

WEBINAR SERIES

Moderator: Doaa Abdel-Motaal

WTO

Trade Dialogues on Food

Big Take-Aways, A Very Quick Read

Volume 1
(2020-2022)



PREFACE

The aim of the WTO Trade Dialogues on Food is to create a conversation around the role of international trade in food security. The Trade Dialogues on Food invite experts from governments, non-governmental organizations, businesses, academia, think tanks and foundations, to debate the most topical issues in food trade. Each year the international trading system moves enough wheat, maize, rice and soybean to feed approximately three billion people around the globe. Meanwhile, 190 million tons of fertilizer applied to farmland annually play a key role in helping us grow enough food to sustain our expanding population, with much of it traded on the international stage. Climate change will make international trade even more central to food security, acting as a vital conduit for food from food-surplus to food-deficit nations in the wake of natural calamities. The Trade Dialogues on Food are designed to shed greater light on the complexity of the food trade nexus, creating a safe space for public policy debate.

BIG TAKE-AWAYS

The "Big Take-Aways" seek to identify some of the most salient points made during the course of past dialogues, and are intended to act as a resource for trade experts and scholars. They are, however, only an informal set of notes and are done entirely under the WTO Secretariat's own responsibility.

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Big Take-Aways, A Very Quick Read

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International Trade and Food Security in Era of COVID-19

Joint WTO – World Economic Forum (WEF) Webinar

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor, WTO Agriculture and Commodities Division

THE TEAM

Maximo Torero, Chief Economist and Assistant Director-General of the Economic and Social Development Department at the Food and Agriculture Organization (FAO)

Andrea Gruber, Head Special Cargo in the International Air Transportation Association (IATA)

Shenggen Fan, Senior Professor at the College of Economics and Management in China Agriculture University, and former Director General of the International Food Policy Research Institute (IFPRI)

Edwini Kessie, Director of the Agriculture and Commodities Division (WTO)

Big Takeways, A Very Quick Read

This webinar took place at the outset of the COVID-19 pandemic and was designed to address the impact of the pandemic of food trade, and the concern that the health crisis could quickly turn into a food crisis. The big take-aways from this webinar are summarized below.

- There is no problem with food supply, the harvest season has been very good for wheat, corn, maize and rice. We are in a better position than 2008. However, there is a problem with the “mobility” of food due to the disruption of the global value chain. Some of the cost of this disruption has been offset by currency devaluation.
- Whereas there is no food supply shock, there is a food demand shock because of the lock down, the closure of restaurants, bars and hotels. Food importing countries, for example in Europe, have significantly reduced demand.
- The crisis has impacted food staples (wheat, rice, corn, maize) differently than it has fresh fruits, vegetables, beef, pork, chicken, fish, and live animals. The former, which are capital-intensive, have suffered less than the agricultural commodities that are more labour-intensive. The labour-intensive crops and live animals have been impacted by the imposition of quarantine requirements on farm labour, reduced labour mobility, and shortage of migrant labour.



- Labour-intensive, high value, commodities (fresh fruits, vegetables, beef, pork, chicken, fish, and live animals) have also been more sensitive to logistical problems because of their perishable nature, with countries having taken too long to recognize these sectors as part of “essential economic activity”. Health codes for farm labour have been slow to develop. The US meat processing sector has been particularly hard hit, with many workers infected with COVID-19.
- Of the perishable foods, fish, which needs to travel the fastest to not spoil, has suffered the greatest negative impact.
- The export restrictions imposed in this crisis were the result of uncertainty, and many are already being rolled back. Whereas export restrictions impacted 28% of trade in 2008, they are only impacting 6% of trade today.
- The COVID 19 crisis is ushering in massive amounts of poverty, and this will impact the ability of the poor and most vulnerable to access food. It has led tourism revenue, remittances and oil prices to fall, with serious implications on purchasing power. The reduced export of cotton by countries such as Mali, is increasing poverty and will therefore impact food security.
- Most perishable foods are transported by air (although vegetables travel shorter distances and tend to be produced closer to home), with air transport having been seriously disrupted. Previously hit by 9/11, the airline industry now finds itself having to face the COVID 19 crisis. Today, 90% of the global passenger fleet is on the ground and the transport of fish, fresh fruits and vegetables has declined by 30%, 40% and 56% respectively (year on year). Disruptions to road transport to and from airports have had a direct impact on cargo, and so have quarantine policies imposed on air crew, and the closure of hotels near to the airports where air crew typically stay. Temperature control and storage facilities for goods in transit has been disrupted. And the closure of “alternate airports” (spare airports that must remain open for emergency landings) has also contributed to declining air cargo.
- The cost of these disruptions is being transferred to consumers through higher food prices, with panic buying and food stockpiling also contributing to raising prices and possibly leading to food waste.
- The crisis appears to be having an impact on consumption habits, with consumers now favouring vegetables and fruits that can be peeled (ex. avocados and bananas).

RECOMMENDATIONS MADE IN THE WEBINAR INCLUDED

- ▶ Stepping up the use of technology and applications to improve food traceability,
 - ▶ establishing “green corridors” to allow for the faster passage of perishables,
 - ▶ developing storage facilities particularly in Africa to decrease food waste,
 - ▶ creating food banks to collect food that cannot be exported for redistribution to the poor, hungry and most vulnerable populations as a social safety net,
 - ▶ developing higher standards for wet markets (FAO/OIE/WHO), as already recommended by the G20 since these are critical for the food security of the poor, and
 - ▶ minimizing trade restrictions and all other logistical disruptions to the global food production value chain.
- The WTO walked viewers through the impact of the COVID pandemic on international trade, and the various calls being made by the organization on the need to keep markets open, and to refrain from applying trade-distorting policies, such as food export restrictions, at this sensitive time. The WTO speaker called for the protection of global food supply chains, explaining that food markets were strongly integrated.



[Watch here](#)

Global Value Chains in Agriculture and Food, in an Era of COVID-19

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor,
WTO Agriculture and Commodities Division

THE TEAM

Daniel Njiwa, *Head of Regional Food Trade, Alliance for Green Revolution in Africa*

Charlotte Hebebrand, *Executive Vice-President and Chief Sustainability Officer at Nutrien, and former Director General of the International Fertilizer Association*

Caroline Emond, *Director-General, International Dairy Federation*

Matt Kovac, *CEO of Food Industry Asia*

Paolo Giordano, *Principal Economist, Inter-American Development Bank*

Edwini Kessie, *Director, WTO Agriculture and Commodities Division*

Big Takeways, A Very Quick Read

This webinar took place at the outset of the COVID-19 pandemic and was designed to address the impact of the pandemic of global food and agricultural value chains, amidst the fear that value chains could be severely disrupted. The big take-aways from this webinar are summarized below.

- All corners of the WTO rule-book are relevant to trade in food and essential for the proper functioning of global food supply chains. While the Agreement on Agriculture is the most relevant instrument, agriculture also requires trade in industrial products and services.
- Absolutely all continents today engage in the import and export of food, as well as in the import and export of all the things that make food production possible: from seeds and agricultural inputs, all the way to farm equipment, such tractors and ploughs (all industrial products).
- The agricultural value chain would not be possible without trade in services either. Food would be of no use to anyone if not transported through transportation services, marketed through marketing services, and sold through retail services.
- It is essential to keep markets open, protect the global food value chain and bring the WTO agriculture negotiations to a successful conclusion.

AFRICA

- Africa's food supply chain is particularly impacted by the COVID-19 pandemic because of a range of specificities: the prevalence of subsistence and small-scale farming, of small and medium-sized enterprises in the food production chain, a large informal economy, armed conflict, pest infestation (locust), and a continent-wide food deficit.
- The paradox of COVID-19 is that it is lowering prices for farmers due to surplus food supply but raising prices for consumers since food is unable to get to its final destination.

ASIA

- COVID-19 has compounded existing problems in the agricultural sector in Asia of an ageing farm work force and a shortage of arable land.
- In many parts of Asia various segments of the agriculture and food value chain were not considered an “essential service”, which led to a shortage of labour in the food processing industry, and a shortage of inputs (packaging material, electronics needed for production, etc.). Animal feed in the Philippines, for instance, was not considered an essential product, with the risk of the poultry industry perishing.
- Disruptions to road transport have heavily impacted the food industry. In India trucks carrying food across the country have often not been allowed to return after food delivery due to very localized decisions on the lockdown.
- The risks that are now feared include: a second wave of the pandemic, a global economic recession that would reduce demand for food, and continued food wastage.
- The COVID-19 crisis is likely to lead to increased calls for “diversification” within the food and agriculture supply chain (expanding both the supplier and customer base) as well as an accelerated “automation” of various segments of that chain to avoid future labour shortage.
- There has been an exponential rise in E-commerce for grocery stores across Asia during the crisis, but it is not yet clear that this will be a long-term trend. E-commerce has been slow, with long waiting times for deliveries. Consumers have also been turning to convenience stores, and not to wet or open food markets which were shut down during the crisis, in particular for their fruits and vegetables. There is also trend towards the purchase of immunity-boosting foods.
- Food packaging has also evolved as a result of the crisis with there being increased demand for plastics. With the drop in oil prices, plastic prices have fallen and therefore it will be important to continue to combat “single use” plastics to not reverse environmental gains.

LATIN AMERICA AND THE CARIBBEAN (LAC)

- The OECD tells us that the biggest driver of growth of the global food value chain lies in trade between regions and continents, and not trade within them. But the biggest growth of the agricultural value chain within a region has been in the Americas.
- The LAC region is big and very diverse, it has some of the world’s most food secure as well as most food insecure countries, with generalizations being impossible. It has net food importing as well net food exporting countries. The most significant intra-regional trade in food lies in Central America, constituting 30% of all trade.
- This crisis is very different from the 2008 food price crisis in that food is in ample supply and there is no financial speculation on food.

- COVID-19 is coming late to LAC and it is impacting the capital-intensive food sectors differently from the labour-intensive. It is also impacting different countries differently because of the heterogeneity, and severity, of lockdown measures.
- The greatest disruption is being seen in labour-intensive, high value perishables, because they travel by air. The disruptions to air travel have grounded the perishables industry.
- Going forward, it will be critical for the LAC region to improve border management and customs to allow supply chains to flourish. Customs should become a point of trade facilitation and not chokepoints.

THE DAIRY SECTOR

- In the dairy sector, disruptions are local in intensity, impact and solutions. No generalizations can be made.
- One of the biggest shocks to the sector lies on the demand side, particularly in school closures and the suspension of school meal programs. 160 million children worldwide rely on milk and dairy products in their school meals to be properly nourished.
- COVID-19 happens to have coincided with the high milk-dairy production season, and therefore dairy products are now being donated to food banks.
- The economic crisis and rising levels of poverty will impact future demand.
- It is too early to speak of new consumption or production patterns, or business models as a result of COVID-19, since some behavioural patterns seen in the beginning of the crisis are already being reversed. For instance, consumers are no longer stocking large quantities of long shelf-life milk.
- Furthermore, E-commerce and digital trade is not proceeding with the same intensity in different parts of the world. In India, consumers buy their dairy products from their local cooperatives, and in China fresh bottles of milk are delivered to people's homes.

THE FERTILIZER SECTOR

- 45% of total international fertilizer production is traded in international markets.
- Fertilizer production is heavily concentrated geographically in the countries where the raw material is based, explaining the need for international trade.
- Potash is the most heavily traded, with 78% of total production entering international trade.
- Fertilizer use globally is responsible for 50% of crop yield.
- Disruptions to international trade will clearly impact the world's ability to "feed its plants" with the necessary nutrients.



