

International  
Food & Agricultural Trade  
Policy Council



Annual Report  
2008

*Promoting a more open and equitable global food system*

## Letter from the Chief Executive

IPC was – as usual – very engaged during 2008 in its mission to promote a more open and equitable global food system. IPC members cautioned against relying solely on “quick fixes” in times of crisis and urged a long-term commitment to sound agricultural policies and trade liberalization.

In light of the increase in food prices which continued in 2008, IPC re-emphasized its strong support for greater investment – by both developing country and donor governments – to strengthen the agricultural sector in developing countries, and we are heartened to see an increase in these commitments. We also stressed the importance of pursuing sound trade policies, i.e. by demonstrating that agricultural export restrictions do not ease, but rather exacerbate international price pressures.

On the trade negotiations front, we strove both to evaluate and influence various draft texts emerging from Geneva. We pointed to the serious advances made since the beginning of the Doha negotiations in 2001 as well as in comparison to the outcome of the Uruguay Round Agreement on Agriculture, but were not shy about expressing our concerns that an excessive reliance on flexibilities - for both developed and developing countries - risked undermining the multilateral nature of the undertaking.

We were delighted to welcome Carlo Trojan, former Secretary General of the European Commission and the EC Ambassador in Geneva, as IPC’s new Chairman in 2008. His vast background in international trade and tremendous skills in brokering agreement among European member states serve him extremely well in his new role. We are enormously grateful to the commitment to the organization of outgoing IPC Chairman Piet Bukman.

IPC decided to accompany this change in chairmanship with an evaluation led by outside consultants of our role in the international agriculture debate. The global agricultural and trade environment has changed significantly since IPC was formed in 1987 to help push through the first ever multilateral Agreement on Agriculture. Issues such as sustainability, food security, non-tariff barriers and climate change have arisen as significant new fragments of the ‘open trade’ discussion. In order to be responsive to this more complex environment, IPC has decided to reach out to other disciplines, i.e. by forming a platform that convenes agricultural trade and climate change experts. We have also formed working groups, so that we can delve into ‘newer’ issues in a deeper and more concerted manner. Although our membership is already diverse, we are keen to expand it further to ensure that key geographic regions and actors in the food supply chain are better represented. We also found that the core strengths of IPC continue to serve us very well. IPC convenes a distinguished and diverse set of global thinkers – both within its membership and through the larger dialogues we organize around the world. Beyond this capacity to convene, the group is able to identify a compelling policy agenda and find consensus and arrive at pragmatic solutions to today’s pressing needs. We would be amiss if we did not mention the cooperation and comradery among our members, as put so nicely by one IPC member: “The intensity of personal contacts and the friendship is a crucial element in IPC’s success.”

We are grateful to the Flora and William Hewlett Foundation for sponsoring this organizational effectiveness exercise, in addition to the structural support it provided in 2008.



**Charlotte Hebebrand**



## Substantive Programming Overview

The dramatic increase in food prices that began in late 2007 and carried into 2008 drew the world's attention to the importance of food security and increased agriculture's profile in the eyes of policymakers and the international media. IPC addressed the issues raised during the food price crisis in its work program, signaling that while such price increases are a cause of great concern for vulnerable populations, they also present an important opportunity to emphasize the importance of promoting the agricultural sector in developing countries. IPC played a very constructive role in facilitating greater understanding of and consensus in the Doha Round negotiations and emphasized the importance of open trade for food security as well as environmental sustainability.

Since 2006, the IPC work program has focused on three key policy areas: agricultural trade negotiations, agricultural and rural development policies, and food technology and standards. IPC's work within each of these pillars in 2008 sought to address the myriad challenges facing agriculture in the 21st century, including meeting increased food, feed and fuel demand, increasing production in the face of constrained land and water resources, contributing to poverty alleviation and addressing climate change. Highlights from each area are presented below.

### Agricultural Trade Negotiations



**Dr. Mari Pangestu, Indonesia Minister of Trade, speaking at the 41st IPC seminar in Bogor, Indonesia**

IPC continued with its careful analysis of the multilateral agricultural trade negotiations, evaluated draft negotiating texts, pointed to areas of progress, and recommended further compromise on areas in need of greater ambition.

Crawford Falconer, chair of the Doha Round agriculture talks, issued a new draft text in early February 2008, which was updated in May 2008. With WTO Members endeavoring to reach an agreement on modalities during the spring of 2008, IPC partnered with the International Centre for Trade and Sustainable Development (ICTSD) and the International Food Policy Research Institute (IFPRI) to commission a series of papers examining the anticipated impact of the draft text on national policies and trade flows, so as to bring greater transparency to the negotiations.

