ANNUAL REPORT 2010

International Food & Agricultural Trade Policy Council

Promoting a more open and equitable global food system
Writing with the benefit of hindsight, an overview of IPC’s efforts in 2010 demonstrates that this unique and diverse group of food and agricultural trade experts clearly has its fingers on the pulse of the global food and agricultural sector. Reviewing the proceedings and recommendations from our Spring 2010 seminar on price volatility, I am struck by the fact that problems and solutions identified by experts then, all surfaced in the ensuing G-20 deliberations on food security. Likewise, the group’s pleas for a greater focus on the food and agricultural sector and food security in deliberations in climate change negotiations were reflected in the call for an agricultural work program for the UNFCCC negotiations (although those negotiations like the multilateral trade negotiations are not proceeding swiftly, to put it mildly!)

There are a number of—sometimes seemingly intractable—challenges facing the global food and agricultural sector. Perhaps more than ever, it is vital to bring together top thinkers from different backgrounds and regions to not only analyze and debate these challenges, but more importantly to arrive at pragmatic policy solutions to address them. I feel fortunate to be associated with this Policy Council, which facilitates these important discussions and want to thank all IPC members and supporters for their participation in our deliberations.

Charlotte Hebebrand
IPC Chief Executive
November 2011

A note from the editor:

When reading this PDF online, whenever you see text surrounded by a green dashed box, you can click on it to go to the full event or paper.
In 2010, IPC provided consistent reminders that global food security requires not only a focus on increased agricultural productivity, but also on improved linkages for poor farmers to local, national, regional and international markets. With concerns over limited natural resources and climate change mounting, IPC also advocated for greater coherence between agricultural, environmental, and trade policies in order to minimize the risk of unintended effects in one policy area on another.

Price Volatility

The first of our two annual international seminars held in Barcelona in May focused on policy options to respond to agricultural price volatility: [http://www.agritrade.org/events/2010Spring_Seminar_AgPriceVolatility.html](http://www.agritrade.org/events/2010Spring_Seminar_AgPriceVolatility.html). Whereas the conference and associated outreach by the IPC Secretariat and IPC members certainly called for sustained investment in the agricultural sectors of developing countries and the establishment and maintenance of effective social welfare policies, its key contribution was to highlight the important role of markets and trade in food security. Consensus was reached on the need for the international community to seek ongoing reforms to the still heavily distorted agricultural trade system to improve the incentive structure for increased agricultural production in developing countries and on the helpful role of regional and international trade in managing steep price volatility. Attention was also called to the widespread resort to export restrictions, which created further panic in international markets and sent the wrong signal to agricultural producers and to the growth in biofuel production triggered by ambitious mandates and subsidies which risks more firmly linking the price of food to the price of energy. The conference also identified the lack of transparency surrounding food stocks as a factor that can serve to exacerbate price volatility. These trade related policy issues were clearly laid out in a set of shorter policy briefs prepared for IPC by a number of renowned experts in the field of agricultural trade, including collaborative efforts with the FAO and OECD, and serve as useful sources of information for policymakers and other stakeholders.

Biofuels

Given concerns about food price increases resulting from increased biofuel production, IPC undertook further analysis and advocacy related to biofuels policies this year: [http://www.agritrade.org/pressroom/BiofuelsPressRelease.html](http://www.agritrade.org/pressroom/BiofuelsPressRelease.html). In September, we released a position paper (which requires consensus among all IPC members) that called for greater transparency on subsidies to biofuels. Whereas the paper did not take a position on the environmental merits and drawbacks of biofuels, it pointed to the insufficient notification of biofuels subsidies to the WTO by the US, EU and Brazil and called for a clarification of how governments should notify such support. Most export restrictions announced in 2007-08 have been rescinded, but new ones were announced in 2010. A lot more attention is being given to their destabilizing effect, and IPC consistently emphasizes the need for improved trade disciplines to provide greater supply assurances.
importantly, it raised questions about whether support to the biofuels sector should not also be counted as support to agricultural producers, as in many cases it clearly provides pass through subsidies to that sector. The paper “Biofuel and Biomass Subsidies in the US, EU and Brazil: Towards a Transparent System of Notification,” by Tim Josling, David Blandford and Jane Earley was publically launched at a Capitol Hill event organized jointly with the Woodrow Wilson Center for International Scholars, which focused in particular on potential implications for US domestic support limits if biofuels subsidies were to be considered agricultural subsidies. In Europe, it was launched at the WTO’s Public Forum, in a session that also focused on the trade implications of biofuels sustainability criteria.

