

14 June 2011

**Ministerial Declaration**

**ACTION PLAN ON FOOD PRICE VOLATILITY AND AGRICULTURE DRAFT 1  
Meeting of G20 Agriculture Ministers, 22 and 23 June 2011**

1. We, the G20 Agriculture Ministers, meet today to tackle the issue of food price volatility with the ultimate objective to improve food security and agree on an “Action Plan on food price volatility and agriculture” that will be submitted to our Leaders at their November Summit.
2. Food security is and will stay a critical issue for the international community. In order to tackle the food security challenge, important commitments and actions have been taken, in particular those taken at the 2009 World Food Summit in Rome, the G20 Summits and the L'Aquila Summit. All countries have stressed the need for enhanced agricultural policies at global and national levels, better international coordination and concrete implementation of political commitments to promote food security and sustainable agricultural production. They have achieved a wide consensus and made progress in reforming the Committee on World Food Security (CFS) and implementing the Global Partnership for Agriculture, Food Security and Nutrition.
3. The situation is still worrying, especially in developing countries, and many challenges remain. World population is now projected to reach more than 9.1 billion by the middle of this century. Much of this increase is projected to occur in developing countries currently facing the greatest level of food insecurity. In this regard, we recalled our commitments to support the Five Rome Principles for Sustainable Global Food Security presented at the World Summit on Food Security in November 2009.
4. We reaffirm the right of everyone to have access to safe, sufficient and nutritious food, consistent with the progressive realization of the right to adequate food in the context of national food security. To strengthen global food security, steps must be taken to improve access and availability of safe and nutritious food for the most vulnerable, particularly women and children in developing countries.
5. We stress the need to increase sustainable agricultural production, which requires improvements in agricultural productivity, greater investments through appropriate and enabling environment to encourage private investment coupled with well-functioning markets and means to mitigate and manage risks associated with excessive price volatility of agricultural commodities. We recognize that agricultural policies have an important role to play with regard to all these challenges.
6. Our discussions focused on the mutually reinforcing challenges of increasing longterm food production to meet future demand, and short-term volatility, which not only has negative impacts on access to food for the poorest, and on many producers, including livestock producers affected by the volatile cost of feed, but could hamper investments and an effective market response to a long-term increase in demand for food and may harm confidence in international markets.
7. Greater and sustainable productivity, better market information, more open trade that improves transmission of market signals, comprehensive rural development and agricultural policies would enable agricultural producers to increase production, enhancing their income

and global supply of food. These elements call for measures adapted to the specific situation of vulnerable countries. Small-scale agricultural producers represent the majority of the food insecure in developing countries: increasing their production and income would directly improve access to food among the most vulnerable.

8. As requested by the G20 Summit in Seoul, FAO, OECD, The World Bank, IFAD, UNCTAD, WFP, WTO, IMF, IFPRI and the UN HLTTF joined forces for the first time to produce a policy report on “price volatility in food and agricultural markets: policy responses”. FAO and OECD coordinated the preparation of the report. We welcomed this work and discussed their recommendations.

9. We welcome the on-going work done by the G20 Finance Ministers and Central Bank Governors on the regulation and supervision of commodities derivatives markets including agricultural commodity derivatives markets. We welcome the work done by the G20 Development Working Group on food security.

10. We recognize the need to increase sustainable agricultural production and productivity to improve food security and decided to tackle the issue of food price volatility through an “Action Plan on food price volatility and agriculture” that will be submitted to our Leaders in November 2011. We commit to five main objectives for this Action Plan: (i) improve agricultural production and productivity both in the short run and in the long run in order to respond to a growing demand; (ii) increase market information and transparency in order to better anchor expectations from governments and economic operators; (iii) strengthen international policy coordination in order to enhance confidence in international markets and to prevent and manage agricultural markets crisis more efficiently; (iv) improve and develop risk management tools for governments, firms and farmers in order to build capacity to manage and mitigate food price volatility, in particular in the poorest countries; (v) improve the functioning of agricultural commodities’ derivatives markets. This last objective will be pursued by Finance Ministers and Central Bank Governors, on the lines of paragraphs 47 to 50.

### **Agricultural production and productivity**

11. We recognize the importance of a significant increase in agricultural production and productivity, considering the diversity of conditions worldwide and the need of a sustainable use of natural resources, in order to respond to the challenge of a growing demand. To feed a world population expected to reach 9.1 billion in 2050, it is estimated that agricultural production will have to increase by 70 percent over the same period, and more specifically by almost 100 percent in developing countries. This requires a balanced set of measures to increase resilience, production, productivity and resources efficiency, especially in the least developed countries and with regard to small-scale family farming. This also requires significant advances to reduce pre and post-harvest losses and food waste along value chains.

12. We commit ourselves to implementing a broad scope of actions to boost agriculture. In this whole range of actions, we will give special attention to smallholders, especially women, in particular in developing countries, and to young farmers. We recall the importance of keeping and enhancing agricultural production capacity in order to respond to possible natural disasters, such as droughts and floods. Specific attention should also be given to improving the quality and diversity of agricultural production and to developing a nutrition sensitive agricultural policy in all parts of the world in order to ensure access to nutritious food.

