



G20 Mexico 2012
Agriculture Vice Ministers / Deputies Meeting
REPORT

Mexico City, May 18th 2012

(1) Under Mexico's G20 Presidency, Vice Ministers/Deputies of Agriculture from the countries of the G20, and invited countries¹ (the "G20 Agriculture Group") met in Mexico City with the aim of articulating goals, focusing efforts and establishing sound commitments to address food security challenges under a global perspective.

(2) In view of the Summit of the Heads of State of the G20 Countries to be held in Los Cabos, Mexico in June 18th and 19th 2012, and in consistency with the Development Working Group, we present the following Report including: i) a state of play on the implementation of initiatives established in the Action Plan on Food Price Volatility and Agriculture (the Action Plan) and ii) Key findings and recommendations on sustainable agricultural production and productivity growth, which was the focus of our work this year.

I) Implementation of the actions and initiatives established in the "Action Plan"

(3) The Action Plan adopted by the Ministers of Agriculture of the G20 in Paris in June 2011, addressed the impacts of rising world food demand and increased agricultural commodities price volatility on the lives of millions of people across the world. The Action Plan developed a blueprint for joint cooperation initiatives on food security and food price volatility. The Cannes Summit final declaration endorsed the Action Plan and confirmed the five main objectives: (i) improving agricultural production and productivity, (ii) increasing market information and transparency, (iii) reducing the effects of price volatility for the most vulnerable, (iv) strengthening international policy coordination and (v) improving the functioning of agricultural commodities derivatives' markets.

¹ Cambodia, Chile, Colombia, Denmark, Netherlands, New Zealand and Spain.



(4) One of the main priorities for the 2012 work on food security is the implementation of the 2011 commitments as established in the Action Plan. To this end, special attention was given to ensuring that the actions and initiatives launched last year have the necessary support to succeed. The progress made to date, and the main achievements on the following actions and initiatives are:

i. Agricultural Market Information System (AMIS). AMIS was launched in September 2011 with the participation of the G20 countries. The AMIS, whose Secretariat is hosted by FAO², has the main objective of encouraging major players on agri-food markets to share data and enhance existing information systems, in order to promote cooperation for greater understanding of food price developments and further policy dialogue.

The AMIS website was released in December 2011 (www.amis-outlook.org) containing all the information about the initiative. France was the Chair for the first year of the initiative and the United States will assume this position in October 2012.

Although the initiative is making steady progress, we have identified that stronger engagement of all stakeholders and support for capacity-building is needed to improve data collection systems and to ensure high quality data is provided to AMIS.

ii. Rapid Response Forum (RRF). Two meetings of this forum, linked to AMIS, have taken place. One in September 2011 in Rome and another in Mexico City in April 2012. In these meetings, participants discussed the global market situation and started discussions on appropriate market indicators and procedures that RRF could adopt to cope with market conditions. We commit to continue working on the implementation of this initiative to strengthen international policy coordination.

iii. International Research Initiative for Wheat Improvement (IRIWI). The launching of this initiative took place in September 2011. The IRIWI aims to identify synergies and nurture collaborations via facilitating open communications between research programs for wheat improvement,

² With the collaboration of IFAD, IFPRI, OECD, World Bank and WTO.



research and technology development. The governance structure and several working groups of this initiative have been established. A Global Action Plan on wheat has been developed by CGIAR. We reaffirm our commitment to continue supporting this initiative.

iv. The GEO Global Agricultural Monitoring Initiative (GEO-GLAM).

The GEO-GLAM aims to strengthen the international community's capacity to produce and disseminate relevant, timely and accurate forecasts of agricultural production at national, regional and global scales, by enhancing national and international agricultural reporting systems. This initiative started in September 2011, headed by the Group on Earth Observation, which developed a working plan with the following components: global and regional monitoring systems; national capacity development; regional systems for countries at risk; coordinating Earth Observation data; and; R&D to improve agricultural monitoring and information disseminating, and improve satellite data sharing for countries in need. We welcome these efforts and encourage further voluntary participation.

v. Tropical Agriculture Platform (TAP).

