

IPC STATEMENT



Ten Ideas and Proposals for the G-20 Members to Consider

Dramatically shrinking world trade and emerging protectionist measures are putting the global food system at risk. The recent decline in commodity prices does not signal the end of the food crisis. The underlying trends of increasing demand and low stocks remain very much in place. Instead, the global financial crisis is further compounding the food crisis causing hardship and suffering in net food importing countries and amongst the world's poorest peoples.

The International Food & Agricultural Trade Policy Council (IPC) remains committed to an open global food system and a speedy completion of the Doha Round. However, completion of the Doha Round is only part of the solution. It is our hope that the G-20 countries will use their meetings as an opportunity to move beyond issuance of yet another "good intentions" commitment and turn to address the global problems head on.

Here are ten considerations on trade and global food security to think about:

1. The fact that the world's largest and burgeoning population centers and remaining arable land are distributed unevenly coupled with the reality that more than half of the global population will soon be living in urban centers means that trade in food will become increasingly important.
2. Only a few countries have sufficient available land, water resources and suitable climates to rely totally on their own production. Government efforts aimed at self-sufficiency run the risk of environmental degradation, exploitation of a region's scarce or fragile resources, and burdening taxpayers and consumers with unnecessary costs.
3. Climate change experts warn about increasing weather variability, leading to further production and price instabilities, which an open trade system can help offset.
4. The financial crisis risks cutting off recently stepped up investment flows from developing country governments, development assistance and the private sector. Importantly, an open trading system for food and agriculture will encourage more investment flows. This is true regardless of whether the reforms take place in OECD or developing countries.
5. Developed countries' use of export subsidies, trade-distorting domestic support, tariff peaks and tariff escalation have been shown to seriously disadvantage developing country producers, and must be phased out.
6. OECD countries and emerging economies should grant duty-free, quota-free treatment to all food and agricultural imports from least developed countries.
7. Developing countries should not compensate for rural neglect by solely relying on tariffs to protect vulnerable farmers. There are more targeted instruments and high prices hurt poor consumers while doing nothing to improve competitiveness.
8. An open trading system for food and agriculture is not a panacea for all that ails the agricultural sector. The "Aid for Trade" initiative should be elevated, and the international community should consider a more specific "Aid for Agriculture" initiative aimed at improving the agricultural sector in developing countries. The food crisis has highlighted decades of neglect of the agricultural sector in many developing countries, which need to be reversed.
9. As recently evidenced export restrictions aggravate global food security concerns. Food Security requires greater guarantees on availability of supplies. Effective disciplines on export taxes, export restraints and export embargoes are needed to restore the balance of obligations between exporters and importers.
10. As a first step, the international community should agree on an exemption for humanitarian food aid purchases from export restrictions. The issue of food aid should not be considered solely in terms of export competition. Equally important is consideration of a reliable approach to the impact of high prices on availability of food aid and in turn on poor countries and families.