
COMMODITIES CONFERENCE, POLICIES CONFERENCE AND IFAP EXECUTIVE COMMITTEE

Vienna, Austria, 23-26 April 2007

SUMMARY OF CONCLUSIONS

INTRODUCTION

The IFAP commodity and policy sessions in Vienna took place in an atmosphere of renewed optimism in the farm community. The development of biofuels had absorbed grain and oilseed surpluses and raised prices by some 30 per cent. There were good growth prospects for the future development of agricultural markets, pushed not only by demand for biofuels but also by continuing strong demand for food and animal feed in advanced developing countries, particularly China and India. Farmers could look forward to higher commodity prices over the next 10 years, according to OECD projections. The President of IFAP, Jack Wilkinson, said that “prices needed to go up because without profitability farming is not sustainable”. He encouraged farmers to exploit opportunities to move up the value chain, as for example US producers had done in the biofuels sector by setting up new biofuel cooperatives.

These meetings provided a rich exchange of experiences among farmer leaders and defined in more detail the direction for the future work of the Secretariat.

COMMODITY GROUP SESSIONS

1. Dairy Products

After a review of the dairy sector in Austria which represents 2.7 billion of litres of milk with 45,000 producers (12 cows per farm on average), Mr. Jim Begg President of the IDF presented the main challenges facing the dairy sector world wide. He noted that world dairy markets in the formal sector are expected to grow by 25 per cent by 2015, with China importing around 20 million tons equivalent milk, which represents half of present world dairy trade. The Group discussed ways of getting more of the value added to the producer, and how to promote the nutritional value of dairy products in a context of concern over obesity. A round table discussion on the relation between climate change and milk production concluded that this might encourage consumers to buy more locally-produced products. Replies to an IFAP survey on industrial concentration showed that producers want a more transparent system of price-setting and more cooperation based on international standards.

2. Grains and Oilseeds

World grains stocks are at low levels owing to a 40 million tonnes fall in production coupled with an increase in demand for bioethanol. Oilseeds markets are also strong owing to demand for biodiesel. The development of biofuels offers energy independence for farmers and new market opportunities. Since oil prices are more stable than food prices, the development of biofuels could help to stabilize grains and oilseeds prices. Net food importing countries are concerned about the higher prices of cereals, but they should take advantage of these higher prices to re-dynamize their local agricultures.

3. Meat and Feeds

Meat production and consumption is increasing and prices are stabilizing at remunerative levels. The Group's discussions focused on: 1) Strengthening consumer confidence in meats – food safety and traceability, animal welfare, animal disease monitoring and control; 2) Income stability -management

of marketing systems to improve producer profitability, the impact of biofuels production on the price of animal feeds, promotion of fair trade systems; 3) Development of small scale livestock producers to improve their livelihoods – breeding, market quality, land use systems.

4. Tropical products

This Group discussed two main issues, “International agreements for tropical produce” and “Certification schemes”. In order to be more involved in the value chain, the Group said that farmers should strengthen their organisations, e.g. small-holder coffee farmers. They also need to look at creating markets for themselves locally. Farmers need more information on market trends and new market requirements. The Group called for harmonization of standard for the many certification systems that exist for tropical products. Stronger links between farmers and researchers were also necessary as information from research is not reaching the farmers e.g. on coffee wilt disease.

5. Commodities plenary session

Opening - IFAP was welcomed to Vienna by Mr. Rudolph Schwartzböck, President of the Austrian Chamber of Agriculture. He said that Austria had joined the EU 12 years ago and had found its place, becoming a next agricultural exporter for the first time in 2006.

Mr. Jack Wilkinson, IFAP President, recalled that one of the main challenges of this Commodities Conference is a greater involvement of the commodity groups within IFAP’s overall policy work. The Federal Minister for Agriculture, Forestry, Environment and Water Management of Austria, Hon. Josef Pröll, said that IFAP had developed a great dynamism since its last meeting in Austria 33 years ago. Among the challenges that producers have to face, he insisted on the importance of coupling agriculture with environment. Mr. Pröll wanted agriculture to contribute to a sustainable energy policy, but in balance with the environment and production of traditional agricultural products.

