

PLENARY REMARKS

UNFAO HIGH LEVEL CONFERENCE ON WORLD FOOD SECURITY

“Establishing a Food Reserve for the World’s Poor and Hungry Now”

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All throughout yesterday, during the opening of this High Level Conference on Food Security and Climate Change, we have heard numerous statements which sought to explain the road that has led us to today’s Global Food Crisis. Many of the statements were similar and many have given credible analyses on the situation.

As a response thereto, we have heard numerous pledges of funds from Governments and Multilateral Financial Institutions (MFIs) to address the issue of increased productivity and investments in food production and agriculture. Surely, this has given us much hope considering that our agriculture sector is in continuing need of infrastructure investments. Investments that have given positive returns as average yield growth per hectare in our country, has outpaced global growth rates by more than 40% in the last 10 years.

But as FAO Director-General Jacques Diouf has correctly and consistently reminded us, time is of the essence. The issue is: when can the world’s farmers access these funds to buy seeds and fertilizers considering that the planting season is upon us? How does he build or restore irrigation works? It seems that we may have to forego this planting season yet again, and prepare for the summer crop of 2009 instead.

In the interim, as the world responds to the situation by programming more funds for food production, we have heard numerous pledges of funds to help the World Food Programme (WFP) in an effort to assure the vulnerable, that the purchase and distribution of food aid globally, will not be curtailed. This is both admirable and re-assuring. However, these pledges do not assure that in the meantime, we can stave off any further increases in the price of staples and cereals.

It is this realization that it will take time to galvanize concerted effort to access resources for production, and that in the meantime, food prices may continue to spiral upwards, that we are proposing the creation of a mechanism that can match the current supplies of food inventories held by food producers, to the demand of net food importers. The time has come for us to establish a Food Reserve (FR).

The situation we confront today is novel and fluid. Conditions are changing daily leaving much uncertainty and rendering circumstances ripe for much speculation. Our ability to immediately convene and orderly match suppliers and users will significantly reduce speculation and stabilize supplies and prices.

To remove partiality and de-politicize the process, we need to establish an independent Food Reserve run by an agency with the track record and competence to implement such a project like the World Food Program (WFP). Participation in the Food Reserve will be on a voluntary basis with actual food stocks warehoused in countries and regions projected to experience food shortfalls, for immediate access in times of need. The Food Reserve, as a stabilizing mechanism to moderate unusual price fluctuations, will operate and defend a PRICE BAND. The FR will protect food producers when prices go below the low end of the band. At that point, exporting countries can sell or deposit their inventories to the FR preventing the release of more stocks into the market that can further crash prices against farmers. Exporting

countries should also be allowed by MFI's to borrow funds against their stocks. When prices breach the high end of the band, the FR would sell or lend stocks to importing countries which would like to avoid having to buy food at higher than normal market prices. The infusion of supplies is expected to moderate, if not stop, further increases in food prices.

This is an effort to ensure that by protecting the profitability of food producers, they will continue to produce food, while the world's poor and hungry, will be sheltered from the harm of harsh speculative commodity prices.

Whatever the resolution will be at the conclusion of this conference, let us be reminded that the world's vulnerable are not interested to hear more of our words, but are actually begging for our action, NOW. We confront a new order and no solution is simple, yet if the objective is to stabilize price and supply to protect the world's poor and hungry, we must persist no matter how seemingly difficult the path may be. We may be meeting in the splendour of Rome, but we cannot allow the Eternal City to mask the violence of hunger, being inflicted on the world's poor any longer. Beyond speeches, WE MUST ACT NOW!

Thank you.