One paper analyzed the modalities as a whole and compared the Doha proposal to the policy changes brought about by the Uruguay Round agreement, and three papers detailed the country-specific implications of the modalities for the EU, U.S., and India. The four papers were updated with the release of revised modalities in May and ultimately published in June. In September, a fifth study was published analyzing the implications for Brazil. The papers served as an important resource for negotiators and stakeholders seeking to identify actual gains and concessions and politically feasible compromises, and WTO Director-General Pascal Lamy viewed them as particularly helpful in terms of demonstrating what the modalities would mean in practice.

The initial findings of the studies were presented at a briefing in Geneva in March where representatives from numerous WTO member countries discussed the compromises necessary to reach a Doha agreement. IPC, ICTSD and IFPRI followed this event with a briefing on Capitol Hill in May that focused specifically on the implications of the modalities for the United States. Speakers at the Washington, DC event included U.S. Representative Ron Kirk, Ugandan Ambassador to the WTO Arsene M. Balihuta, Uruguayan Ambassador to the WTO Guillermo Valles, and IPC members Cal Dooley, Mike Gifford, Carl Hausmann, Tim Josling, JB Penn, and Joachim von Braun.

Domestic agricultural policies can have a tremendous impact on the flow of agricultural goods around the world, and throughout the year, IPC highlighted the importance of sound policy in achieving greater trade liberalization. The rapid increase in food prices raised serious concerns about food security and heightened the debate over the use of agricultural feedstocks for biofuels production. Simultaneously, deforestation caused in part by agricultural expansion has received greater attention, as demonstrated by the December 2007 decision taken by environment ministers to consider inclusion of an initiative to Reduce Emissions from Deforestation and Forest Degradation (“REDD”) in a Kyoto II regime.

In the midst of this environment, IPC held its 2008 spring seminar in Indonesia, a country where sustainability in agriculture, impacts from climate change, and food versus fuel competition are all pressing issues. Mari Pangestu, Indonesia’s Minister of Trade, addressed seminar participants regarding the intersection of food, energy, and climate change issues. Conclusions of the seminar discussion emphasized that liberalized trade can protect the environment and ensure an adequate food supply by encouraging production where it is most efficient. In addition to reducing trade barriers, governments were urged to invest in agricultural research and technology, implement responsible biofuels policies, and ensure that agricultural and forestry policies work cooperatively.

As many countries implemented trade-impeding measures in the name of food security, IPC undertook a timely study of the impact that export restrictions have had on the Argentine economy, particularly the rural sector, and highlighted the lack of meaningful international trade disciplines in this important area. The study found that export restrictions had net negative impact on the Argentine economy and from these results directed policymakers toward less trade-distorting poverty reduction measures. In the fall, IPC partnered with India-based CUTS Centre for International Trade, Economics & Environment to produce a second study on export restrictions; the paper highlighted the negative global effects of export restrictions and issued recommendations for alternative policy measures as well as more effective trade disciplines for export restrictions. IPC continues to be a vocal advocate for an open global trade system that provides guarantees not only for exporters but also for importers. An open trade regime is crucial for food security, but importers require greater assurances against the possibility of sudden export restrictions.

In lieu of its traditional fall seminar, IPC organized a session on the untapped potential for agricultural production and trade in developing countries as part of the World Food Prize Borlaug Dialogue held in Des Moines, Iowa in October. This annual

symposium brought together global leaders to examine the interaction of agriculture and global development over the next 50 years. The IPC session discussed how developing countries can best position themselves in agriculture’s changing environment to increase economic growth opportunities and ensure food security. The session featured presentations from IPC Members Bob Thompson and Pedro de Camargo Neto, African Union Commissioner for Rural Economy and Agriculture Tumusiime Rhoda Peace, and University of Adelaide Professor Kym Anderson. IPC members Carlo Trojan, Carl Hausmann, Jerry Steiner and Sarah Hull also participated in other sessions of the Borlaug Dialogue, emphasizing the importance of open markets.



