



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

Side event at the 71st Session of the
Committee on Commodity Problems (CCP)

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CLOSING REMARKS OF MR. FRIEDRICH WACKER

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Ladies and Gentlemen,

We are celebrating the fifth anniversary of the Agricultural Market Information System (AMIS). This anniversary provides us with a welcome opportunity to present the functioning and the results of AMIS to the participants of FAO's Committee on Commodity Problems (CCP). The CCP is an important forum to monitor the development of global markets for agricultural products and food, especially as regards the linkages between trade, trade policies and food security.

In this respect, one important question is the impact of national food security measures on trade and, by extension, on the food security situation in other countries. In view of the rising global demand for food and the changing patterns of consumption, the volume of world trade in food commodities will continue to grow. The linkages between trade, trade policies and food security will thus become even more important in the future.

Experience from the last decade has shown that the development of agricultural markets goes hand in hand with phases of high and volatile food prices. This has been particularly visible in the 2007-2008 period. At that time, sudden price increases in global agricultural markets shook the faith of many people in relying on trade as a building block of food security. It prompted many countries to take steps to limit, for instance, their food exports in the interests of their own internal markets.

This had tremendous ripple effects on global markets. The World Trade Organization did not have the right tools available to address this adequately and effectively. As explained by the Secretary of AMIS, Mr. Abdolreza Abbassian, prior to AMIS there was no place to discuss policies that have the potential to negatively impact global markets.

In 2007/2008, I worked at the German Federal Chancellery. Chancellor Angela Merkel quickly realized that the instability of agricultural markets could have severe implications for food security in many developing and emerging countries and with that for their political, economic and social stability. She asked us to analyse the root causes of the price shocks and to work on proposals for an action plan that could be presented to the G8 under the Japanese presidency. We came up with a paper that became an essential part of the G8 resolution in Toyako, Japan, and provided the groundwork for the following debates in other fora of the UN, the G8 and the G20.



It was these experiences – high price volatility and ensuing national measures impacting trade – that inspired the idea for an agricultural market information system by the G20. It is especially thanks to the initiative of France that this idea was actually put into practice. AMIS became part of the Action Plan on Food Price Volatility and Agriculture which the G20 Ministers of Agriculture approved in 2011 under the French presidency. It is now our privilege to take over the chairmanship of AMIS as we are celebrating the fifth anniversary of the initiative. This does not only reflect our close Franco-German cooperation but in particular our commitment to keep AMIS strong.

Today, you have heard a great deal about the functioning of AMIS and its outputs but also about the experiences of participants with this system. Some characteristics and specific strengths were highlighted in our discussion today:

1. "Transparency": AMIS is a sound platform that brings transparency to the markets and policy makers, enabling them to take informed decisions.
2. "Networking": AMIS is creating a network or a community of experts who are advancing the knowledge of how to improve the Agricultural Market Information System. It also provides a better understanding of how global food markets work.
3. "Research": AMIS is bringing innovation to the information system.

For me, AMIS is an outstanding example of successful cooperation at the international level. This also encompasses the participation of what are now eleven international organizations in the AMIS Secretariat. They bundle their respective strengths and coordinate their activities through the AMIS Steering Committee. Then there is the active participation not only of the G20 countries but also of other countries with large shares in the production of or trade in AMIS commodities.

When AMIS was created, the choice of agricultural commodities whose markets were to be monitored was the subject of a heated debate. It was by no means easy to limit them to “just” four albeit important commodities [wheat, maize, rice, soybeans]. But this limitation was – in my opinion – one of the key factors that enabled the initiative to get off to a smooth start.

Much has been done and developed in the five years since AMIS was introduced. This includes progress in the provision of market data by the focal points of the participating countries – from the initial provision of historical supply balance sheets down to the regular provision of short-term forecasts. The monthly AMIS Market Monitor has gradually been further developed. New features have been added. This again is a result of the division of labour and cooperation between the international organizations forming the Secretariat.

I could touch on other results of this work but you have already heard many examples of this today. I would simply like to summarize that, over the past five years, AMIS has made major progress in improving market transparency in the global markets concerned. This sums up the work done by the Secretariat together with the Global Food Market Information Group.

This brings me to the second important building block of the system. With the Rapid Response Forum, AMIS also has a suitable forum to prepare, if necessary, policy decisions for coordinated action by the participants. Action that is required to tackle problematic market situations. This mechanism has also proved its worth several times in the past. As emphasized by Mr. Abbassian, AMIS has illustrated the power of cooperation to effectively address crisis situations. This power is rooted in the convincing rationale on which AMIS is based.



In recent years, AMIS commodities have been characterized by an abundant supply in global markets. However, we all know just how quickly market situations can change, particularly as a consequence of weather- and climate-driven shifts in supply. AMIS aims to contribute to recognizing the corresponding signs early on. Above all, this highlights the importance of further, deepening cooperation between all participants even when what's happening on the market is not so "exciting". Only when we learn to work together in "peaceful times" will it be possible to react quickly and appropriately in crisis situations. We all invest in well-trained fire brigades and costly fire protection even when we do not experience a fire.

Five years is not a long time span for what has already been achieved. An initiative like AMIS can and should continue to evolve. There needs to be discussion of whether and, if so, which additional agricultural products are to be included in reporting without overtaxing the system. Furthermore, there are "plans" to institutionalize the dialogue with market players, analysts and industrial journalists as part of a regular AMIS outlook conference and, at the same time, to highlight the working methods and performance of AMIS.

In closing, I would like to thank all the participants in this morning's event: the speakers for their insightful contributions and the CCP delegates for their interest in AMIS. Please allow me to make a parting request: I invite you to make use of the results of AMIS in your own work and to please share your impressions from this morning with other people!

Thank you for coming, for your attention and your active participation. My final thanks go to the AMIS Secretariat who initiated and organized today's event.