Flattening the Food Insecurity Curve in Africa

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor, WTO Agriculture and Commodities Division



[Watch here](#)

THE TEAM

Theo De Jager, *President, World Farmers Organization*

Junior Davis, *Head of Policy Analysis and Research Branch, Division for Africa and LDCs at the United Nations Conference on Trade and Development (UNCTAD)*

Trudi Hartzenberg, *Executive Director TRALAC (Trade Law Center, South Africa)*

Halima Noor, *Senior Trade Advisor, African Union*

Edwini Kessie, *Director, WTO Agriculture and Commodities Division*

INTRA-AFRICAN TRADE

- The level of intra-African trade is very low, at 15% of total trade, which is significantly lower than intra-regional in any other continent. Furthermore, only a small fraction of that trade is in food.
- There are 8 Regional Economic Communities (RECs) in Africa that have been recognized by the African Union (AU) as building blocks for the African Economic Community (AEC). The bulk of intra-African trade takes place in the Southern Africa region, which has two different RECs (the Southern African Development Community (SADC) and the Southern African Customs Union (SACU)), only one of which is recognized by the AU (SADC). SACU is the oldest customs union in the world but is not referenced in the AU list of RECs.
- It is in the Southern Africa region that more than 50% of intra-African trade takes place.
- In general, intra-African trade is clustered around each of the RECs, with African countries tending to trade within the confines of their immediate neighbourhoods.
- However, these metrics do not take the informal economy into account. Informal intra African cross-border trade is very important and has been severely impacted by COVID lockdowns. An important study by United Nations Economic Commission for Africa (UNECA) is currently underway on the importance of informal trade for Africa, and the need to build “corridors” for that trade in order to protect those whose livelihoods depend on it.
- There has been little coordination amongst the RECs on border closures and lockdowns, nor is the list of “essential goods” common to all RECs.

Big Takeways, A Very Quick Read

This webinar took place at the outset of the COVID-19 pandemic and was designed to address the impact of the pandemic on food security in Africa. In focus was the launch the African Continental Free Trade Agreement (ACFTA). The big take-aways from this webinar are summarized below.

- The ACFTA was launched as a concept in 2012. Its negotiations started in earnest in 2015, and by March 2018, 44 member states of the AU had signed the Framework Agreement, as well as the Protocol for Trade in Goods and the Protocol for Trade in Services.
- By 2020, however, 54 of the AU's 55 members had signed the ACFTA, with the exception of Eritrea. Eritrea has recently signalled its strong interest in joining the agreement
- Of the 54 signatories, 28 countries have ratified, and two are about to do so (Cameroon and the Democratic Republic of Congo).
- The ACFTA came into force on 30 May 2019, upon its 22nd ratification. This date has now been declared the "Africa Day".
- Important progress in the negotiations of the ACFTA were made in July 2019 at the AU Assembly in Niger. An online portal for trade goods was opened, allowing for an exchange of offers to be made on tariff reductions (which will eventually facilitate work on the 7% sensitive product designation by each country), and progress was also made on issues such as non-tariff barriers (NTBs) and rules of origin (RoO).
- A Secretary-General for the ACFTA has been appointed (South African national) and he will move to Ghana as soon as lockdown restrictions are eased.
- The ACFTA is now being referred to as a "WTO for Africa" and its headquarters in Ghana have already been inaugurated.
- Recruitment for that Secretariat is now underway, with calls having been sent to the African staff of WTO, UNECA, the RECs, and more.
- Action Plans are now being drawn up by a number of member states to see how to take advantage of ACFTA and to nominate focal points.
- The ACFTA is expected to boost regional trade by 52% once tariffs fall; a number that is likely to double if NTBs are successfully addressed.
- Countries are aiming to reduce tariffs by 90% (over 5 years for developed African countries and 10 years for the developing).
- Currently 65% of African countries impose an agricultural import tariff of 12%, with some countries having an average tariff as high as 20-30%, such as Egypt.
- Some trading has started on the basis of the FTA in July 2020. The ACFTA will have an enforcement mechanism modelled on the WTO's Dispute Settlement Mechanism.
- The ACFTA must be looked at as more than an FTA, it is now a flagship project of the African continent. The RECs will continue to exist however.
- The ACFTA will require a range of complimentary policies in infrastructure, transportation, and communication to truly succeed, and most of its benefits will not emanate from tariff elimination but from addressing the NTBs (Trade Facilitation, RoO, and standards).
- Without these complimentary policies the dynamic benefits of the FTA and its ability to attract more foreign direct investment (FDI) and help Africa diversify out of agricultural commodities, will not be reaped.
- Only a small number of RECs had tackled NTBs previously. For the RECs that do, the rules of the ACFTA require that problematic NTBs first be addressed within the REC, and only escalated to the ACFTA if resolution at regional level fails.

COMPLEMENTARY POLICIES FOR THE AGRICULTURAL SECTOR

- Africa has an annual food import bill of USD35 billion, and unfortunately the situation has not improved over the years.
- Africa's agriculture is challenged by poor soils, poor infrastructure, limited irrigation (most agriculture is still rainfed), limited post-harvest facilities, and farmers' limited access to finance.
- The "yield gap" in Africa is extremely high (at 50% of the production level in Asia).
- This, despite the fact that the Democratic Republic of Congo alone could feed over 2 billion people were its land to be cultivated. Africa has 50% of the total fertile agricultural land that is left fallow at the global level.
- The continent launched in 2003 the Comprehensive Africa Agriculture Development Plan (CAADP), with the Malabo Declaration on Accelerated Agricultural Growth setting specific targets for it. The main target is that public expenditure on agriculture reach 10% within 5 years
- However only 4 countries so far have met this target (Burundi, Burkina Faso, Mali and Mauritania), with CAADP widely considered to have been unsuccessful.
- The ACFTA could be an opportunity to revisit and reinvigorate CAADP.
- Currently there are a number of promising initiatives on agriculture in Africa: The Feed Africa Program which is trying to diversify production, Alliance for a Green Revolution in Africa (AGRA) which looks at the entire agricultural value chain, and the Regional Food Trade Coalition which is trying to enhance agricultural policy coherence in the continent.

LOCUST INFESTATION IN EAST AFRICA

- East Africa, in addition to the COVID pandemic, is now seeing one of its biggest locust infestations in living memory.
- A swarm of locusts over one square kilometer of land can eat the food of up to 35,000 people according to the Food and Agriculture Organization (FAO).
- There has been too little communication on how farmers can combat the infestation.
- Some farmers are likely to go completely bankrupt as a result of the locust crisis.
- African agriculture needs a "leapfrogging" similar to the advancements made in the communications sector, where some went from having zero connectivity straight into the digital era. African agriculture needs to digitalize, and leapfrog to precision agriculture through artificial intelligence and automation.

WTO RULES

- Regional Trade Agreements (RTAs) can complement the WTO and are authorized by the organization under certain conditions. These conditions include that they must lead to substantial trade liberalization within the regional block and must not raise trade barriers vis-a-vis the outside world. In other words, they should be trade creating and not trade diverting.
- The African Group has both offensive and defensive interests in WTO agriculture negotiations but wants to see these negotiations urgently brought to a successful conclusion to level the playing field in international food and agricultural commodities trade.



[Watch here](#)

Food Trade Logistics, Navigating the Risks of COVID-19

Joint WTO – World Economic Forum (WEF) Webinar

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor, WTO Agriculture and Commodities Division

THE TEAM

Ertharin Cousin, CEO and President, Food Systems for the Future (former Executive Director of the World Food Program)

Arnaud Petit, Executive Director, International Grains Council

Sheri Rosenow, Counsellor, Market Access Division, WTO Trade Facilitation Section

Siddharth Adya, Vice President, Group Cargo Solutions and Platform Development, PSA International

Allan Lerberg Jørgensen, Head of Sustainable Trade, Maersk

Lisa Sweet, Head of Future of Protein, COVID Response, and Food Health of the World Economic Forum

Big Takeways, A Very Quick Read

In collaboration with the World Economic Forum (WEF), this webinar was designed to address the impact of the COVID-19 pandemic on the logistics of food trade, such as storage and transportation. The big take-aways from this webinar are summarized below.

- Efficient supply chains are also “less agile” supply chains. They involve tighter, and therefore less flexible, connections.
- The grain sector will have to navigate a recession, a drop in demand, and currency fluctuations.
- Supply chains have survived the “litmus test” of COVID-19, but are stretched by the fall in demand requiring unexpectedly high levels of commodity storage and warehousing.
- The food sector is a highly integrated value chain. Destruction in one area can paralyse the whole chain; as with food stockpiling at ports at the start of the COVID crisis. Abandoned containers increased by 50% in many locations, especially Asia.
- There is a need to take holistic view of supply chains, ensuring that policies are aligned. Shippers, regulators, etc. all need to come together to make sure supply chains are not hindered and ensure seamlessness.
- Up to 200,000 seafarers are now stranded at sea with nowhere to disembark, and this is a global emergency.
- There is currently a movement from “just in time” supply chains to “just in case” supply chains, where bigger margins of safety are built into the chains.
- The humanitarian pre-positioning of buffer stocks is now more important than ever in light of COVID-19 disruptions.



- The main focus areas that emerged from International Grains Conference that was recently held were: how to ensure the health of grain workers, reduce grain export restrictions, address the new grain subsidies that were setting-in, and invest in newer and smarter grain terminals.
- Digitalization and the management of new technologies across all areas of the global food supply chain are critically important, and policies to promote digitalization are urgently needed.
- The WTO's Trade Facilitation Agreement can make an important contribution to facilitating trade in food and agricultural commodities and in particular perishables. It aims to cut the bureaucratic red tape that can often hold up food as it crosses borders, sometimes causing food to go to waste. The digitalization of customs procedures can also play an important role in facilitating trade, and COVID-19 seems to have put many countries on this path already.

The Disruptors

A Conversation with the Technology Giants Revolutionizing African Agriculture



[Watch here](#)

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor, WTO Agriculture and Commodities Division

THE TEAM

Bolaji Akinboro, *Co-Founder and Co-CEO, Cellulant Corporation*

Onyeka Akumah, *Founder and CEO, Farmcrowdy*

Kikonde Mwatela, *Co-Founder and Chief Operating Officer, Twiga Foods*

Kamal Yacub, *CEO, Trotro Tractor Ltd.*

Gabrielle Marceau, *Senior Counsellor, WTO Economic Research and Statistics Division*
“*Innovation and the WTO Rule-Book*”

Emmanuelle Ganne, *Senior Analyst, WTO Economic Research and Statistics Division*
“*Blockchain, Small and Medium Sized Enterprises and the WTO*”

Big Takeways, A Very Quick Read

This webinar was designed to explore the silent agriculture revolution taking place in Africa as a result of digitalization. Invited to the webinar were several award-winning African entrepreneurs whose technological disruptions are turning African agriculture around. The big take-aways from this webinar are summarized below.

