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## PRESS STATEMENT

### *Moving from Rhetoric to Action: Priorities to Curtail Price Volatility & Protect the Poor*

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June 23, 2011 -- Paris, France

Just three years after the 2007-2008 food crisis, the food security of poor and vulnerable people is once again being threatened as the prices of agricultural commodities soar and become more volatile. Urgent action is needed now to address the problem and its underlying causes.

This week's meeting of the G20 Ministers of Agriculture, together with representatives of international organizations working on agriculture and food security issues, has been a historic and important first step in addressing food price volatility and a clear indication of our joint commitment to assisting the world's most vulnerable people. There is also broad agreement among the parties on the major challenges and necessary policy measures that need to be taken, as well as the importance of a comprehensive and coordinated response.

At their summit in November of 2010, G20 leaders asked a consortium of international organizations to develop options on how to better mitigate and manage the risks associated with the price volatility of food and other agriculture commodities, with the aim of protecting the poor. In response, a working group of international organizations, including IFPRI, which provided technical expertise and input, developed a comprehensive policy report that puts forward ten key recommendations. I am glad to note that the ministerial declaration's "Action Plan on Food Price Volatility and Agriculture" has adopted and included many of these recommendations.

Despite consensus on the overall plan, a number of critical questions still need to be addressed, including: What are the most pressing priorities? *How* should we execute important measures, and *when* should we do so? Answering these questions will enable us to move beyond words and rhetoric to action and implementation, so that we can achieve our ultimate goal of reducing poverty and hunger, especially in developing countries.

In terms of priorities, the three most urgent actions are:

1. halting the expansion of biofuels production from maize, oil seeds, and other grains by curtailing subsidies and reforming policies to end the competition between food and fuel;
2. providing social safety nets for the poorest people, particularly women and children; and

3. eliminating trade restrictions on agricultural commodities, such as export bans, import tariffs, and nontariff barriers, and refraining from imposing new ones. This will enhance the efficiency of global agricultural markets, lowering prices for consumers and increasing opportunities for smallholders to export their produce.

By supporting effective biofuels policies and technology investments and removing counterproductive measures, such as maize ethanol subsidies that encourage the use of food crops for fuel, public policies can help to lower the cost of food. For example, if second-generation technologies are used to sustainably produce biofuels from the non-edible parts of crops, such as stems, leaves, and husks, or from jatropha and other nonfood crops, the price of maize and maize-dependent commodities such as beef could fall.

Social safety net programs need to be better targeted so that they reach the poorest households, which are most vulnerable to weather and health shocks. Social protection policies also offer important opportunities to escape from the inter-generational cycle of poverty. By combining social protection with agricultural support, innovative approaches, such as Ethiopia's Productive Safety Net Programme, can increase the positive effects on food security.

There are also a number of other critical measures that international donors, in partnership with national policymakers, need to initiate immediately, such as:

- investing in agriculture to increase the productivity and incomes of smallholder farmers, including fulfilling the G8's L'Aquila pledge of \$22 billion;
- establishing emergency humanitarian grain reserves and ensuring that humanitarian food can be purchased and transported without restriction; and
- providing transparent and timely information on agricultural markets.

As highlighted in the Action Plan, investing in agricultural research and innovations is critical to boosting productivity. Doubling funding to the Consultative Group on International Agricultural Research over the next five years could play an instrumental role in promoting this much-needed growth, particularly among smallholder farmers in developing countries. To ensure that investment commitments are fulfilled, it's important to set deadlines and funding targets.

In order to make these recommendations a reality, G20 leaders and international organizations also need to collaborate with major emerging economies. In addition to the BRIC countries (Brazil, Russia, India, and China), other developing nations have a key role to play, including South Africa—an important leader on a continent that is plagued by chronic poverty, hunger, and malnutrition, but also has immense potential for agricultural growth and development.

By taking concerted action on several fronts, it is possible to curtail price volatility, reduce poverty, and achieve long-term food security on a global scale. But we need to act now. The poor cannot continue to pay the high price of hunger because of our inaction.

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*The International Food Policy Research Institute (IFPRI) seeks sustainable solutions for ending hunger and poverty. IFPRI is one of 15 centers supported by the Consultative Group on International Agricultural Research, an alliance of 64 governments, private foundations, and international and regional organizations. [www.ifpri.org](http://www.ifpri.org)*