

First APEC Ministerial Meeting on Food Security

NIIGATA DECLARATION ON APEC FOOD SECURITY

Niigata, Japan, 16-17 October 2010

Preamble

1. We, the APEC ministers responsible for food security, met for the first time in Niigata, Japan from 16 to 17 October, 2010 under the chairmanship of H. E. Masahiko Yamada, Minister of Agriculture, Forestry and Fisheries, Japan.

2. We welcomed the participation in the meeting of the representatives from [the Asian Development Bank (ADB), the Food and Agriculture Organization (FAO) of the United Nations, the United Nations' High-Level Task Force (HLTF) on the Global Food Crisis, the International Fund for Agricultural Development (IFAD), the United Nations Conference on Trade and Development (UNCTAD), the World Bank, the World Food Programme (WFP), the APEC Business Advisory Council (ABAC), the Pacific Economic Cooperation Council (PECC), the Pacific Island Forum (PIF) and the Association of South-East Asian Nations (ASEAN)].

3. Global food security stands at a crossroads. The food price spike in 2007 and 2008 served as a wake-up call on the vulnerability of the long-term food security. In 2009, the number of undernourished population in the world exceeded 1 billion, for the first time in human history¹. Looking to the future, the world's population is expected to reach 9.1 billion by 2050, and food production will have to increase by 70 percent to feed them². On the other hand, agricultural production has been increasingly constrained by such factors as stagnated crop yields, diminishing public investment, expanding desertification, increasing farmland conversion and accelerated climate change. As such, average crop prices over the next decade are projected to be above the levels of the decade prior to the 2007/2008 peaks³.

Food Security and APEC

4. Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life⁴. This commonly accepted definition of food security requires four conditions: availability, accessibility, utilization and stability. The availability of sufficient food is a prerequisite for access to food conditioned by purchasing power, while food must be safe, diverse, balanced and nutritious, being available and accessible at all times. Food security must be realized at all levels:

¹ FAO (2009) *The State of Food Insecurity in the World 2009*.

² FAO (2009) *How to Feed the World in 2050*.

³ OECD-FAO (2010) *OECD-FAO Agricultural Outlook 2010-2019*.

ranging from individual, household, national to regional and global scales. Food security exhibits such a multi-faceted character, and thus priority elements vary depending on each economy's level of development and its position in food trade. It is still a common concern for all APEC economies due to the special feature of food as an absolute necessity for the survival of humankind.

5. As a world's leading forum for regional economic cooperation, the APEC has a number of reasons to cooperate in food and agriculture and to contribute to regional and global food security. While the APEC is the most successful group of economies that reduced undernourished population by 24 percent from 1990–1992 to 2004–2006, about a quarter of the world's undernourished still resides in the region⁵. The APEC economies account for a half of world grain production, and cover major players in exports and imports of agricultural products. The APEC economies are vulnerable to food security risks throughout food chain as exemplified by a number of protests and riots occurred during the food price spike in 2007/2008. Finally, the APEC economies are sensitive to such natural disasters as earthquake, tsunami, typhoon, flood and drought which disrupt food supply and damage the food production base.

6. The lessons learned from the recent food price spike provide a valuable guidance on the way in which the APEC addresses food security. For the past decades, while the efforts by international community have placed high emphasis on the demand side measures to improve access to food through poverty alleviation, investment in the supply side such as research and development, extension and infrastructure have been neglected. In view of its very nature of economic and technical cooperation, the APEC is well positioned to help expand the availability of food, focusing on such endeavours as raising agricultural productivity and expanding markets. Based on such a selective approach, the APEC will not duplicate but complement ongoing international efforts for food security. Improved food security is essential in realizing human security, which is one of the priorities in APEC 2010, and also contributes to the APEC Growth Strategy. The APEC's economic size and influence also indicates that the steps that APEC members take to pursue food security can set a positive example for non-members.

7. Now is the time to take concrete actions to feed the future. For this purpose, we identified the following two broad goals to be pursued collectively by APEC members. We also endorsed the APEC Action Plan on Food Security attached to this declaration, which set out specific activities to be implemented by responsible economies to strengthen regional food security. We invited relevant sub-fora to execute these activities in cooperation with responsible economies:

Shared Goal 1: Sustainable Development of the Agricultural Sector⁶

⁵ FAO (2009) *The State of Food Insecurity in the World 2009*.

⁶ The term, agriculture, comprises crops, livestock, forestry and fisheries in this declaration.