- This webinar interviewed four award-winning African “disruptors” who are revolutionizing African agriculture, revolutionizing banking and access to finance, and empowering smallholder farmers in different corners of Africa through their digital platforms.
- The source of food insecurity in African can lie in “information insecurity”: farmers and agriculture input providers not having access to market data, and a general inability to match not only food and input supply with demand, but agriculture with the finance it needs.
- Through data transmission on their online platforms, the four disruptors have succeeded in creating more efficient and transparent markets, and bringing desperately needed finance to African agriculture.
- Trotro Tractors, an “Uber for tractors” has created a match between tractor supply and demand (reducing tractor “down-time”), and Farmcrowdy is now matching demand for agricultural expertise with supply by allowing agronomists to shepherd what are called “Farmcrowdy Villages” (small agglomerations whose agriculture production can be guided from A-Z by an agronomist). Therefore, transportation, as well as knowledge and expertise, are now also being traded on the online platforms created by these African technological pioneers.
- The technologies are having an impact in reducing food inflation by cutting down “the number of hands” through which perishables must be traded to get to the final consumers, as one of the speakers put it. They are also enabling small scale farmers to obtain “fairer pricing” by the market transparency they bring.
- The experience of these innovators suggests that farmers in Africa can be quick to digitalize when the incentives to do so are clear. Cellulant has essentially created an “online wallet” into which funding falls from investors, from governmental subsidy programs, and more.



- According to these technology entrepreneurs, farmers have been fast to acquire smartphones when the benefits have been made clear to them. This demonstrates how digitalization must be purpose-driven; *i.e.* incentives.
- The innovations are slowly creating “financial inclusion” in Africa by reaching the unbanked, allowing them through their mobile devices, to create online wallets and to participate in financial transactions.
- Illiteracy was cited as a challenge by several of the innovators, with solutions being found through the creation of “neighbourhood banking” in the case of Cellulant, or “agglomerations” in the case of Farmcrowdy, as meeting points where farmers could obtain assistance with technology.
- The Farmcrowdy model is based on “crowdfunding”, where middle-class Nigerians are now contributing USD100 to USD200 to invest in agriculture, suggesting that small-scale investments can be transformational.
- At the same time, concerns about “privacy” are mounting with the amount of data being collected on farmers, fertilizer, seed and other input providers, by these platforms, in addition to biometric data, data on transactions and business operations. An issue which may soon require regulation.
- An overview of the WTO rule-book’s support for innovation and the ongoing E-commerce negotiations was provided, including on the WTO’s work on blockchain technology. The WTO also provided information on how its rule-book supports Small and Medium Sized Enterprises (SMEs). Many of the African companies on the webinar had started small and are now becoming properly Pan-African, or in the case of Cellulant, global.
- The innovators expressed some amount of excitement and hope that their expansion could be supported by the recently concluded African Continental Free Trade Agreement (ACFTA).



[Watch here](#)

Food Trade Policy, the G20, and COVID-19

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor, WTO Agriculture and Commodities Division

THE TEAM

Maximo Torero

Chief Economist and Assistant Director-General of the Economic and Social Development Department at the Food and Agriculture Organization (FAO)

Andrea Gruber

Head Special Cargo in the International Air Transportation Association (IATA)

Shenggen Fan

Senior Professor at the College of Economics and Management in China Agriculture University, and former Director General of the International Food Policy Research Institute (IFPRI)

Edwini Kessie

Director of the Agriculture and Commodities Division (WTO)

FROM THE FOOD AND AGRICULTURE ORGANIZATION (FAO)

Big Takeways, A Very Quick Read

This webinar was designed to explore how the G20 would contribute to addressing the disruptions to the global food system that resulted from the COVID-19 pandemic, and the main trade policy recommendations it would be likely to endorse. The big take-aways from this webinar are summarized below.

- Food production has hit an all-time record by volume (rice, maize, and more).
- Food stocks are also at an all-time high. However, a significant vulnerability is that the majority of the world's food stocks now lie in very few countries. These food stocks are therefore dependent on the governmental policies of only a few global players.
- Problems faced in global food markets today continue to be (a) logistical and (b) linked to weak demand as a result of the economic recession:
 - ▶ The mobility of vessels continues to be a serious concern, with crews not able to make the necessary changes at ports due to a lack of safety measures and of clear health procedures;
 - ▶ World GDP is forecast to fall by 4.8% this year which will have a particularly serious impact on high value commodities. This could lead to food loss, with nowhere for the food to go.
- The fall in oil prices has rendered biofuels less competitive. This means that there is less demand for grain for the production of biofuels.
- The problem therefore is not food availability, but access to food in a world where 690 million people are already seriously undernourished.
- Going forward, it would be important to increase the resilience of the agriculture sector. The world needs more trade (including intra-regional trade), and needs to tackle non-tariff barriers (NTBs), infrastructure gaps (storage facilities), information asymmetries, automation and to boost digitalization.

FROM THE GRAIN AND FEED TRADE ASSOCIATION (GAFTA)

- 80% of the world's food and feed is traded under GAFTA contracts.
- The world food/feed system has successfully navigated the shock of COVID-19, with supply and demand remaining stable.
- The economic recovery in China in particular has meant that we are now seeing double-digit growth in demand for food and feed.
- This is a stronger global demand than two years ago, with Asia being at the centre of this growth.
- Going forward, "innovation in how people work" has to become the focus. Cargill at some point had 60,000 people working from home, and had to find ways of keeping cargo moving.
- Therefore, more remote work and inspection capability is key, and so is more contingency planning. Digitalization is key to achieving this goal.
- Focus must also continue to be placed on food safety, and the transparency and resilience of supply chains.

FROM G20

- 60% of world arable land, 80% of world trade in agriculture takes place within the G20.
- Prior to the COVID-19 pandemic, the main concern of the G20 was how to increase food production to meet the demands of growing population by 2050.
- Focus has now shifted to keeping markets open, protecting supply chains and removing export restrictions.
- Going forward, there is a need to reinforce the Agricultural Market Information System (AMIS) that had been created by the G20 in response to the previous food price crisis of 2008.

FROM THE WORLD TRADE ORGANIZATION (WTO)

- Many food export restrictions have been introduced in the wake of the COVID-19 pandemic, and are reducing confidence in international markets. Several other potentially trade-distorting measures are setting-in as well. For example, subsidy packages are being deployed to support farmers hurt by the pandemic, as well as import restrictions, and new licensing and packaging requirements. It is important that these measures be kept "targeted, proportionate, transparent and temporary" as the G20 has recommended.
- Some trade liberalizing measures have also been seen in the wake of the pandemic. For example, some countries are making unilateral tariff reductions to bring down the cost of food and make food more accessible to their poorest. Others are using COVID as an opportunity to spring to the digital era, introducing simpler and more efficient digital customs clearance procedures.
- According to the Global Trade Alert of the University of St Gallen, of the nearly 200 trade policy changes documented in the food area since the onset of the pandemic, only 99 involved some form of restriction on food trade. The remainder involved trade liberalizing measures.



[Watch here](#)

The Future of Food, Digitalization, Automation and COVID-19

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor, WTO Agriculture and Commodities Division

THE TEAM

Maximo Torero, *Chief Economist, Food and Agriculture Organization (FAO)*

Sean de Cleene, *Head of the Future of Food, World Economic Forum (WEF)*

Emma Weston, *CEO & Co-Founder, AgriDigital*

Oswaldo Loor, *Founder and CEO, Shenzhen Drones*

Ulla Kask, *Counsellor, Agriculture and Commodities Division (WTO)*

Big Takeways, A Very Quick Read

This webinar was designed to explore the future of agriculture, and the role of digitalization and automation in shaping charting that future. The big take-aways from this webinar are summarized below.

- The Covid-19 pandemic has reinforced need for the digitization of food systems. There is evidence that countries have fast-tracked digitization policies in response to the pandemic (Zambia, Cambodia, etc). Putting big data in hands of farmers allows them to be more resilient to crises.
- Digital technology will have a significant role in the future of food, but the “digital divide” between the developed and the developing world persists. It is also important to understand that technology can be “disruptive”, with disruptions requiring significant adaptation by farming systems. Technologies need to take into account the absorptive capacity and context into which they are introduced.
- According to the Food and Agriculture Organization (FAO), the drivers of digitization are (a) innovation, (b) big data, and (c) technology. The aim of the FAO is to have all farmers be “precision farmers”, using resources in the most efficient way. Technology requires the necessary farm inputs to be effective. It is not helpful, for example, to have the technology for the aerial spraying of fields if the actual pesticide or fertilizer is not available.
- The aerial spraying of fertilizers and pesticides using drones (which is what Shenzhen Drones does) save farmers time, reduce the amount of farm labour required, save money, and increase farming precision and efficiency.
- The FAO explained that technology can play a significant role in reducing non-tariff barriers (NTBs), for example through the use of e-sanitary certificates for traceability (as recently introduced by the International Plant Protection Convention).
- The FAO also stressed that it is important that automation not move faster than the ability of farm systems to adapt, particularly in developing countries where large numbers of youth in rural areas need employment.
- The World Economic Forum (WEF) stressed the need to “bring technology to scale”. It argued that the world has seen brilliant pilot agricultural digitization initiatives, but that it remains difficult to see how this could amount to food system transformation?

GRAINS MORE SPECIFICALLY

- Grain supply chains are fragmented. What moves through a grain supply chain is not only grain, but financial and data flows. AgriDigital has worked to bring grain, financial and data flows together.
- Whereas in some ways the “future of food is here”, in others we are belaboured with an outdated physical infrastructure that impedes further progress. For instance, within a grain supply chain there are still basic “co-mingling” issues which technology has not been able to resolve, preventing grain identity preservation. Moreover, these chains continue to be largely paper and pencil-based.
- The future of farming lies in how we will use, analyse and leverage data.

INTERNATIONAL PLATFORM FOR DIGITAL FOOD AND AGRICULTURE

- The International Platform for Digital Food and Agriculture approved by agricultural ministers in Berlin will be hosted by the FAO, and run in collaboration with many partners. It will have two main roles: knowledge transfer and coordination between countries, and the exchange of best practices and policy guidance. The WTO is a partner of the Platform.
- An Advisory Committee of international organizations will be established, and membership will be opened to governments. An online platform will be created to involve other stakeholders (such as the private sector).
- The work of the platform should facilitate the bridging of the “digital divide”. The launch will start with the creation of 1000 digital villages.

NEXT STEPS IN THE FUTURE OF FOOD?

- The next steps in the future food? It is not to take further steps forward, moving to new geographies or to new commodities, but rather to take several steps back to assess the overall aim of digitization. The aim should be to increase participation in agriculture and food systems by “de-risking participation” (*i.e.* making it easier for different stakeholders to take part). The key is to also increase access to finance and investment in agriculture, in particular for Small and Medium-sized Enterprises (SMEs) that are either unbanked or under-financed.
- In this regard, bringing ongoing WTO agriculture negotiations to a successful conclusion would be key to levelling the playing field and allowing the developing world to come onboard as an equal partner, and to digitalize its agriculture.



The AoA@25

Teaser for WTO Agriculture Symposium 2020

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor, WTO Agriculture and Commodities Division



[Watch here](#)

Big Takeways, A Very Quick Read

This webinar took place against the 25th anniversary of the WTO Agreement on Agriculture (AOA) and was designed to explore what the Agreement had already achieved and how it could be strengthened and reformed. The big take-aways from this webinar are summarized below.

