



WAF-update

The Quarterly Newsletter of the World Agricultural Forum

Agricultural landscape, Orvieto, Terni, Italy

September 2012

WAF – update

Page 1

In this issue:

- *Comment: Food Prices – What must we do?*
- *WAF 2013 Congress and Trade Fair- Planning well under way for Hyderabad*
- *Message from the Chief Minister of Andhra Pradesh, N. Kiran Kumar Reddy*
- *"Better be careful" or "Better not" – Rainer von Mielecki*
- *Prestigious Award for Advisory Board Member*
- *The Global Alliance for Sustainable Agriculture*
- *Upcoming Events*
- *ICRISAT promotes Public Private Partnerships – Nigel Poole*
- *Board News & Events*
- *The Last Word – Harald von Witzke*

Comment:

Food Prices – What must we do?

There is much talk of crop shortages, increased food prices and any number of potential consequences such as uprisings.

The discussion around 'food' and 'food' prices is confusing the subject. We must focus on 'agriculture' - the precursor - if we are to have any hope of doing something about the issue, reduce prices and avoid future mishaps. We must be acting to make **agriculture** more productive, efficient and modern.

And we must share the experience.

Often subsidies and mandates are suggested as the culprit for the current situation. I suggest there is another indirect cause. Subsidies and market intervention and over-regulation discourage scientific and technical research and applications of modern schemes in agriculture including transport and preservation.

Thus efficiency and productivity stand still, costs remain relatively high and waste is endemic. A more efficient and productive global agriculture can lead to a natural drop in food prices and greater flexibility in supplies while being more environmentally friendly.

And as David Cameron said at his recent post-Olympics 'Hunger Summit', the other essential piece is the fostering of the rule of law, property rights and peace. Those matters are in the hands of governments.

Collectively wringing our hands about the problem while continuing to encourage the same old agriculture will not solve the problem. Governments must stop talking and give **agriculture** greater priority while promoting more investment in agricultural research and technology and their applications.

Ken Baker

Chairman, World Agricultural Forum

WAF 2013 Congress and Trade Fair

Re-shaping Agriculture for a Sustainable Future

Hyderabad India, 4th to 7th November 2013

Planning is well under way for the 2013 Congress to be Held in Hyderabad India under the auspices of the State of Andhra Pradesh and the Patronage of His Excellency Mr N. Kiran Kumar Reddy, the Chief Minister of Andhra Pradesh, India. An Organising Committee has been constituted of Dr Kenneth M. Baker, Chairman World Agricultural Forum (Co-Chair), Mr. V. Nagi Reddy, Principal Secretary, Andhra Pradesh (Co-Chair), Ms. Evie Soames, Member of the Board, WAF, Professor Aldas Janaiah, Head - School of Agribusiness Management ANGR Agri University, Dr. Leonard Guarraia, Chairman Emeritus, WAF, Rt. Hon. James Bolger, Chairman WAF Advisory Board, and is served by a Congress & Trade Fair International Advisory Committee, Co-Chaired by Mr. Kanna Lakshminarayana, Agriculture Minister, Andhra Pradesh and Rt. Hon. James Bolger, Former Prime Minister of New Zealand. An event manager has been selected.

For sponsorship opportunities, Speaker and Trade Fair enquiries, contact: WAF Chairman, Dr. K. M. Baker or Principal Secretary, Andhra Pradesh, Mr V Nagi Reddy at 2013congress@worldagforum.com



Char Minar Heritage Building, Hyderabad

Message from His Excellency Mr N. Kiran Kumar Reddy, Chief Minister of Andhra Pradesh, India



*His Excellency Mr N. Kiran Kumar Reddy,
Chief Minister of Andhra Pradesh, India*

From the outset. I appreciate the World Agricultural Forum (WAF) for deciding to organize their biennial global event i.e. the 2013 Congress of the World Agricultural Forum at Hyderabad, India in November 2013, the first time in Asia since the inception of the WAF in 1997.

I strongly believe that the deliberations of the 2013 Congress of the World Agriculture Forum including all key stakeholders such as farmers, farm labour, farmers organizations, industry, key government leaders, scientists, etc., would provide a roadmap for re-positioning small holder agriculture in the liberalizing and globalizing agro markets.

I also expect that 2013 WAF will bring agriculture and farmers' issues to the fore once again alerting governments to initiate urgent policy interventions for making farming a viable profession.

I, on behalf of my country as well as my State, warmly welcome delegates from all parts of the World to the 2013 Congress of the WAF in Hyderabad, India, with a sincere belief that they will carry back pleasant memories of this great city in addition to making valuable contributions to the cause of World Agriculture.

