OFFICIAL FEEDBACK FORM

DIALOGUE DATE	Thursday, 9 September 2021 13:30 GMT +01:00
DIALOGUE TITLE	The role and resilience of international trade in grains and other agribulk plant products within the global food systems
CONVENED BY	Mr. Arnaud PETIT, Executive Director of International Grains Council
DIALOGUE EVENT PAGE	https://summitdialogues.org/dialogue/37759/
DIALOGUE TYPE	Independent
GEOGRAPHICAL FOCUS	No borders

The outcomes from a Food Systems Summit Dialogue will be of use in developing the pathway to sustainable food systems within the locality in which they take place. They will be a valuable contribution to the national pathways and also of interest to the different workstreams preparing for the Summit: the Action Tracks, Scientific Groups and Champions as well as for other Dialogues.

1. PARTICIPATION

TOTAL NUMBER OF PARTICIPANTS 125

PARTICIPATION BY AGE RANGE

0	0-18	45	19-30	59	31-50	15	51-65	6	66-80	0	80+

PARTICIPATION BY GENDER

83	Male	42	Female		Prefer not to say or Other

NUMBER OF PARTICIPANTS IN EACH SECTOR

7	Agriculture/crops		Education		Health care
	Fish and aquaculture		Communication	5	Nutrition
	Livestock	28	Food processing	43	National or local government
	Agro-forestry		Food retail, markets		Utilities
	Environment and ecology		Food industry		Industrial
42	Trade and commerce		Financial Services		Other

NUMBER OF PARTICIPANTS FROM EACH STAKEHOLDER GROUP

13	Small/medium enterprise/artisan		Workers and trade union
	Large national business		Member of Parliament
30	Multi-national corporation		Local authority
2	Small-scale farmer	43	Government and national institution
	Medium-scale farmer		Regional economic community
7	Large-scale farmer		United Nations
	Local Non-Governmental Organization		International financial institution
32	International Non-Governmental Organization		Private Foundation / Partnership / Alliance
	Indigenous People		Consumer group
	Science and academia		Other

2. PRINCIPLES OF ENGAGEMENT

HOW DID YOU ORGANIZE THE DIALOGUE SO THAT THE PRINCIPLES WERE INCORPORATED, REINFORCED AND ENHANCED?

The goal of the UN Food Systems Summit is to develop bold new actions, solutions and strategies to accelerate progress towards the 17 Sustainable Development Goals (SDGs), each of which are dependent on healthier, more sustainable and more equitable global food systems. The Summit will awaken the world to the fact that we all must work together to transform the way the world produces, consumes and thinks about food. As an intergovernmental organisation tracking the physical market for grains, oilseeds and rice, the IGC will hold an independent dialogue within the framework of the UN Global food summit to identify actions which could be introduced by the grains value chain to contribute to achieving a sustainable global food system. Participants: • IGC members; • Non IGC members; • International organizations; • Farmers representatives; • Representatives from the food / feed industry industries • Representatives from traders of grains ; • Research institutes).

HOW DID YOUR DIALOGUE REFLECT SPECIFIC ASPECTS OF THE PRINCIPLES?

The first session allowed to set the scene for all participants and then the dialogue was open between participants and speakers. In order to allow a free discussion, the Chatham House rules were applied and no press in the room. Each participants get the same right to take the floor and the last session was only dedicated to the solutions to explore and in responding to the SDGs.

DO YOU HAVE ADVICE FOR OTHER DIALOGUE CONVENORS ABOUT APPRECIATING THE PRINCIPLES OF ENGAGEMENT?

Yes - WTO

3. METHOD

The outcomes of a Dialogue are influenced by the method that is used.

DID YOU USE THE SAME METHOD AS RECOMMENDED BY THE CONVENORS REFERENCE MANUAL?

✓ **Yes** **No**

4. DIALOGUE FOCUS & OUTCOMES

MAJOR FOCUS

Agribulk commodities, such as wheat, maize, oilseeds and rice, represent more than 80% of the energy uptake for human consumption. The current five-year supply and demand projections for these commodities show an increase in demand, mainly due to demographic trends and consequently a growth in trade as there is very little new land available. Climate change will enhance the role of international trade as a central component of global food security, including the movement of calories from food-surplus to food-deficit countries in the wake of natural calamities. Throughout history, international trade has helped to reduce food insecurity by connecting regions with large populations and limited agricultural potential to regions with comparative advantages in agriculture, while also providing access to a more diverse and nutritious food basket.