THE TEAM

Sunanta Kangvalkulkij, *Ambassador of Thailand to the WTO*

Xolelwa Mlumbi-Peter, *Ambassador of South Africa to the WTO*

Eugenio Diaz-Bonilla, *Head of Latin American and Caribbean Program, International Food Policy Research Institute (IFPRI)*

Robert Koopman, *Director, Economic Research and Statistics Division, WTO*

Edwini Kessie, *Director, Agriculture and Commodities Division, WTO*

- Reflecting on the changes to agricultural trade from 1995-2019, panellists noted that the commodity composition, volume and geographical distribution of agricultural trade has changed significantly. This shift has been driven by the rise in global population and developing country GDP, as well as changing demographics and rapid urbanization.
- Over the last two decades, trade in agricultural products has more than tripled, to reach USD1.5 trillion in 2019. The geography of global food trade flows has shifted, primarily towards South-South trade, which now accounts for roughly one-quarter of total agricultural trade flows. Most of the growth can be attributed to a few developing countries such as Brazil, China, India and Turkey, even though the European Union, the United States and Japan remain significant players. China has become the world's largest net importer of agricultural products, together with India, Mexico, and Nigeria.
- Technological advancements have meant that we have managed to increase average calory consumption per capita significantly, with only a 2% increase in agricultural land. Thus, there has been a shift in focus from hunger to nutrition and dietary quality, as childhood obesity and aging populations have started to present a new challenge.
- The embedding of the services industry within food systems has contributed significantly to value-addition within the agricultural sector.
- Developing countries have tried to decrease their reliance on exports of primary products. Thailand for example has invested in R&D to shift its production to more premium products. In Asia, the Agreement on Agriculture (AoA) has inspired further trade liberalisation as the number of Regional Trade Agreements (RTAs) has increased. Increased liberalisation and globalised value chains have led to tangible benefits. In Thailand for instance there has been an increase of 12% in foreign value-addition to exports.

- In South Africa, agricultural exports account for a third of all exports, meaning that the sector contributes significantly to employment, food security and trade. South Africa’s agricultural sector is fairly liberalized due to the country’s designation as a “developed country” upon entry into the WTO and the economic reforms it has undertaken. Like Thailand, South Africa has experienced first-hand the importance of RTAs, such as the Southern African Development Community (SADC) and the African Continental Free Trade Area (ACFTA), which have changed the geographical distribution of its trade from Europe to intra-Africa.
- Whilst regional agreements improve market access, they do not however address trade distorting domestic support. The reform of the AoA, in this regard is critical to ensure better outcomes for developing countries and must focus on creating fair, predictable, and open agricultural trade.
- International trade feeds 1 in 6 people around the globe, and therefore the transparency and predictability of trade is crucial for Least Developed Countries (LDCs) and Net Food-Importing Countries (NFIDCs). The provision of Special and Differential Treatment (SDT) to LDCs and developing countries has been useful but levelling the playing field through a reduction of developed world domestic support remains vital.
- For developing countries, in the short-term, finding a solution for the exemption of World Food Program’s (WFP) humanitarian food purchases from export restrictions is essential. In the medium term, the WTO needs to resolve the issue of Food Public Stockholding (PSH), whose importance has been revealed by the COVID-19 pandemic. In the long term, the pandemic has also highlighted the need to address trade-distorting domestic support. Any reform of the AoA however should maintain Article 6.2’s policy space, as it is essential for the development of the developing world’s rural sector.
- LDCs more specifically would like tariff peaks addressed so they can move up the product value chain, want to be excluded from new and more onerous commitments under the AoA, and want to see a solution to PSH and the Special Safeguard Mechanism (SSM). The SSM must incorporate an adequate price and volume trigger. NFIDCs, in particular, want to be protected from increased food price volatility.
- In recent years, climate change has become a large part of the conversation in agricultural trade. There is a need to develop diets that account for both ecological constraints and nutritional imperatives. This requires investment in technology and holistic thinking on ways to reform the food system. Any change must be inclusive of all actors in the food system.
- During the pandemic, the World Trade Organization (WTO), the Organization for Economic Cooperation and Development (OECD), the Food and Agriculture Organization (FAO) and the International Food Policy Research Institute (IFPRI) have all played a crucial role in tracking supply shocks and developments in agricultural trade. The webinar noted that it would be important that all trade distortions that have kicked-in as a result of the pandemic be swiftly removed, so as not to permanently distort the food system.
- Panellists also noted that, going forward, the categorization of countries as being either “developed” or “developing” in WTO will become too simplistic and could impede progress in AoA negotiations.





[Watch here](#)

The Africa Agriculture Trade Monitor

What Next for the African Continent?

A joint event by WTO-IFPRI-IISD

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor, WTO Agriculture and Commodities Division and **Jonathan Hepburn**, Senior Policy Advisor, International Institute for Sustainable Development

THE TEAM

Chahir Zaki, Associate Professor of Economics (and Co-Editor of the Trade Monitor), Cairo University

Halima Noor, Senior Trade Advisor at the African Union

Elizabeth Nsimadala, President of the Pan-African Farmers Organization and the Eastern Africa Farmers Federation

Xolelwa Mlumbi-Peter, Ambassador of South Africa to the WTO

Edwini Kessie, Director, Agriculture and Commodities Division, WTO

Big Takeways, A Very Quick Read

In collaboration with the International Food Policy Research Institute (IFPRI), and the International Institute for Sustainable Development (IISD), this webinar took a deep dive into IFPRI's 2020 Africa Agriculture Trade Monitor (AATM) - its findings and recommendations. The big take-aways from this webinar are summarized below.

- This joint episode of the WTO, the International Food Policy Research Institute (IFPRI), and the International Institute for Sustainable Development (IISD) was convened to discuss the findings of the Africa Agriculture Trade Monitor (AATM) 2020 conducted by IFPRI. Three main findings emerged:
 - ▶ Intra-African trade, especially agricultural trade, is much greater than official statistics suggest. In West Africa, an estimated 30% of staple foods cross borders informally, but the problem is serious in other parts of Africa too. Rwanda, in Central/Eastern Africa, had its informal agricultural exports in 2011 exceed its formal exports by an estimated 50%. AATM 2020 makes a call for a scaling-up of initiatives that assess the gap between reported and actual trade.
 - ▶ Chahir Zaki, Associate Professor of Economics at Cairo University (and Co-Editor of the Trade Monitor) explained that the main drivers of informal trade were the high cost of formal trade, weak law enforcement, and poverty. He argued that an improved application of the WTO Trade Facilitation Agreement that most African governments have signed up to would reduce the cost of trade (giving the example of Togo's Electronic Single Window).
 - ▶ Most informal agricultural trade in Africa is conducted by women, who are regularly subjected to harassment and extortion by customs officials while trying to obtain customs clearances, Zaki explained. He argued that the problem of informal trade would not be addressed without the application of a "gender lens".
 - ▶ The AATM characterized as "good news" the increased diversification of African exports in terms of export markets and traded products, with a move away from traditional cash crops to semi-processed and processed foods. Also described as good news is the political momentum given by the African Continental Free

Trade Agreement (ACFTA) for greater economic integration amongst the different Regional Economic Communities of Africa.

- ▶ The AATM characterized as “bad news” Africa’s growing food deficit. Xolelwa Mlumbi-Peter, Ambassador of South Africa to the WTO, commented that Africa currently imports 85% of its food, putting its total food import bill at USD 35 billion, with that number expected to rise to USD 110 billion by 2025.
 - ▶ Also described as bad news is the web of non-tariff barriers (NTBs) and customs formalities that hinder economic integration in Africa.
 - ▶ Therefore despite producing 10% of world’s agriculture Gross Domestic Product (GDP), Africa only accounts for 4% of world agricultural exports.
- Elizabeth Nsimadala, President of the Pan-African Farmers Organization and the Eastern Africa Farmers Federation, stressed that agriculture was still not considered a business in Africa, noting that “good policies are made in Africa but applied elsewhere”. The sector is held back by unpredictable policies, poor land distribution, a high cost of logistics, high levels of bureaucracy and multiple clearance requirements, double-taxation, poor infrastructure and corruption. Factors that scare-off investment.
 - Halima Noor, Senior Trade Advisor at the African Union, explained that negotiations under the ACFTA were still ongoing, even if the agreement has started its first month of trading. Tariff reductions and offers on services were still being made. She added that the Protocol for Trade in Goods does not distinguish between agricultural and non-agricultural goods. Rules of Origin regulations remained outstanding under the ACFTA for sugar, dairy, autos and textiles. COVID 19 had slowed the negotiations down, but the creation of an online portal was now expected to speed things up.
 - She expressed concern that as agricultural tariffs have gone down in Africa, there has been a rise in NTBs, most of which disproportionately impact women. A Protocol was currently under negotiation on women and trade under the ACFTA. According to the United Nations Conference on Trade and Development (UNCTAD), she added, African NTBs were three times more restrictive than NTBs in other parts of the world and caused Africa to lose approximately USD 20 billion in GDP.
 - Africa’s offensive and defensive interests in the WTO negotiations were set out by the South African Ambassador and Edwini Kessie, with Ambassador Mlumbi-Peter stressing that the COVID crisis demonstrated the need for Africa to review its “strategic vulnerabilities”.
 - AATM 2021 will focus on the impact of COVID-19 on agriculture, with a focus on one Regional Economic Community more specifically – the Maghreb Union.





[Watch here](#)

Enabling Agricultural Trade

An Independent United Nations Food Systems Summit Dialogue by the WTO Secretariat

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor, WTO Agriculture and Commodities Division

THE TEAM

Marion Jansen, Director, Trade and Agriculture Directorate, OECD

Geeta Sethi, Advisor and Global Lead for Food Systems, World Bank

Arianna Giuliadori, Secretary General, World Farmers' Organisation

Boubaker Ben-Belhassen, Director, Markets and Trade Division, FAO

Robbert de Vreede, Executive Vice-President Global Foods, Unilever

Berry Marttin, Member of Managing Board, Rabobank (responsible for International Rural and Retail Banking, Leasing, Sustainability)

Michael Roberts, Head, Aid-for-Trade Unit (WTO)

Melvin Spreij, Head, Standards and Trade Development Facility (WTO)

Big Takeways, A Very Quick Read

This webinar was designed to position international trade, and the WTO, in the preparatory process for the United Nations Food Systems Summit (UNFSS), and to explain how vital international trade is to global food security. It focussed on the enabling factors for trade. The big take-aways from this webinar are summarized below.

- The United Nations Food Systems Summit (UNFSS) will take place in September this year on the margins of the UN General Assembly. In the preparatory process for the Summit multiple stakeholders have asked how they can be “enabled to trade”. Hence the selection of this theme for the World Trade Organization’s (WTO) first UNFSS Independent Dialogue.
- The Food Summit will have to address the fundamental problem with today’s food system: a system in which the wrong calories are consumed, and where people are at once undernourished and overweight. Food systems need to move towards a lower consumption of food staples (rice, wheat, maize) and of meat, and a higher consumption of food perishables (fruits and vegetables) for a more nutritious diet.
- The Summit will have to tackle food loss and waste. It would be inconceivable in the industrial sector to see a company like Nissan throw away 1 out of every 3 cars it produces. Yet, this is what happens in our food system every day, with 25-30% of the food we produce going to waste. Wasting food is to waste the land, water, and energy, as well as all of the other natural resources that go into producing food.
- It would be important for the Summit to begin to consider “soils” as a new asset class. We need to look after and to nourish our soils.
- International trade affects the:
 1. availability,
 2. access to,
 3. price stability, and
 4. utilization of food, and is a fundamental part of the food security puzzle.
- Global Value Chains (GVCs) have become a key feature of the international food trading system. The FAO estimates that about one-third of global agricultural and food exports are traded within a GVC and cross international borders at least twice. To “enable agricultural trade” it would be important to “de-risk” participation in GVCs, in particular to allow for the inclusion of smallholder farmers who have low rates of commercialization.