8. The first goal shared by APEC economies is to increase the availability of food in the region through expanding supply capacity underpinned by viable rural communities, in order to address eventual tight supply–demand balance for food to be caused by population and income growth. These collective actions need to be supplemented by the cooperation to ensure stability of food supply through the adaptation to and mitigation of climate change, and enhancement of disaster preparedness in agriculture.

Expanding food supply capacity

9. The capacity of food supply can be expanded through the increase in productivity, the enlargement of cultivated areas, the reduction in losses throughout food chain and the exploitation of underutilized sources. Since 90 percent of the growth in crop production globally by 2050 is expected to come from the increase in productivity through higher yields and increasing cropping intensity⁷, raising productivity is the key to feeding the growing world population. We agreed that research and development, extension and infrastructure development be accelerated. We also agreed that the transfer of new and existing technologies be promoted within APEC economies. Building on our collective and individual efforts in these areas, we determined to increase agricultural production in the APEC region. We encouraged APEC economies to cooperate in reducing food losses in all stages in the value chain from production and processing to distribution and consumption by sharing good practices. We shared the view that fishery resources will continue to be a promising source of food supply, provided that an appropriate resource management mechanism is accompanied.

Confronting environmental challenges

10. Agriculture depends heavily on such natural resources as land and water, and generates positive and negative environmental externalities in terms of land, soil, water, landscape and biodiversity. Agriculture is also the sector most vulnerable to climate change: it is expected to reduce yields of paddy by 14–20 percent, wheat by 32–44 percent, maize by 2–5 percent and soybean by 9–18 percent by 2050 in the Asia and Pacific region⁸. Agriculture is a part of the problem as a source of 14 percent of global Green House Gas emissions⁹ as well as of the solution through carbon sequestration in soil and forests. We agreed to work together for the adaptation to and mitigation of climate change in agriculture through the exchange of information and capacity building. We determined to address such natural resource challenges as growing water scarcity, expanding desertification, increasing farmland conversion, diminishing biodiversity, degrading tropical forest and depleting marine fishery resources. While recognizing the opportunities provided by biofuels, we shared the need to ensure compatibility between biofuels and food security, and to cooperate for developing and commercializing second–generation biofuels from non–food plant materials and inedible biomasses.

Developing rural communities

⁷ FAO (2009) *How to Feed the World in 2050*.

⁸ ADB (2009) *Building Climate Resilience in the Agricultural Sector of Asia and the Pacific*.

⁹ FAO (2009) *How to Feed the World in 2050*.

11. Rural areas present challenges and opportunities for food security: 75 percent of the poor in developing countries live in rural areas; growth originating in agriculture, the dominant income source for rural inhabitants, is at least twice as effective in benefiting the poorest as growth from non-agricultural sectors¹⁰. In more advanced economies, as agriculture plays a small and declining role in employment and income, diversification in income sources including the expansion of off-farm incomes should also be sought for better food security. We agreed to share information and best practices to bring about synergy between rural development and food security. We recognized the value to encourage the consumption of locally available foods which contribute not only to the expansion of local markets but also to diverse and balanced diets. We concurred with the necessity of integrating and investing more in women, small-scale farmers and landless farmers to improve their capacity to satisfy food needs in terms of quantity, quality and diversity, and thereby to amplify the benefits across families and generations.

Enhancing disaster preparedness in agriculture

12. The Asia-Pacific region experiences over 70 percent of the world's natural disasters. Moreover, most APEC economies are located in the Pacific Ring of Fire which is home to over 75 percent of the world's volcanoes and source of 90 percent of world's earthquakes¹¹. Agriculture is the sector affected by these natural disasters most severely, and improving disaster preparedness in agriculture deserves the highest priority for increasing resilience in the food and agriculture sector. In a close collaboration with the APEC Task Force on Emergency Preparedness, we urged APEC economies to work together to enhance our capacities for disaster preparedness, risk mitigation, relief and reconstruction in the agriculture sector, with a focus on the impacts of climate change and climate variability. We also encouraged the development of comprehensive risk management plans through information sharing and capacity building among members.

Shared Goal 2: Facilitation of Investment, Trade and Markets

13. Even if the availability of food is met, food security cannot be achieved without stable, efficient and fair distribution of food between individuals. In this regard, the second goal shared by APEC economies is to facilitate agricultural trade, maintain reliable markets and to improve business environment in the region. Promoting responsible agricultural investments is also an indispensable element in this goal.

