

G20 AMM -- Session 2 on
Promoting an Open, Fair, Predictable, Transparent, and Non-
Discriminatory Agricultural Trade to Ensure Food Availability and
Affordability for All
Statement by Johan Swinnen, CGIAR – HoD
28 September 2022

Mr. Chair,

We fully support the call for Open and Fair Agricultural Trade to Ensure Food Availability and Affordability for All. While this is also the promise of the current multilateral trading system, we are still far from fulfilling it.

The climate, Covid-19 and Ukraine crises have clearly illustrated the crucial role of trade for food security and resilience – and the problems when trade is constrained.

Restrictions to agricultural trade, especially export restrictions, helped drive up food prices and volatility during the food price crises of 2008. It happened again at the onset of the COVID-19 pandemic and the Ukraine crisis. At least 23 countries imposed export restrictions on grains and vegetable oils, affecting over 17% of global agricultural trade. Although some restrictions have been recently lifted, contributing to lower staple food prices, this falls well short from achieving this session’s objective.

We need to go beyond a call for keeping food and fertilizer trade channels open.

First, we call on the G20 members to take leadership in WTO to make progress in WTO negotiations. There are several areas where progress can be made. One of these is the use of export restrictions, including

dealing with exemptions to humanitarian aid and food and fertilizer trade from such measures. Another is public stock holdings to address food security needs when supply disruptions affect food supplies. Current WTO disciplines allow for public stockholding programs if the support they provide does not distort production or trade—but recent crises have triggered questions whether these measures are overly prescriptive and outdated.

Resolving these issues can help address price volatility and food insecurity when global supplies are tight.

Second, the present crises raise awareness of how trade can create resilience against shocks and should encourage countries to rethink their agricultural trade and support measures.

About one quarter of the US\$800 billion per year in farm sector support takes the form of market-price support, that is, trade-constraining measures. Our research has shown this practice tends to be counterproductive and harmful to environmental sustainability and food access. Instead, this agricultural support could be repurposed, to provide incentives for adoption of sustainable and climate-resilient agricultural practices, while adhering to WTO rules.

This repurposing agenda should also strengthen the food systems of the poorest countries and enable them to participate fairly in an open trading system.

Third, to achieve our objectives, we also need more investment in and knowledge exchange of R&D and innovation for sustainable practices. An open and fair trading system is not only important for exchanging commodities – such as food and fertilizer – but also for exchanging ideas, technologies, and practices. Trade and global value chains can play an important role in the transfer of innovative technologies and

sustainable practices. To make this work, transparent multilateral rules should be put in place to also warrant sustainability and fairness in trade to make sure that all countries can benefit and ensure trade contributes to food security and planetary health.

Honorable Ministers, we at CGIAR stand ready to support G20 in helping people and planet to meet the challenges of a sustainable food system transformation through our analyses and evidence-based advice on trade issues. We welcome the opportunity to elaborate further on these options for your consideration and further deliberation.

Let me close by acknowledging and thanking the Republic of Indonesia for the organization.

Thank you.