The TAP, coordinated by FAO and other organizations, focuses on enhancing capacity-building and knowledge sharing to improve agricultural production and productivity. Within this framework, a consultation process has been conducted among all participants and stakeholders to gather feedback on the scope and nature of this initiative. We support the TAP to achieve its goals for fostering the generation, sharing and utilization of agricultural technologies and practices for smallholders in developing countries.

vi. Food Purchases for Non-commercial Humanitarian Purposes by the World Food Programme (WFP).

The Action Plan recognized that the first responsibility of each member state is to ensure the food security of its own population and that food export barriers restricting humanitarian aid penalize the most needy. G20 countries also agreed to remove food export restrictions or extraordinary taxes for food purchased for non-commercial humanitarian purposes by WFP and not to impose them in the future. We reaffirm our commitment on this matter and noted the need to continue seeking a resolution of this issue in the WTO.



vii. Regional Emergency Humanitarian Food Reserves. We welcome the commitment to establish a Pilot Project for Regional Emergency Humanitarian Food Reserves under the political leadership of the Economic Community of Western African States (ECOWAS) and its member countries, and we encourage them to move forward on this important initiative. We also expect ASEAN Plus Three Emergency Rice Reserve (APTERR) will contribute to this initiative.

viii. Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security. These guidelines were approved in May 2012 by the UN Committee on World Food Security. We encourage country-level implementation of these guidelines as means for strengthening governance on issues related to land tenure, as appropriate.

ix. Principles for Responsible Agricultural Investment (PRAI). We reaffirm our commitment to uphold the PRAI. We welcome the ongoing work of the IOs on responsible agricultural investment³. We welcome the progress of the PRAI Pilot Projects launched in February 2012. We look forward to the summary report that will be issued in September 2012 by the IOs involved, and support the UN Committee on World Food Security consultation on responsible agricultural investment and on-going work of the Pilot Projects to field test and operationalize the PRAI.

x. Risk Management. Commitments on this key issue have been implemented since the G20 Agricultural Ministerial meeting of June 2011. The World Bank has created several tools to help developing countries to cope with the adverse impacts of excessive price volatility for agricultural commodities, such as the Agricultural Price Risk Management (APRM) implemented by the International Finance Corporation (IFC) in Latin America, the Mediterranean region and Sub-Saharan Africa. Moreover, the International Fund for Agriculture Development (IFAD), the World Bank, the Agence Française du Développement (AFD) and the Inter-American Development Bank (IDB) have conducted efforts to create the Platform on

³ FAO, IFAD, IFPRI, UNCTAD, OECD and the World Bank.



Agricultural Risk Management (PARM). We recognize the importance of these mechanisms to help developing countries identifying and implementing sound risk management strategies and tools.

xi. Financial Regulations. Following the endorsement of the Principles for the Regulation and Supervision of Commodities Derivatives Markets by the G20 Leader's in Cannes, the International Organization of Securities Commission (IOSCO) will assess their implementation and present a progress report in November 2012. We welcome efforts by the G20 Finance Track to examine the macroeconomic effects and consequences of excessive commodity price volatility. In particular, we look forward to the report with inputs from the IOs of an assessment of policy options that a country could consider as per their national circumstances to reduce adverse effects of excessive price volatility or mitigate effects on growth.

(5) We recognize the important role that international trade can play in improving food security and increasing agricultural productivity, and reaffirm our Ministers commitments as per paragraphs 37 and 38 of the Action Plan.

II) Key findings and recommendations on sustainable agricultural production and productivity growth.

(6) The Action Plan recognized that to feed a world population expected to reach more than 9.3 billion in 2050, it is estimated that agricultural production will have to increase by 50-70 percent over the same period, and more specifically by almost 100 percent in developing countries. Likewise, the Cannes Summit Final Declaration of 2011 states that increasing agricultural production and productivity is essential to promote food security and foster sustainable economic growth.