13. We agree to strengthen agricultural research and innovation and support results-based agricultural research for development through our national agricultural research systems, the Consultative Group on International Agricultural Research (CGIAR) and the Global Forum on Agricultural Research (GFAR). We welcome and support the “Montpellier road-map” coming from the first Global Conference on Agricultural Research for Development in 2010 (GCARD). We also insist on the need to enhance the transfer of the research results and technologies to the farmers and to ensure that research activities respond to their needs and concerns and involve farmers themselves. We will promote technology transfers, knowledge sharing and capacity building through North-South, South-South and triangular cooperation.

14. We encourage the first G20 conference on agricultural research for development, involving our agricultural research centers, to be held in Montpellier on 12 and 13 September 2011 and the G20 seminar on Agricultural Productivity to be held in October 2011. We welcome the ongoing work at FAO to develop a platform for capacity building in tropical agriculture in developing countries and look forward to its early implementation.

15. We agree on the importance of involving relevant international research centers, G20 countries, and other relevant bodies in new and existing agricultural research and development initiatives. We stress the importance of research and development on agricultural productivity, including on orphan crops and crop most suitable for developing countries climate and constraints, such as legumes, making best use of all available plant genetic resources for food and agriculture. As a first step, we decide to launch an International Wheat Research Initiative in order to coordinate our research efforts on this major crop for food security. This initiative, targeted on wheat and durum wheat is complementary to ongoing research efforts, particularly in the framework of CGIAR research programs in order to avoid duplication of on-going work. We agree on the objectives, principles, modalities and schedule of this initiative detailed in the annex 1.

16. We recognize the importance of rice for food security, as the main crop consumed in Asia and more and more in Africa. We stress the importance of strengthening rice research and development to accelerate productivity growth in rice producing countries, particularly in Asia and Africa, through among others the CGIAR, the Global Rice Science Partnership (GriSP), the Coalition for African Rice Development (CARD).

17. We commit to creating an enabling environment to encourage and increase public and private investment in agriculture. In particular, we stress the need to support private and public investments, based on value-chain approach, in services (access to financial services, agricultural education and extension services, etc.) and in infrastructures and equipments for production (irrigation, etc.), transformation as well as for market access (transport, storage, communication, etc.) and for reducing pre and post-harvest losses. We commit to reinforcing capacity building in developing countries in these fields and called upon international organizations to assist.

18. We encourage countries, international organizations and private sector to increase investment in developing country agriculture, and in activities strongly linked to agricultural productivity growth, such as agricultural institutions, extension services, research, roads, ports, power, storage, irrigation systems, information and communication technology, climate change adaptation. We also encourage them to enhance Public-Private Partnerships in this field, in particular to improve market and value-chain cooperation and procurement from smallholders. Recalling the Rome Principles, these investments should be made in support of

country-owned investment plans. In this regard, we welcome the contribution of the Global Agriculture and Food Security Program and the African Agriculture Fund. 19. With regard to investments, capacity building, risk management and mitigation and engagement with the private sector for agriculture, food security and nutrition in developing countries, we support the initiative of Multilateral and Regional Development Banks to scale up their interventions in the framework of an Action Plan on Food and Water Security to be discussed in the Development Working Group in September and finalized by our Leaders Summit in November.. We welcome their coordination efforts, including through their Joint Working Group on Food and Water Security.

20. We will promote sustainable crop diversification and agricultural systems which contribute to positive externalities and a sustainable use of natural resources in particular land, water and biodiversity. We emphasize the need for a sustainable supply and management of water resources. We invite International Organisations to produce a first report to the G20 on how water and related issues could be addressed as part of the G20 agenda in 2012.

21. We encourage the work done by the international organisations on the “Voluntary Guidelines for Responsible Governance of Tenure of Land, Fisheries and Forests” and the “Principles for Responsible Agricultural Investments” (PRAI). We reaffirm the G20 Leaders’ commitment of the Seoul Multi-year action plan for development to uphold the PRAI and we supported the ongoing extensive consultations on these principles launched in the framework of the CFS. We welcome the ongoing work of the international organizations to field test and operationalise the PRAI through pilot projects.

22. We recall the triple challenge for agriculture of meeting food security objectives while adapting to climate change and reducing its contribution to greenhouse gas emissions, by improving in a sustainable manner the efficiency, productivity and adaptive capacity of agricultural systems. We stress the need to invest more and increase cooperation in research and development for climate change adaptation, especially for smallholder farmers, and to enhance capacity of most vulnerable countries for addressing climate change in agriculture. We support the work aimed at reducing vulnerability of agriculture to climate change in accordance with the principles and provisions of the United Nations Framework Convention on Climate Change (UNFCCC). We also stress the need for increased research and development on mitigation and welcome the Global Research Alliance on Agricultural Greenhouse Gases.

23. We stress the importance of strengthening international and regional networks, international standard setting taking into account national and regional differences, information and surveillance systems, good governance and official services in public health, animal health and plant health systems, since they ensure an early detection and a rapid response to biological threats, facilitate trade flows and contribute to global food security. We encourage international organisations, especially FAO, the World Health Organization (WHO) and the World Organisation for Animal Health (OIE), the Commission of CODEX Alimentarius and The International Plant Protection Convention (IPPC) to continue their efforts towards reinforcement of their cooperation to ensure global health security.