Advisory Board Member gains Prestigious Award



Professor Aldas Janaiah (left) pictured receiving his "State Level Best Agricultural Scientist Award 2011" from Andhra Pradesh Chief Minister, Mr N. Kiran Kumar Reddy (centre) and Mr. Kanna Lakshminarayana, Agriculture Minister of Andhra Pradesh, India (right)

New Multi-Lateral Government Alliance for Sustainable Agriculture

The multi-lateral Global Research Alliance on Agricultural Greenhouse Gases was launched in December 2009 and now has more than 30 member countries from all regions of the world.

The Alliance is focused on research, development and extension of technologies and practices that will help deliver ways to grow more food (and more climate-resilient food systems) without growing greenhouse gas emissions.

The Alliance is founded on the voluntary, collaborative efforts of countries. The current Chair of the Council is Canada, Uruguay is Vice-Chair while New Zealand supplies the Secretariat.

The Alliance has three Research Groups:

Croplands
Paddy Rice
Livestock

And two Cross-Cutting Groups:

Soil Carbon and Nitrogen Cycling
Inventories and Measurement

For more information: <http://www.globalresearchalliance.org/>

GLOBAL
RESEARCH
ALLIANCE
ON AGRICULTURAL GREENHOUSE GASES

Upcoming Events

The following have been communicated to us

Feeding The World: Asia's prospect of plenty

The Economist, Asia

27th September 2012, Hong Kong

<http://www.economistconferences.asia/event/FeedingAsia>

Agri Congress Africa

15-17 October 2012, Johannesburg, South Africa

<http://www.agricongressafrica.co.za/>

Future Farm Asia

Innovation and strategy for farming companies and technology suppliers

Future Farm Asia 16 - 17 October 2012, Singapore

<http://www.terrapinn.com/conference/future-farm-asia/>

World Food Prize – Norman Borlaug Dialogue

Partnerships & Priorities: Transforming the Global Food Security Agenda

October 17-19, 2012, Des Moines, Iowa, USA

<http://www.worldfoodprize.org/>

"Better be careful" or "Better not"?

Rainer von Mielecki

Head of Global Public/Government Affairs Crop Protection, BASF

Public risk-tolerance, unlike history, art and language, may not immediately appear to be an important measure of societal progress. However, the way risk is managed by politicians, can define the level to which society can benefit from technological advance.

While there is no question that precaution should play an important role in EU policy, balancing perceived public and environmental risks with the benefits which technological progress can offer, the EU is heading in a different direction to other regions in adopting a "precautionary principle".

In 1992, the first Earth Summit, hosted by the UN Conference on Environment and Development in Rio de Janeiro, produced the most generalized definition of the precautionary principle - "Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation". However there is no universally accepted definition of the precautionary principle.

In 2000, the European Commission's Communication, COM(2000)1, provided guidance on use of the precautionary principle, indicating that it should not provide an excuse to legislate for zero risk, and that it should not be used in a discriminatory way. Furthermore, the Commission indicated that when invoked, a full analysis should be made of risk and costs associated with taking action versus the alternative.

Finally, in 2008, the European Court of Justice and the lower General Court, having referred to the precautionary principle in 140 cases, highlighted the need for proportionality, noting that cited risks must be real and not hypothetical.

As an ultimate form of precaution, the EU has recently introduced regulatory "cut-off" criteria for agricultural crop protection products and biocides, effectively banning substances with an intrinsic capacity to cause harm, even when under realistic conditions of use, it is demonstrated that they are safe. Banning technologies based on their intrinsic ability to cause harm and not on the potential risk under practical use conditions will lead to the loss of valuable, tried and tested technologies. Replacing them with alternative, (often non-chemical) solutions, can pose even greater risks, but which may not be evaluated using the same criteria.

The lack of legal certainty and failure to define and enforce a common interpretation of the precautionary principle threatens undermining innovation and investment. For agriculture, targeting plant protection products potentially negatively impacts productivity by removing tools to tackle evolving challenges like new and emerging weeds, pest and diseases, as well as increased resistance. For crop protection we must ask will innovation be impacted? Will global food security be jeopardised? Will farmers have sufficient means to control plant pests, weeds and diseases?

Rather than being a carefully-controlled, universally-understood risk management tool, the precautionary principle is now viewed by some as having evolved into a powerful tool for risk aversion. Why does Europe not stick to risk based regulation like other countries with very high safety standards.

The precautionary principle may also be interpreted as "the political answer to scientific uncertainty". It needs to be recognised that there is a risk in that for agriculture, plant protection products and for badly needed new agricultural technologies and other areas of technological innovation.

Let us be very careful here!