Climate Change

Efforts to promote global food security are compounded by challenging natural resource constraints, increased extreme climatic events and predicted changes in temperatures, necessitating a holistic look at food and agricultural policies. IPC released three final papers under the joint IPC/ICTSD platform on Climate Change, Agriculture and Trade in the first half of 2010: http://www.agritrade.org/pressroom/documents/ClimateChange_Agriculture_Trade.pdf.

The Platform paper “Agricultural Technologies for Climate Change Mitigation and Adaptation in Developing Countries: Policy Options for Innovation and Technology Diffusion” by Travis Lybbert and Dan Sumner emphasizes the need for sound policies and institutions to address impediments to the development, diffusion and use of relevant technologies that can surface at several levels – from the inception and innovation stages to the transfer of technologies and access to agricultural innovations by vulnerable smallholders in developing countries.

The Platform Paper “Carbon Concerns: How Standards And Labeling Initiatives Must Not Limit Agricultural Trade From Developing Countries” by James Macgregor posits that carbon-labeling schemes could provide developing countries with new market opportunities and niches based on carbon efficiency, but they also run the risk of restricting market access. The paper emphasizes the need for technical assistance and support to developing country players, particularly smallholders, to help them participate in such schemes and also argues that transparency is needed to allay fears that the schemes are not just another developed country form of “green protectionism.”

The third paper “Climate Change and China’s Agricultural Sector: An Overview of Impacts, Adaptation and Mitigation” by Jinxia Wang, Jikun Huang and Scott Rozelle examines Chinese agriculture greenhouse gas emissions and the scope for mitigation. Importantly, it also indicates that the potential impact of climate change on agricultural production and prices in China could have significant implications for not only the domestic market, but also for international markets, due to the sheer size of China’s domestic demand for agricultural products.
AGOA


A policy brief on “U.S. Tariff Rate Quotas and AGOA Market Access,” authored by David Skully, examines how U.S. TRQs for key agricultural commodities, including sugar, tobacco and peanuts, which are based on U.S. import patterns from decades earlier, limit export opportunities for AGOA countries; both the paper and IPC’s advocacy efforts focus on how the US TRQ system can be remedied from a development perspective.

A second policy brief on “Horticultural Exports from AGOA Countries to the U.S.: Challenges and Considerations,” authored by Rick Pasco, identifies critical hurdles facing African exporters of fruit and vegetables into the U.S. market, in particular in relation to plant health standards. It explains how U.S. regulators are required to undertake a detailed pest risk analysis, approve a pest mitigation strategy and can only approve a product for import after it has gone through a lengthy rule-making procedure. The paper shows that many import approval requests from Africa have been pending for years, and makes a number of pragmatic recommendations to US regulators and African producers about how the process could be expedited without in any way compromising on plant health considerations.

Both briefs were featured in an event on Capitol Hill, as well as in the AGOA Civil Society Forum, which picked up the recommendations set forth in the papers. The briefs also proved to be useful resources to African ministers meeting with their US counterpart during the official AGOA summit, and have become an important source of information for Congressional staffers and others working on a reform of US trade preference programs.

Standards

In 2010, IPC continued its focus on “non-tariff measures,” which, with further decreases in tariffs, have become a very important determinant for food and agricultural trade, as indicated in IPC’s paper on SPS requirements under AGOA (see above).
IPC continued its involvement in a major, two-year, European Commission financed 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) in food and agriculture, including a look at the impact of EU NTBs on least developed countries. The project aims to arrive at a methodology for comparing NTMs imposed by several countries in the form of a regulatory heterogeneity index. http://www.ntm-impact.eu/innovaportal/v/71/1/innova.front/Home.