#### **Market information and transparency**

24. We recognize the importance of timely, accurate and transparent information in helping to address food price volatility, and agree on the need to improve the quality, reliability,

accuracy, timeliness and comparability of data on agricultural markets (production, consumption and stocks). We decide to launch the Agricultural Market Information System (AMIS) to encourage major players on the agri-food markets to share data, to enhance existing information systems, promote greater shared understanding of food price developments, and further policy dialogue and cooperation. The AMIS will involve G20 countries. Other main grain and oilseeds producing, exporting and importing countries and the private sector are invited to participate. Early efforts will focus on the main market players which account for the greater part of world food production, consumption and trade. It will be housed at the FAO with a secretariat including the World Bank and the OECD, along with IFPRI, UNCTAD, WFP, the WTO and the United Nations High Level Task Force for food security and nutrition (UN HLTF).

25. This initiative will be based upon existing structures and resources in order to avoid increasing costs and duplication of effort. We welcome the International Organizations report that provides a review of the existing food market outlook information mechanisms, identifies problems and gaps to determine the scope and operations of AMIS and establish its institutional basis. On this basis, we agree on the objectives, principles, modalities and schedule of this initiative detailed in the annex n°2.

26. We commit to taking part in this initiative by disclosing, reliable, quality, accurate, timely and comparable data and where needed to improve our national systems of collection and dissemination of such data. We supported the Global Strategy to improve Agriculture and Rural Statistics and we invite international organizations to create synergies between this Global Strategy and the AMIS.

27. For developing countries which need to improve and enhance progressively their food security information systems, including national early warning systems and vulnerability assessment systems, we stress the need to implement capacity building actions, in conjunction with AMIS, through existing mechanisms, in particular FAO and WFP.

28. We recognize the key-role that the private sector plays, in particular on stocks data. Recognizing that comprehensive agricultural data benefits all market players, we urged private sector entities to participate in AMIS and also to contribute to national information systems and to share data in these frameworks. We commit to improving public-private cooperation. In order to facilitate this, AMIS will have a framework to ensure the confidentiality of proprietary and sensitive information.

29. We also call upon international organisations to create links between AMIS and existing global, regional or national “early warning systems” for food security and vulnerability (GIEWS, FEWS-NET and VAM).

30. In order to improve crop production and weather forecasting, with the use of modern tools, in particular remote sensing tools, we decide to launch an international voluntary network of agricultural production monitoring based on geoinformation. This “G20 Global Agricultural Geo-Monitoring Initiative” will be a useful input for AMIS concerning the provision of more accurate crop forecasts data. We agree on the objectives, principles, modalities and schedule of this initiative detailed in the annex 3.

### **International policy coordination**

31. We believe that strong global governance is an indispensable element for achieving global food security. The UN system and, in particular the FAO, has a crucial role to play. The FAO is a central organization within the global governance architecture on food security. We called on the FAO to fulfil its potential and fully realise its crucial role. To achieve this, the FAO should fully implement the on-going reform in order to improve its efficiency, transparency and effectiveness and focus its efforts on its core strengths and central mandate. Member states also have an important role to play, particularly in ensuring good governance. We commit to ensure the FAO makes the necessary decisions to prioritise actions that are most likely to lead to significant global and regional progress in improving food security.

32. We call other international organizations to pursue and strengthen their efforts to contribute effectively to global food security in a coordinated manner. In this regard, we welcome the work of the United Nations High Level Task Force for food security and nutrition and all the international organisations involved in this task force since 2008. 33. We recognize the need to improve policy coordination and coherence for food security among countries. We support to the on-going work of the Committee on World Food Security (CFS), and recognized its important responsibility in this regard.

34. Building on the working-level AMIS, we stress the need to improve international policy coordination at the agriculture senior officials level to share views and plans for immediate actions in order to prevent or mitigate world food price crises. This senior officials group constitute a Rapid Response Forum for market policy coordination. We decide to implement the Rapid Response Forum in the framework of AMIS and in that context to create appropriate links with the CFS. We agree on the objectives, principles, modalities and schedule of this Rapid Response Forum detailed in the annex n°4.

35. We recognize the important role that international trade can play in improving food security and in addressing the issue of food price volatility. Open and well functioning markets are essential to allow investment in agriculture. This is critical to ensure an increase in agricultural production and productivity to meet growing demand in the coming years. A stable, predictable, distortion free and transparent system for trade allows the unrestricted flow of food based commodities, contributing to food security. This requires cooperation in strengthening international governance of agricultural trade in favour of open, rules-based and well functioning global markets for agricultural products, through the WTO including also its SPS Agreement for sciencebased rules developed by relevant international standard setting bodies (OIE, CODEX, IPPC).

36. We reiterate our commitment to across-the-board negotiations to promptly bring the Doha Development Round to a successful, ambitious, comprehensive, and balanced conclusion consistent with the mandate of the Doha Development Round and built on the progress already achieved.