**University of Adelaide Professor Kym Anderson, IPC Member Pedro de Camargo Neto, African Union Commissioner for Rural Economy and Agriculture Tumusiime Rhoda Peace, and IPC Member Bob Thompson at the IPC-organized session of the Borlaug Dialogue in Des Moines, Iowa.**

## Food Technology and Standards

Aware of the reality that food standards play an increasingly important role in international trade, IPC continued to expand its work program on standards. Beginning in the fall of 2007, IPC joined with the World Food Law Institute and the American Society of International Law to host a series of roundtable discussions on import standards. The roundtable series continued in March of 2008 with a discussion featuring experts from both the U.S. and the EU on food safety and trade issues related to animal cloning and nanotechnology. At the final roundtable in April, participants examined WTO jurisprudence on process and production methods (PPMs) and discussed how the controversy over PPMs may unfold in the context of future climate change regulation.

In June, IPC hosted an information session at the margin of the WTO SPS Committee meeting to present its study on EU and U.S. food import requirements. The position paper compared the import approval regulations and procedures for seafood and horticultural products on both sides of the Atlantic and identified areas where divergent standards could be streamlined. Without in any way amending their standards, the U.S. and EU could harmonize the procedures involved in meeting their standards, which would facilitate trade from developing countries and promote increased food safety. Speakers provided perspectives from Africa, the U.S., and the EU, and the concluding messages of the session were that the harmonization and equivalence provisions of the SPS agreement need to be better implemented and that countries must ensure that standards are scientifically justified and not more trade-distorting than necessary. There is significant scope for U.S. and EU regulators, as well as both trade and development officials, to introduce a greater development dimension to their transatlantic regulatory cooperation efforts.

## Future Work Program Development

Also during 2008, IPC engaged in an internal organizational effectiveness exercise to define how it can best maintain its advocacy in favor of an open and equitable trade system during a time when many other factors beyond multilateral negotiations over tariff and subsidy reductions are impacting agricultural trade. IPC charted its work program for the coming years, taking into account the expanding policy agenda for agriculture and trade issues. IPC will broaden the scope of its work within the following three pillars:

1. Food Security and Climate Change: The Role of Trade- IPC seeks to re-establish a broad consensus on the importance of open international trade in food and agriculture through stressing its importance for meeting food, environmental and energy security needs.
2. Options for Trade Negotiations- given the difficulties of reaching consensus within the WTO Doha Negotiations, IPC will undertake an in-depth examination and analysis of options to promote further trade liberalization in food and agriculture and examine the impact of such options on developing countries.
3. Food Standards- IPC will push for more convergence and transparency in setting food standards and approving imports from developing countries. It will emphasize the importance of harmonization and transparent approval procedures, so as to increase market access opportunities, and to make trade preferences more meaningful.

## IPC-ICTSD Platform on Climate Change Agriculture and Trade

In late 2008, IPC formed a partnership with the International Centre for Trade and Sustainable development to establish an interdisciplinary platform of climate change, agricultural and trade experts that will promote increased policy coherence and issue recommendations for achieving effective climate change mitigation and adaptation, food security and a more open and equitable global food system. This platform will undertake research, analysis and dialogues on issues at the interface between climate change, agricultural policy and trade. The inaugural meeting for the platform was held in December 2008 at the margin of the climate change negotiations in Poznan, Poland. Ex-



perts at this meeting discussed pressing policy matters at the interface between climate change and agricultural trade with the aim of outlining priorities for research and analysis that contribute to finding effective solutions through international cooperation in the context of negotiations towards Copenhagen 2009 and beyond. IPC Members Jason Clay, Franz Fischler, Raul Montemayor, Michel Petit and Ajay Vashee serve on the platform's steering committee, along with experts from developed and developing countries around the world.

## IPC Membership and Financial Overview

### 2008 New Members

**Devry Boughner, Director, International Business Relations, Cargill, Inc.**

**Jason Clay, Vice President, World Wildlife Fund**

**Sarah Hull, Head, Global Public and Government Affairs, Syngenta International**

**Willem-Jan Laan, Director, Global External Affairs, Unilever**

### 2008 Structural Support

Bunge North America (United States), Cargill, Inc. (United States), CropLife International (Belgium), Fonterra Cooperative Group, Ltd. (New Zealand), Grain and Feed Trade Association (United Kingdom), 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), The William and Flora Hewlett Foundation (United States), World Wildlife Fund (United States)

### 2008 In Kind/Project Support

Dutch Ministry of Agriculture, Nature and Food Quality, German Federal Ministry for Economic Cooperation and Development, Hogan & Hartson, LLP, Indonesian Ministry of State-Owned Enterprises, Indonesian National Logistics Agency, Illinois Farm Bureau, Japan Association for International Collaboration of Agriculture and Forestry, Monsanto, North American Export Grain Association, National Oilseed Processors Association, PT Astra Agro Lestari, The William and Flora Hewlett Foundation