Increasingly, food and agricultural standards and regulations—primarily but not exclusively private—pertain to environmental sustainability. Implications of carbon standards for developing countries were examined in the ICTSD-IPC Platform on Climate Change, Agriculture and Trade (see above). IPC also devoted its second annual international seminar to carbon standards with the International Seminar on Carbon Standards in Agricultural Production and Trade, co-hosted by São Paulo’s Federation of Industries (FIESP) and held in October in Sao Paulo, Brazil. Seminar participants took stock of the attempts by scientists and economists to measure the relative carbon content of biofuels versus fossil fuels, as well as to undertake sophisticated life cycle analyses on other food and agricultural products, and their implications for trade: http://www.agritrade.org/events/SaoPauloSeminar.html.

Whereas effort to minimize greenhouse gas emissions from agricultural production is to be welcomed, and carbon standards offer important opportunities, the seminar speakers also emphasized the challenges this new trend presents to agricultural producers, in particular in developing countries, but also to trade. Minister Tim Groser of New Zealand—the world’s only minister of trade and climate change—used the occasion of this seminar to give a major presentation on climate change prior to the UNFCCC meeting in Mexico. IPC’s incisive background briefs for this seminar, set forth the elements to consider in the carbon standards discussion and more concretely, in the debate over how to measure indirect land use change triggered by biofuels production.

The goal of the NTM-IMPACT Project, in which IPC is one of 19 international project partners, is to collect and analyze new data on non-tariff measures (NTMs), particularly on governmental standards and regulations that prescribe the conditions for EU agrifood exports and compares these with conditions for importing into the EU. Furthermore, impacts from EU and trade partner NTMs on least developing country (LDC) exports are examined.

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**IPC 2010 Publications and Events**

**Position Papers:**
- Biofuel and Biomass Subsidies in the U.S., EU and Brazil

**Discussion Papers and Issue Briefs**
- AGOA Countries: Considerations in Exporting Horticultural Products to the United States
- CSIS Global Food Security Project: The Role of Markets and Trade in Food Security
- Agricultural Technologies for Climate Change Mitigation and Adaptation in Developing Countries: Policy Options for Innovation and Technology Diffusion
- Climate Change and China’s Agricultural Sector: And Overview of Impacts, Adaptation and Mitigation
- Carbon Concerns: How Standards and Labelling Initiatives Must Not Limit Agricultural Trade from Developing Countries
- White Paper on Trade and Development Policy with Sub-Saharan Africa

**Policy Focus Briefs**
- Biofuel and Biomass Subsidies and WTO Rules
- U.S. Tariff Rate Quotas and AGOA Market Access
- Horticultural Exports from AGOA Countries to the U.S.: Challenges and Considerations

**IPC Alerts**
- Agriculture and carbon: Producers must feed a growing population; preserve the environment
- An Unfortunate Decision by Russia - Russia needs to engage with world markets not pull away from them
- Climate Change, Agriculture and Trade
- The Cotton Dispute
- A Broader Perspective on US Trade Goals

**Special Events**

**US & EU Farm Policies: Will tight budgets lead to a shift in priorities?**
Washington, DC; December 10

**Classifying Biofuels Subsidies: Farm Bill and WTO Considerations**
Washington, DC; September 14

**2010 WTO Public Forum**
Geneva, Switzerland; September 17

**AGOA Capitol Hill Briefing**
Washington, DC; July 28

**Promoting Regional Integration and Food Security in Africa**
Washington, DC; March 2

**Round Table on Climate Change and Food Security: Taking Stock After the COP 15**
Paris, France; February 24

**IPC Seminars & Plenary Meetings**

**An International Seminar on Carbon Standards in Agricultural Production and Trade**

**46th IPC Seminar**
Sao Paulo, Brazil
October 26, 2010

**Agricultural Price Volatility: Prospects, Challenges and Possible Solutions**

**45th IPC Seminar**
Barcelona, Spain
May 26-27, 2010
IPC Membership and Working Groups

IPC and its members have been tapped by the media as well as other types of organizations to help clarify issues related to food security, agricultural development and trade. IPC members are serving in a number of important capacities: on the CGIAR Consortium Board, the FAO Committee on Global Food Security High Level Panel of Experts and the World Economic Forum Policy Council on Global Food Security and its New Vision for Agriculture work, as well as for private sector advisory boards tasked with addressing food security issues.