37. We recall commitments in previous Leaders' Summits since 2008 to refrain from raising existing trade barriers or imposing new trade barriers, or implementing WTO inconsistent measures that undermine global trade in food and agricultural products. Policies that distort production and trade in agricultural commodities can impede the achievement of long run food security. There are still significant barriers to international trade in agriculture, which need to be reduced.

37bis. We noted that our first responsibility was access to food for our respective populations. However, we noted the impact that export restrictions can have on international price volatility, and thus on access to food for the poorest population throughout the world; therefore we welcomed the contribution that improved data and international coordination, through AMIS, could make to reducing the circumstances which lead to such measures being adopted.

38. We agree to remove food export restrictions or extraordinary taxes for food purchased for non-commercial humanitarian purposes, and agree not to impose them in the future. In order to promote a more general implementation of these commitments, we will seek support within the United Nations and also promote the adoption of a specific resolution by the WTO for the Ministerial Conference in December 2011.

39. We recognize the need to further analyse the relations between biofuels production and food production, resilience of agriculture to price increase and volatility, and sustainability of agriculture production, while recognizing the role biofuels can play in reduction of greenhouse gases, energy security and rural development. We continue to support the work of the Global Bioenergy Partnership (GBEP) that brings together public, private and civil society stakeholders in a commitment to promote sustainable bioenergy. In particular we support the on-going work on and pilot testing of sustainability indicators for bioenergy. We welcome the FAO Bioenergy and Food Security (BEFS) analytical framework, which can be used as appropriate as a basis to design national bioenergy policies that are in line with national strategies of poverty reduction, rural development, local energy and food security. We recognize the importance of research and development on advanced biofuels, on alternative feedstocks for biofuels and on energy efficiency. We also recognize the important role of the International Renewable Energy Agency (IRENA). We recognize the need for further studies on the feasibility of flexible mandates and whether this could effectively address price volatility and food security challenges.

#### **Reducing the effects of price volatility for the most vulnerable**

[previous §40 moved to §12] 40. We agree that risk management of food price volatility in developed and developing countries would provide an important contribution to promote longer term agricultural development. We recognize the importance of safety nets, including particular productive safety nets, to mitigate price volatility, and the importance of a specific focus on nutrition in safety nets. We support the increased efforts to provide vulnerable households (including producers), communities and governments with effective, market-based risk management tool-box. We also agree that fair contracts between farmers and buyers or suppliers of agricultural inputs provide better risk management of price volatility and better predictability in the food chain.

41. We stress the need to develop in-country capacity building and other efforts to make easier for farmers, firms and governments to use market-based and wellregulated risk-hedging instruments. We call on major bilateral, regional and multilateral development banks and organizations to help mainstreaming risk management in developing countries agricultural development policies. We also encourage developing countries to implement such policies that are key elements for food security. [In this regard, we welcome the interest expressed by [NEPAD] for possible pilots at the regional or national level in the context of CAADP].

41bis. In this context, we encourage the World Bank to set up a risk management advisory mechanism, in collaboration with other multilateral, regional and bilateral development banks. This mechanism will scale up and structure in a coordinated way the provision of risk management advisory and intermediation services to developing countries.

42. We encourage the World Bank and other Multilateral and Regional Development Banks, as well as bilateral development partners, to further explore, in connection with the private sector, by our Leaders Summit in November, counter-cyclical instruments for vulnerable countries in the event of external shocks, including food price surges and collapses, weather index insurance and guarantee mechanisms to support contract farming in order to provide producers and consumers with better visibility in the long term on food prices.

43. We welcome the [decision] of the World Bank Group to develop risk innovative management tools for governments and firms in developing countries, including IFC's new Agriculture Price Risk Management (APRM) product. It will help expand secured access to risk management tools for the private sector in developing countries. We welcome the World Bank initiatives to expand capacity building for commodity risk management as an integral part of broader fiscal risk management in developing countries; to integrate risk management approaches into loans and credits; and to facilitate commodity hedging by governments. We call on other Multilateral and Regional Development Banks to initiate similar initiatives.

44. We welcome the Public-Private workshop on risk management and food security which took place on 6 June 2011 in Paris, involving multilateral, regional and bilateral development partners and the private sector, as a pre-figuration of a formal multistakeholder dialogue and partnership on risk management for food security and agricultural development, with a view to developing pilot projects for vulnerable countries.

45. On this basis, we agreed on the objectives, principles, modalities and schedule of an "Agriculture and food security risk management tool-box" detailed in the annex n°5.

46. We recognize that modern, flexible and diversified food assistance, relying on a wide range of instruments which ensure that the specific needs of target populations are addressed, remains a critical tool to mitigate the negative effect of high and volatile food prices on the most vulnerable. Against this background, we support initiatives to maximize efficient delivery of food assistance and strengthen its supply chain against price and supply shocks in particular through forward positioning networks, especially for WFP. We invite the WFP to mainstreaming risk management in its international food assistance procurements.

47. We decide to support the development by the WFP and other international organisations of a pilot for an emergency humanitarian food reserves system, consistent with WTO rules, focusing on regional approaches, ownership by and partnership with the countries concerned, added-value in terms of cost benefit and optimisation of existing mechanisms (physical and financial). Objectives, principles, modalities and schedule for this pilot are detailed in Annex n°6.

