

Summary Report
13TH Plenary Meeting - APEC
Agricultural Technical Cooperation Working Group
June, 2008 - Suzhou, People's Republic of China

Summary of Key Decisions:

At the meeting, the 14 member economies present agreed to:

1. Elect the People's Republic of China to assume the leadership of ATCWG with Mr. Huajun Tang as the new Lead Shepherd for the period of January 1, 2010 – December 31, 2011.(Date of transition subject to head office approvals)
2. Update the ATCWG's Terms of Reference to include the priorities first established at the 12th Plenary meeting, held in 2008 in Bali, and supported by the 2009 Independent Assessment. The priorities are listed below; approved descriptions of these priorities are included as Annex 2:
 - a. Environmental sustainability;
 - b. Productivity and diversification;
 - c. Biotechnology;
 - d. Regulatory Co-operation; and
 - e. Structural adjustment.
3. Consider and rank project proposals that will be submitted to APEC's Budget Management Committee in the order listed below.
 - a) Bio-fuels from Agricultural and Agro-Industrial Waste. Economy: Thailand
 - b) APEC Workshop on Technologies for Adaptation to Climate Change for Sustainable Agricultural Production. Economy: Korea
 - c) Workshop of Food Productivity and its Security of APEC Members Economies. Economy: PRC.
 - d) Infrastructure for handling horticulture produce for SMEs. Economy: Indonesia
 - e) APEC Food Security Forum: A regional dialogue with global significance. Economy: Chinese Taipei
 - f) Impacts of Climate Change on APEC Agriculture Production. Economy: Viet Nam
 - g) Delivery of training on post-harvest handling of fresh produce to target groups. Economy: Thailand
 - h) Investment in Agriculture for Food Security in APEC. Economy: Viet Nam
4. Hold the 2009 ATCWG annual meeting in Chile in March or April, 2010. The exact date and location will be determined at a later date.
5. Provide feedback on the Senior Officials' Work Plan on Food Security, as detailed in Annex 3.

Summary Report:

INTRODUCTION:

1. This document summarizes the events and decisions of the 13th meeting of the APEC Agricultural Technical Cooperation Working Group (ATCWG), which was held from June 22 - 25, 2009.
2. The event was hosted by the People's Republic of China (PRC) and was held in Suzhou, Jiangsu province of the PRC.
3. Delegates from 14 APEC economies (quorum was met; Annex 1 lists all delegates who attended the plenary meeting) participated in a Heads of Delegation meeting on June 22, and the ATCWG Plenary Meeting on the 23rd and 24th. Many of the delegates also participated in a field trip, which was hosted by the PRC, on June 25.
4. The meeting was co-chaired by Dr. Huayan Tang, Vice-President of the Chinese Academy of Sciences and Mr. Paul Murphy, Executive Director of Programs and Multilateral Affairs at Agriculture and Agri-Food Canada and the Lead Shepherd of the ATCWG.

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5. Participants registered for the plenary meeting. In addition, a meeting was held with the Heads of Delegations.

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THEME: APEC, ATCWG PRIORITIES FOR AGRICULTURE AND FOOD

AGENDA ITEM I: Welcome remarks from the Host, Chairs and Special Guests

6. The meeting opened with Dr. Huajun Tang welcoming all participants and introduced the head table. Presentations were made by Mr. Ying Wang, Director General of International Cooperation Department of PRC Ministry of Agriculture, Dr. Heng Cai, Senior Official from the Jiangsu Department of Agriculture and Forestry, and Mr. Yulong Zhou, Vice-mayor of Suzhou City, welcomed delegates and provided historical, cultural, social and economic background about Suzhou and the province.
7. Mr. Murphy thanked the special guests for their participation and recognized the effort that the PRC had made to host the meeting. Turning to food matters, he provided an overview of how agriculture and food have become very important topics. He illustrated this point by discussing how food and agriculture have engaged Ministers and Leaders at the 2008 FAO World Food Summit, the 2008 APEC Leaders meeting, and the 2009 meeting of G8 ministers of agriculture.