In the grains sector, the major exporters of these commodities are playing a crucial role in enhancing the resilience of the global food system. However, increased exports can put pressure on their domestic market (such as inflation of domestic food prices,) while the risks associated with climate change, such as rising sea-levels may threaten their logistical supply chains. These risks also impact importing regions, which may look to source their supplies from alternative suppliers or stimulate local value chains.

The global market can play a significant role in supporting a nation's food security not only when the local production capacity fails. However, many countries which rely on international supplies are also concerned about sudden increases in import costs, as well as shipping and logistical disruptions. These concerns may encourage countries to seek self-sufficiency, including increased domestic stocking requirements. Furthermore, restrictive import/export policies, spanning both tariffs and NTMs, as well as distortive subsidies for both the agricultural and the transportation sector, can hinder the free-flow of global trade.

In the long run, less exposure to global trade would result in markets becoming less liquid, likely increasing price volatility and consequently increasing the risk for importers, including those countries unable to seek self-sufficiency due to generally unfavourable climatic conditions or a lack of arable land. Furthermore, there are also considerable fiscal costs associated with achieving self-sufficiency and, while local consumption may reduce food-miles, any calculation of emissions throughout the transportation process has to be offset against emissions from farming processes, which vary from producer to producer. And consumers will also continue to expect a varied diet.

ACTION TRACKS

✓	Action Track 1: Ensure access to safe and nutritious food for all
	Action Track 2: Shift to sustainable consumption patterns
	Action Track 3: Boost nature-positive production
	Action Track 4: Advance equitable livelihoods
✓	Action Track 5: Build resilience to vulnerabilities, shocks and stress

KEYWORDS

✓	Finance	✓	Policy
	Innovation	✓	Data & Evidence
	Human rights		Governance
	Women & Youth Empowerment	✓	Trade-offs
			Environment and Climate

MAIN FINDINGS

The primary finding from the IGC's webinar was that international trade in grains was vital for global food security. Wheat, rice and maize accounts for the majority of the world's food consumption, while soyabeans are the primary protein source within animal feed. Furthermore, they are among the world's most highly-traded products and international trade remains an essential tool for moving bulk grains from areas of surplus to areas of deficit. Secondary outcomes included the need to enhance trust in trade as a reliable supplier of food and to improve communication from the global grain trade with policy makers, consumers and other interested parties within the food system, in order to build knowledge and understanding of this indispensable sector.

On food security, the webinar heard from multiple delegates on the dependence on international trade by several regions to meet domestic consumption requirements. It was noted that this was particularly relevant for lower-income consumers who commonly attain more than 50% of total calories from grains, due to their relatively high availability and low-cost.

Specific regions that rely on trade were identified. Near-East Asia and North Africa were noted as being dependent on imports for the foreseeable future, as environmental constraints, such as a lack of arable land or low water availabilities, pose immense challenges in boosting local crop outcomes. Sub-Saharan Africa was also highlighted as, despite the potential for domestic production increases, rapid demographic changes including high population growth and urbanisation will keep the region reliant on international markets in order to meet rising consumption requirements. Far East Asia was also recognised as being reliant on trade as urbanisation and restricted options for expanded local planted area curtails local production growth prospects, while expanding economies and related dietary changes boosts uptake, including for non-traditional crops.

The importance of international trade as a tool to respond to unforeseen circumstances such as local crop failures, a degraded security environment or natural disasters was also emphasised due to the ability of grains to be easily stored and transported from areas of surplus to areas of deficit, which is central for emergency response. Furthermore it was noted that due to population and economic growth in many import-dependent regions, trade in grains would need to expand over the coming decades in order to meet dietary requirements. Within the context of climate change, it was also noted that trade would become even more vital for food security over the coming decades, amid the potential for increased local production losses which would necessitate supplies from international markets to compensate for domestic shortfalls.

Webinar participants agreed that the grains trade had responded well and demonstrated substantial resilience to the immense challenges posed by COVID-19, with the agribulk sector noted as the most resilient amongst all international trade sectors during the pandemic. However, it was further noted that confidence in international markets as a reliable supplier of food needed to be enhanced.