2010 New Members

Debapriya Bhattacharya
(Bangladesh)
Distinguished Fellow, Centre for Policy Dialogue

Marcos Jank
(Brazil)
President and CEO, UNICA

Hidenori Murakami
(Japan)
International Policy Advisor, Minister of Agriculture, Forestry, and Fisheries

Brian Wright
(Australia)
Chair, Department of Agricultural and Resource Economics, University of California, Berkeley

Working Groups

Food Security/Climate Change
Michel Petit (co-chair)
Willem-Jan Laan (co-chair)
Jason Clay
Marty Strauss
Hans Joehr
Rob Johnson
Robert Thompson
Malcolm Bailey
Pedro de Camargo Neto
Raul Montemayor
Hiroshi Shiraiwa
Piet Bukman
Franz Fischler
Joachim von Braun

Trade Negotiations
Carlos Perez de Castillo (co-chair)
Stefan Tangermann (co-chair)
Tim Josling (co-chair)
Pedro de Camargo Neto
Jan Maarten Vrij (co-chair)

Food Standards
Jan Maarten Vrij (co-chair)
Tim Josling (co-chair)
Pedro de Camargo Neto
Rolf Moehler

Rolf Moehler
Sarah Hull
Joe O’Mara
Marty Strauss

BOARD OF DIRECTORS

- Carlo Trojan, Chairperson
- Carl Hausmann, Vice Chairperson
- Marcelo Regunaga, Vice Chairperson
- Raul Montemayor
- Willem-Jan Laan
- Malcolm Bailey
- JB Penn

FINANCIAL INFORMATION

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1. Insurance folded into Miscellaneous category in 2009
2010 Major Funders

Dupont/Pioneer (United States)
Hewlett Foundation (United States)
Bunge North America (United States)
 Fonterra (New Zealand)
John Deere (United States)
Monsanto Company (United States)
Syngenta International AG (Switzerland)
Unilever N.V. (The Netherlands)

Nederlandse Zuivel Organisatie (The Netherlands)
Nestlé (Switzerland)
VION NV (The Netherlands)
Cropplife International (Belgium)
International Fertilizer Industry Association (France)
Rabobank (The Netherlands)
Universal Corporation (United States)
World Wildlife Fund (United States)

2010 In Kind/Project Support

FIESP (Federation of Industries of São Paulo) (Brazil)
Hogan & Hartson, LLP (United States)
ICTSD (Switzerland)
Illinois Farm Bureau (United States)
Partnership to Cut Hunger and Poverty in Africa (United States)
The German Marshall Fund of the United States (United States)
UNICA (Brazil)
University of Barcelona (Spain)
2010 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 Coopertive Group, Ltd.

Debapriya Bhattacharya, Bangladesh
Distinguished Fellow Centre for Policy Dialogue (CPD)

Jochim 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

Sarah Hull, United States
Head, Global Crop 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.

Hidenori Murakami, Japan
International Policy Advisor to the Ministry of Agriculture, Forestry, and Fisheries of Japan

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 WTO

Michel Petit, France
Professeur Institut Agronomique Méditerranéen, Montpellier

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

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

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

Brian Wright, Australia
Chair, Department of Agricultural and Resource Economics University of California, Berkeley

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 (Vice-Chairman)
Former Permanent Representative of Uruguay to the WTO
ABOUT IPC

The International Food & Agricultural Trade Policy Council promotes the role of trade in creating a more open, equitable, productive and sustainable global food & agricultural system. IPC makes pragmatic trade policy recommendations to help solve the major challenges facing the global food & agricultural system in the 21st century—the need to promote global food security, to sustainably increase productivity, and to contribute to economic growth and development.

IPC convenes influential policymakers, agribusiness executives, farm and civil society leaders, and academics from around the world in order to clarify complex issues, foster broad stakeholder participation in policy deliberations, and build consensus around pragmatic policy recommendations. More information about the organization and its membership can be found on our website: www.agritrade.org.