



International
Food & Agricultural Trade
Policy Council



Annual Report
2009

Promoting a more open and equitable global food system

LETTER FROM THE CHIEF EXECUTIVE



Although global food prices declined after their peaks of 2007/08, this was not the case in many low-income countries, where there continues to be a food crisis. With the world's hungry now topping a billion, it is inappropriate to refer to a "silver lining," but the international community's response to the crisis has been promising. After decades of neglect, the World Bank and bilateral donors are re-emphasising the importance of the agricultural sector in development assistance, and billions of dollars have been pledged. The challenge now is to ensure that those billions are actually disbursed – and more importantly – that they are spent wisely. Sound agricultural development requires a long-term commitment to research and development, technology transfer, infrastructure support and the creation of sound markets and a vibrant private sector.

Trade policies are also vital in this process. A distorted agricultural trade system stymies investment in the agricultural sectors of low-income countries, and trade barriers on the export and import side hamper the actual flow of food from regions of surplus to regions of deficit. While it is laudable to strengthen the agricultural sectors in low-income countries, it is foolhardy for countries to aim for self-sufficiency in the aftermath of this extreme price volatility, as this requires abundant natural resources, which very few countries enjoy, and a reliably favorable climate, which really no country enjoys, and can only be achieved at high economic and environmental costs.

As evident from the program overview, IPC continued throughout 2009 to champion smart policies to promote global food security. Sound policies at the national level can promote greater investment, innovation and productivity in the agricultural sector. These are buttressed by international collaboration in some key areas such as research, finance and trade. Our work this year has focused on both – the need to get national policies right, i.e. to consider alternatives to export restrictions or simplify and streamline trade preference programs, and - the need for greater international efforts, required in particular to reform a still highly distorted agricultural trade regime.

My thanks goes out to IPC's geographically and professionally diverse members for their impressive intellectual, yet also highly pragmatic, input and their tireless advocacy for a more open and equitable global food system.

A handwritten signature in black ink, appearing to read 'Charlotte Hebebrand', written in a cursive style.

Charlotte Hebebrand
IPC Chief Executive

A note from the editor:

Welcome to IPC's interactive 2009 annual report. It was designed to be published online and easily read in your web browser, downloaded as a PDF on your computer, or printed out in hard copy. It was also designed to allow you, the reader, to easily access the full IPC papers and more information about IPC events. Whenever you see text surrounded by a green dashed box, you can click on it to go to the full event or paper.

SUBSTANTIVE PROGRAMMING OVERVIEW

High food prices followed by a worldwide financial crisis led to a sharp increase in the number of hungry people worldwide and triggered renewed global attention to agricultural production and trade. In order to effectively address the myriad challenges facing the agrifood sector, IPC broadened the scope of its work program in 2009, engaging in research and advocacy within the following three pillars:

1. Climate Change and Food Security
2. Options for Trade Liberalization in Food and Agriculture
3. Convergence and Transparency in Food Standards

An overview of IPC's activities within each of these areas is provided below.