AGENDA ITEM II: Opening Remarks and adoption of agenda

8. Mr. Murphy outlined his broad goals for the meeting: to learn more about how APEC has changed its system to evaluate projects; consider the outcomes of the 2009 independent assessment of the ATCWG and the High Level Policy Dialogue on Agricultural Biotechnology (HLPDAB); take decisions on ATCWG governance including choosing a new Lead Shepherd for the ATCWG, the timing of annual meetings, and the adoption of priorities for the ATCWG first discussed in 2008; and prioritizing and recommending 2010 ATCWG projects proposals to BMC.
9. Mr. Phanpob Plangprayoon, Director of APEC-ATCWG programs, remarked on the importance of agriculture to economies and food security. He reminded delegates of APEC's core and guiding principles. He noted the important challenge of decision-making on a consensus basis. He wished delegates a successful meeting.

AGENDA ITEM III: Review of last year's meeting and record of Decision

10. Mr. Murphy reviewed the events and outcomes of the 12th ATCWG plenary meeting, held in June 2008 in Bali, Indonesia. In particular Mr. Murphy spoke to the new priorities for the ATCWG that were discussed at that meeting. He also remarked on the presentation and discussion on food prices; how 18 projects were considered and prioritized in Bali, with 15 being submitted to APEC and nine projects eventually receiving APEC funding. With regard to the RDEAB and other “sub-groups” of the ATCWG, Mr. Murphy suggested that members recognize them for what they are: ongoing projects. For example the RDEAB should be treated as a project not a sub-group and RDEAB could continue if a proposal was put forward but so far none had been received. The US expressed its support for this. Papua New Guinea remarked that this change might result in a large number of projects. PRC noted its support for the new strategic priorities.

AGENDA ITEM VI: APEC leader’s Priorities Updates of Recent APEC Activities

11. Mr. Murphy lead a review of APEC Leader’s November 2008 Declarations on Food Security and proposed that ATCWG delegates take all priorities into account, including private sector participation (ABAC) when preparing and proposing projects for funding by APEC.

AGENDA ITEM IV: APEC Secretariat Report on APEC priorities.

12. Mr. Plangprayoon reviewed APEC priorities for 2009, as set by Senior Officials. He described trends in APEC’s executive Steering Committee on Economic Cooperation (SCE) meetings: prioritizing capacity building activities, improving coordination between committees and implementing multi-year projects. He remarked on the SCE’s concern for long-term project planning, for capacity building, structural reforms and supporting Bolger goals. Mr. Plangprayoon remarked how SCE priorities should be integrated into projects. He explained the criteria/system that APEC uses to rank projects for funding. Questions were taken from delegates on SCE priorities and ranking, as well as cooperation with ABAC. Mr. Murphy remarked that an ATCWG work plan should be submitted for 2010 before end of 2009. Brunei remarked that ATCWG delegates should provide project progress reports at ATWCG meetings for current and completed projects currently underway or finished and that this report could be submitted to SCE). Mr. Murphy remarked that this progress report feedback should be considered for ATCWG meetings.

AGENDA ITEM VII: Recommendations and Implications of Independent Assessment on HLPDAB and ATCWG.

13. Mr. Plangprayoon reviewed the independent assessment process and its findings, which were released and circulated in 2009. He remarked on how the assessment recommended that the HLPDAB be merged into the ATCWG, and that the ATCWG’s focus change to consider the entire APEC Food System (AFS). Mr. Plangprayoon also remarked that the assessor recommended that ATCWG’s strategic priorities discussed at the ATCWG’s 12th plenary meeting in 2008 should be part of the terms of reference of a merged organization.
14. Member economies made a variety of interventions on the status of the assessment and its recommendations. It was clarified that Senior Officials have accepted recommendations concerning the APEC project database, and revised priorities for the ATCWG; however, they did not adopt any of the assessment’s recommendations for changing the governance of the ATCWG or the HLPDAB.

AGENDA ITEM VIII: Discussion of the APEC Food System and Senior Officials Workplan on Food Security

15. Mr. Plangprayoon reviewed high level policy declarations relating to the Senior Officials Workplan on Food Security. He presented the Workplan’s suggested actions that related to the work of the ATCWG, including: coordination of APEC fora, regulatory cooperation, capacity building, work by the APEC Policy Coordination Unit, the Food Safety Cooperation Forum, a request from SOM for APEC to develop food security recommendations, a workshop on food price volatility, the promotion of agricultural biotechnology and second generation bio-energy, and agricultural infrastructure projects. Mr. Plangprayoon also reviewed a proposed food security work plan matrix of activities for ATCWG.