(7) Under Mexico's G20 Presidency, we recognize the work of the IOs, coordinated by FAO and OECD, to produce a report on "Sustainable Agricultural Productivity Growth and Bridging the Gap for Small Family Farms" as an input for the discussions of the G20 Agriculture Group. The report sheds light on the pressing challenge of increasing agricultural productivity worldwide in a sustainable manner, and offers recommendations on areas where countries could focus cooperation efforts with an emphasis on small family farms. These include:



investment in agriculture; facilitating responsible private investment; R&D and innovation; technology transfer, extension services and training; trade, and risk management.

(8) We commend the efforts of the B20 Task Force on Food Security which delivered its own set of recommendations, showing the willingness of the private sector to engage in the strengthening of agricultural production and the enormous potential that entrepreneurs have to contribute in this field. The recommendations put forth by the private sector are part of an independent track conducted under the B20 process and do not necessarily represent the views of all of the Members of the G20 and invited countries, but represents an important dialogue between governments and the private sector.

(9) Increasing production and productivity in a sustainable basis in economic, social and environmental terms, while considering the diversity of agricultural conditions, is one of the most important challenges that the world faces today. This will have global implications in strengthening the resilience of food markets, enhancing food security, improving well-being and promoting the rural economy, as well as contributing to positive externalities and to a sustainable use of natural resources, in particular land, water and biodiversity. Therefore, we agree to:

i. Undertake further analysis of current national approaches and best policy practices to increase sustainable agricultural productivity growth. As an initial step, and without creating new institutions, we call on the FAO, OECD and other relevant IOs to propose a consistent framework for analysis for our consideration before the end of 2012. Countries may choose on a voluntary basis to follow this framework.

ii. Enhance investment in productivity growth in each country's agricultural sector, paying attention to the specific infrastructure and market integration requirements of smallholder farmers in those countries where this is a key factor in agricultural productivity.

iii. Encourage all relevant stakeholders to invest in the agricultural sector, taking into account the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests and PRAI, including



the ongoing consultation process on the latter in the UN Committee on World Food Security.

iv. Promote the implementation of public policies which contribute to a market-oriented investment environment, to encourage private sector involvement in sustainable agricultural productivity growth and promote market integration of farmers.

v. Take note of the World Agriculture Watch initiative, hosted by FAO, in partnership with France and IFAD, which aims at a better understanding of agricultural transformation and smallholder issues around the world, and to inform policy dialogue and improve multi-stakeholder planning and policy formulation related to agricultural transformation at local, national and international levels.

(10) Considering that increasing access to, and efficient use of agricultural inputs in developing countries, constitutes a key strategy to boost productivity among smallholders, we stress the importance of improving the functioning of input markets. As a first step, we call on relevant international and regional organizations to further examine how to strengthen competition in the global fertilizer industry, while promoting a sustainable use of these inputs. This analysis should be further extended to other relevant inputs.

(11) We encourage countries to strengthen monitoring and evaluation systems of their smallholders targeted input subsidy programs, improve smallholders targeting methods and graduation mechanisms, and implement specific training to enhance farmers' knowledge of precise approaches to promote sustainable input applications, on a gender equal basis.

(12) We recognized the need to effectively reduce post-harvest losses and waste, and strengthen the market competitiveness by improving quality. Thus, we encourage best practices sharing within the G20 on this issue and we commit to support public policy and international cooperation initiatives aimed at promoting an efficient and stable food distribution system, with the goal of optimizing the food value chain and reducing post-harvest losses and food waste. Therefore, we



encourage countries to explore value chain approaches to improve production, storage, processing, distribution and market sales.