- The Organization for Economic Cooperation and Development (OECD) called for a moment of deep introspection to see why agricultural trade negotiations were not delivering. It has been warning about the USD 700 billion in subsidies given to agriculture as far back as 20 years ago, and yet the number today still remained the same. It called for a re-examination of the “values” and “interests” behind country positions – *i.e.* a better understanding of the political economy of trade.
- Unilever indicated that its priorities in international trade and in the production of its “global foods” are: agility (the ability of food to cross borders with minimum regulatory hurdles), innovation (R&D), and the sourcing of sustainable ingredients (which require tighter controls of supply chains).
- For Rabobank it is crystal clear that there can be no food system without international trade. People, arable land and water do not always exist in the same place. It is therefore key to establish mechanisms for the quick “redistribution” of food across the globe, something that cannot happen without trade finance. Rabobank very much views its role as that of funding rapid and agile food supply chains.
- It is becoming increasingly important for trade finance to take sustainability into consideration, according to Rabobank. Trade has a social, economic and environmental impact. Rabobank asked that when consumers walk into supermarkets they start asking “how much nature is in my food?”. Unilever echoed these comments, asking that the world stop subsidizing “business as-usual” and start subsidizing the “food system transformation” that is needed.
- It was stressed in the webinar that the role of international trade in the global food system would only rise in importance due to climate change. Trade allows food to move to areas of food deficit, particularly in the wake of catastrophic events, and acts as a price stabilizer.
- The World Farmers Organization (WFO) indicated that there is no farmer who does not wish to trade. Farmers are businessmen, and when they do not sell their produce, they themselves can starve. But farmers look for the right conditions to trade, and above all require trade infrastructure – railways, roads, and storage facilities. All the factors that enable “connectivity”, including digital platforms. However, farmers need to be made part of the global decision-making process. While they feel that the weight of food system transformation falls on their shoulders, they feel excluded from vital policy deliberations (if not exploited and used, to achieve goals that are not necessarily theirs).
- The Food and Agriculture Organization (FAO) spoke of the need to “modernize” agriculture, setting out the many of the positive changes seen during the COVID-19 pandemic – a move to greater trade facilitation, e-certification, green corridors, and data sharing. COVID has enabled a leap into the future. Digitalization would become a key factor in the agricultural sector’s future competitiveness, although the downsides of digitalization also need to be addressed.
- It could pull down the price of farm labour (impoverishing farmers), and exacerbate existing inequalities between developed and developing countries.
- The WTO walked viewers through its technical assistance programs. Michael Roberts explained the vital role of WTO A4T initiative – a coordination mechanism which in the field of agriculture allows for greater policy coherence amongst donors, a better identification of policy priorities and a more efficient targeting of aid. Melvin Spriej explained how the Standards and Trade Development Facility (STDF) works, and its vital role in enabling developing and least developed countries to meet international food quality, safety, nutrition and other standards. Both provided multiple country examples, conveying to the UNFSS community that the WTO is more than a rule-book. The WTO also creates the enabling infrastructure for trade.



[Watch here](#)

“Food Miles”: Do They Help or Hurt our Planet?

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor, WTO Agriculture and Commodities Division

THE TEAM

Tara Garnett, *Director of Table, Oxford Martin Program on the Future of Food*

Tim Benton, *Director, Environment and Society Programme, Chatham House*

Alexander Kasterine, *Senior Advisor, Sustainable and Inclusion Value Chains Section, International Trade Center*

Yi Fan Jiang, *Head of Science and Regulatory Affairs, Food Industry Asia*

Gabrielle Marceau, *Counsellor for Research on Legal Policy, Economic Research and Statistics Division, World Trade Organization*

Big Takeways, A Very Quick Read

This webinar was designed to explore the divisive issue of “food miles,” and of the “buy local” campaigns advanced in the context of the United Nations Food Systems Summit’s (UNFSS). The webinar revealed that while the concept of food miles could be a useful frame for understanding certain aspects of the food system, it has serious limitations. The big take-aways from this webinar are summarized below.

- This webinar was designed to address the concept of “food miles”, which played a major role in the United Nations Food Systems Summit (UNFSS) preparatory process, in association with “buy local” campaigns. The webinar debated the concept with a range of food systems experts, also exploring the various ways in which the concept interacts with the World Trade Organization (WTO) rulebook. Gabrielle Marceau presented the Technical Barriers to Trade (TBT), Sanitary and Phytosanitary Measures (SPS) and other relevant WTO Agreements. She explained the difference between private and public standards, the role of international standards under WTO law, and the concepts of “consumer perception” and “misleading consumer information” in relation to food and restaurant menu-labelling.
- There was consensus amongst speakers that the concept of food miles is not useful from an environmental point of view. A full life cycle analysis (LCA) of food is needed to properly assess its environmental footprint (or “cradle-to-grave” approach). In addition, numerous speakers confirmed that transportation emissions are but a small fraction of the overall environmental footprint of internationally traded food; with much of that food being shipped rather than air-freighted. Shipping has a low carbon footprint.
- That said, the webinar pointed to a concept of food miles that is not purely environmental. The concept also relates to culture, livelihoods, views about nutrition and diet, and globalization.
- There was consensus that, as flawed from an environmental perspective as the concept is, food miles is an “enduring concept”. Enduring because of its simplicity, because of how easy it is to associate long-distance transport with international trade, and simple notions of food freshness being associated with proximity.



- One speaker pointed out that the concept of food miles had evolved over the years. While originally coined in reference to the social and ethical attributes of food, it was gradually reduced to the measurement of food carbon emissions.
- The International Trade Center (ITC) explained that the concept had been countered by the developing world through the notion of “fair miles” – the ability of the developing world to have the environmental merits of its food exports properly assessed. Fair miles incorporate the concept of Common but Differentiated Responsibility (CBD), designed to reflect the causes and main culprits of past environmental damage.
- Food Industry Asia argued that the concept has a pragmatic side to it, with some governments using it to bolster food “buffer stocks” in order to deal with global food crises. The idea being that, in the event of a global crisis, some amount of “domestically-produced food” (or zero kilometre food) needed to be rapidly at hand. It was also being associated with the need to strengthen the resilience of food systems through better local and regional supply chains.
- There was consensus amongst speakers that to improve the sustainability of food systems, food miles would not suffice as a concept. An entire menu of actions was required all the way from changing our diets (from meat to plant-based), to “growing different things in different ways” as Chatham House noted.
- Speakers commented on the rift that emerged at the UNFSS on the concept of a sustainable food system. On the one hand, some called for an “agro-ecological approach” to be applied to the global food system, with food grown close to home with minimal environmental impact, while others espoused a “sustainable agricultural intensification approach”, putting the accent on the need to simply grow more food. Panelists argued that while these different world views were impossible to reconcile, they should not prevent incremental and positive action from being taken to improve how our food is produced.
- Panelists took large numbers of questions from viewers, including on whether the concept of food miles was being used as a disguised restriction on trade, and whether an insistence on food miles would lead to a misallocation of the natural resources that go into growing food (most notably land, water and energy).



[Watch here](#)

Exploring the Nutrition and International Trade Nexus

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor, WTO Agriculture and Commodities Division

THE TEAM

Chris Hegadorn, *Secretary, Committee on World Food Security*

Sumbue Antas, *Ambassador, Permanent Mission of Vanuatu to the WTO*

Anne Marie Thow, *Associate Professor, School of Public Health, University of Sydney*

Charlie Worthington, *Food Specialist, Consumers International*

Rick White, *Chair, International Agri-Food Network*

Erik Wijkstrom, *Counsellor, Trade and Environment Division, WTO*

Big Takeways, A Very Quick Read

This webinar was designed to explore the interlinkage between WTO rules and the Committee on World Food Security's (CFS) newly adopted Voluntary Guidelines on Food Systems and Nutrition. The big take-aways from this webinar are summarized below.

- The Committee on World Food Security's (CFS) newly adopted Voluntary Guidelines on Food Systems and Nutrition are the world's first multilateral instrument on nutrition, and represent a major achievement for which the CFS has been congratulated by the recent G20 Agriculture Ministers' Meeting.
- The Voluntary Guidelines recognize the important role that international trade plays in nutrition and acknowledge: "that a universal, rules-based, open, non-discriminatory and equitable, multilateral trading system will contribute to achieving food security and improving nutrition". They also urge governments to pursue improved nutrition outcomes while abiding by World Trade Organization (WTO) rules.
- The recently published State of Food Security and Nutrition in the World Report 2021 painted a bleak picture of the state of world nutrition, and was discussed at length in the 49th Session of the CFS.
- It indicates that the world has not been progressing either towards the Sustainable Development Goals of ensuring access to safe, nutritious and sufficient food, or the goal of eradicating all forms of malnutrition. It stated:

“ This report estimates that between 720 and 811 million people in the world faced hunger in 2020 — as many as 161 million more than in 2019. Nearly 2.37 billion people did not have access to adequate food in 2020 — an increase of 320 million people in just one year. No region of the world has been spared. The high cost of healthy diets and persistently high levels of poverty and income inequality continue to keep healthy diets out of reach for around 3 billion people in every region of the world. ”

- It is therefore hoped that the Voluntary Guidelines will incite governments to pay greater attention to nutrition, with the link between poor nutrition and the incidence of non-communicable diseases having been amply demonstrated by the World Health Organization (WHO).
- The Secretary of the CFS, Chris Hegadorn, was a speaker and co-organizer of the webinar. He had shepherded the negotiation of the Guidelines in the CFS.
- Speakers in the webinar stressed the need for greater multi-sectoral coordination on nutrition since various policy areas needed to be tackled for the design of sound nutrition policy (including health, safety, education, gender, employment and trade).
- The webinar focused on the role of trade policy in nutrition. Examples were provided of instances where trade policy either improved or worsened nutrition outcomes. In one instance, a country that reduced tariffs on vegetables was able to promote a much healthier and greener diet. In an opposite instance, a country that lowered tariffs on sugary drinks found a rise in sugar consumption and greater obesity.
- Consumers International spoke in favor of greater trade in food to increase food accessibility, availability and affordability; whilst the International Agri-Food Network (IAFN) emphasized the important role that the private sector plays in ensuring global food security and nutrition, in particular through research and innovation. For the private sector, it was key that Global Value Chains (GVCs) be made more resilient so that food trade could proceed uninterrupted. Increased consumer choice and the greater travel of food could lead to better nutrition outcomes, according to IAFN.
- The webinar delved into the issue of “nutrition labelling” with most speakers concurring that such labels were valuable and had to continue to be pursued.
- Erik Wijkstrom explained the functioning of the WTO system, with a focus on the Agreement on Technical Barriers to Trade (TBT). He stressed that health policy was needed to achieve health outcomes, and environmental policy to achieve environmental outcomes. The role of trade policy on nutrition should be to, first and foremost, not stand in the way of legitimate policy objectives (*i.e.* do no harm), and second, to not be used as an excuse for inaction on these goals. He also explained that the newly negotiated Voluntary Guidelines could very well be taken into account by the WTO in the event of a nutrition dispute, and that “harmonization” and the use of international standards is strongly recommended by the WTO.
- The Ambassador of Vanuatu to the WTO was a speaker on the webinar in view of the serious nutrition crisis in the Pacific. He explained that the Pacific was particularly hit by natural disasters that imperiled its food security, and that trade policy had an important role to play in promoting better nutrition, but had to be regulated to protect traditional diets. These diets were more nutritious than imported traditions and foods.
- Questions from viewers revolved around conflicting food labels (a positive environmental label and a negative nutritional label, for instance, sitting one and the same product and confusing consumers); as well as the ongoing “nutritional transition” towards the western diet, and whether that transition needed to be guided through governmental policy.