16. Mr. Murphy suggested considering revising the timing of ATCWG meetings to create work plans early to better respond to SCE priorities.
17. Discussion amongst delegates followed. Brunei agreed with revising the timing of meetings. USA asked what SOM expectations were for ATCWG. PRC remarked that food security was an important topic and that an exchange information exchange in this area should be a priority. The PRC further suggested the ATCWG should prepare a clear simple communication to APEC SOM regarding measures being undertaken to address the workplan. Thailand noted it had received the work plan after the last SOM meeting in Peru and suggested that capacity building should be added to it. Japan noted that ATCWG was asked to comment on the SOM report, and suggested that APEC food data and databases be improved, and that a food security initiative be undertaken at the regional rather than at the G8 level. New Zealand commented that such proposals not duplicate work already being done at the FAO. Chile remarked that food security deals with promotion of free trade. PRC remarked that technology should also be an important element of the issue. Papua New Guinea asked if SOM was the correct forum to define food security as it is a cross-cutting issue best examined in partnership with other organizations. Indonesia remarked that the food security issue differs in every economy. Canada noted that food security, as defined by the FAO and internationally, is much broader than just agriculture. Viet Nam remarked that ATCWG had not worked much on food security and called for work to be done on food production system improvements, noting that ASEAN has a task force on food security. Brunei commented on ASEAN's food security work plan noting the ASEAN food information system headed by Japan.

THEME: ATCWG GOVERNANCE

AGENDA ITEM X: Changes to APEC Project Submission and Budgeting

18. Mr. Plangprayoon reviewed changes in APEC's project approval system that were introduced in 2009. He further stated that another change, a fourth approval session, could be introduced in 2010. He reviewed APEC's criteria for assessment of project proposals and offered advice on meeting the criteria. He remarked on many changes such as: the need for project end-dates; the two year disbursement rule no longer exists; APEC's new "immediate funds disbursement rule" removes the need for "urgent" funding, multi-year funding will apply in the third approval session; projects can only be submitted twice for funding; and quality assessments (QAFs) might not suffice.
19. Discussion was undertaken by the group. Canada inquired how the funds would be divided throughout the year. Mr. Plangprayoon responded that funds would be evenly divided. Mr. Plangprayoon remarked that there should be a permanent QAFing team. US remarked that it was not clear how there would be four review processes. Papua New Guinea remarked that a QAF team is not a new idea.

AGENDA ITEM XI: Timing of ATCWG Meetings

20. Under APEC's new project approval system, two of the three opportunities to submit projects in 2009 had passed before the meeting of the ATCWG. Recognizing this, Mr. Murphy opened this item by suggesting that the ATCWG meet at the same time as the HLPDAB, on the margins of SOM 1 in late February / early March. Delegates offered comments: Brunei Darussalam noted that joint meetings would require sending two specialists to attend them. Japan requested clarification on project submission options. PRC asked if projects could be submitted once a year so that approvals are possible by the ATCWG committee and there is time to process and discuss projects, with timing at the beginning of the year. There was general support for holding the meeting earlier during close to SOM I. Delegates noted that this would assist in liaising with RDEAB and HLPDAB which hold back to back meetings and liaising with private sector organization that might be attending the SOMI. PRC expressed concerns over holding a meeting shortly after Chinese New Year. Chinese Taipei reiterated that there should be time to consider the SOM 1 directions before putting projects together and not hold a meeting at SOM 1. Japan noted logistical considerations might not allow for an ATCWG meeting in Japan SOM 1, while Mr. Plangprayoon noted that the meetings would be separate.

AGENDA ITEM V: Review of the ATCWG Terms of Reference.

21. Mr. Murphy asked delegates to officially amend the ATCWG Terms of Reference and approve the descriptions agreed to in 2008 in Bali. Australia, Papua New Guinea, Thailand offered their support. Thailand suggested modifications. Mr. Murphy suggested that Thailand note their changes and circulate them to delegates for approval.

AGENDA ITEM XII: Overview Presentation of APEC Food Safety Collaborative Forum.

22. Jim Higgiston provided an overview of APEC's Food Safety Collaborative Forum. He reviewed the organization's strategic goals and corresponding activities including creating a network of food safety organizations. He reviewed a variety of upcoming international food safety events and outlined opportunities for ATWCG: participating in events, and coordinating events and accessing speakers and experts.