(13) Recognizing the importance of establishing a policy environment that may attract increased investment in the agri-food sector, we call on relevant IOs, private sector stakeholders, the B20, and farmers' organizations to engage in a series of consultations to assess the potential of various public-private partnership (PPP) models and sharing best practices to increase foreign direct investment and R&D, and promote and scale-up appropriate partnership models in developing countries' agriculture, that empower in particular smallholders as competitive suppliers within value chains, noting in particular the activities and partnership models of the UN Committee on World Food Security, the World Economic Forum (WEF) New Vision for Agriculture and the Grow Africa Partnership, and the Purchase for Progress Programme of the WFP.

(14) Given the importance of Agricultural Innovation Systems (AIS) and especially R&D activities in each country's respective production systems, we commit to explore additional ways of enhancing international cooperation for the effective management of R&D activities and agree to:

- i.** Facilitate the exchange of experiences and policy dialogue on AIS at a high level, and as a follow up of the G20 Conference on Agricultural Research for Development, we support :
 - a.** The Meeting of the GCARD to take place in Uruguay in October 2012.
 - b.** Meetings of G20 Agricultural Chief Scientists (MACS) or high-level agricultural research officials from G20 member countries, other interested countries, and International Research Organizations such as CGIAR, with the goal of identifying global research priorities and targets, facilitating collaboration between public and private sector organizations in the key areas, most likely to drive sustainable productivity gains, and tracking progress on established goals over time. The first MACS meeting will take place in Mexico in September 2012.



c. Invite existing mechanisms and platforms to consider ways to facilitate international collaboration and information exchange on sustainable agricultural innovation and growth.

d. Focusing agricultural R&D cooperation on helping developing countries, particularly those least developed to enhance capacity-building and promote agricultural knowledge sharing and transfer.

e. In addition, we emphasize the need to strengthen efforts at the national, regional and global levels to assess, identify, prioritize, monitor and evaluate investments in AIS in order to a) collect and maintain a comprehensive database on expenditures on agricultural innovation; and b) develop tools and methods to assess the performance and impact of innovation systems.

ii. Promote effective mechanisms to facilitate voluntary public-private technology transfer to developing countries, and take note of the importance of supporting countries in improving their own intellectual property rights frameworks, encouraging developed countries to establish the tools to promote innovation and technology transfer aiming to increase agricultural productivity, in accordance with each country's international obligations. In this regard G20 countries encourage the generation and dissemination of technologies that may generate positive changes in the production systems, particularly for small farmers.

iii. Support the development and promotion of a global information sharing system on plant and animal genetic resources, as a tool to boost breeding and to sustainably increase agricultural productivity, both worldwide and at small-scale farmer levels, taking into account the ongoing efforts in the FAO Commission on Genetic Resources for Food and Agriculture and, for the countries involved, the work of Bioversity International, CGIAR, the Global Crop Diversity Trust (GCDDT), the ITPGRFA, the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity. We also encourage making available



the information on agricultural genetic resources preserved in G20 countries' public gene banks or in situ collections.

(15) We recognize the importance of promoting the entry of new participants into the field of agricultural science through international cooperation, aimed at creating new university departments in developing countries and strengthening capabilities of current research centers. We believe that increasing the pipeline of scientists would lead to the development and diffusion of new and existing technologies and innovations that could contribute in meeting productivity challenges.

(16) We welcome the launch of the Pilot Projects of the Agriculture Pull Mechanism (AGPM): nutrient fortified crops, post-harvest storage solutions and crop quality technologies in Sub-Saharan Africa, and continue to support the promotion of innovative funding for agricultural research needs, mainly in low-income countries. The AGPM is designed to bridge the gap between public and private investment in the agriculture sector in support of improved agricultural productivity and global food security. The initiative is expected to address key market failures in agriculture through the use of results-based payments and we endorse the Development Working Group's encouragement of broader participation.

(17) We reaffirm our commitment to support rice research, particularly through the Global Rice Science Partnership (GRISP) and the Coalition for Africa Rice Development (CARD). These initiatives will strengthen food security and well-being of smallholder farmers, particularly in Asia and Africa.