Presentations- Mr. Pavel Vavra from the OECD Directorate for Trade and Agriculture shared the main results of the OECD-FAO Agricultural Outlook 2007-2016 preliminary projections. He said that farmers could look forward to higher prices on international commodity markets over the next 10 years as a result of strong demand for food, feed and biofuels. Developing countries are driving global demand and trade, he said, including China and India on the import side and Argentina and Brazil on the export side.

Mr. Olle Östensson, from UNCTAD’s Division on International Trade and Commodities, said that it was important to enable small commodity producers to reach markets in order to enter the virtuous cycle of growth and to draw their fair share of profits from supply chains. However, there are many constraints that should be addressed by the governments as well as international community. Policy frameworks needed to be built to address key challenges such as transportation, meeting standards, research capabilities, enhancing regulation of contractual relationships between small producers and large purchasers.

Dr. Jørgen Schlundt, Director of WHO’s Food Safety Division, insisted on the need for all stakeholders to work together to reduce food related risk. Food safety should be ensured from farm to table and for that to happen attention needs to be given to good practices on farms, as well as in the other sectors of the food chain.

Mrs. Janet Hall, Focus, Senior Policy Advisor from the United Nations Foundation (UNF), said that in 2005 UNF launched an International Bioenergy Initiative to share information and policy approaches on “clean energy”. This is a network of major UN agencies, science experts, the private sector and NGOs to promote the use of sustainable bioenergy offering compelling strategies for enhanced rural incomes, improved energy access and reduced greenhouse gas emissions.

POLICY PRIORITIES

1. Trade negotiations and agricultural policy reform

- Working papers were discussed on: sensitive and special products, aid for trade and the impact of exchange rate changes on agricultural trade. The paper on “sensitive and special products” was received as an information update to assist members in their work. The ‘aid for trade’ discussion concluded that IFAP should prepare a general statement of members’ views on this subject. While most aid-for-trade is for building infrastructure, farmers stressed the need to also build regulatory systems, standards for food safety and traceability systems with ‘aid for trade’ resources. These should be accompanied by capacity-building measures for farmers’ organisations to meet the standards. Finally, the issue of exchange rate effects received much interest and will be followed up with regular updates.

- IFAP will keep pressing for a result in the Doha WTO negotiations. Members stressed that multilateral trade agreements are better for farmers than bilateral deals. Attempts are being made in WTO to agree on modalities by July 2007 so that the Round could be concluded by the end of the year, but this new deadline could prove optimistic

2. Strengthening the place of the farmer in the food chain

- This work seeks to empower farmers in the value chain, through strengthening market instruments that work for farmers. It seeks to address organisational problems, inadequate policy frameworks, standards imposed by retailers, lack of infrastructure, etc.

- The Chair of IFAP’s Group on Dairy Products presented successful experiences on empowering farmers in the dairy sector worldwide for inclusion in this work.

- IFAP is involved in three research initiatives¹ to examine cases of where farmers have been successful at organising themselves in the market, and what were the policy frameworks that allowed these to work. IFAP is seeking complementarities and coordination among these initiatives. It is promoting effective learning networks so that the research knowledge reaches the farmers. Members said that all these efforts must result in actual projects on the ground which bring concrete benefits to farmers.

- As part of its future work, IFAP will: follow-up on research findings and disseminate results; build up policy advocacy programs at various levels; promote market linkage projects and activities. Capacity building is necessary for advocacy work and for development of market linkage projects.

- A new Secretariat paper on “Reducing the cost structure of agriculture: a way to improve the productivity of farmers” was presented. It showed that there is a significant cost burden on farmers due to government policies. Members decided to expand the paper to include more experiences from member organisations in the areas of: the cost of meeting government regulations, the burden of border taxes, taxation reform, inadequate rural services, lack of rural infrastructure, and poor macro-economic policy.

3. Environment and natural resources

- **Bio-energy** – IFAP will develop a 3rd draft policy paper that includes the different comments made at the meeting. More case studies on experiences that use a farmer-centred approach will be collected from members. The Chair of IFAP’s Group on Grains and Oilseeds made a presentation stating that there was a “justified enthusiasm for renewable energy” in the farming sector. It is one response to reducing greenhouse gases and increasing employment that should be encouraged. However, the benefits have to go to the farmer. Some members were concerned about the balance of end uses of grains and oilseeds for producing food, feed or energy.

¹ Regoverning Markets Programme, IFAP-IFAD-ECART project, GFAR Global Partnership Program on Linking farmers to markets.