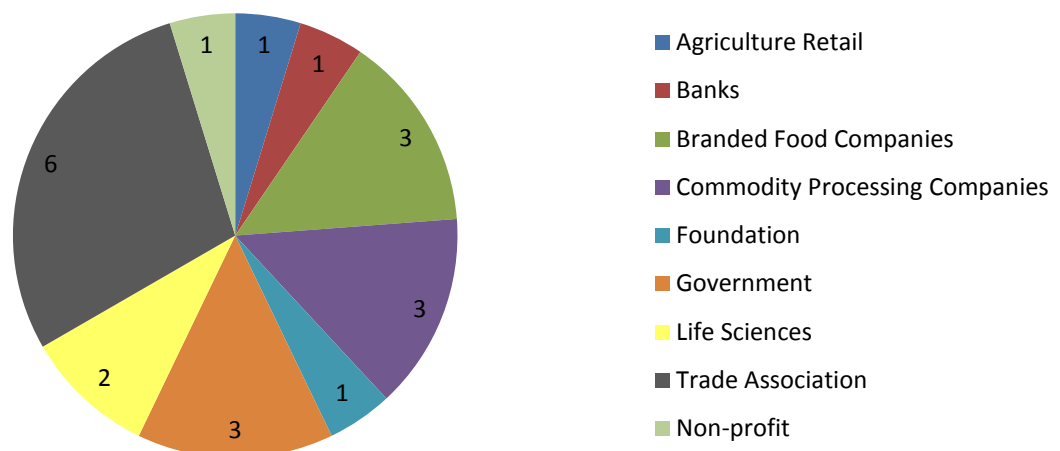
# Financial Information and Support

## Financial Information

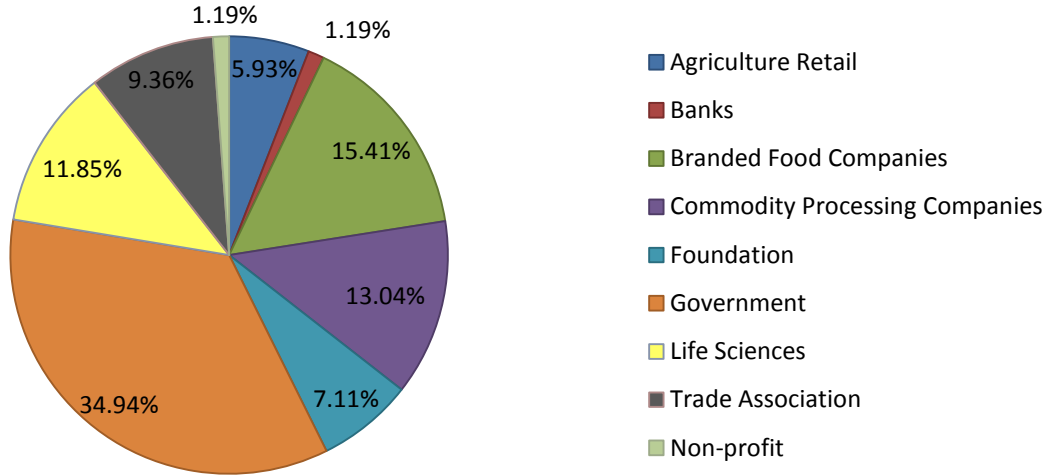
	2006	2007	2008
<b>Revenues</b>			
Corporate grants	\$277,513.50	\$297,915.00	\$316,911.00
Conference revenue	\$56,728.83	\$61,863.66	\$47,234.70
Foundation/government grants	\$318,451.66	\$419,975.00	\$176,725.02
Other income	\$1,030.14	\$11,109.65	\$17,124.40
<b>Total revenue</b>	<b>\$653,724.13</b>	<b>\$ 791,263.31</b>	<b>\$557,995.12</b>
<b>Expenses</b>			
Salaries and benefits	\$232,957.96	\$306,549.22	\$248,781.68
Professional fees	\$181,869.77	\$45,577.50	\$151,620.75
Conference costs	\$15,028.28	\$105,580.83	\$35,823.19
Travel and lodging	\$74,382.52	\$94,170.57	\$59,546.89
Publications	\$19,219.06	\$44,970.52	\$2,305.99
Telecommunications	\$9,840.23	\$9,975.91	\$7,206.04
Rent and supplies	\$37,982.54	\$41,738.38	\$43,640.99
Insurance	\$5,627.02	\$2,635.20	\$7,682.80
Return of Grant Funds			\$84,102.45
Miscellaneous	\$1,881.24	\$4,757.35	\$3,499.66
<b>Total expenses</b>	<b>\$578,838.62</b>	<b>\$655,955.48</b>	<b>\$644,210.44</b>
<b>Change in net assets</b>	<b>\$74,885.51</b>	<b>\$135,307.83</b>	<b>(\$86,215.32)</b>