The fight against Malnutrition - ICRISAT promotes Public Private Partnerships

Professor Nigel Poole, OBE

Chair, International Crop Research Institute for the Semi Arid Tropics (ICRISAT)

We at ICRISAT[§] are pleased that the WAF Congress with the theme of re-shaping agriculture for a sustainable future, is going to be held on our doorstep in Hyderabad in 2013. If we seriously want things to change, and the world's smallholder farmers to grow more and diverse food and improve their lives, then public-private partnerships are part of the solution. ICRISAT knows how powerful partnerships have been in ensuring that their research has a real impact on the lives of the poor in the arid and semi arid regions. Prime Minister Cameron and President Obama have both recently stressed the importance of public private partnerships in reducing malnutrition in Africa and Asia.



ICRISAT Director General, Willie Dar, speaks with visiting Indian farmers during a site visit to examine the performance of new pigeon pea varieties

I have witnessed firsthand how scientists from ICRISAT and our Partners are getting crops to yield better and land to be farmed in a more sustainable and productive way! Just two examples, a pioneering project started in Andhra Pradesh 13 years ago is now the role model for community natural resource management in Asia and Africa. While our soil fertility programme called Bhoochetana in Karnataka, covers three million hectares benefiting three million families. With yields increasing by up to 66%, the economic return during last year's rainy season worked out at around US\$ 130 million. We welcome all to explore collaboration with ICRISAT to replicate this success in other states.

As part of our 40th anniversary, scientists from across Africa and Asia are coming together at our headquarters in Hyderabad, India this September to discuss some of their key innovations and the way forward. They'll be debating many of the challenges facing smallholder farmers and how research along with the right public private partnerships can mean a significant improvement in yields, land and water management, access to markets and the use of information and communication technology to the benefit of the poor. The role of women, soil and water management together with plant breeding will be highlighted, as ICRISAT has made major advances in these fields.

Partnerships between policy makers, the private sector, civil society and most importantly the farmer, have been instrumental in getting successful research to the farmer's field. Sustainable advances in agriculture is the pertinent theme for next year's WAF congress which will be taking place in November 2013 in Hyderabad, and I am sure the life-changing contributions of ICRISAT and its partners will provide much food for thought during the congress roundtables. And our Director General, Willie Dar and his team at ICRISAT will be very pleased to welcome any of those attending the WAF Congress to make a visit to ICRISAT during their visit to Hyderabad.

[§]The International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) is a non-profit, non-political organization, based in Hyderabad, that conducts agricultural research for development in Asia and sub-Saharan Africa with a wide array of partners throughout the world. The dry tropics cover 6.5 million square kilometers of land in 55 countries, has over 2 billion people, and 644 million of these are the poorest of the poor. Our motto is "science with a human face".

Board News & Events

The WAF Board welcomes three new members: The Rt. Hon James Bolger, Former Prime Minister of New Zealand and currently Chairman of the WAF Advisory Board, Ms. Evie Soames, Company Director of the UK, and Mr Rainer von Mielecki, Head of Global Public/Government Affairs Crop Protection, BASF Germany.



The Rt. Hon James Bolger



Ms. Evie Soames



Mr. Rainer von Mielecki

The next Board meeting will be held by teleconference on the 19th September 2012 (or 20th September if you happen to be in New Zealand). Among subjects to be discussed are a review of plans for the 2013 World Congress and Trade fair in Hyderabad, advances in the formation of strategic alliances and other outreach activities.

The Last Word

Harald von Witzke reflects on the "fundamental forces of supply and demand"

Analyses of the agricultural commodity price spike of 2007-08 suggest that prices could be explained entirely by fundamental forces of supply and demand. It turned out that speculation did not have a significant impact on the price spike.

International agricultural commodity prices continue to be well above historic levels. As prices began to rise further in 2012, the public debate about the role of speculation began anew. A closer look at the present price hike suggests that, once again, this is not the case.

Time series of agricultural commodity prices display a remarkable asymmetry. There are typically limited fluctuations around the longer term price trend with occasional sharp spikes but no deep troughs. The reason for this is simply that agricultural commodity markets are weather markets. Short-term fluctuations in production are by and large compensated for by building or reducing stocks. Only when stocks are low and there is a global production shortfall will prices rise significantly.

This is exactly what has happened in the summer of 2012. Stocks of grains and oilseeds were low relative to consumption. Major producers such as the United States, Argentina and countries in the Black Sea region were hit by inclement weather. In fact, the 2012 US drought is the worst since 1956. In 2007-08 some countries, such as Russia and Argentina, imposed export restrictions which acted to amplify the spike. Should this happen again now, there would be an even greater jump in prices.

In sum, prices on international agricultural commodity markets simply continue to be determined by the fundamental forces of supply and demand.



Dr. Harald von Witzke
Professor and Chair for International Agricultural Trade and Development, Humboldt University of Berlin, Germany, and
President, Humboldt Forum for Food and Agriculture

Editors note: The views expressed in this newsletter are the responsibility of their individual authors, nevertheless, the WAF hopes that by publishing, they will lead to a greater debate around agriculture.