- **Multilateral Environmental Agreements** - It was agreed that IFAP will increase its presence and lobbying activities in negotiations related to the conventions on Climate Change, Desertification, and Biodiversity. IFAP will also increase its lobby effectiveness in the annual sessions of the UN Commission on Sustainable Development (CSD). A strong participation in CSD 15 (May 2007) is expected and IFAP is organising a joint IFAP-FAO side event. Efforts are being made to ensure that significant changes in the final negotiating text on climate change and renewable energies occur as a result of stronger lobbying through national governments.
- Climate change – Farmers can contribute to reducing greenhouse gases through carbon sequestration by tree planting, methane digesters, wetlands, etc. and can receive carbon credits for these practices. IFAP was asked to continue to collect case studies on carbon credits. Particular focus would be given to identifying methodologies on how to quantify carbon production for individual farms.
- Desertification -IFAP will participate in the Convention’s ministerial conference (COP 9) in Madrid, September 2007 and lobby for a permanent representation for farmers through IFAP. IFAP will organise a capacity-building workshop on “Agriculture, farmers and combating desertification” in Burkina Faso in October 2007.
- Biodiversity – IFAP will consolidate input from member organisations in the form of case studies on best practices and lessons learned on agricultural biodiversity. Links with the CBD Secretariat and FAO will be strengthened to input into the writing of the agricultural biodiversity program for 2008.
- **Water** – IFAP is identifying a methodology to capture farmers’ priorities for research on water-related issues in the Mekong River Basin, within the framework of the Challenge Program on Water and Food.
- CIA, Italy asked if other members were interested in examining with them the subject of “Management of water resources”.

4. Certification issues

- Certification issues are a new subject on the IFAP agenda introduced by the Chairs of the Mediterranean and Tropical Products Committees. A Secretariat paper was presented on the involvement of farmers in voluntary certification schemes based on questionnaires received from members.
- Members wanted to differentiate ‘certification’ from ‘branding’.
- Geographical indicators were recognized as a strategic way to improve farmers’ incomes in the market through valorising specific local knowledge and local territories.
- Many representatives from developing countries felt that farmers were being exploited by certification schemes. There were too many different schemes which are expensive and confusing to farmers. These schemes often make unfair demands on farmers and do not guarantee premium prices. To overcome this problem, countries and regions should develop their own certification and standards into which all other requirements can be fitted. Farmers’ organisations have an important role to play in ensuring that the benefits of certification schemes reach producers, including negotiating cost-effective traceability systems.
- IFAP will set up a working group to develop practical and farmer-centred case studies on certification issues to provide more information to members.

5. Human health; animal health

- The 4th draft of IFAP’s policy statement on “Food safety and quality” was discussed. It included a better separation of food safety and food quality issues, and a narrower focus on issues directly linked to safety or quality. A 5th and final version of this text will be circulated to members for comment. This draft will concentrate on the ‘safety and quality of the produce’ and not the different production systems; it will maintain a reference to the use of anti-microbials in livestock farming; stress that food safety standards should be based on international rules and not private sector standards, and call for capacity-building for farmers on certification and traceability systems.

- The 1st draft of an IFAP policy statement on “Animal welfare” was discussed. The paper was based on very few submissions by members, and the members felt that it should reflect a more balanced view of animal welfare from a much broader group of farmers’ organisations. More inputs will be requested from member organisations for a second draft of this paper. The new draft would cover only general principles and key messages; it would include a call for minimum public standards on animal welfare that are harmonized internationally.

6. Rural poverty and hunger

- IFAP has already established policy recommendations to combat rural poverty and hunger and is now actively promoting these recommendations in international organisations. President Wilkinson said that IFAP had made a lot of gains in this area, with the FAO, IFAD and the World Bank all acknowledging that their past programs were not working and they are now moving to give a prominent place for farmers’ organisations in their strategies to fight against hunger and poverty. This can be seen in the draft text of the World Development Report 2008 and in the Farmers’ Forum process of IFAD.

- Land issues were discussed, and IFAP leaders recognized that agriculture and land is a very complex issue that includes many social, cultural, traditional and historic factors that are specific to each country and region. The very definitions of terms have different meanings in different continents and countries. Therefore it was concluded that it would be inappropriate to have a common framework on land. Future work in this area should be done at the regional level. IFAP will liaise with other partners like the International Land Coalition on land issues and will request them to assist members which may need specific help.