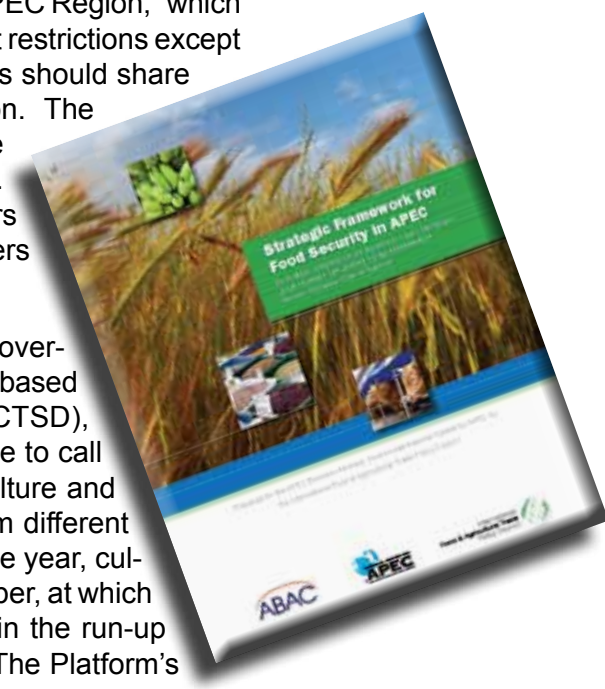
I. Climate Change and Food Security

In January – timed to coincide with the World Economic Forum meeting in Davos – IPC released a comprehensive study on the impact of export restrictions on food prices and by extension, on food security. The international reach of this study is nicely demonstrated by its Japanese financing and the co-authorship of a scholar from the Indian Consumer Unity and Trust Society (CUTS). The paper analyzes the historical use of export restrictions and the widespread use of such measures during the 2007/08 food price crisis and has been referred to as the most comprehensive study on this subject. The study argues that export restrictions impair rather than improve food security and advocates more targeted income transfers to the poor and vulnerable to help them cope with high prices and price volatility. It also advocates for more meaningful WTO disciplines on agricultural export restrictions, in order to provide greater assurances to importers.

IPC's Paper, "A Strategic Framework for Food Security in the APEC Region," suggests ways in which the countries of the region can jointly promote food security.

This theme is also picked up in an IPC paper commissioned by the APEC Business Advisory Council, "A Strategic Framework for Food Security in the APEC Region," which argues that countries in the APEC regions should not revert to export restrictions except in times of war or pursuant to a UN resolution and that all countries should share the burden of income transfer payments in poor areas of the region. The paper also suggests a number of other ways in which to promote food security, among them increased collaboration on food safety. The paper received strong positive reviews from ABAC members and was forwarded for consideration in advance of the APEC Leaders meeting in early 2010.

IPC also worked to ensure that food security concerns were not overlooked in the climate change negotiations. Together with the Geneva-based International Centre for Trade and Sustainable Development (ICTSD), IPC launched a Platform on Climate Change, Agriculture and Trade to call attention to the need for coherence across climate change, agriculture and trade policies and to create ongoing dialogue among experts from different disciplines. This Platform held a number of dialogues throughout the year, culminating in an international seminar, held in Washington in late October, at which the Platform's recommendations for policymakers were released in the run-up to the Copenhagen Summit and the November WTO Ministerial. The Platform's



analytical and advocacy efforts in 2009 were focused on the following key points, all of which found substantial resonance in policy-making circles:



Carlos Perez del Castillo, IPC Member and Former Chairman of the WTO General Council presents recommendations of the IPC-ICTSD Platform on Climate Change, Agriculture, and Trade. Others shown (L-R): Ricardo Melendez-Ortiz, Daniel Martino, & Tim Josling.

- policies chosen to address climate change must take global food security considerations into concern;
- sustained attention to and investment in the agricultural sectors of developing countries is imperative for both food security and climate change mitigation and adaptation;
- an open trade system is required to ensure food security in the context of climate change;
- policymakers must ensure on the one hand that climate change-related trade measures do not serve protectionist objectives, and on the other hand, that WTO rules do not serve as obstacles to legitimate climate change measures.

WTO Director General Pascal Lamy speaks at IPC's Spring 2009 Seminar, "Food and Environmental Security: The Role of Food and Agricultural Trade Policy, held in Salzburg, Austria. IPC uses highly visible international seminars to emphasize key findings of its work and to promote open trade policies as a means of improving global food availability and safeguarding the environment.



IPC used highly visible international seminars to emphasize key findings of its work on these topics and promote open trade policies as a means of improving global food availability and safeguarding the environment. Beyond the Washington DC seminar, IPC's spring 2009 seminar was also dedicated to this important topic. Held May 10-11 in Salzburg, Austria, this seminar on "Food and Environmental Security: The Role of Food and Agricultural Trade Policy," featured keynote speakers such as WTO Director General Pascal Lamy, EU Agricultural Commissioner Mariann Fischer-Boel and New Zealand's Trade and Climate Change Minister Tim Groser, as well as a diverse group of agricultural trade, climate change and development experts. The meeting was very well attended and received considerable international media coverage.



(L-R) IPC Member and President of the Federation of Free Farmers Cooperatives Inc. Raul Montemayor; IPC Member and Former Chairman of the WTO General Council Carlos Perez del Castillo; New Zealand Trade Minister Tim Groser; IPC Member and Professor, Institut Agronomique Méditerranéen, Montpellier Michel Petit, speak about adapting the international trade regime to new challenges at IPC's Spring Seminar in Salzburg, Austria.

