

166th Session of the Council

Reports of the 73rd (Extraordinary) (22 January and 19 February 2021) and 74th (10-12 March 2021) Sessions of the Committee on Commodity Problems

Report of the 73rd (Extraordinary) Session of the Committee on Commodity Problems (22 January and 19 February 2021)

The Committee on Commodity Problems (CCP) held its 73rd (Extraordinary) Session on 22 January and 19 February 2021. Out of the 109 Members of the Committee, 83 registered for the Session.

The Session, convened virtually due to the COVID-19 pandemic, was devoted to the Vision and Strategy for FAO's work in Nutrition.

The Report of the 73rd (Extraordinary) Session of the CCP is submitted to the Council in document C 2021/22.

The Committee welcomed the updated draft Nutrition Strategy and appreciated its comprehensive nature and the inclusive consultative effort followed for its development. It provided valuable feedback and guidance on the draft Strategy from the perspective of markets and trade to ensure its relevance to fulfil FAO's mandate to support Members in their efforts to end food insecurity and malnutrition and achieve the Sustainable Development Goals (SDGs). In this regard, the Committee recognized the crucial role of markets and trade in contributing to healthy diets and ending food insecurity and malnutrition in all of its forms, highlighting the importance of transparency in market conditions and policies.

The Committee stressed the importance of data, analysis and evidence, including on the relationship between trade and nutrition, in guiding interventions and policies, as well as of food safety and plant and animal health to positive nutrition outcomes, highlighting in particular the work conducted by the Codex Alimentarius Commission and the International Plant Protection Convention (IPPC).

On the implementation, the Committee requested FAO to continue strengthening its partnership with governments, other relevant international organizations and other stakeholders, as appropriate.

The Committee adopted the report of 73rd (Extraordinary) Session of the CCP by acclamation.

Report of the 74th Session of the Committee on Commodity Problems (10-12 March 2021)

The 74th Session of the Committee on Commodity Problems was held from 10 to 12 March 2021, through virtual modality due to the COVID-19 pandemic. Of the 113 Members of the Committee, 92 registered for the Session. Furthermore, nine FAO Member Nations, the Holy See, one UN organization, 10 international and regional organizations and two NGOs participated as observers.

The Report of the 74th Session of the CCP is submitted to the Council in document C 2021/25.

CCP 74 had a rich agenda covering a number of important items that were grouped into four major substantive areas: i) world agricultural commodity markets; ii) policy matters; iii) programmatic matters; and iv) governance matters.

On the agenda item on “COVID-19, agricultural markets and trade and FAO’s response”, the Committee commended FAO for its immediate and concrete response, including in close cooperation with other UN entities and international and regional organizations. It expressed appreciation for FAO’s timely and reliable data and information, namely under the Agricultural Market Information System (AMIS) and the Global Information and Early Warning System (GIEWS), and highlighted the importance of international trade for increasing resilience. The Committee called for particular attention to the needs of family and smallholder farmers and fishers as well as indigenous people and local communities during and beyond the pandemic. It also underscored the importance of a freer, fairer, predictable, and non-discriminatory, rules-based multilateral trading system, under the World Trade Organization (WTO) and consistent with its rules, for promoting agricultural and rural development and contributing to achieving food security and improved nutrition for all.

Regarding world agricultural commodity markets, the Committee reviewed the market situation and short- and medium-term outlooks. It underlined the importance of FAO’s commodity market monitoring, assessment and outlook and early warning work, as a global public good, and requested FAO to continue and intensify its activities and support to Members in assembling, analysing, monitoring and improving access to timely and reliable information.

On the medium-term projections, the Committee reviewed trends and assessed prospects for food and agricultural commodity markets over the next decade. It acknowledged the challenge posed by the continued decline of real prices for producers, in particular smallholder and family farmers, and requested that due consideration be given to this matter. The Committee also requested FAO to continue and further strengthen the partnership with the Organisation for Economic Co-operation and Development (OECD).

Under policy matters, the Committee welcomed the 2020 edition of *The State of Agricultural Commodity Markets* (SOCO) on the theme “Agricultural markets and sustainable development: Global value chains, smallholder farmers and digital innovations”. It recognized the key role that well-functioning agricultural markets and trade can play in promoting agricultural productivity growth and sustainable development and in contributing to global food security. It also highlighted the need for investment in training and education and in rural infrastructure, including digital infrastructure and digital skills, to promote the inclusion of family and smallholder farmers in markets and global value chains. The Committee requested FAO to continue strengthening its analytical and capacity development activities and enhance knowledge on the contribution of agricultural markets and trade to the economic, social and environmental dimensions of sustainable development.

The Committee welcomed the update on WTO agricultural negotiations and Regional Trade Agreements (RTAs), and underlined the importance of the technical assistance provided by FAO to Members in the areas of its mandate and competence in respect to trade policies and agreements. In this regard, it urged FAO to strengthen its efforts in analysis, capacity development, and the organization and facilitation of dialogue events. The Committee highlighted the importance of adhering to international standards to facilitate and expedite regional and global trade. It also appreciated the collaboration between FAO and WTO, and requested the Organization to strengthen it further, respecting each institution’s mandate.

Under programmatic matters, the Committee reviewed FAO’s Programme of Work in commodity markets and trade under the Strategic Framework. It acknowledged the identified global developments and trends that should guide and influence the Organization’s future work in these areas, and endorsed the main priorities for FAO’s work in commodity markets and trade. It highlighted the need to further showcase FAO’s mandate and work on commodity markets and trade and the importance of its inclusion in the new Strategic Framework 2022-2031 in the context of the food systems approach. The Committee

welcomed the proposed Programme Priority Area (PPA) on transparent markets and trade under the new Strategic Framework, as well as the priority area on Trade and Food Safety Standards under the COVID-19 Response and Recovery Programme. It noted FAO's technical work to support trade and trade agreements and highlighted the significance of further strengthening countries' capacities in this regard. It also stressed the importance of digital solutions for markets and trade, and commended FAO for its continuous efforts in this respect.

Regarding the themes for the next edition of *The State of Agricultural Commodity Markets (SOCO)*, the Committee found the two proposals relevant and underlined the merit of the proposals put forward by the Members. It urged the Secretariat to launch the SOCO 2022 report well in advance of the 75th Session of the CCP to allow sufficient time for the Members to consider its findings.

Under the work of the Intergovernmental Groups (IGGs), the Committee endorsed the Report of the Joint Meeting of the 40th Session of the Intergovernmental Group on Hard Fibres and the 42nd Session of the Intergovernmental Group on Jute, Kenaf and Allied Fibres, held in Beijing (the People's Republic of China) on 22-24 October 2019. It noted that the 31st Session of the Intergovernmental Group on Oilseeds, Oils and Fats that took place on 4-5 March 2021 could not conclude its agenda and decided to suspend the meeting and resume the discussion of agenda Items III.C and IV at the earliest possible opportunity. Furthermore, it took note of the Provisional Agenda of the 24th Session of the Intergovernmental Group on Tea, to be held in New Delhi (India) at a date to be agreed.

Under Governance matters, the Committee appreciated FAO's support to the implementation of the 2030 Agenda, recognized the CCP's mandate and work in contributing to the achievement of all SDGs, and requested FAO to continue this work. It expressed appreciation for the annual inputs of the CCP to the United Nations High-level Political Forum on Sustainable Development, and underscored the importance of continuing to strengthen the commodity market monitoring, assessment and outlook work.

The Committee adopted the report of the 74th Session of the CCP by acclamation.

Mr Gustaf Daud Sirait, Chairperson of the Committee on Commodity Problems