Export restrictions were highlighted as contributing to an erosion of trust in markets, as a source of uncertainty for importers and as a major factor in incentivising countries to seek self-sufficiency. Although their use remains limited, the placing of restrictions on exports, particularly during times of emergency such as during COVID-19, demonstrated the importance of international discussions and coordination on trade distorting policy measures. In addition, improved harmonisation and streamlining of sanitary and phytosanitary (SPS) measures, through utilising a science-based approach in multilateral and bilateral trade negotiations, were considered as a means of facilitate and improve the movement of agribulk products from areas of surplus to regions of deficit as quickly and efficiently as possible, and thus would boost confidence in trade.

Logistical challenges, including potential disruptions in trade choke-points (for example as recently seen by the blockage in the Suez Canal) and recent gyrations in global container markets were also discussed as concerns for import dependent regions, with continued investments in such potential blockages regarded as important to enhance trust in markets. It was also noted that low-cost agri-bulk products (principally rice and pulses) were not being given priority in container ships over higher-valued goods, despite their value to food security.

Another risk factor for markets that was highlighted was concentration – for example when only a small number of countries account for the vast majority of international exports – and thinness of trade - when only a small proportion of global production enters the international market. Both were linked to the potential of increased price volatility which could harm food security.

On the theme of improving trust in markets, communication with policy makers, consumers and other food-system summit participants was also identified as being of growing importance. While it was recognised that some parties have developed a preference for localised supply chains within the global food system, it was hoped that dialogue would demonstrate the difficulties this would pose to the supply of grains around the world, and of the immense danger that any efforts to decrease liquidity in markets and create further concentration would constitute to food security, particularly f

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OUTCOMES FOR EACH DISCUSSION TOPIC

With webinar delegates in agreement that international trade in grains is essential for meeting the UN's Sustainable Development Goals, particularly SDG 2 (zero hunger), suggested outcomes focussed on ways to improved resilience of the sector and build trust in global grain markets.
Firstly, a key suggestion made by multiple delegates was to renew efforts to enable open markets through reinvigorating multi-lateral negotiations at the World Trade Organisation (WTO), in order to strengthen the international trade rule-book. Better utilisation of existing trade rules were likewise suggested. Within the context of climate change, open markets would enable grains to move from regions of surplus to regions of deficit as quickly, easily and efficiently as possible and markets would be better placed to respond to local or regional supply shocks. Proposed ways to enable a more open market place included the harmonisation of Sanitary and Phytosanitary (SPS) measures and through removing trade-distorting subsidies, although the latter in particular was recognised as challenging. It was also noted that efficient international trade in grains is reliant on stability within the wider global trade system, with a free-flow of knowledge and services as well as industrial goods utilised in production and transportation of grains required for the sector to achieve maximum resilience. Furthermore it was noted that global trade tensions, including so-called 'trade-wars' are commonly harmful to the free-flow of grains and ideally should be avoided.
Building chokepoint analysis into agricultural trade risk management was also highlighted as a means of enhancing trust and building a more resilient food system. It was also recommended that the risk to choke point disruptions would be mitigated by investments in infrastructure, as well as through the development of emergency sharing arrangements and the development of strategic grains storage. Improved use of satellite-based crop monitoring was also discussed as a way to increase early warning of potential crop failures and boost market resilience, including through increased use of crop insurance schemes.
While it was noted that supply chains have always evolved and have been improving their sustainability for generations, further work towards increasing sustainability throughout the grain value chain from production to storage to manufacturing to transportation to packaging, consumption and waste was suggested. However, the concentration of the sector, including the fact the bulk of grain is traded by just four companies, was highlighted as an opportunity to quickly achieve transformative sustainability standards in production, transportation and distribution.
A commitment to transparency and information sharing was reiterated as a major means to enhance market functioning and promote food security, such as has been developed through the Agricultural Marketing Information System (AMIS). Other suggestions included the potential cooperation between relevant inter-governmental organisations for the development of reporting tools, such as indices, which would better highlight and explain the importance of grain trade to food security.

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AREAS OF DIVERGENCE

With all participants, from both the public and private sectors and from a range of backgrounds and areas of expertise, emphasising the vital importance that international trade in grains plays in global food security, no major areas of divergence were noted.

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