48. Moreover, we invite the interested international organisations to develop a code of conduct for responsible emergency humanitarian food reserves management, compiling a set of principles and good practices, involving the countries and regions concerned, academics, civil society and private sector, according to the timeframe included in Annex n°6.

## **Financial regulation**

47. We stress that well-regulated agriculture futures and derivative markets are indeed key for well-functioning physical markets. These markets facilitate price discovery and allow for market participants to hedge their exposure to price volatility risks.

48. We emphasize that AMIS will enable financial actors and market regulators to be better informed of the fundamentals of physical markets. Transparency on physical markets is important for derivatives markets but the reverse is also true. A better collaboration between authorities, regulators and bodies responsible for agriculture physical and financial markets will improve regulation and supervision of markets.

49. We welcome the work of IOSCO on the set of concrete measures to ensure a better functioning and more transparent agricultural futures and derivatives markets (including OTC), to prevent and to address market abuses, cross-market manipulations and disorderly markets. On this topic, we also welcome the joint international organization's report on food price volatility.

50. On this basis, we strongly encourage G20 Finance Ministers to take the appropriate decisions for a better regulation and supervision of agricultural futures and derivative markets. We support G20 Finance Ministers and Central Bank Governors stressing at their Washington Meeting on 14-15th April 2011, the need for participants on commodity derivatives markets to be subject to appropriate regulation and supervision, calling for enhanced transparency in both cash and derivatives markets as previously recommended by IOSCO, and looking forward to the finalization of IOSCO recommendations, by September 2011 on regulation and supervision in this area especially to address market abuses and manipulation, such as through formalized position management powers including the authority to set ex-ante position limits where appropriate, among other powers of interventions.

## **Annex n°1: International Research Initiative for Wheat Improvement (IRIWI)**

We decide to launch the International Research Initiative for Wheat Improvement (IRIWI), bridging national research programmes and the international WHEAT programme coordinated by the CIMMYT (International Maize and Wheat Improvement Center). We agree on the objectives and next steps of this initiative that were defined and supported by several national and international research and funding organisations, avoiding duplication of efforts and adding value to the existing public and private initiatives.

The main objectives of the IRIWI, coordinated by the International Wheat Research Coordination Committee, are the following: - Cooperate in world-wide bread and durum wheat improvement research efforts in the field of genomics, genetics and agronomy, to increase food security, wheat nutritional value and safety in a rapidly changing environment while taking into account societal demands for sustainable and resilient agricultural production systems;

- Provide a forum to identify synergies and encourage collaborations among major nationally, regionally and internationally (public and private) funded wheat programmes with the result of maximising opportunities for gaining added-value internationally;

- Facilitate and ensure open communication and free exchange of germplasm, data, materials by using when feasible the International Treaty on Plant Genetic Resources for Food and

Agriculture (ITPGRFA) provisions and facilitate exchange of ideas within the wheat research community;

- Support the development of publicly available integrated databases and platforms;
- Recommend minimum data-reporting standards and develop protocols to allow consistency for screening and analyses;
- Organize knowledge transfer and capacity building;
- Monitor and summarize progress of scientific activities;
- Establish and periodically update priorities for wheat research of global relevance;
- Communicate to national and international funding agencies as well as to agricultural ministries the needs of the wheat research community of participating nations.

INRA (Institut National de la Recherche Agronomique), BBSRC (Biotechnology and Biological Sciences Research Council) and CIMMYT will contribute to the coordination of activities of the International Wheat Research Coordination Committee for the 4 first years of the project. Over this initial period, sustainable funding mechanisms will be created through engagement of research and funding organisations in the public and private sector, on a voluntary basis. IRIWI will pave the way to similar initiatives for other crops constituting the predominant basis of human nutrition (rice, maize, millet, sorghum, root crops, barley, legumes, etc.).

### **Next steps**

- The International Research Initiative on Wheat Improvement (IRIWI) will be presented to the wheat scientific community during the 2011 ITMI Workshop (Mexico, September 5-9), to ensure input and support from the international community. Interactions with the Chiefs Executive Officers (CEOs) of the G20 countries research organizations working on wheat will be pursued through e-mail and video-conferences to develop a common vision and agenda.
- A high level meeting bringing together international wheat scientific leaders, CEOs of major G20 countries and international research organisations and representatives of the 13/20 G20 countries will be organised in Paris on the 14th of September 2011 to implement the first steps of the International Wheat Research Initiative.
- The International Wheat Research Coordination Committee will be set up before September 2011 using a mechanism ensuring a good and flexible representation of the participating countries and international organisations. It will be open to all countries interested. Rotating Chair and Co-Chairs will be selected from representatives. Representatives from private companies will be welcomed as observers.
- A web portal and discussion forum will be launched before December 2011.
- A vision paper and strategic plan will be written by the International Wheat Research Coordination Committee to develop a common research agenda to be undertaken for January 2012.
- The International Wheat Research Coordination Committee will undertake a scoping study to determine the best platform for the centralised information system for January 2012. It may be possible to build on existing wheat databases or to modify an existing system developed for other crop species. The wheat centralised information system will operate as soon as possible and before March 2012.
- IRIWI will be presented to the next Grain Summit in Saint Petersburg in June 2012.
- The first International Wheat Conference, where the International Wheat Research Coordination Committee will meet and discuss activities, will take place in 2013 in Japan in partnership with the International Wheat Genetics Symposium. International Wheat Research Conferences and International Wheat Genetics Symposia are organised every 4- 5 years. The International Wheat Research Coordination Committee will endeavour to link these two initiatives and organize every other year an international conference bringing together scientists involved in wheat research, to share the latest results in the different fields of wheat

research and to create or sustain links between the research groups and help setting up international collaborations.