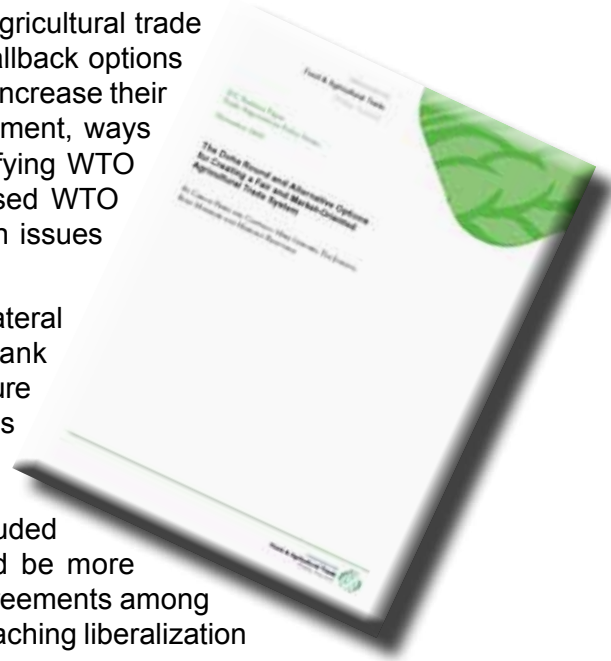
IPC also collaborated with the Washington-based Center for Strategic and International Studies (CSIS) to highlight the importance of trade and capacity building for achieving food security. Joint CSIS/IPC recommendations geared toward the U.S. government urge a greater emphasis on trade policy in the recently announced U.S. international food security initiative. These recommendations were discussed at a conference on the role of trade in food security held in October at the margin of IPC's fall meetings in Washington.

II. Options for Trade Liberalization in Food and Agriculture

Given the serious setbacks that have occurred in the Doha Development Round negotiations, IPC formed a working group to analyze different options for promoting agricultural trade liberalization, with an emphasis on their merits for/impacts on developing countries. The group's findings were presented and widely debated at both of IPC's 2009 plenary meetings and published as an IPC Position Paper, which was presented at the margin of the December WTO Geneva Ministerial. The paper concludes that the Doha Round – despite its setbacks – is still the best vehicle for reforming the international agricultural trade system and should be concluded. It also details other possible fallback options (sectoral, plurilateral, regional negotiations) and suggests ways to increase their potential impact. In addition, the paper addresses dispute settlement, ways to improve future multilateral rounds, ways for amending or clarifying WTO rules in the absence of a Round, and the importance of increased WTO cooperation with other international organizations, in particular on issues related to agricultural development.

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To further examine trade liberalization options outside the multilateral context, IPC partnered with the Inter-American Development Bank (IADB) on a comprehensive study analyzing the treatment of agriculture in regional trade agreements (RTAs) in the Americas, which was released in October. Drawing on the extensive IADB database on RTAs, this study is the first such detailed analysis of RTAs and agriculture. It shows that RTAs, especially more recently concluded agreements, do offer significant market access gains but could be more ambitious in other areas, i.e. SPS and TBT. It also reveals that agreements among developing countries within Latin America tend to have more far-reaching liberalization than agreements concluded between developing countries in Latin America and developed countries outside the region. The final paper was presented at the IADB at the margin of IPC's fall meetings in Washington DC. Both the IPC and IADB are keen to continue this collaboration and plan to examine the treatment of RTAs in other regions as well.



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IPC was also active on the topic of trade preferences. Collaborating with the Washington-based Partnership to Cut Hunger and Poverty in Africa, IPC released a policy brief on the U.S. African Growth and Opportunity Act (AGOA), examining the limited impact it has had on African agricultural exports. The brief offers suggestions on how the legislation could be improved to stimulate greater agricultural exports from Africa and strengthen regional markets. The brief was presented at the October AGOA summit in Kenya, received attention from U.S. administration officials, and has been used by House and Senate trade staffers working on U.S. preference reform. Responding to requests for further information, IPC and the Partnership are collaborating on two follow-on briefs that will examine how U.S. trade preferences are limited by tariff rate quotas on products in which African nations can be competitive, and on U.S. import approval procedures for horticultural products which are quickly growing value-added exports from Africa.