- The question of rights- based approaches to development was raised. This responds to a call from some of the regions. However, there was no common IFAP consensus on the issue and several speakers thought that it would difficult to apply. The subject will therefore be pursued at the regional level in those committees that express interest.

INTERNAL ORGANISATION

1. Implementation of the new Strategic Plan

- The Secretary General reported on achievements under the six objectives of the Strategic Plan. These include: concrete outcomes of IFAP discussions; better integration of the work of the commodity groups and specialized committee into the overall policy work of IFAP; more in-depth treatment of policy priorities accompanied by case studies; rationalization of partnerships with other organisations; drawing up of follow up plans after the adoption of each IFAP policy paper; stronger mobilisation of member organisations to support IFAP’s lobbying and communications work at the national level as well as providing technical experts and farmer leaders to represent IFAP in international decision-making bodies. Participation of farmer leaders from developing country member organisations in IFAP’s policy work is being facilitated by AgriCord. This will include in 2007 strengthening of the regional committee structure through: support to the chairs, the recruitment of regional coordinators, and the recruitment of an IFAP program manager.

- Several members stressed the need for IFAP to coordinate its work with that of sub-regional and regional farmers’ organisations. It was decided that this subject would be revisited after the regional coordinators had started their work.

2. Communications strategy

- A new communications strategy was prepared to respond to the needs of IFAP’s Strategic Plan in two areas: “Informing members on policy developments” and “Advocacy”. The main elements of this new communications strategy are: to better circulate information and analysis from member organisations throughout the IFAP network; to produce new ‘Issue briefs’ on the main policy priorities; to provide more ‘real time’ reporting on IFAP events and events in which

IFAP participates, in particular through the IFAP website; to organise coordinated lobbying campaigns on IFAP policy positions, including identifying 'key messages'; to build the capacities of farmer leaders on international processes and lobbying. A Communications Assistant will be recruited to help in particular with the website.

- Members approved the new communications plan. The President noted that already reporting is quicker and information notes are more concise. IFAP needs more publicity in order to attract new members, and for this a stronger communications partnership with member organisations is necessary.

3. IFAP's Development Co-operation Program

- President Wilkinson congratulated AgriCord on the impressive progress that it had made in providing capacity-building for farmers' organisations in developing countries. He urged members to fully use this potential

- The Chair of IFAP's Development Cooperation Committee (DCC) Elisabeth Gauffin recalled that IFAP has a mandate to give strategic direction to the capacity building work of AgriCord through the DCC. She stressed the need for IFAP to recruit the regional coordinators as soon as possible. They would provide support members in the regions in policy and development processes as well as to assist regional leaders to fulfil their mandate. Members insisted that it was important to clearly define the roles of each person working in this area so that information circulates efficiently and actions are effective.

4. Finance and Budget

- The year 2006 ended with a deficit of 56,469 Euros, due to an unexpected amount of unpaid subscriptions. The Committee said that it was unacceptable for members to fail to meet their financial obligations to IFAP, and called on the office-holders to intervene. The Budget and Finance Committee of IFAP was asked to look into solutions to address this problem, in consultation with the Presidency.

- It was noted that the following organisations lost their membership status on 31st December 2006, owing to non-paying of dues over the last two years: APCAM, Mali; UNAG, Nicaragua; ZCF, Zambia; IMBARAGA, Rwanda; BAPO, Belize; FEDEPANELA, Colombia; CFA, Trinidad and Tobago.

5. Membership questions

- The Committee approved the membership applications of the following organisations:
 - Farmers Syndicate Union in Lebanon
 - Central Dairy Cooperative Association Ltd of Nepal
 - Vietnam Cooperative Alliance
 - National Smallholder Farmers' Association of Malawi (NASFAM)

FUTURE SESSIONS

1. Date and place of the 38th IFAP World Farmers' Congress

- The Committee confirmed that the 38th IFAP World Farmers' Congress will take place during the first week of June 2008 in Warsaw, Poland, hosted by the National Union of Farmers' Circles and Agricultural Organizations (KZRKiOR)

2. Date and place of the next session of the Executive Committee

- The next session of the Executive Committee will take place 8-9 November 2007 in Bangkok, Thailand linked to meetings of the Cooperatives and the Women Farmers committees.