## Funding by Sector

**By Number of Funders**

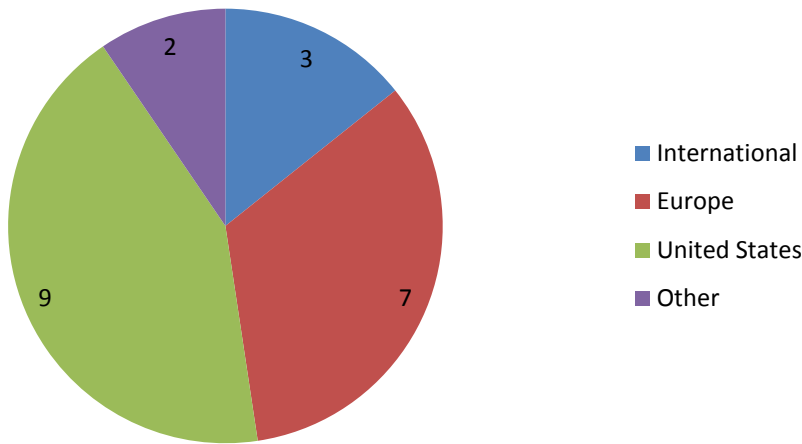


### By Share of Funding

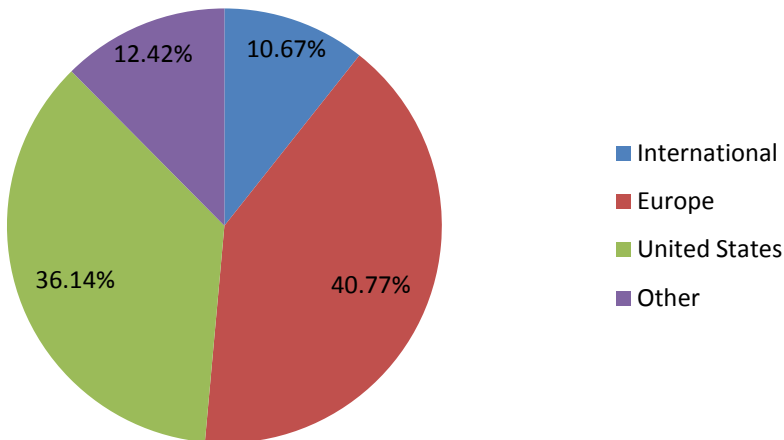


### Funding by Geographical Origin

#### By Number of Funders



#### By Share of Funding





## 2008 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 (Chairman through August 2008)

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

### Cal Dooley, United States

President and CEO, Grocery Manufacturers Association and Former Member, United States House of Representatives

### Franz Fischler, Austria

Former Commissioner for Agriculture, European Union

### Michael Gifford, Canada

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

### Carl Hausmann, United States (Vice-Chairman)

President and CEO, Bunge North America

### Tim Groser, New Zealand

Former Ambassador of New Zealand to the World Trade Organization and former Chair of WTO Agricultural Negotiations

### Jikun Huang, China

Director, Center for Chinese Agricultural Policy, Chinese Academy of Sciences

### 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.

### 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

### Marcelo Regúnaga, Argentina (Vice-Chairman)

Professor, Universidad de Buenos Aires and Universidad de San Andres and former Secretary of Agriculture

### Carlos Perez del Castillo, Uruguay

Former Permanent Representative of Uruguay to the World Trade Organization

### Michel Petit, France

Professeur, Institut Agronomique Méditerranéen, Montpellier

### Lord Henry Plumb, United Kingdom

Former President, European Parliament and Former President, National Farmers Union

### Hiroshi Shiraiwa, Japan

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

### Jiro Shiwaku, Japan

President, Japan Meat Technology Institute (JAMTI) and Former Vice-Minister for International Affairs, Ministry of Agriculture, Forestry, and Fisheries

### 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

### Robert L. Thompson, United States

Agricultural Policy Chair, University of Illinois and Former Director, Rural Development, World Bank

### M. Ann Tutwiler, United States

Managing Director for Trade and Development, William and Flora Hewlett Foundation

### Ajay Vashee, Zambia

President, Southern African Confederation of Agricultural Unions