**Annex n°2: Agricultural Market Information System** Information on the current situation and outlook for global agriculture shapes expectations about future prices and allows markets to function more efficiently. Lack of quality, reliable, accurate, timely and comparable information on market fundamentals may reduce efficiency and accentuate price volatility. We decide to launch an Agricultural Market Information System (AMIS) in order to enhance the quality, reliability, accuracy, timeliness and comparability of food market outlook information through strengthening the collaboration and dialogue between main producing, exporting and importing countries, commercial enterprises and international organizations.

The collaborative effort of AMIS will help to increase transparency and restore confidence in markets, reduce uncertainty and provide a more level playing field for poor countries by enhancing the dissemination of quality food market information. AMIS will particularly focus on the collection of reliable data on major food crops in order to enhance the quality of global food balance sheets. In addition to the participating countries, the private sector can significantly assist the collection of data, as well as in the analysis. AMIS will also provide the basis for global food market alerts to price surges and more timely and for a forum to discuss effective policy responses to market developments (cf. annex n°4 on Rapid Response Forum). AMIS will improve agricultural market outlook and forecasts at both national and international levels for four major crops: wheat, maize, rice and soybeans. Additional commodities will also be added to AMIS' work in the future. Maximum use would be made of existing mechanisms.

The Secretariat of AMIS will include a number of International Organizations (FAO, the World Bank, OECD, UN HLTF, UNCTAD, IFPRI, WFP, IGC and the WTO) and will be housed in FAO. It will collate and assess the submitted data, develop appropriate methodologies and indicators, and ensure the market outlook information products are of high quality and are disseminated frequently. The provision of official data to the Secretariat will be carried out by the AMIS Global Food Market Information Team, comprising of food market experts designated by all participating countries, and commercial enterprises. Current food market situation and outlook analysis will be undertaken by the Secretariat in collaboration with this group. The AMIS Global Food Market Information Team will also be responsible for the identification of problems and gaps in the collection of data and for the formulation of capacity building projects in participating countries. The assessment of the data provided by participating countries will be carried out in terms of standards to be set by AMIS reflecting quality, reliability, accuracy, timeliness and comparability. Apart from the assessment of global market current situation and outlook, AMIS will aim to increase the scope of analysis. Additional analytical capacity can be exploited through the collaboration of international organizations in areas such as agricultural futures markets, energy markets, price transmission from world to domestic markets and food security and vulnerability assessments. Building capacity in developing countries to collect market outlook information and improve the quality of the data will be an important component of AMIS. More precisely, AMIS efforts in capacity building will focus on:

- a manual defining best practices and methodologies for agricultural market data collection and analysis;
- a series of regional training sessions to enhance data collection capacity and to assist in the development of methodologies for food market outlook; and,

- the identification, design and implementation of special projects, aiming at enhancing data collection.

### **Next steps**

- The Secretariat of the AMIS is set up for June 2011 and hosted at the FAO.
- A first meeting of the AMIS Global Food Market Information Team is organized in September 2011 involving countries and international organizations to discuss data needs, collection methodologies, analytical capacities, need for comprehensive market indicators, alert mechanisms, and scheduling. The private sector will be associated to the relevant parts of this meeting's agenda.
- A declaration of support is approved in September 2011 by the participants to the initiative.
- Data collection methodologies are identified by September 2011 and assessed across participating countries; training and capacity building needs are identified.
- AMIS Global Food Market Information Team will meet twice per year to discuss market trends, emerging issues and policy changes that may affect agricultural markets. In case of alert, the AMIS Secretariat will call for a meeting of the AMIS Global Food Market Information Team.
- The AMIS Secretariat will report to the G20 agriculture Ministers on objectives, progress and future workplan in October 2011.
- Special studies are undertaken and comprehensive food market indicators are developed between January and March 2012, in accordance with the charter/terms of reference established.
- Data collection, examination, and consolidation is carried out by the AMIS Secretariat from March 2012. The collection of data will be realised by means of electronic questionnaires and an AMIS collaborative website where participating countries will directly input the data.
- AMIS Manual on best practices and methodologies for data collection is prepared and available between April and May 2012.
- The first enhanced global market outlook and situation (the main information product of AMIS) is published by June 2012; food market indicators are monitored and market information disseminated on a monthly basis.