A Voice for the Future

Youth Engagement in Agricultural Trade

Moderated by **Gloria Manu**, Junior Economic Affairs Officer,
WTO Agriculture and Commodities Division



[Watch here](#)

THE TEAM

Kourtney Hollingsworth, National Youth Coordinator for the United States Department of Agriculture (USDA) Office of the Secretary

Claire Sterngold, Youth Entrepreneurship Community Manager at the International Trade Centre (ITC)

Luciano Loman, Board Member of the Youth Alliance for Zero Hunger and Chairman of the Brazilian Farmers Association

Helen Gyasi, Agribusiness Project Officer at the Netherlands African Business Council

Kathryn Lundquist, Economic Affairs Officer - Economics, Research and Statistics Division at the World Trade Organization (WTO) - MSMEs and E-commerce expert

Jim Leandro Cano, Philippines Country Representative for the Young Professionals for Agricultural Development and Director for Agritech at 8Layer Technologies

Big Takeways, A Very Quick Read

This webinar was designed to explore the reasons for declining youth engagement in the agricultural sector and the opportunities that trade can create to reverse this trend. The 49th session of the Committee on World Food Security (CFS) identified a lack of access to land, finance and expertise as being the three main barriers to young peoples' entry into the agricultural sector. The big take-aways from this webinar are summarized below.

- Throughout this webinar panellists noted that open and fair trade is essential to the better flow of farm inputs and agricultural products, and to greater market integration. Expanded trade opportunities give access to a larger consumer base and increased finance, which ultimately lead to more jobs. However, to attract young people, policies and trade deals will need to take social and environmental factors into consideration, and be intellectually stimulating. Panellists noted that the aim should not be to “reverse” rural to urban migration, but instead to reconnect urban to rural areas and to bridge the divide.
- According to a 2014 study by the International Fund for Agricultural Development (IFAD), access to finance was the largest barrier in the sector to the entry of young people. Young people are considered more “risky” as they have no to limited landholdings, credit history, or collateral. Throughout panellists highlighted the need for innovative solutions to overcome this. They pointed to the FAO paper on Promoting Youth Engagement and Employment in Agriculture and Food Systems, which recommended solutions such as support through collective impact funds, cooperative and flexible financing options for the youth and tax breaks, facilitated access to financial instruments, and more.
- The World Trade Organization (WTO) representative on the panel highlighted the potential for Annex 6 of the 2020 Micro, Small and Medium-sized Enterprises' (MSMEs) Group Package to assist start-ups and other MSME's in obtaining trade finance. MSMEs are often led by young people. Despite concerns around the competition that trade can pose to start-ups, trade can also give access to new products and ideas which can encourage innovation amongst start-ups.
- However, it was noted that there are additional factors such as gender, race, class and caste that can also impact young people's access to finance. It was noted that E commerce can be an “equaliser” as there is an anonymity benefit when making transactions, which could help to overcome the conscious or unconscious biases that impede trade.

- The increased adoption of newer technologies such as cryptocurrency and blockchain has been driven by young people. These solutions can be used to help food traceability through the food system to address issues such as food safety and monitor carbon inputs throughout the supply chain.
- Technology attracts young people. It improves the efficiency of agricultural processes and encourages more sustainable practices such as carbon sequestration. Technology can also allow for the diversification of roles; for example farms are increasingly acting as locations for eco-tourism and technology is allowing such tourism to happen online. This can increase both incomes and the number of meaningful jobs in the sector, ultimately attracting more young people.
- The panellist from the Netherland Africa Business Council highlighted the role that trade agreements such as the African Continental Free Trade Agreement (ACFTA) play in providing new markets and creating economies of scale, which increase job opportunities and incomes. As such removing trade barriers through FTAs can lead to more young people exploring opportunities within the sector. In the ACFTA more specifically, the “Made in Africa” initiative has already led to an increase in MSMEs in the region and has encouraged more value-addition to occur within Africa.
- The representative from the Philippines presented the Committee on World Food Security’s (CFS) 4 pillars of youth engagement - agency, rights, equity and recognition – explaining their importance.
- Throughout the webinar, panellists noted the importance of youth-led initiatives at a local level which tend to bridge the gap between farm-to-fork initiatives. The Panellist from the International Trace Center (ITC) explained that youth-focused platforms allow young entrepreneurs to tap into expertise through mentorship, obtain access to finance, and connect young people with business opportunities.
- These platforms can help agri-entrepreneurs overcome trade barriers. Effective trade ecosystems should provide access to data, business exposure, and linkages to new markets. Eco-systems mapping to identify gaps in existing services is crucial to making youth initiatives effective. This all needs to occur within a policy framework that is inclusive and business-friendly.





[Watch here](#)

Special Edition of the Trade Dialogues on Food

Combating Illicit Trade in Food and Food Fraud

SPEAKERS IN HIGH LEVEL OPENING PANEL (2 – 3.30 PM)

Anabel Gonzalez, Deputy Director General, World Trade Organization (WTO)

Maximo Torero, Chief Economist, Food and Agriculture Organization (FAO)

Jeffrey Hardy, Director General, Transnational Alliance to Combat Illicit Trade (TRACIT)

Antonia Marie De Meo, Director, United Nations Interregional Crime and Justice Research Institute (UNICRI)

Tarek Sharif, Executive Director of the African Union Mechanism for Police Cooperation (AFRIPOL)

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor, WTO Agriculture and Commodities Division

SPEAKERS IN TECHNICAL PANEL (3.45 - 5.15 PM)

Marco Musumeci, Program Coordinator, UNICRI

John Spink, Director, Food Fraud Prevention Academy & Assistant Professor, Michigan State University

Carmen Bullon, Legal Officer, Development Law Service, FAO

Jan Mei Soon, Senior Lecturer in Food Safety Management, University of Central Lancashire

Quincy Lissaur, SSAFE Executive Director

Co-Moderated by:

Christiane Wolff, Counsellor, WTO Agriculture and Commodities Division and

Melvin Spreij, Head, Standards and Trade Development Facility (STDF)

- Illicit trade in the agri-food sector comes has many forms and manifestations, ranging from economically-motivated adulteration, commonly referred to as food fraud, to a large-scale smuggling of agriculture products. Panellists stressed that all types of Illicit trade “eat away at the benefits” of licit trade. The World Trade Organization (WTO) stressed the vital role of WTO rules in setting the benchmark for licit trade, and therefore helping weed out illicit activities.
- Panellists argued that food fraud was as old as food trade, with techniques evolving over time, and taking place along the entire food supply chain (literally “farm-to-fork”). The Food and Agriculture Organization (FAO) stressed the need to see food fraud as a “continuum” along the supply chain, with it being key to study “weak links” and identify “vulnerabilities” and points of potential penetration by fraudsters.
- Panellists defined food fraud as the intentional sale of sub-standard food products or ingredients for the purpose of economic gain. The world experiences food fraud across many different sectors they explained, including meat, dairy products, fish and seafood, fruit juices, oils, honey, spices and wine. Common types of food fraud include the substitution or dilution of an authentic ingredient with a cheaper product (such as replacing extra virgin olive oil with a cheaper oil), flavour or colour enhancement using illicit or unapproved substances (such as using unapproved food dyes), and substitution of one species with another (horse meat is sometimes substituted for other kinds of meat).
- Food smuggling is a different phenomenon. In general, it is driven by a disparity between the price of a good at its origin and its destination (with the destination, often being a place where the good is prohibited). Smuggling results in a significant loss of revenue for governments as taxes, tariffs and import/export duties are circumvented. Smuggled agricultural goods can also introduce invasive species, disease-carrying pathogens or contaminants that threaten human health, and which can pose risks to the agricultural economy and trade status of a country’s exports.
- The problem of illicit trade in food and food fraud is compounded by illegal trade in agrochemicals and specifically pesticides, which are an integral part of conventional agriculture. According to various estimates, the share of illegal pesticides on the global pesticide market is as high as 25%.
- The panel broke down “food crime” into the following broad categories:
 - ▶ Dilution of ingredients
 - ▶ Substitution of ingredients
 - ▶ Concealment of real product content (ex. falsifying allergen content), or of real product origin
 - ▶ Inclusion of unapproved enhancements
 - ▶ False or misleading labelling and packaging
 - ▶ False product expiration dates
 - ▶ Counterfeiting, and therefore brand name infringement; and finally
 - ▶ Grey market theft and diversion

Big Takeways, A Very Quick Read

This webinar was designed to explore the issue of illicit trade in the agri-food sector and its many forms and manifestations; ranging from economically-motivated food adulteration all the way to the large-scale smuggling of agriculture products. The big take-aways from this webinar are summarized below.



- A broader definition of food crime, they explained, could also extend to the illegal slaughter of livestock, the harvesting food and livestock from protected land, their harvesting from deforested land, illegal and unregulated fishing, and the use of child and illegal migrant labour to produce food.
- The United Nations Crime Research Institute (UNICRI) explained the strong links between organized crime and food fraud and stressed the importance of technology and artificial intelligence in fighting crime. Cyber patrols could scan the web for suspicious offerings and platforms. The food processing sector was becoming particularly problematic, with fraud harder to detect in more complex and processed foods.
- AFRIPOL explained that at a pan-African level it had not yet turned to the issue of food crime, but had been focussing on other sectors so far, in particular pharmaceuticals. It intended to turn to food in the near future, but this would require the education and training of customs officials and collaboration with other continents.
- According to AFRIPOL, the driving factors of illegal trade in Africa are: insufficient legal instruments and border controls; long borders between countries and therefore multiple points of penetration by smugglers and fraudsters; the fact that much food trade takes place in the informal economy which is less regulated; the existence of large numbers of consumers making fraud a lucrative business; and high levels of poverty and therefore the search by consumers for cheap food.
- Panellists explained that different countries took different approaches to combatting fraud. While some tackled the issue through consumer protection legislation, others did so through food safety legislation, contract law, or criminal and administrative codes. A variety of different international legal instruments exist to combat fraud, including new Codex principles on food adulteration that were currently under development. In the end a “food systems approach” would need to be taken to fraud, with the country context being vital to identifying where precisely to intervene. It was equally vital to take advantage of “local knowledge” in fighting crime.
- Panellists were unanimous that the best way to combat food crime lies in “crime prevention”. Governments have finite resources, with prevention leading to a higher return on the dollar (*i.e.* was a more cost-effective approach). They stressed that governments could not “test their way out of the problem”, since supply chains are long, and governments cannot test for what they do not know exists. The same applied to the use of Big Data to fight food fraud; it was the equivalent of searching for a needle in a haystack they said. Data is not useful to mine when regulators do not know what they are looking for.
- Cryptocurrencies were being deployed in food crime, with blockchain technology acting as another potential tool to prevent food fraud.
- The role and involvement of the private sector, and public-private partnerships, were key in combatting food crime. The Global Food Safety Initiative (GFSI) – a partner of SSAFE - had recently published a food fraud vulnerability assessment procedure to help companies mitigate against identified vulnerabilities. Over 100,000 companies had downloaded this tool, demonstrating that food crime was seen by many private sector actors as a risk area. For the private sector it was important to avoid the erosion of consumer trust.

