by proactively mainstreaming the 2030 Agenda into national planning instruments, policies, strategies and financial frameworks, while respecting national processes and ensuring ownership

The State of Agricultural Commodity Markets (SOCO): SOCO is a biennial flagship report that aims to bring to policy makers and the wider public an accessible discussion of agricultural commodity market issues and policy matters. It seeks to provide an objective and balanced treatment of economic and trade issues for all those interested in agricultural commodity market developments and their potential impacts on countries and on food security.

The 2018 edition of SOCO was on the theme “Agricultural trade, climate change and food security”. It focused on the complex and underexplored intersection between agricultural trade, climate change and food security. The report makes an important contribution to the policy debate on climate change adaptation and mitigation. The report discusses policies – both domestic support and trade measures that can promote food security, adaptation and mitigation, and improve the livelihoods of farmers around the world. SOCO 2018 represents an important contribution to the policy debate on how to strengthen the mutually supportive role of trade rules and climate actions. The 2018 edition of SOCO accessible here: <http://www.fao.org/3/I9542EN/i9542en.pdf>

SOCO 2015-16 was entitled “Trade and food security: achieving a better balance between national priorities and the collective good”. The objective of the report was to reduce the polarization of views on the impact of agricultural trade on food security and on the manner in which trade should be governed to ensure that increase trade openness is beneficial to all countries. By providing evidence and clarity on a range of contemporary topics, the report sought to contribute to a more informed debate on policy choices and to identify required improvements in the policy processes within which these choices are made. The 2015-16 edition of SOCO accessible here: <http://www.fao.org/3/a-i5090e.pdf>

Example 3

Reducing inequalities in wealth and income through sustainable and just economies, providing adequate and well-directed financing, an enabling environment for sustainable investments and delivering on commitments to international cooperation, aligned to longer-term sustainability pathways and solving challenges through cooperation and partnerships at all levels

The World Banana Forum (WBF): A multi-stakeholder partnership to promote the sustainable production and trade of banana:

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 Forum's mission is primarily twofold:

- a) Inspire collaboration between stakeholders that produces pragmatic outcomes for the betterment of the banana industry;
- b) Achieve consensus on 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:

- 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 accessible here: <http://www.fao.org/world-banana-forum/en/>