



The Agricultural Market Information System of the G20 Experiences and lessons learnt

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STATEMENT OF MR. JOE GLAUBER

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Chair, thank you for the opportunity to address everyone today regarding the important role of the Agricultural Market Information System. Both Shenggen Fan, IFPRI's Director General, and Maximo Torrero, Division Director for Markets, Trade and Institutions would have liked to attend today. Both have been keenly involved with AMIS since its inception and both have been highly supportive of its effort to improve market information so as to inform policy makers and market participants in order to avoid the mistakes that we saw during the price spikes of 2007/08 and 2010/11.

The value of AMIS was tested early when drought struck southern Europe and North America in the summer of 2012. Analysis provided by AMIS and close discussions among AMIS members helped allay concerns about a return to price volatility. Prices rose to record (nominal) levels, but markets performed efficiently without the levels of price volatility that had we had seen in 2007 and 2010. While it may be simplistic to believe that this was all due to AMIS, I believe that AMIS was instrumental in preventing some of the self-imposed market obstructions that we saw in those years.

Let me extend IFPRI'S appreciation for the hard and diligent work of the AMIS Secretariat and in particular for the leadership of Abby Abbassian without whom it seems impossible to think that we would have come as far as we have in accomplishing the goals of the G20 Ministers. It has largely been Abby's vision, with the help of his FAO colleagues in the Secretariat that have helped shape and mold the Market Monitor report, which has proved an essential resource upon which the Information Group draws.

A key benefit of the AMIS effort has been the close interaction of International Organizations such as IFPRI. Efforts began with the joint preparation of the report on price volatility for the G20 Agricultural Ministers and the Action Plan prepared for G20 Leaders. Last fall IFPRI hosted a workshop of technical experts to examine several indicators of market price volatility including IFPRI's excessive food price volatility measure; the World Bank Group's food price crisis monitor and FAO's work on a market sentiment index. It is hoped that this work will help provide a more timely and accurate early warning global market indicator of price volatility.

Chair, AMIS has provided a forum for country representatives to discuss market outlook in a way which is strikingly cordial and supportive. Indeed, one of the key benefits of AMIS may very well be the close relationships that have developed between country representatives—relationships which engender trust during times of crisis.

Lastly, as we note that prices have fallen as much as 40 percent from levels seen during the record peaks in 2012 it is easy to get complacent about our efforts. Tight national budgets have meant everyone is trying to do more with less. It would be a mistake, however, to be lulled into thinking that high prices and high price volatility are a thing of the past. Our efforts to put an effective market monitoring mechanism in place must be maintained and indeed intensified if we are to avoid the pitfalls that brought out AMIS in the first place. On the part of IFPRI, congratulations AMIS and thanks for the opportunity to speak today.