- Anabel Gonzalez explained how the WTO rule-book interacted with the issue of illicit trade, and set out the existing infrastructure of tools within that rule-book to combat fraud. She cited the Sanitary and Phyto-Sanitary Measures (SPS) and Technical Barriers to Trade (TBT) Agreements, but also the Agreement on Customs Valuation, Pre-Shipment Inspection, Trade Related Intellectual Property Rights (TRIPS), Trade Facilitation and more.
- She argued that trade liberalization acted as the strongest possible force against smuggling and illegal trade, making that trade a less lucrative business (in particular the elimination of tariff peaks, high subsidies and export prohibitions). Melvin Spreij and Christiane Wolff moderated the technical panel, highlighting the vital role of SPS rules, and the Standards and Trade Development Facility (STDF), in combatting food fraud.
- Many questions were posed by the public, including on the magnitude of illegal trade in food, rates of criminal prosecution, the role of E-commerce and more. It was clear that the exact magnitude of the phenomenon is difficult to measure because the activity is designed to go undetected. While regulators were having more success in catching fraudsters and smugglers, it is not clear whether this is the result of better enforcement or a rise in illicit trade. Opinions diverged on whether E-commerce, or even the COVID-19 pandemic, were leading to surge in illegal activities, since once again the exact magnitude of illegal food trade is hard to gage.



Agricultural Trade

The Chokepoints and the Suez Crisis

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor, WTO Agriculture and Commodities Division



[Watch here](#)

THE TEAM

Richard King, Senior Research Fellow, Chatham House (Contributing author, Chokepoints)

Laura Wellesley, Senior Research Fellow, Chatham House (Lead author, Chokepoints)

Arnaud Petit, Executive Director, International Grains Council

Jan Hoffmann, Chief, Trade Logistics Branch, United Nations Conference on Trade and Development (UNCTAD)

Ahmed Ihab Gamaleldin, Egyptian Ambassador to the WTO

Inga Fechner, Senior Economist, ING Deutschland

THE CHATHAM HOUSE CHOKEPOINTS REPORT

Big Takeways, A Very Quick Read

This webinar was designed to explore the fragile transportation routes through which exceptional volumes of agricultural trade pass, against the background of the conflict in the Black Sea region. The big take-aways from this webinar are summarized below.

- The 2017 Chatham House Chokepoints report examined 5 crops (wheat, maize, rice, barley, and soybean), and fertilizer, from the perspective of transportation infrastructure bottlenecks. The report defines chokepoints as “critical junctures on transport routes through which exceptional volumes of trade pass”.
- The report identifies 14 potential chokepoints along the routes linking the world’s 3 main breadbasket regions (US Midwest, Black Sea region, and Brazil and South America). Chokepoints are broken down into three categories: (1) maritime; (2) coastal; or (3) inland transportation routes (waterways, road or rail networks). Over half of globally traded grain passes through at least one maritime chokepoint today.
- Chokepoints disruption can quickly result in food security crises. Critical routes can “choke” for many reasons, including worker strikes, restrictions on loading or off-loading, or bigger security threats.
- The running aground of the Ever Given in the Suez Canal for six days in 2021 resulted in a USD 60 billion disruption to global trade. Heavy rainfall in Brazil in 2013 stranded 200 ships at port for an average of 39 days. Hurricane Katrina blocked grain exports for 2 weeks when it struck the Port of South Louisiana in 2005, with 300 barges across the Mississippi River set adrift. It took six weeks for the full resumption of trade, with extensive damage to infrastructure and critical navigation routes.
- Chatham House also presented its Food Security Dashboard which uses 18 indicators to identify countries most vulnerable to food crises. These indicators include: levels of domestic food production, climate risk, social protection, macro-economic vulnerability, fiscal space, etc. Applying the chokepoints lens to high risk countries on the Dashboard allows for an identification of countries most at risk from the cascading effects of crises.

THE BLACK SEA REGION

- Russia and Ukraine account for 12% of total traded calories worldwide, and for 75% of exports of the Black Sea region. Russia is the world's single most important exporter of wheat and fertilizer (in the aggregate). The Black Sea region's share of global exports has been on a steady growth path.
- Many countries are highly dependent on the region for their food security. Turkey, China and Egypt all import 20-25% of all their agri-foods from the region. Various low-income countries have an even higher degree of dependence, e.g. Somalia and Benin that rely on the region for 100% of their cereal imports.
- The effects of the conflict have become global as a result of price transmission - rise in prices. Globally food prices have now risen to their highest level ever since price recording began at the FAO in 1990.
- The inland railway systems of the Black Sea region were already suffering from chronic under investment before the crisis, with 60% of wheat of exports from the region needing to move first by rail.
- Some railways have been sabotaged by Ukraine to prevent Russian incursions, and others have been demolished through the war. At present, all ports in Ukraine are now closed.
- Even before the conflict, the Black Sea region raised several red flags as an area of high chokepoint risk; war in Crimea in 2014, climate change, trade restrictions combined with chronic under-investment.

CRISIS OF THE EVER GIVEN IN THE SUEZ CANAL

- The Suez Canal is one of the world's most important waterways, and carries 12% of world sea borne trade. In 2021, 20,640 vessels transited through the canal, with 2022 hitting an all time record of 80 vessels per day. Projects are now underway, to lengthen, widen and deepen the Canal and will be completed by mid-2024. These projects will allow the Canal to transit an additional 6 vessels per day.
- It plays a vital role in global food security: 15% of global sea-borne grain trade goes through the Canal, which amounts to 83.5 million tons.
- The Egyptian Ambassador pointed to how successful Egypt has been in tackling the crisis posed by the Ever Given – giant container ships are now a phenomenon that countries must contend with. Proof of success and of the Canal's competitiveness is that the 422 vessels in line to cross the canal did not opt for alternative routes, and that there was no harm to any of the cargo, live animals or humans involved in the six days affair. A similar situation has arisen in March this year with the running aground of the Ever Forward in Chesapeake Bay in the US. It was only successfully refloated after 35 days, with its cargo having to be offloaded, according to the Ambassador.
- Chokepoint “interconnection” is another issue to be considered, with the United Nations Conference on Trade and Development (UNCTAD) pointing out that the crisis of the Ever Given led to spiralling freight rates globally in places as far away as Shanghai and South America.
- The Egyptian Ambassador also spoke of Egypt's coping strategies, as the world's largest wheat importing country, in the current food crisis. Egypt has a wheat stock that can only cover it for 5 months. It has applied export restrictions on certain foodstuffs, which should have no impact on global markets since it is a net-food importing country he stated. Egypt is now currently looking at diversifying its sources of imports, enhancing regional cooperation, decreasing food waste, and boosting early warning system. In addition, Egypt is receiving financial assistance from a number of partners.

- Going into the Russia-Ukraine crisis, world wheat markets were already suffering (bullish market). In the eight countries responsible for 80% of global wheat trade, stocks were going down. According to the head of the International Grains Council (IGC), it takes a minimum of three consecutive good harvest years to replace stocks.
- Forecasts for 2022/23: IGC expects the same production levels as last year and is not decreasing its expectations, but there will be a need to lean on stocks.
- The problem now is not the “availability” of wheat but its “price”. The Russia-Ukraine region is the world’s “cheapest breadbasket”, with there being a need for much greater communication on this according to IGC. North American and European wheat is much more expensive (an extra USD25-30/ton), in addition to requiring shipping over longer distances. With today’s higher freight costs, this is expected to add another important layer to currently high wheat prices.
- IGC called for an urgent reversal of the flattening trend in wheat yields, with countries needing to urgently invest in boosting wheat productivity. In addition, the fertilizer shortage could begin to reduce the quality of wheat (its nutrient value). It would be urgent for the world to start recycling manure.
- In terms of bringing new land into wheat production, IGC explained that only 2-3% more land could come into production mostly in Central Asia, and that it is in the Northern Hemisphere where production capacity could be greatest.





MARKET UNCERTAINTIES AND TRADE POLICY

- ING Deutschbank spoke of incredible market volatility due to a combination of factors: war, sanctions, self-sanctioning by private actors, delays in ports and congestion, rising oil and gas prices, COVID-19 that is still raging in certain parts of the world (cited Shanghai), and the ongoing re-routing of ships taking place across the globe.
- Grossly under-estimated is also the impact of current tensions in the Black Sea region on the availability of seafarers and truckers. Russia supplies 11% of world seafarers and Ukraine 4% - so today 15% of global seafarers are off the market. In addition, Ukrainians represent a significant portion of European truckers, plunging the trucking industry into crisis.
- The closure of the airspace above the war zone is another serious chokepoint, according to ING.
- All of the above is depressing global demand, with the possibility of plunging the world into a recession, and may lead to “permanent distortions” – countries changing trading partners and shipping routes for good.
- Chatham House called for the following trade policy measures: bringing food export restrictions under greater control in WTO, and approving the exemption of WFP’s humanitarian food purchases from export restrictions.

Parlons des Céréales

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor, WTO Agriculture and Commodities Division



[Watch here](#)

THE TEAM

Sebastien ABIS, *Directeur général, Club DEMETER, et Chercheur associé à l'IRIS*

Jean-Francois LEPY, *Directeur général, Soufflet Négoce*

Anne-Laure PAUMIER, *Directrice, Département Relations Internationales, Intercéreales*

Patrick HEFFER, *Directeur général adjoint, Association internationale des engrais*

Big Takeways, A Very Quick Read

This webinar took a deep dive into cereal markets, with a focus on wheat, in light of the current food security crisis. The 2022 edition of DEMETER entitled, *Alimentation: les nouvelles frontières*, was at the center of the dialogue and outlined the main challenges facing food systems. The big take-aways from this webinar are summarized below.

- DEMETER 2022 argues that agricultural production must be expanded to all corners of the globe for greater food security. Food security is becoming harder to ensure due to an ever-expanding global population, demographic inequalities, climate change and much more. Furthermore, contrary to what was expected or hoped 30 years ago, geopolitical risks to global food security have not diminished, but to the contrary appear to be on the rise. These risks are a test for 'global solidarity'.
- Sebastien Abis, Director-General of Club Demeter, stressed that the current food crisis, for some parts of the world, does not constitute anything new. It is for Europe and other part of the worlds that have enjoyed near constant food security in the past few decades, that the crisis comes as a surprise. He hoped that the crisis would sensitize us to global inequalities.
- While the 2008 food crisis was very significant, the current crisis according to Abis takes place against an even weaker multilateral architecture, and less faith in international institutions. In fact, the worry now is that we are seeing the formation of "trade blocs", with countries becoming more inward-looking and less willing to share food - a development counterproductive to global food security.
- While the world was experiencing in particular a wheat crisis, Abis explained that wheat was nevertheless in a better position than other agricultural commodities. 25% of global wheat production enters international markets, whereas this figure stands at only at 10% for maize for example. Four regions import 15-20% of world wheat each, and include: South Asia, Sub-Saharan Africa, North Africa, the Middle East (together constituting 80% of world imports). However, 10 countries alone are responsible for about 100% of world exports.
- Abis argued that lessons needed to be learned from how different crises were interacting. Just recently, the world saw how India's wheat harvest was negatively impacted by climate change, against the background of a serious geopolitical crisis.
- Intercéreales explained that the current conflict was impacting the cereal market in France through two channels in particular: (1) higher energy prices, and (2) the higher price of cereals. Both have a cascading effect throughout the cereal production value chain, impacting livestock, bread, pasta, and much more ('second degree transformation activities', Intercéreales called them).



