

Mexico G20 Presidency: Agriculture Agenda Priorities

After the 2008 food crisis, there is a constant concern over measures that need to be taken into account for changing the reduction pattern of agricultural productivity and increase price volatility; to face the rise in food demand originated by a growing population and keeping long sustainability of natural resources.

To face these challenges within the G20, we agree on an ambitious Action Plan that recognizes the important role of agriculture in the economic development. It was established as priorities: research initiatives cooperation, increase market information quality, improve humanitarian food availability, increase sustainable agricultural financing, achieve a more open agricultural trade system, and promote risk based systems to face price volatility.

Mexico will continue working in the G20 framework in two main areas: first, implementing measures contained in the Agricultural and Price Volatility Action Plan, and second, reach consensus to generate initiatives to increase world agricultural productivity by taking into account market needs, natural resources sustainability and small-scale producers.

The Action Plan is the basis for achieving coordination in the design and implementation of public policies at a global level. The challenges that we are facing, regarding food security, require wide solutions that can be translated in common benefits in the long run.

Mexico has initiated a consultation process within G20 member countries and International Organizations to discuss the priorities of the Mexican Presidency within the Agricultural Agenda. As a first step, the strategies that we have considered for achieving this goal are:

1. Strengthen cooperation in research and development; innovation and technological transfer mainly through extensionism

In this area, Mexico is looking for international cooperation in ambitious projects between countries and international organizations such as the CGIAR. A good example is the Wheat Initiative, adopted under the French G20 Presidency.

The G20 would also recognize the necessity of transferring research and technology results to producers and strengthen South-South and North-South international cooperation, as well as strengthen the legal basis for the use of improved seed varieties.

Mexico has developed the Program for Sustainable Modernization of Traditional Agriculture (MasAgro). This project is an example of research, development and extensionism, where the knowledge benefits small-scale producers. The objective of this Program is to increase corn and wheat production and yields between rain-fed low-income producers. This has been achieved through non-GMO improved varieties of seeds as well as through training programs and technical assistance.

It is important to say that MasAgro is an innovative strategy where national and international investigation institutions, such as CIMMYT, the World Bank and the Inter-American Development Bank, work together.

2. Promote research in the agro food sector through public and private joint-ventures and public investment reorientation

Agricultural investment is an important way to increase yields and strengthen food security. One of the conclusions of the FAO Food Security Committee is that investment in food security and agricultural production constitutes an economic condition. Although public policies have an essential function in establishing investment incentives, generally the private sector has taken the initiative with respect to agricultural investment.

Mexico considers that public and private joint-ventures constitute an efficient mechanism to identify social and economic development objectives and goals.

Mexico is working in the New Initiative of Agriculture from the World Economic Forum. In this initiative public and private sectors are working together in agricultural priorities definition. Several measures have been discussed to improve public policies and attract private investment. Other countries are also working in this initiative and the G20 can take this experience to share it.

Also, Mexico has promoted private and social financing and investment in tropical crops. The Humid Tropical Program works within a scheme that links national and international financial support that allows the use of technological improvements and increases financial viability of projects.

3. Sustainability Criteria in Agriculture

The sustainable use of natural resources is a central element for competitiveness; it is a guarantee of present and future food supply. It is crucial to promote a sustainable agriculture that takes into consideration the use of soil, water and genetic resources.

Reports from the UN Environmental Program indicate that soil degradation is generated mainly by climatic variations and human activities, such as excessive cropping and herding, deforestation and lack of irrigation; which are a threat for one fourths of arable land of the world.

The G20 can constitute a dialog forum for promoting sustainable agriculture production policies and can propose mechanisms where markets can recognize the value of sustainable food production, as currently markets recognize the value of organic products.

In this forum, G20 members can share proposals to finance actions and measures to adapt to climate change. The G20 can strengthen the idea that the increase in production does not oppose the sustainable use of natural resources and can also contribute to carbon sequestration.

The richness in varieties as well as endemic types can help to develop a genetic platform for the development of improved varieties that may reduce negative impacts of diseases and help in climate change adaptation.

A broad genetic basis gives competitive advantages for the development of new products; Mexico has established the National Genetic Resources Center which has the capacity to hold more than 3 million genetic samples in their different types of reproduction. In the G20 we want to share this important asset that may assure biodiversity, agriculture and food diversity.

4. The use of risk management tools to prevent the impacts of financial, climatic and sanitary risks.

The agricultural activity faces different kinds of risks, most important: market/financial, climatic and sanitary risks.

Governments as well as international organizations such as WB, FAO, OECD and IICA are searching and promoting mechanisms to face the effects of these phenomena; some examples are the use of agricultural insurance, financial hedging and sanitary prevention programs.

As a complement to this strategy, and anticipate the effect of market risks, the building and development of the Agricultural Market Information System is a necessity. The G20 initiative to create AMIS will contribute to strengthen the certainty opportunity and market information transparency of agricultural market in crops such as maize, soybean, wheat and rice.

A way to improve AMIS is the creation of a risk map that allows actions toward different climate problems associated with geographic production areas.

To diminish the impact of market risks, Mexico has used financial tools such as financial price hedging and agriculture by contract to reduce uncertainty levels associated with market volatility between producers and buyers.

To prevent climatic risks the G20 countries have enhanced the use of climatic insurance. Over the past years climatic phenomena such as droughts, excessive rain and other natural phenomena have generated important losses that affect world food supply.

The increases of trade and population flow have enlarged the risk of outbreaks and sanitary emergencies that threatens agricultural production. Therefore, it is fundamental to strengthen information and cooperation systems between countries to keep an efficient world surveillance coordination that prevents the introduction and dissemination of diseases that can put on risk the biodiversity and food supply.

The G20 constitutes an opportunity to strengthen forums to exchange experiences and create a higher level of cooperation in sanitary, food safety and agricultural quality regulations, reducing risks that may benefit producers, consumers and the food industry. Food safety and sanitary issues are related to increases or decreases in agricultural production as well as trade flows.

Concerning phytosanitary cooperation, the Mediterranean Fly Program is worldwide recognized as the first program against fruit flies integrating a complete management of environmental friendly use of sterile insects. This program works in Mexico's and Guatemala's border region with the cooperation of the governments of US, Guatemala and Mexico. Another example is the development of a regional plan for the eradication of the Huanglongbing (HLB) citrus disease; it is operated by regional organizations and the Ministries of Agriculture of Latin America and the Caribbean.

Collaboration with international Organizations

During the Presidency of Mexico we will continue to closely collaborate with international organizations such as OECD, FAO, World Bank, IFAD, IMF, WTO, UNCTAD, WFP, IFPRI, and UN (The High-Level Task Force on the Global Food Security Crisis) in order to strengthen the quality of the debate. It has been agreed that International Organizations will produce a single report proposing a strategy to increase agricultural productivity growth, taking into account the needs of small-scale producers, increase competition in the use of limited resources of earth and water, between agriculture and other sectors, and taking into account the uncertainty associated with climate challenge. It is expected to have this report to the G20 before the end of May 2012, previous to the Agricultural Ministerial meeting.