IPC's policy brief examining the AGOA legislation offers suggestions on how the legislation could be improved to stimulate greater agricultural exports from Africa and strengthen regional markets. This brief has been used by house and senate trade staffers working on U.S. preferences reform.

III. Convergence and Transparency in Food Standards

Food standards are becoming increasingly important in agricultural trade and can pose significant challenges for developing countries seeking to export their products. To clarify these issues and develop recommendations for food standards that will safeguard against plant and animal diseases and food-borne illness while at the same time facilitating market access for developing countries, IPC formed a food standards working group, which also includes non-IPC experts. This group has worked closely with the WTO's SPS Secretariat and established ongoing contact with the three international SPS

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setting bodies (Codex, OIE, IPPC). IPC also used its session at the WTO's September Public Forum to call attention to the need for better international cooperation in the area of standards. The session examined proposals for improving national adherence to the SPS notification system, increasing the transparency of both existing and new SPS requirements, and better estimating the trade impact of SPS measures.

In April, IPC also began its involvement with a major, multi-year, European Commission-financed international consortium project to determine the impact of public and private standards on trade. The overall objective of the project is to collect and analyze new data on non-tariff barriers (NTBs), particularly on governmental standards and regulations that prescribe the conditions facing EU agri-food product exporters, whilst comparing these to EU standards. The project will also include an analysis of how EU NTBs impact least developing country (LDC) exports.

IPC has also raised the importance of helping countries meet standards and streamlining overly burdensome and divergent food standards in order to help LDCs and developing countries take advantage of trade preferences.

Both public and private standards have been discussed by the IPC-ICTSD Platform on Climate Change, Agriculture and Trade given the increase in climate change-related standards. IPC has also raised the importance of helping countries meet standards and streamlining overly burdensome and divergent food standards in order to help LDCs and developing countries take advantage of trade preferences.



IPC 2009 PUBLICATIONS AND EVENTS

Position Papers:

- The Doha Round and Alternative Options for Creating a Fair and Market-Oriented Agricultural Trade System
- Strategic Framework for Food Security in APEC
- ICTSD-IPC Platform on Climate Change, Agriculture and Trade: Considerations for Policymakers
- Agricultural Export Restrictions: Welfare Implications and Trade Disciplines

Issue Briefs:

- The Role of International Trade in Climate Change Adaptation
- Climate Change and Developing Country Agriculture: An Overview of Expected Impacts, Adaptation and Mitigation Challenges, and Funding Requirements
- The Treatment of Agriculture in Regional Trade Agreements in the Americas
- Greenhouse Gas Reduction Policies and Agriculture: Implications for Production Incentives and International Trade Disciplines

Policy Focus:

- Options for Agricultural Trade Negotiations
- International Climate Change Negotiations and Agriculture
- Agricultural Export Restrictions

Discussion Paper:

- AGOA and Agriculture
- Food Security: The Role of Agricultural Trade

Special Events:

Climate Change and International Agricultural Trade Rules 43rd Plenary Meeting
 Climate Change Policies and Agriculture in the EU and the U.S. Geneva, Switzerland Salzburg, Austria
 Washington, DC October 1, 2009 May 10, 2009
 December 17, 2009

Options for Pursuing Agricultural Trade Liberalization Geneva, Switzerland
 Geneva Switzerland September 30, 2009
 December 1, 2009

Conference on the Role of Trade in Food Security Bonn, Germany
 Washington, DC April 5, 2009
 October 30, 2009

The Treatment of Agriculture in Regional Trade Agreements in the Americas 44th Plenary Meeting
 Washington, DC October 31-November 1, 2009
 Washington, DC October 30, 2009

IPC Seminars:

Climate Change, Agriculture, and Trade: Promoting Policy Coherence
 ICTSD-IPC Platform on Climate Change, Agriculture and Trade
 Washington, DC
 October 29, 2009

Food & Environmental Security: The Role of Food and Agricultural Trade Policy
 Salzburg, Austria
 May 10-11, 2009

IPC Plenary Meetings:

IPC MEMBERSHIP AND WORKING GROUPS

2009 New Members

Ashok Gulati, *Director in Asia, International Food Policy Research Institute*



R. Rodrigues

Namanga Ngongi, *President, Alliance for a Green Revolution in Africa*

Roberto Rodrigues, *Coordinator, Getulio Vargas Foundation Agribusiness Center; President, Superior Council of Agribusiness, São Paulo's Federation of Industries*



S. Tangermann

Marty Strauss, *Vice President, Food Policy, Monsanto Company*

Stefan Tangermann, *Professor Emeritus, Department of Agricultural Economics and Rural Development, University of Göttingen*

IPC Working Groups

Food Security and Climate Change Working Group

Chairs: Willem Jan Laan and Michel Petit

Members: Malcolm Bailey, Joachim von Braun, Piet Bukman, Pedro de Camargo Neto, Jason Clay, H.S. Dillon Franz Fischler, Hans Joehr, Rob Johnson, Raul Montemayor, Marty Strauss, Hiroshi Shiraiwa, Bob Thompson, Ajay VAshee

Non-IPC: Members of the ICTSD-IPC Platform on Climate Change, Agriculture and Trade

Trade Negotiations Working Group

Chairs: Carlos Perez del Castillo and Stefan Tangermann

Members: Mike Gifford, Ashok Gulati, Tim Josling, Rolf Moehler, JB Penn, Marcelo Regunaga

Food Standards Working Group

Chairs: Tim Josling and Jan-Maarten Vrij

Members: Pedro de Camargo Neto, Sarah Hull, Rolf Moehler, Joe O'Mara, Marty Strauss,

Non-IPC: Scott Andersen, David Orden, Donna Roberts

BOARD OF DIRECTORS

- Carlo Trojan, Chairperson
- Carl Hausmann, Vice Chairperson
- Marcelo Regunaga, Vice Chairperson
- Raul Montemayor
- Willem-Jan Laan
- JB Penn
- Piet Bukman
- Robbin Johnson
- Hiroshi Shiraiwa

FINANCIAL INFORMATION

	2007	2008	2009
<i>Revenues</i>			
Corporate grants	\$297,915.00	\$316,911.00	\$312,950.00
Conference revenue	\$61,863.66	\$47,234.70	\$44,905.15
Foundation/government grants	\$419,975.00	\$176,725.02	\$439,292.12
Other income	\$11,109.65	\$17,124.40	\$6,447.83
Total revenue	\$ 791,263.31	\$557,995.12	\$803,595.10
<i>Expenses</i>			
Salaries and benefits	\$306,549.22	\$248,781.68	\$288,670.46
Professional fees	\$45,577.50	\$151,620.75	\$106,522.50
Conference costs	\$105,580.83	\$35,823.19	\$79,598.52
Travel and lodging	\$94,170.57	\$59,546.89	\$86,266.17
Publications	\$44,970.52	\$2,305.99	\$12,054.65
Telecommunications	\$9,975.91	\$7,206.04	\$7,582.00
Rent and supplies	\$41,738.38	\$43,640.99	\$41,274.20
Insurance	\$2,635.20	\$7,682.80	See note 1 below
Return of Grant Funds		\$84,102.45	
Miscellaneous	\$4,757.35	\$3,499.66	\$9,036.00
Total expenses	\$655,955.48	\$644,210.44	\$631,004.50
Change in net assets	\$135,307.83	(\$86,215.32)	\$172,590.60