AGENDA ITEM VIII: Summation of the Day's Activities

23. Mr. Murphy provided a brief summary of the day.

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24. Mr. Murphy reviewed the agenda for June 23. Various proposals were handed out to all meeting delegates for consideration. These proposals were made by Japan, the People's Republic and Thailand and were to be considered later in the meeting. Other Power Point presentations from the previous day were handed out to delegates for information.

THEME: FOOD PRICES

AGENDA ITEM XVIII: Food Prices: Presentation on Price Fluctuations for Key Commodities in APEC Economies.

25. Mr. Jim Higgiston of the United States Department of Agriculture (USDA) delivered a presentation on world commodity prices based on research undertaken by the United States government. He identified challenges: the world recession, constraints in credit access and protectionist trade policies and a reduced sense of urgency in long-term agricultural investment. Japan asked to what degree futures trading and speculation had a role in commodity prices changes. Thailand asked if the affects of hedge funds were part of the analysis. Mr. Higgiston answered that speculation could have contributed to price fluctuations, however he was not aware of any analysis that identified the influence speculation may have had on food prices, including oil prices and that there was no evidence of what percentage was due to speculation.
26. New Zealand stated that it would like to see a more market-driven approach and that protectionism distorts trade. PRC remarked that world food prices increase in the last two year's was partly the result of decreased export of food products by the United States. Mr. Higgiston noted the importance of agricultural investment in response to a question from Canada on the future of agriculture commodity prices. Chinese Taipei noted protectionism is a reaction to the food price crisis and that APEC should identify potential solutions. Mr. Higgiston remarked that electronic trading might contribute to the problem and that the US is looking at curtailing e-trading. Brunei remarked on the challenges that farmer's face including price increases for farm inputs. Chile noted short-term challenges such as protectionist trade policies.

AGENDA ITEM XVI: Presentation and Discussion of APEC PSU Food prices/Food Supply Chain Study.

27. The consultant scheduled to present on this item was not available. Mr. Plangprayoon provided an overview: the study arose from a request in 2008 and took place in 2009 with a final report in July 2009, and final recommendations to be made at the SOM III in October 2009. Mr. Plangprayoon remarked that a draft of the study will be available to delegates.

SPECIAL AGENDA ITEM: Special item to review summary proposals.

28. Mr. Murphy introduced a series of amendments provided by Thailand on the proposed ATCWG priorities. Discussion followed regarding whether RDEAB should be included in the priorities. Mr. Murphy reminded delegates that a decision was made the day before to do away with the past structure of sub-groups. After discussion and consideration Mr. Murphy suggested that the changes provided by Thailand be adopted with very minor adjustments. The text of these approved priorities is attached as Annex.
29. Mr. Murphy asked delegates whether ATWCG delegates had any comments to the proposed revisions to the APEC *Work Plan on Food Security*, as suggested by Thailand, Japan, and China:
- a) Wording changes suggested by Thailand were accepted by member economies.
 - b) New Zealand and Australia both commented that they read a segment of the proposal from Japan to exclude the analysis of the World Bank, the OECD, the FAO, and other bodies. Japan clarified that the intention was not to exclude these bodies.
 - c) Viet Nam remarked that the revision should consider tariff cuts and protectionism.
 - d) With regard to proposed text on from Japan to examine the feasibility of a “regional reserve” of food stocks, the US and New Zealand remarked that there are many examples of international initiatives to stabilize commodity prices through stocks and reserves; few have delivered on their intended goals. New Zealand further noted that this is being examined in other international agricultural-food fora.
 - e) Concerning a proposal by the PRC that member economies share data on agricultural production and trade, some delegates supported the proposal while others expressed concerns about the time and cost involved, and possible duplication of work with other international organizations. PRC responded with the need to provide a strategic roadmap on this issue. Mr. Murphy noted that this could be a workshop for ATCWG. Brunei remarked that they are not members of FAO. Mr. Murphy suggested that PRC provide a further wording on its recommendations for the ATCWG meeting.
30. The final text, as approved by the ATCWG, for the suggested revisions to the APEC *Work Plan on Food Security* is attached as Annex 3.

THEME: NEXT STEPS

AGENDA ITEM XXII: Election of a New Lead Shepherd for ATCWG.

31. Mr. Murphy acknowledged that at the Heads of Delegations meeting the PRC had expressed an interest in serving as the ATCWG’s Lead Shepard from January 1, 2010 through to December 31, 2012. PRC re-iterated this interest. Every other delegation intervened to support China’s bid to serve as Lead Shepard. PRC expressed it thanks for the support and announced that Professor Huajun Tang would become ATCWG Lead Shepherd. Professor Tang spoke to his experience and background in agriculture, and his intention to do his best with the collaboration of all economies. He also thanked Mr. Murphy for his contribution as Lead Shepard for the period of 2007 – 2009.

