

24 May 2012

Mr. Nikolay Fedorov

Chair, APEC Ministerial Meeting on Food Security &
Minister of Agriculture
Russian Federation

Dear Minister Fedorov:

ABAC is pleased that APEC has identified food security as a major priority for APEC 2012, and that the second Ministerial Meeting on Food Security will be convened this May.

Over the past decades, ABAC and APEC have made great efforts in promoting food security. In 1999, ABAC proposed a unified APEC Food System that was endorsed by APEC Leaders, but implementation was desultory. In 2009, ABAC published the document “Strategic Framework for Food Security in APEC” which explored key issues affecting food security. In the 2010 Niigata Declaration, Ministers declared that APEC economies would collectively pursue the shared goals of (i) sustainable development of the agricultural sector, and (ii) facilitation of investment, trade and markets, and Ministers endorsed an APEC Action Plan on Food Security which identified 62 specific activities to be implemented by 14 APEC economies. Since implementation is mainly carried out by academies of agricultural sciences or other research institutes with little involvement from business circles or agri-food enterprises, it is sometimes hard to realize effective cooperation for the proposals.

Therefore, ABAC applauds the creation of the APEC Policy Partnership on Food Security and asks Leaders to direct their governments to use this Partnership with the private sector as the focal point for developing and implementing a food security policy for the APEC region.

This year, ABAC has conducted an open and transparent selection process for the principal advisor to the PPFS Management Council and launched the nomination process of the private sector representatives to PPFS delegated by ABAC economies. As a result, PPFS has currently more than 50 representatives in its composition who are representing supply and demand sides along with agri-food-related industry bodies, farmers’ groups and individual companies.

ABAC supports open markets that can effectively link food supply to demand and ensure that resources, particularly investment, flow efficiently. ABAC recognizes that there are some new challenges which have made the food situation ever more complex. Faced with these new challenges, we propose to take concrete actions with more involvement from the private sector, firstly aiming at expanding global food supply and nutritional capacity, and secondly reducing food price fluctuations and post-harvest losses in the global market.

We particularly request your kind attention on the following outstanding issues and relevant actions:

1. Facilitating effective dissemination of food-related technologies and food safety systems

We believe that technology is key to increasing food output and ensuring a safe and stable food supply. In past years, technology played an unquestionable role in increasing food output and ensuring a stable food supply. However, the role of technology in enhancing grain yield in developed economies has weakened, while for developing economies technology still has great potential to boost yield.

Therefore, we recommend that APEC consider the possibility of establishing technology dissemination centers in APEC economies in the agri-food sector to coordinate innovative activities, provide assistance with technology dissemination, assess risks and possible consequences from using innovative technology, and develop demonstration projects for food-related technology dissemination. We also recommend close collaboration with the APEC Food Safety Cooperation Forum.

2. Increasing collaboration and investment in the agri-food sector

We are concerned that the longstanding under-investment in agriculture across the globe may have resulted in low agricultural productivity and stagnation in many economies, especially in developing economies. To address the task of enlarging the food supply in APEC economies, it is necessary to significantly increase public and private investments.

Therefore, we propose that APEC should, through the PPFS, improve the business environment in APEC economies with the aim of facilitating investment in the agri-food sector while identifying existing barriers to investment cooperation. We recommend that APEC consider working out a regional strategic investment plan and elaborating measures to attract targeted investments into the agri-food sector.

3. Developing food markets infrastructure

We agree that the development of food market infrastructure and improvement of their logistics plays an important role in the overall development, liberalization and mutual integration of markets, creating the basis for their more efficient functioning and further expansion.

Logistical processes, such as storage and transportation, are always accompanied by losses. Thus, the development of market infrastructure would significantly reduce losses along the whole food supply chain (production, storage, transportation and distribution).

Therefore, we propose that APEC consider developing a unified methodology for assessing post-harvest losses in the APEC member economies' food sector to acquire comparable data in order to analyze this problem and elaborate ways to resolve it, including by concentrating on the more efficient management of both ambient and refrigerated supply chains. We also suggest APEC design a framework for the development of food market infrastructure to minimize food losses during transportation, and for a greater affordability of food to vulnerable populations and provide better risk mitigation for short-term food emergency needs.

4. Improving global food market transparency

Food price volatility was a main agenda item during the presidency of France at the G20 Summit. G20 governments have created the Agricultural Market Information System (AMIS). According to the Food Security Action Plan adopted in Niigata in 2010, Japan is developing the Asia-Pacific Food Security Information Platform (APIP).

Therefore, we suggest that APEC consider areas of cooperation between AMIS and APIP, as well as the possibility of having APEC economies that are not G20 or AMIS members participate in the two information systems.

5. Monitoring the impact of financial instruments

Speculation makes markets more active, however it also can have a negative impact on the final price for consumers. Therefore, it is necessary to strengthen monitoring of the impact of financial instruments.

ABAC recommends that APEC monitor the G20 “Action Plan on Food Price Volatility and Agriculture” and consider adopting, coordinating and implementing measures.

We are ready to discuss the above-mentioned issues and proposals with you at the upcoming APEC Ministerial Meeting on Food Security in Kazan this May.

Sincerely yours,



Ziyavudin Magomedov
ABAC Chair 2012