- While the rise in wheat prices would normally lead to more planting of wheat, Interéalres explained that this year has been different because of missing or more costly agricultural inputs. Cereal production is therefore unable to rise. The fear is that higher costs could lead to a “decapitalization” of the agricultural sector, with massive capital flight.
- The conflict in the Black Sea Region is made all the more unfortunate, the panel argued, by the fact that immediately prior to the conflict, Ukraine had had its best cereal harvesting season. Currently Ukrainian farmers find themselves without finance or liquidity and a “war economy” is setting in. Farmers have started to barter the grain that has remained stuck on their farms against agricultural inputs and other products.
- Some food processing was also taking place in Ukraine before the war, such as the production of sunflower oil. However, the processing infrastructure has largely been destroyed and it is hard to see how quickly it might come back.
- Problems of storage will become the main problem in Ukraine very soon. Currently, approximately 22 million tons of grain are stuck in the country. If the world does not succeed in extracting 2-4 million tons of grain per month from Ukraine, a serious storage crisis may ensue, in particular since new harvest is coming onto the market. Furthermore, rising energy prices are making it difficult to dry grains prior to storage, making storage more risky.
- A principal concern today is to find terrestrial routes that can substitute the closed maritime routes, so as to move grain out of Ukraine. Serious bottlenecks have emerged on various terrestrial routes, with trucks stuck in long queues and borders taking over 9 hours to cross. An issue requiring immediate attention to help move food. In addition, the international community needs to find ways to bring Russian grain back onto the international market.

- With respect fertilizer, the current crisis is having a dramatic impact. Russia, together with Belarus, export 40% of the world's potash. Potash is therefore, by far the most problematic fertilizer at the moment. Nitrogenous fertilizer is also impacted, while phosphates for now are the easiest fertilizer to secure. Export restrictions on fertilizer, have been a complicating factor, with countries imposing them to secure domestic needs as well as to constitute domestic stocks. The biggest problem facing crop fertilization at present lies with rice and not with wheat, with many rice producing countries unable to obtain the necessary quantities of fertilizer. One measure that could help ease the current fertilizer crisis would be to recognize fertilizers as 'essential products' to facilitate their movement, as during the COVID period.
- In terms of vision for the agricultural sector, the panel criticized the perception that agriculture somehow belongs to the past, and that modernization requires investment in other sectors. This worldview has weakened agricultural systems and reduced investments. In fact, agriculture has never been more important, but must address the challenge of climate change. The recently released FAO-OECD Agricultural Outlook in fact argues that the world needs to increase agricultural production by 25% in the next 10 years. The panel also argued that there can be no food security for consumers in the absence of economic security for farmers.
- The panel called for an agricultural revolution: producing more ('plus') and better ('mieux') food, in a more sustainable manner ('de manière plus durable'). Science has to be part of the revolution, with doors opened to new and safe technologies, such as genetic modification.
- Multiple questions from viewers revolved around food and fertilizer stocks. The panel argued that accurate information on stocks is not easy to come by. Countries sometimes deliberately exaggerate the size of their stocks to alleviate public concern. However, it would be important to include the 'cereals at sea' into global stock calculations (on ships). Private sector cereal stocks cannot be counted on to close global food security gaps. These stocks are typically "minimal" and designed to simply act as buffers against temporary supply chain shocks.



Improved Seed Trade; Unlocking Global Food Security

17th WEBINAR

22 September 2022



[Watch here](#)

Moderated by **Doaa Abdel-Motaal**, Senior Counsellor, WTO Agriculture and Commodities Division

THE TEAM

Sebastien ABIS, *Directeur général, Club DEMETER, et Chercheur associé à l'IRIS*

Maximo Torero, *Chief Economist of the United Nations Food and Agriculture Organization (FAO)*

Edwini Kessie, *Director of the Agriculture and Commodities Division of the World Trade Organization (WTO)*

Michael Keller, *Secretary General of the International Seed Federation (ISF)*

Patrick HEFFER, *Directeur général adjoint, Association internationale des engrais*

Marco van Leeuwen, *Managing Director of Rijk Zwaan (a vegetable breeding company that develops improved plant varieties and sells seeds to vegetable growers all over the world. It is now the no. 4 vegetable breeding company in the world)*

Naomi Stevens, *Global Policy Advocacy Manager of Bayer CropScience*

Alice Ingabire, *Lead Access to Seed Index, World Benchmarking Alliance (WBA)*

- Multiple points of intersection between the WTO rule-book and trade in seeds were identified in the webinar, all the way from the classic market access issues like tariffs and subsidies, to intellectual property issues, and sanitary and phytosanitary measures.
- At the global level, according to the International Seed Federation (ISF), approximately 7 million metric tons of seed are imported every year, to the tune of USD 14 billion. This is not a minor sector of world trade therefore, and it is a sector that is vital to global agriculture.
- The sector has suffered as a result of recent crises, prompting the ISF to call upon policy-makers to avoid disruptions to agricultural value chains, and to designate the seed sector as “essential business-critical infrastructure.”
- The webinar stressed that it was of great importance that the global seed supply chain remain truly global; the benefits of which include:
 - ▶ An expanded market, leading to lower seed development costs: This is because new varieties are often developed for specific climatic conditions. In a global seed supply chain, such varieties can be sold to more countries with similar conditions.
 - ▶ The global seed supply chain also leads to increased efficiency: With global seed supply chains, companies can choose to breed their varieties in one country, treat the seeds in another country, and produce hybrid seeds in yet a third country, benefiting from local conditions for greatest efficiency.

Big Takeways, A Very Quick Read

This webinar was designed to explore the impact of the COVID-19 pandemic and the political conflict in the Black Sea region on international trade in seeds, and to gain a better understanding of how the WTO rule-book can facilitate trade in seeds.

- ▶ The globalization of the R&D process itself is a boost to the efficiency of the sector.
 - ▶ The global seed supply chain also leads to greater seed diversification, and to a stability of supply.
 - ▶ And finally, it delivers environmental benefits: The access to high quality seeds can enable farmers to use less land to produce the same amount of food or feed. All of this, of course, increases global food security.
- ISF explained that seeds cross international borders along significant timescales, with a single seed sometimes taking 10-12 years to do so. Therefore a predictable, rules based international trade system is critical to making seed production possible.
 - It stressed that seeds need “local adaptation” and therefore are different from other agriculture inputs like fertilizer. It is key therefore that they be allowed to travel and adapted to different climatic and other conditions.
 - Today no country can fully supply farmers with agricultural inputs exclusively from domestic sources. In fact, international seed trade has doubled over the past ten years. The aim of the ISF is to see more countries become seed producers and exporters. In fact, this is already happening in countries like Vietnam and Zambia who have become significant players in this sector.
 - Bayer Crop Science explained that allowing farmers to access seeds is to allow them to access innovation, with Rijk Zwaan (the world’s number 4 vegetable breeding company) adding that the “weakest links” in global seed value chain include the lack of an enabling environment, complicated certification requirements, lack of harmonization and equivalency, and protectionism. It explained that when seeds are developed it is seldom known how far they can travel or the number of countries in which they will be sold. Therefore, meeting standards in destination countries always becomes the biggest challenge once seeds are produced; the biggest obstacle to market access.
 - Tomatoes for example are tested for 180 pests internationally, 80% of which according to Bayer are non-science based. Laboratory testing, field testing, pre-shipment testing and testing upon arrival are amongst the complex conformity assessment procedures imposed on seeds, with the trend for testing on the rise.
 - Intellectual property rights are another area of concern in the seed sector, with access to genetic material being key to breeding new seeds. Multiple obstacles stand in the way of access (such as authorizing collection missions and access to seed banks), limiting the ability of seed companies to develop new and improved varieties. A matter fundamental to global food security.
 - The World Benchmarking Association (WBA) stressed that smallholders were the biggest culprits of the current crisis as they already struggled to access the best seeds before the pandemic and the war and now even more.
 - The ISF also spoke about illicit trade in seeds, indicating the problem was very serious. In one African country, approximately 40% of seeds have been found to be counterfeits. The WTO responded that the issue of illicit was one that the organization was beginning to pay greater attention to since many rules in the WTO rulebook could be leveraged to combat illicit trade, including the Customs Valuation Agreement, the Pre-Shipment Inspection Agreement and more.



THE FOOD CRISIS, IS IT EASING? WHAT OF THE BLACK SEA GRAIN INITIATIVE?

- Commenting on the food crisis, the Food and Agriculture Organization (FAO) indicated that while its Food Price Index was beginning to fall, it remained 8% higher than 2021 levels. Food inflation was the outcome of Covid-19 recovery plans and the war in Ukraine; making access to food a lingering concern. In fact, the food import bill of developing countries is continuing to rise due higher prices and currency devaluation combined. As a result, a total of 62 countries now face balance of payments problems.
- The FAO indicated that the Black Sea Grain Initiative is indeed working, with 45% of the grain moved out of Ukraine being for feed and 55% for food.
- The FAO advocated for the establishment of a Food Import Financing Facility (FIFF) for the most vulnerable 62 countries, using grants and loans, complimenting the Balance of Payment Facility of the IMF. Unlike the IMF Payment Facility, the FIFF would only cover food. The FIFF would be implemented by the IMF, and is already under discussion there. It would not be used for fertilizer, seeds or other agricultural inputs as this would only create distortion.
- However, the FAO indicated that the shortage of fertilizer will affect the next planting season, including the planting of seeds. Fertilizer prices were already increasing before the war, but the situation has now been exacerbated by rising natural gas prices as well as export restrictions. A Yara plant has just recently been closed, and Europe which was a net exporter of fertilizer may now become a net importer. Therefore the FAO expected a problem of food availability next year. The FAO was pleased though that the US is beginning to issue “comfort letters” to facilitate the movement of fertilizer.

WTO ON MC12

- The WTO set out the main outcomes of MC12, indicating that current momentum on global food security at WTO needed to be ceased.

First was a Ministerial Declaration on the Emergency Response to Food Insecurity:

- ▶ In it, Members expressed their commitment to facilitating trade in food, fertilizers, and other agriculture production inputs. The WTO explained that this is particularly relevant to trade in seeds – a commitment to not obstruct trade in seeds.
 - ▶ They reaffirmed the importance of not imposing food export restrictions or prohibitions in a manner inconsistent with WTO rules.
 - ▶ And they vowed to minimize the trade-distortive impact of emergency measures, keeping their response to crises temporary, targeted, and transparent.
- ▶ Second was a Ministerial Decision urging countries to refrain from imposing food export restrictions on the humanitarian purchases of the World Food Program. A particularly significant decision given that the WFP was finding itself cut-off from grain supply, and therefore unable to adequately service war-torn countries such as Syria and Yemen.
- ▶ And, third was a Sanitary and Phytosanitary Declaration on responding to modern SPS challenges. Here members acknowledged that the global agricultural landscape had evolved since the adoption of the SPS Agreement in 1995, and agreed to launch a work program that would address this new landscape - whether for trade in food, animals or plants. According to the WTO, this is another outcome that is enormously relevant to seeds; whose regulatory environment must remain grounded in scientific principles and sound risk-assessment.





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