**Annex n°3: The G20 Global Agricultural Geo-Monitoring initiative** We decide to launch a G20 Global Agricultural Geo-Monitoring initiative. This initiative will strengthen global agricultural monitoring by improving the use of remote sensing tools for crop production and weather forecasting. We agree on the objectives and next steps for this initiative that were proposed by the Group on Earth Observation and several research centers from G20 countries. This initiative will involve representatives from various organizations and institutions interested in enhancing international monitoring capabilities around the world, including the organisations that comprises the GEO Agricultural Monitoring Community of Practice (FAO, World Meteorological Organization - WMO, etc.) created in 2007 by the intergovernmental Group on Earth Observation (GEO). The objective of this initiative is to reinforce the international community's capacity to produce and disseminate relevant, timely and accurate forecasts of agricultural production at national, regional and global scales. This will be achieved by: - enhancing national agricultural reporting systems, including through a global geo-spatial education curriculum to ensure training of participants worldwide; - establishing a sustained international network of agricultural monitoring and research organisations and practitioners; - creating an operational global agricultural production monitoring system of systems based on both satellite and in situ observations. 16/20 This initiative will be a useful input for AMIS concerning the provision of more accurate crop forecasts data. The initiative will be coordinated by the intergovernmental Group on Earth Observation secretariat hosted

by WMO in Geneva. The articulation with AMIS can be ensured through a GEO-FAO agreement.

### **Next steps**

- An international workshop on “Strengthening agricultural monitoring at national and global scales to improve market transparency” will be organised in September 2011.
- On this basis, participants to the initiative will take the following decisions:
  - Definition of framework, missions, rules and resources for the establishment of an international network of national and regional agricultural production monitoring organisations.
  - Definition of international programmes in support to experiments and research activities in global agricultural monitoring.
  - Establishment of roadmap for international coordination of space agencies in the design and implementation of a satellite observing system covering agricultural production monitoring needs, and ensuring its long-term operation.
- Before June 2012, specific roles and responsibilities of the various actors (GEO, FAO, WMO, Space Agencies and national agricultural monitoring organizations) will be defined, a strategy to provide satellite data to these actors will be elaborated and dedicated contacts will be made with funding agencies to gather and secure resources for a 6 years period [*Comment: estimated roughly around 45 MUS\$*]. National, regional and international actors of the agricultural monitoring domain will be involved in the detailed definition of the project objectives, workplan and calendar. G20 countries will be invited to commit to provide, as in-kind contributions through their space agencies, the necessary satellite data for all countries involved. The budget for this one-year preparatory phase will cover only missions and workshops necessary to define this strategy and secure the 6-years budget. G20 countries can support this preparatory phase both by direct contribution to the budget and by funding the participation of their national experts and representatives.

**Annex n°4: Rapid Response Forum** We decide to establish a Rapid Response Forum in the framework of the Agricultural Market Information System (AMIS). Through the participation of policy experts from the major producing, exporting and importing countries, the Rapid Response Forum will be able to mobilise wide political support to achieve consensus on appropriate policy response and actions on issues affecting agricultural production and markets in times of crisis. To promote policy coherence and coordination in times of crisis, the Rapid Response Forum will: - meet regularly and assess information and analyses from AMIS Secretariat on the current global market situation and outlook; 17/20 - receive information and assessments from early warning systems on the extent to which global market developments affect vulnerable countries and assess the ensuing implications for food security; - when the market situation and outlook as evaluated by the AMIS Secretariat indicates a high food security risk, discuss and promote appropriate policy solutions on issues affecting agricultural production and markets (but not seek influence on humanitarian responses); and, - in times of crisis, report to the Bureau and Advisory Group of the Committee on World Food Security (CFS) on market and food security assessments, as well as on appropriate policy options so that CFS has all relevant information to promote greater policy convergence and strengthen policy linkages at global level.

### **Next steps**

- The Rapid Response Forum will meet twice per year. In case of alert, the AMIS Secretariat will call for a meeting of the Rapid Response Forum.

- A first meeting of the Rapid Response Forum is organized in September 2011 involving countries and international organizations to discuss processes and scheduling.
- A declaration of support is approved in September 2011 by the first participants to the AMIS initiative. The Rapid Response Forum is included in the Initiative.
- Guidelines for Global Food Crisis are also prepared in order to define the procedures to be followed by the Rapid Response Forum in case of an alert on food prices at a global level by end of October 2011.

### **Annex n°5: Agriculture and Food Security Risk Management Toolbox**

Market-based risk management tools, such as physical or financial commodity price hedges, insurance and guarantee instruments or counter-cyclical lending, can play an important role in helping vulnerable countries manage food price volatility. Each country and firm faces different combinations of challenges, and there is no single instrument that addresses all needs. The most effective approach is a toolbox of instruments, from which vulnerable countries and firms can choose, and which can be tailored to their individual circumstances. This toolbox critically needs to include assistance to help governments and firms develop the capacity to evaluate risk and ways of managing it.

Against this background:

1) We encourage vulnerable countries and regions to integrate risk assessment and management strategies into their agricultural development programs. [We take note of the interest expressed by NEPAD to consider a possible pilot at the regional or national level to that effect in the context of CAADP]. We welcome the initiatives of the World Bank Group to provide support to countries to expand capacity building for commodity risk management as an integral part of broader fiscal risk management and of agricultural development strategy. We encourage similar initiatives from other Multilateral and Regional Development Banks.

