

**Concept Note**  
**Second Ministerial Meeting on International Food Prices**  
**7 October 2013**  
**FAO Headquarters**

**Background and objectives**

FAO will hold a second Ministerial Meeting on International Food Prices in October 2013. A first meeting in 2012 on Food Price Volatility was held in response to the third spike in international grain prices in five years. Based on the success of that first Ministerial Meeting, it was agreed to repeat the event in 2013. Although prices of cereals and oilseeds on international markets have fallen from the peaks reached in July 2012 they remain high and grain stock-to-utilization ratios remain low. There are therefore continuing concerns that markets continue to be vulnerable to supply shocks.

The meeting will provide a forum for the exchange of views and sharing of experiences between ministers concerning food price volatility and the policy problems it poses. The meeting is especially valuable and timely in the absence of any other international arrangements for a broad cross-section of agricultural ministers to meet in 2013 to discuss agricultural market issues. Indeed, in spite of their continuing importance, outstanding issues concerning food prices and markets are being largely overlooked in multilateral processes this year.

While there is some consensus emerging on the drivers of food price volatility, at least in the 2007-08 episode, and a better understanding of policy responses, there remain a number of outstanding issues. Speculation and its regulation, biofuel policies, trade policies and the potential role of stocks all remain controversial. The causes and consequences of price volatility for non-food agricultural commodities are much less studied and understood, yet many countries are economically dependent on their exports of such commodities. More generally, the linkages between food price volatility and food insecurity are still imperfectly understood in the absence of detailed knowledge of price transmission through value chains. The point and circumstances where volatility becomes "excessive" or degenerates into a "crisis" are also open to debate. Macroeconomic impacts have not been explored much though these can be complicated and severe especially for countries which are non-food agricultural commodity exporters but importers of food products. Governments continue to struggle to define effective policy responses to address not only the immediate market and food security problems caused by international food price volatility but also to address simultaneously the macroeconomic consequences for inflation, foreign exchange reserves, government revenues and economic growth. They are under pressure to help mitigate the negative impacts of volatile prices on poor consumers but also to provide the enabling environment for producers to improve productivity. At the international level, debate continues on the potential role of stocks to reduce volatility, or to at least mitigate its negative effects.

The Ministerial Meeting on International Food Prices on 7 October 2013 will provide a forum for discussion and debate around these topical issues to pool knowledge on how international

food price volatility impacts at national level and to identify best practices in handling a multi-dimensional policy problem.

The 2013 FAO Ministerial Meeting on International Food Prices will be held on the first day of the 40<sup>th</sup> Session of the Committee on World Food Security (CFS). It is not a formal part of the CFS agenda, but rather is a separate FAO-organized event that will take place during the CFS to allow CFS delegates to follow the proceedings and be informed by the discussions.

### **Organization and format**

The proposed format for the meeting is the same as in 2012. The meeting will be co-chaired by Ministers, or their representatives of the country currently holding the presidency of the Agricultural Market Information System (AMIS), and the country immediately preceding it in this role. The agenda and timetable will provide for opening statements from the FAO Director-General and the two co-chairs followed by Ministerial interventions, discussion (if time allows), concluding remarks from the two co-chairs and closing remarks from the FAO Director-General. The proposed duration of the meeting is two and a half hours. It is hoped that the agenda and timetable will allow for an intervention by representatives of the mechanisms which represent civil society organizations and the private sector in the CFS. A provisional agenda is annexed to this note.

The proceedings will be webcast.

### **Outputs**

As in 2012, the ministerial statements will be collected and published as an FAO document. This publication was well-received last year as a record of the event and an international cross-section of ministerial views on food price issues at a specific point in time. For 2013, to prepare that publication in an efficient and timely way, ministers will be advised in advance that a publication is planned and that they should provide copies of their statements.

The meeting will be followed by a press conference hosted by the FAO Director-General.

## **Provisional Agenda**

### **MINISTERIAL MEETING ON INTERNATIONAL FOOD PRICES**

Monday 7 October 2013

FAO Headquarters

Welcome and opening remarks by Mr José Graziano da Silva, Director-General, FAO

Introduction and opening statements by co-chairs

Interventions by Ministers

Discussion and interventions from the floor

Concluding remarks by co-chairs

Closing remarks by Mr José Graziano da Silva, Director-General, FAO

Group photograph with Ministers

Luncheon hosted by the Director-General

*Press conferences upon request by the Governments (at any time)*