(18) We encourage the implementation of the International MAIZE Program (IMP) in order to coordinate the research efforts on this major crop for world food security. This initiative, targeted on maize for food and feed, integrates an international research agenda with national research and development bodies as well as the CGIAR research programs.

(19) After assessing the results yielded by Mexico's Sustainable Modernization of Traditional Agriculture Initiative (MasAgro), and building upon the International MAIZE Program (IMP) and the Wheat Initiative, we believe that this



important experience could serve as a useful model to coordinate R&D, innovation, technology transfer and PPPs in order to increase productivity in small farms. We, therefore, propose to hold an international dialogue to explore the implementation of similar models in other countries, particularly in developing and low-income countries, taking into account their capacities and necessities. This initiative could be addressed in the upcoming MACS meeting to be held in Mexico during the month of September 2012.

(20) Recognizing the need to address the short-term imperatives of ensuring food security while increasing the resilience and sustainability of food systems for the longer-term, we:

- i.** Encourage the assessment of national policies that may advocate the unsustainable use of natural resources in accordance with nationally defined priorities. We also call on countries to promote as appropriate, the integration of natural resource management and agricultural policy making for sustainable development.
- ii.** Support countries in designing, reforming and implementing nationally-defined policies, taking into account the relationships between food security, nutrition, food production and sustainable development. We also welcome the work of IOs in developing initiatives to help countries undertake economic analysis of food security, taking into account these inter-relationships.

(21) We recognize the importance of well-known practices and techniques such as soil fertility enhancement, minimum tillage and agroforestry, the use of which should be more widely disseminated. At the same time, we acknowledge that innovations are necessary and we encourage stronger cooperation in R&D through existing mechanisms and to further develop agriculture technologies and practices which help to respond to the challenge identified by the Action Plan in relation to climate change. Additionally, we stress the need of deepening international cooperation to foster linkages between climate change and food security in accordance with UNFCCC principles and provisions as well as the work done by UNFCCC in this regard. We take note of the ongoing work of the Global Research



Alliance on Agricultural Greenhouse Gases and of the Second Global Conference on Agriculture, Food Security and Climate Change.

(22) Recognizing the importance of improving the efficiency of water use in agriculture, and to safeguard the quality of water as an integral part of sustainable productivity growth, we:

- i.** Recognize the need to have integrated policies on water and food security, ensuring at the same time an efficient use and conservation of water resources.
- ii.** Support countries in considering a range of policy responses to address the increasing importance of improving agricultural water management for sustainable productivity growth. This includes strategic investments in water storage and supply infrastructure, with the involvement of water user associations, including farmers, through private-public partnerships.
- iii.** Encourage research and national information systems on water related issues, and outreach to farmers and other stakeholders at the water catchment level.
- iv.** Build resilience to address the increasing risks of water associated with climate change.
- v.** Seek to encourage rural stakeholders to participate effectively on water resource management.
- vi.** Take note of the voluntary recommendations concerning food security and water made in the Declaration of the World Water Forum, in Marseille, France in March 2012.
- vii.** We call upon relevant IOs particularly FAO, WFP, IFAD, IFPRI, IICA, OECD and the World Bank to provide a report on science based and policy based options to improve the efficiency of water use in agriculture.



(23) We commit to counter the main causes of loss of biodiversity by participating actively in international fora where these issues are being addressed. We take note of the work of the One Health initiative aiming at strengthening links between animal and human health and managements of natural resources, in particular biodiversity and ecosystem services; this initiative involves primarily FAO, the OIE and WHO.

