

International Food & Agricultural Trade Policy Council News Release

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IPC News Release: Feeding the World While Safeguarding the Environment

(Salzburg, Austria) The International Food & Agricultural Trade Policy Council (IPC) seminar kicked off with a keynote speech by WTO Director Pascal Lamy on May 10, and opened on May 11 with Niki Berlakovich, Austrian Federal Minister of Agriculture, Forestry, Environment and Water Management, Mariann Fischer Boel, EU Agricultural Commissioner, and Tim Groser, New Zealand's Trade Minister and Associate Minister for Climate Change Issues. The event brought together government officials, business leaders and academics from around the world to discuss joint and global approaches to food and environmental security and the role of agricultural trade policy in meeting these challenges.

The financial crisis exacerbated the existing food crisis, leaving an astonishing 1 billion of the world's population hungry. In order to feed these and the growing population, food production will have to double by 2050, when the world's population is expected to reach 9 billion. The agricultural sector is at the same time faced with serious constraints on both arable land and water. Climate change poses a particular challenge for the agricultural sector due to extreme weather events as well as long-term shifts in agricultural production. Moreover, the agricultural sector, as an emitter of greenhouse gases of the same proportion as the transport sector, will be called upon to contribute to mitigation efforts.

There are many facets to addressing food and environmental security. In developing countries with a majority of their poor in rural areas, efforts towards establishing an improved infrastructure, increased funding for agricultural research and development are all crucial elements, as are sound governance and institutions. Increased agricultural productivity is required to meet food demand and to reduce pressure on forests. Good agricultural practices and extension services play a critical role. Additionally technology offers many opportunities to address both food insecurity and climate change, including the possibility of bringing degraded land back into production.

Governments must continue to increase their spending on the agricultural sector. "With the right policies and investment, Africa could produce enough food to feed itself," stated Namanga Ngongi, President of the Alliance for a Green Revolution in Africa.

"Trade policy plays an important role," declared Pascal Lamy, "but is not the answer to all the challenges, since food and agricultural trade policy does not operate in a vacuum." Participants also emphasized the importance of flanking measures to accompany trade liberalization, in particular social safety measures. Within this broader context, and keeping in mind that only 20% of agricultural production is traded, an open and fair trading system can make important contributions to food and environmental security.

Opening trade leads to efficiency beyond national boundaries. “The right multilateral trade regime stimulates production,” explained EU Agricultural Commissioner Fischer Boel, “whereas trade restraints constrain production.” Trade also allows agricultural production to shift to regions where it should take place, thus respecting “environmental comparative advantages.” “The world can importantly offset serious water shortages in some regions by importing agricultural products with ‘embedded water’ from regions with greater water resources,” Professor John Anthony Allan pointed out. “A world short in food must trade more,” stated IPC member Joachim von Braun, Director General of IFPRI, pointing to the detrimental impacts of recently imposed food export restrictions.

Participants agreed on the need to complete the Doha Development Round, as it provides a bulwark against the risks of reversals in the form of protectionism. Participants noted that while some observers have viewed the Doha modalities as insufficiently ambitious, in the present climate, they would importantly halt a resurgence of trade distorting support, and export restrictions and lower bound tariffs.

With regard to the climate change negotiations, Tim Groser, Trade Minister and Associate Minister for Climate Change Issues of New Zealand, pointed out that tackling agriculture is of utmost importance, considering the tremendous needs in adaptation and considerable potential in mitigation. The vast majority of agricultural greenhouse gas emissions stem from developing countries, and as a result increased research on mitigation in the agricultural sector is required but careful attention must be paid to ensure solutions which also address food security concerns.

It is likely that international trade rules will have to be clarified after a new international climate change system has been established. “But we are not well advised to start parallel negotiations now on the trade impacts of climate change,” emphasized IPC Chairperson Carlo Trojan. “A post-Doha agenda will also have to pursue further trade liberalization, in particular in the agricultural sector. There is therefore some serious work to be done about how we can best accomplish these tasks in the future.”

This conference would not be possible without the generous support of the Austrian Federal Ministry for European and International Affairs, the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management, Agrana Group, Land Salzburg and Syngenta International AG

Full presentations and further details from the Seminar can be found at: <http://www.agritrade.org/events/Spring2009Seminar.html>;

for further information on the ICTSD-IPC

Platform on Climate Change, Agriculture and Trade visit:

http://www.agritrade.org/events/ClimateChangePlatform_000.html

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. More information on the organization and its membership can be found on our website: www.agritrade.org.