Promoting investment in agriculture

14. Sufficient investment in agriculture is a prerequisite for long-lasting food security, but the recent trend works contrary. The annual rate of accumulation of capital stocks in agriculture declined to 0.5 percent in the

¹⁰ *Ibid.*

¹¹ APEC (2008) *Strategy for Disaster Risk Reduction and Emergency Preparedness and Response in the Asia Pacific Region: 2009 to 2015* (2008/SOM3/TFEP012).

period 1991–2007 from 1.1 percent during 1975–1990. Development aid to agriculture decreased by 58 percent in real terms between 1980 and 2005, diminishing the share of ODA to the agricultural sector to mere 4 percent from 17 percent. On the other hand, average annual gross investment required to deliver the necessary production increase in 2050 will amount to USD 209 billion, necessitating increase by 50 percent from the past trend¹². Bearing such a formidable challenge in mind, we committed to enhance investment in agriculture so as to ensure long-term food security. We fully recognized the decisive role of private investments and encouraged the use of the private–public partnerships. We acknowledged the value of foreign direct investment in agriculture which can deliver, if done right, higher agricultural productivity and job creation in recipient economies. To this end, noting the growing commercial pressure on land and other natural resources across the developing world, we agreed that responsible agricultural investment (RAI) aiming to create a “win–win–win” situation for recipient economies, local communities and investors be promoted. We also supported the ongoing efforts by relevant international organizations in association with various stakeholder groups to develop principles and good practices on the RAI, which frame a coordinated global response.

Facilitating trade in food and agricultural products

15. Trade plays a key role in achieving food security. To this end, we reconfirmed the value of a rule-based international trading system underpinned by the WTO, which provides the predictability and stability in agricultural trade. We renewed our commitment to the successful conclusion of the Doha Development Agenda, based on the progress already made. We reconfirmed the commitment on standstill first made by APEC Leaders in 2008 to refrain from raising new barriers to investment or to trade, imposing new export restrictions, or implementing WTO inconsistent measures in the area of food and agriculture.

Recognizing the vulnerability of food importing economies in general and developing economies in particular to external shocks including abrupt export restrictions, we took note of the need to ensure an appropriate mix of domestic production, international trade, stocks and safety nets for the poor reflecting levels of development and resource endowment. Building on successful APEC experiences on free and open trade, we agreed to cooperate for facilitating trade in food and agricultural products by addressing measures at the border, behind the border and across the border.

Strengthening confidence in agricultural markets

16. The sharp spike in food prices in 2007/2008 and subsequent policy responses to insulate domestic markets undermined the reputation of international agricultural markets. It also raised concern about the volatility and uncertainty in agricultural markets. Although the trend of price

¹² FAO (2009) *Investment* (Issue brief for How to Feed the World 2050 High-Level Expert Forum in 2009).

volatility in international markets is mixed depending on commodities, global food commodity markets are likely to stay volatile in the foreseeable future reflecting the increased linkage between energy and commodity markets, and the presence of large institutional investors in futures markets¹³. We determined to work together to address the volatility and uncertainty of commodity prices and to strengthen confidence in international agricultural markets. Specifically, we agreed to explore the best way to reduce uncertainty in agricultural market notably through information sharing among economies based on the experiences in other fora. We also concurred with the need to examine the feasibility of possible mechanisms to address price volatility and emergency food needs.

Improving agribusiness environment

17. A private agribusiness sector linking farmers and consumers plays an increasingly pivotal role for the attainment of food security as economies become industrialized and food is provided through longer value chains. What governments can do is thus to improve the investment climate to induce the entry of private investors and to address the bottlenecks to small and medium agro-enterprise development¹⁴. We agreed to cooperate to improve the investment climate by providing public goods such as infrastructure, by establishing a secure legal and regulatory framework and by ensuring access to financial services. To this end, we expressed our expectation for further innovation of micro-finance in the food and agricultural sector. We also agreed to facilitate the development of a strong food chain which provides safe, diverse, balanced and nutritious food. In this regard, we encouraged APEC members through relevant sub-fora to collaborate in the area of food safety, a precondition for better food security, in line with their mandate and competence. Going beyond the boundary of economies, we shared the view to promote the harmonization of technical standards, the facilitation of science-based regulations and the protection of intellectual property rights.

The Way Forward

18. We instructed senior officials to monitor the implementation of the Action Plan, to report the progress to APEC Ministers annually, and to compile an assessment report to take stock of the overall progress after the completion of the Action Plan.

¹³ FAO (2009) *How to Feed the World in 2050*.

¹⁴ World Bank (2007) *World Development Report 2008: Agriculture for Development*.