(24) Considering the importance of mitigating risks in agriculture, we agree to:

i. Support the efforts of relevant IOs and existing risk management initiatives, such as the Platform for Agricultural Risk Management, the Global Index Insurance Facility, the Weather Risk Management Facility, the R4 Rural Resilience Initiative and the Weather Info for All, to provide smallholders with innovative and effective market-based risk management options, including weather index insurance.

ii. Strengthen efforts towards improving and exchanging weather information, including the recovery of historical meteorological information to facilitate the development of weather index insurance and re-insurance market.

iii. Promote the exchange of experiences to achieve greater coverage of agricultural insurance mainly for smallholder farmers. In addition, we underscore the importance of competition in insurance markets.

(25) We recognize the equal importance of the roles of women and men farmers in promoting sustainable agricultural productivity growth, the critical need to bridge gender productivity gaps in agriculture, and the need for measures to improve gender equality, specifically concerning access to land, water, education, services, technology and decent rural employment. In particular, the use of tools such as the Women's Empowerment in Agriculture Index to assess the impact of policies and investment on women should be promoted.

(26) We encourage the development of well-designed and gender-sensitive social safety-net programs that meet the immediate food and nutrition needs of smallholders and their households, and that also help reduce risks and costs



associated with the adoption of more productive and sustainable practices and technologies, including the empowerment of smallholders through groups and cooperatives for improving their access to technology and markets.

(27) We call for continued collaboration and support to the UN Committee on World Food Security, relevant IOs and initiatives, including the Global Agriculture and Food Security Program (GAFSP) and the African Agriculture Fund, in order to develop sustainable solutions to the most pressing food security and nutrition challenges and whose nature require globally coordinated action.

(28) We support the work of the G20 Finance Track to take the appropriate decisions for ensuring better functioning and more transparent international commodity markets.

(29) Recognizing the great efforts required to carry out the actions and commitments put forth in this Report, we urge all participants and IOs to continue to support and promote international cooperation to strengthen global food security and ultimately improve the well-being of all citizens.

Mexico City, May 18th 2012



Glossary of Abbreviations

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| AFD | Agence Française du Développement |
| AGPM | Agricultural Pull Mechanism |
| AIS | Agricultural Innovation System |
| AMIS | Agricultural Market Information System |
| APRM | Agricultural Price Risk Management |
| APTERR | ASEAN Plus Three Emergency Rice Reserve |
| CARD | Coalition for Africa Rice Development |
| CGIAR | Consultative Group for International Agricultural Research |
| ECOWAS | Economic Community of Western African States |
| FAO | Food and Agriculture Organization |
| GAFFSP | Global Agriculture and Food Security Program |
| GCARD | Global Conference on Agricultural Research for Development |
| GCDDT | Global Crop Diversity Trust |
| GEO-GLAM | GEO Global Agricultural Monitoring Initiative |
| GRISP | Global Rice Science Partnership |
| IDB | Inter-American Development Bank |
| IFAD | International Fund for Agricultural Development |
| IFC | International Finance Corporation |
| IFPRI | International Food Policy Research Institute |
| IICA | Inter-American Institute for Cooperation on Agriculture |
| IMP | International MAIZE Program |
| IOs | International Organizations |
| IOSCO | International Organization of Securities Commission |
| IRIWI | International Research Initiative for Wheat Improvement |
| ITPGRFA | International Treaty on Planet Genetic Resources for Food and Agriculture |
| MACS | Meetings of G20 Agricultural Chief Scientists |
| MasAgro | Sustainable Modernization of Traditional Agriculture Initiative |



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| OECD | Organization for Economic Cooperation and Development |
| OIE | World Organization for Animal Health |
| PARM | Platform on Agricultural Risk Management |
| PPP | Public-Private Partnership |
| PRAI | Principles for Responsible Agricultural Investment |
| R&D | Research and Development |
| RRF | Rapid Response Forum |
| TAP | Tropical Agriculture Platform |
| UN | United Nations |
| UNCTAD | United Nations Conference on Trade and Development |
| UNFCCC | United Nations Framework Convention on Climate Change |
| WEF | World Economic Forum |
| WFP | World Food Programme |
| WHO | World Health Organization |
| WTO | World Trade Organization |