1. Insurance folded into Miscellaneous category in 2009

FUNDING

2009 Structural Support

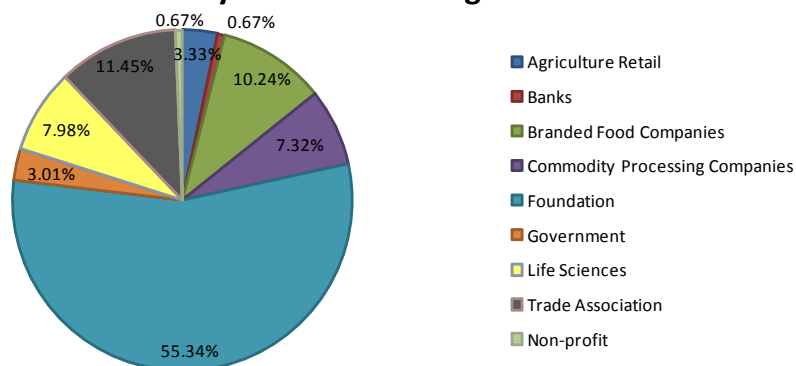
Alliance for Abundant Food and Energy (United States)
 Bunge North America (United States)
 Cargill, Inc. (United States)
 CropLife International (Belgium)
 Fonterra Cooperative Group, Ltd. (New Zealand)
 International Fertilizer Industry Association (France)
 John Deere (United States)
 Monsanto Company (United States)
 Nederlandse Zuivel Organisatie (The Netherlands)
 Nestlé (Switzerland)
 Rabobank International (The Netherlands)
 Syngenta International AG (Switzerland)
 Unilever N.V. (The Netherlands)
 Universal Corporation (United States)
 Vion N.V. (The Netherlands)
 The William and Flora Hewlett Foundation (United States)
 World Wildlife Fund (United States)

2009 In Kind/Project Support

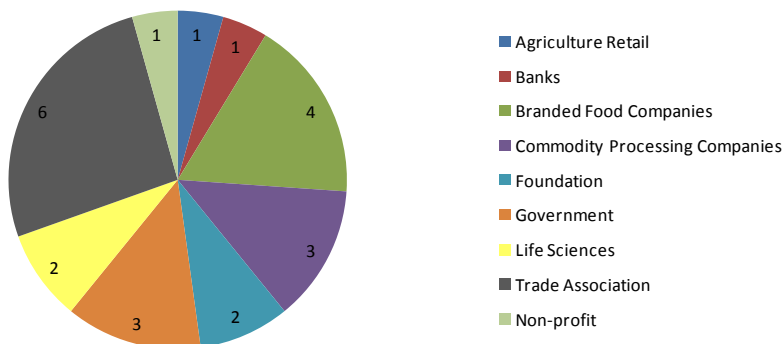
APEC Business Advisory Council Secretariat
 Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management
 Austrian Ministry of Foreign Affairs
 The Bill and Melinda Gates Foundation
 European Commission-Research Directorate General
 Hogan & Hartson, LLP
 Illinois Farm Bureau
 Land Salzburg
 National Center for APEC
 Raiffeisenverband Salzburg
 Syngenta International AG

Funding by Sector

By Share of Funding

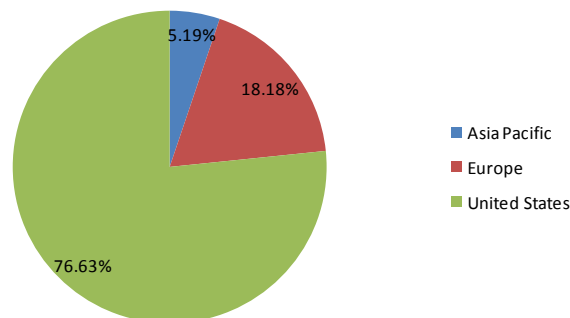


By Number of Funders

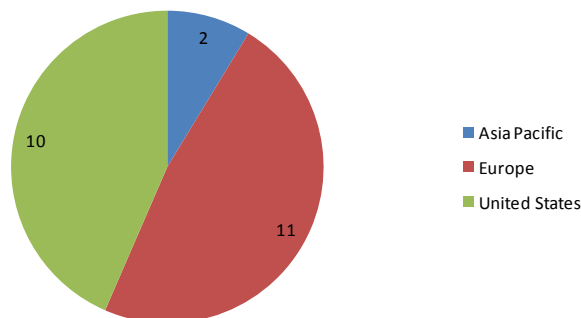


Funding by Geographical Origin

By Share of Funding



By Number of Funders



2009 Membership - International Food & Agricultural Trade Policy Council

Carlo Trojan, The Netherlands (Chairman)

Former Ambassador of the European Union to the WTO and former Secretary-General of the European Commission

Bernard Auxenfans, France Managing Director, Kincannon & Reed

Malcolm Bailey, New Zealand
Dairy Farmer and Member of the Board,
Fonterra Cooperative Group, Ltd.

Devry Boughner, United States
Director, International Business Relations,
Cargill, Inc.