2) We invite multilateral, regional and bilateral development banks to collectively structure the provision of risk management advisory and intermediation services to developing country clients and to launch a joint initiative setting up a risk management advisory mechanism, which would first provide support to a few pilot programs, elaborated on the basis of expressed interest by developing country clients. We welcome the introduction of products and services which will help vulnerable countries and firms to use market based risk management tools, in particular:

1) The IFC new Agriculture Price Risk Management (APRM) product will allow producers and consumers to hedge against downside or upside price risk on a pilot basis with a financial intermediary with particular expertise in Latin America. We support IFC efforts to roll-out the APRM product with two other financial intermediaries focused on low income countries in Sub-Saharan Africa as well as North Africa and the Middle East and to explore other Multilateral and regional Development Banks interest in risk-sharing in APRM facilities, and taking advantage of its operational infrastructure.

2) The World Bank proposal to help middle and low income countries to support and execute commodity risk hedging as a way to build capacity about legal/regulatory/technical requirements associated with using these tools.

We invite the Multilateral and Regional Development Banks and bilateral development partners to further explore, in connection with the private sector:

- Development by WFP of a hedging strategy to optimise its food procurements and maximise the purchasing power of its financial resources, building upon its current forward purchase facility;

- Countercyclical instruments for vulnerable countries, which could include rapid availability of financing through emergency drawdown of undisbursed monies or deferred repayment options in the event of external shocks, including food price surges and collapses;
- Weather index insurance and risk management schemes, in connection with modernization of meteorological services, building on ongoing initiatives in vulnerable countries;
- Possible guarantee instruments designed in particular to facilitate contract farming, so as to enhance price predictability in the food chain to the benefits of the consumers and producers.

### **Next steps**

- [A dialogue is engaged with NEPAD and interested multilateral and bilateral development partners on a pilot to integrate risk assessment and management strategies into CAADP, with a view to launching this pilot by our Leaders Summit in November 2011.]
- Terms of reference for a risk management advisory mechanism are determined with multilateral, regional and bilateral development banks by September 2011. Following consideration in the Development Working Group, this mechanism is set up by our Leaders Summit in November 2011. It launches pilots on the basis of the interests expressed by developing countries clients at the beginning of 2012. 19/20
- [Building on the pilot approved for Latin America, the World Bank launches similar pilots for its APRM product in Sub Saharan Africa and North Africa and the Middle East and presents the first results of these pilots at our Leaders Summit in November 2011.]
- The WFP presents a concept paper on a hedging strategy for its food procurements for consideration at the latest in early 2012.
- The World Bank and other Multilateral and Regional Development Banks report on progress made to the Development Working Group in September on counter-cyclical, weather and guarantee instruments for further consideration at our Leaders Summit in November 2011.

### **Annex n°6: Emergency Humanitarian Food Reserves**

To improve the capacity of low income countries and regions to mitigate the negative effects of high and volatile food prices and to ensure rapid access to food for the most vulnerable, we invite WFP and other interested international organisations and bilateral development partners to elaborate of a small regional pilot on emergency humanitarian food reserves, consistent with WTO rules: - strengthening synergies with ongoing regional initiatives; - operating with the active participation of the countries concerned; - maximising performance and cost efficiency and effectiveness; - optimizing existing instruments.

The pilot will be designed to cover a limited group of countries, selected from Low Income Food Deficit Countries as determined by FAO and Least Developed Countries as defined by the United Nations General Assembly in a particular region. The pilot will ensure integration with schemes of targeted assistance to the most vulnerable, such as safety nets, and clear, transparent and pre-determined trigger mechanisms, such as early warning systems. The pilot will determine the best combination of physical and financial instruments for small regional emergency humanitarian food reserves and specify technical requirements and financial conditions for the best options for procurement, size, composition, release terms, replenishment and rotation. The pilot will benefit from lessons learnt and experience gained through other initiatives promoted by the G20, in particular in the context of the Agricultural Market Information System, the risk management toolbox and the development of a code of conduct for responsible emergency humanitarian food reserves management.

## **Next Steps**

- The WFP will establish by the end of June 2011 a working group with interested international organisations, bilateral development partners and potential eligible countries in a particular region that could participate in an emergency humanitarian food reserves pilot, involving expertise from the civil society and the private sector. 20/20
- This working group will prepare for the Development Working Group in September 2011 a written project plan setting out detailed recommendations for the operation (obligations of participating eligible countries, size and composition of the reserve, trigger criteria and release terms), financing (estimate of initial and recurring costs and potential sources of funds) and management (governance structure and management agent) of the emergency humanitarian food reserves pilot.
- This working group will also prepare for November 2011 a first draft of a Code of conduct for emergency humanitarian food reserves, with a view to its adoption at the Committee on World Food Security of October 2012.
- A high-level stakeholder workshop in September 2011 will bring together senior officials from the countries and regional organisation concerned, relevant multilateral development banks and others to refine the project plan and to discuss financing and implementation.
- The final project plan for the emergency humanitarian food reserves pilot will be presented for consideration by Leaders at the G20 Summit in November 2011, together with the draft of a code of conduct, with a view to launching the pilot by the end of 2011