



*Juan F. Raffo*  
*ABAC Chair 2008*

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**The Hon. Mercedes Araoz**

Chair, Meeting of APEC Ministers Responsible for Trade and  
Minister of Foreign Trade and Tourism  
Peru

Dear Minister Araoz:

There is widespread concern among regional business on the impacts of shortages in the supply of basic food products and subsequent marked increases in prices. These problems are due to a number of factors, notably increased global demand for agricultural products and energy related issues including oil price rises. New policy issues need to be faced. In some economies defensive measures are being taken, including export restrictions to retain supplies for domestic markets, with adverse consequences for other economies.

Short-term programs are needed to cope with immediate problems. But it is equally essential that the underlying long-term problems are addressed. Within APEC there is an established framework for policy guidance - the APEC Food System (AFS) developed at the initiative of ABAC and adopted by Leaders in 1999.

As set out in the 1998 and 1999 ABAC Report to APEC Leaders, the AFS is based on a vision of a regional food system where:

- consumers have access to the food they desire at affordable prices;
- the productivity of the food sector is enhanced through region-wide availability of food-related technological advances and through efficient resource use;
- supply security is improved through cooperation and interdependence;
- the vitality of rural communities is enhanced through improved infrastructural development and through access to viable non-farm employment and industry.

The AFS includes specific programs to pursue the vision. Those programs have direct relevance to the situations faced today. It is regrettable that many APEC economies have not taken up the challenge presented to them to embrace the AFS. It is time for them to do so now. ABAC recommends that Ministers renew the commitment entered into by APEC Leaders in 1999 to bring the AFS into effect, and instruct officials, as a matter of urgency, to prepare a report for the 2008 Leaders Summit on: 1) policies and programs required to implement the AFS on an APEC wide basis; and 2) concrete steps that the Leaders can take in 2008 to reinvigorate the process.

ABAC stands ready to work closely with APEC on this issue and plans to put special emphasis on the AFS and food issues from now through the 2009 Leaders Meeting – a thorough review of the AFS and APEC's failures in its implementation - and to make detailed suggestions to APEC throughout that period.

Sincerely,

Juan F. Raffo  
ABAC Chair 2008