Joachim von Braun
Director General, International Food
Policy Research Institute

Piet Bukman, The Netherlands
Former Dutch Minister of Agriculture, Minister of
Trade, Minister of Development Cooperation

Jason Clay, United States
Vice President,
World Wildlife Fund

Csába Csáki, Hungary
Member, Monetary Board,
Hungarian National Bank

Pedro de Camargo Neto, Brazil
Former Secretary of
Agricultural Production and Trade

H.S. Dillon, Indonesia
Chair, Center for Agriculture Policy Studies and
Former Assistant to the Minister of Agriculture

Franz Fischler, Austria
Former Commissioner for Agriculture,
European Union

Michael Gifford, Canada
Former Chief Agricultural Trade Negotiator,
Agriculture and Agri-Food Canada

Ashok Gulati, India
Director in Asia
International Food Policy Research Institute

Jikun Huang, China
Director, Center for Chinese Agricultural Policy,
Chinese Academy of Sciences

Carl Hausmann, United States
(Vice-Chairman)
President and CEO,
Bunge North America

Sarah Hull, United States
Head, Global Public and Government Affairs,
Syngenta Crop Protection AG

Nicolas Imboden, Switzerland
Executive Director
IDEAS Centre Geneva

Robbin Johnson, United States
Senior Vice President and Director,
Corporate Affairs, Cargill, Inc.

Hans Jöhr, Switzerland
Corporate Head of Agriculture and Assistant Vice
President, Nestlé

Timothy Josling, United Kingdom
Senior Fellow and Professor Emeritus, Institute for
International Studies, Stanford University

Willem-Jan Laan, The Netherlands
Director of Global External Affairs
Unilever

Rolf Moehler, Belgium
Former Deputy Director General,
European Commission

Raul Montemayor, Philippines
President, Federation of
Free Farmers Cooperatives, Inc.

Namanga Ngongi, Cameroon
President,
Alliance for a Green Revolution in Africa

C. Joe O'Mara, United States
President, O'Mara & Associates and
Former Special Agricultural
Trade Negotiator

J.B. Penn, United States
Chief Economist
Deere and Company

Carlos Perez del Castillo,
Uruguay
Former Permanent Representative of
Uruguay to the
World Trade Organization

Michel Petit, France
Professeur
Institut Agronomique Méditerranéen, Montpellier

Marcelo Regúnaga, Argentina
(Vice-Chairman)
Professor, Universidad de Buenos Aires and
Universidad de San Andres and former Secretary of
Agriculture

Lord Henry Plumb, United
Kingdom
Former President, European Parliament and
Former President, National Farmers Union

Roberto Rodrigues, Brazil
Coordinator, Getulio Vargas Foundation
Agribusiness Center
President, Superior Council of Agribusiness, São
Paulo's Federation of Industries

Hiroshi Shiraiwa, Japan
Former Counselor, Japan International Agriculture
Council, Former Director, Mitsui & Co.

James Starkey, United States
Former Vice President, Universal
Corporation and
Former Deputy Undersecretary for International
Affairs and Commodity Programs, US Department
of Agriculture

Jerry Steiner, United States
Executive Vice President,
Monsanto Company

Marty Strauss, United States¹
Vice President, Food Policy,
Monsanto Company

Stefan Tangermann, Germany
Professor Emeritus, Department of Agricultural
Economics and Rural Development,
University of Göttingen

Robert L. Thompson, United States
Agricultural Policy Chair, University of Illinois and
Former Director, Rural Development,
World Bank

M. Ann Tutwiler, United States²
Agricultural Trade Advisor
University of Maryland Eastern Shore

Ajay Vashee, Zambia
President, Southern African Confederation of
Agricultural Unions

¹ Replaced Jerry Steiner in October 2009

² Resigned active membership and granted member
emeritus status in June 2009



ABOUT IPC

The International Food & Agricultural Trade Policy Council (IPC) promotes a more open and equitable global food system by pursuing pragmatic trade and development policies in food and agriculture to meet the world's growing needs. IPC convenes influential policymakers, agribusiness executives, farm leaders, and academics from developed and developing countries to clarify complex issues, build consensus, and advocate policies to decision-makers.

Layout and Editing - **Katharine Shaw**, Program and Communications Manager
Authors - **Christine St. Pierre**, Policy Associate; **Charlotte Hebebrand**, Chief Executive

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