THEME: PROJECT PROPOSALS

AGENDA ITEM XIX: Introduction to the selection of projects

32. Mr. Paul Murphy asked delegated in the room to identify the project proposals to be put forward at the meeting for 2010. The Lead Shepherd invited presenters to the podium to present their project proposals. Questions and comments were entertained for each project proposal.

AGENDA ITEM XX/XXI: Summary of projects selected by the ATCWG for submission to BMC for funding in 2010

33. As required by the APEC Secretariat, the ATCWG considered and ranked the projects that will be submitted for BMC funding. Based on delegates' voting, the projects were (in descending order of priority):

- 1) Bio-fuels from Agricultural and Agro-Industrial Waste (Thailand)
- 2) APEC Workshop on Technologies for Adaptation to Climate Change for Sustainable Agricultural Production (Korea)
- 3) Workshop of Food Productivity and its Security of APEC Members Economies (PRC)
- 4) Infrastructure for handling horticulture produce for SMEs (Indonesia)
- 5) APEC Food Security Forum: A regional dialogue with global significance (Chinese Taipei)
- 6) Impacts of Climate Change on APEC Agriculture Production (Vietnam)
- 7) Delivery of training on post-harvest handling of fresh produce to target groups (Thailand)
- 8) Investment in Agriculture for Food Security in APEC (Vietnam)

34. Mr. Plangprayoon gave a brief explanation of the APEC project proposal process.

35. The delegate from New Zealand informed the meeting of an upcoming workshop called "Workshop on Cross Cutting Issues in Food and Agricultural Trade" which will be proposed in the Market Access Group Meeting in July 2009. New Zealand, as a proposing economy, and Thailand, as a co-sponsor, requested comments on the workshop document. The meeting agreed with the said document.

THEME: NEXT STEPS

Agenda Item XXIII: Date and Venue for the 14th ATCWG meeting in 2010.

36. The meeting welcomed the offer of Chile to host the next ATCWG meeting in 2010. The meeting would take place in March or April.

37. The delegate from Japan shared information on the state of preparations for the APEC Leaders' meeting for 2010, noting the importance of food security and the need for concrete outputs for this event and the opportunity for ATCWG to input into the agenda of the this meeting in Japan.

THEME: CLOSING

AGENDA ITEM XXV: Summation of Meeting's Key Decisions

38. Mr. Murphy briefly reviewed key decisions. A summary was circulated by the Lead Shepard's Office to the members of the ATCWG on June 25, 2009. The key decisions are outlined at the top of this document.

AGENDA ITEM XXVI: Approval of meeting's Key Decisions

39. The meetings key decisions were recorded. The summary report was not presented at the end of the meeting.

AGENDA ITEM XXVII: Field Trip Briefing

40. A field trip briefing was given by Dr. Chen, of the PRC.

List of Annexes

Annex 1: List of participants attending the ATCWG meeting in Suzhou, PRC.

Annex 2: List of approved work priorities for the ATCWG.

Annex 3: ATCWG Revisions to DRAFT: APEC Senior Officials Work Plan on Food Security

Annex 1: List of participants attending the ATCWG meeting in Suzhou, PRC.

ATCWG Executive and Chairs:

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Mr. Yulong ZHOU, Vice-Mayor of Suzhou City, Jiangsu Province, PRC.

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Annex 2: List of ATCWG approved work priorities

Environmental sustainability:

Including information exchange, technical assistance and capacity building on animal and plant genetic resources, climate change impacts, adaptation and mitigation, and sustainable land management for agriculture production, small holder farmers, food security/poverty alleviation and rural development.

Productivity and diversification:

Including information exchange, technical assistance and capacity building on agricultural production technologies, technology transfer and extension, reduction of post-harvest losses, development of agricultural logistics, supply chain, agricultural finance, value-added agricultural products such as organic agriculture, functional foods/neutraceuticals, and marketing.

Biotechnology:

Including information exchange, technical co-operation, transformation and capacity building regarding the science-based assessment of products of biotechnology. The technical work in this area is closely co-ordinated with the policy work of the High-Level Policy Dialogue on Agricultural Biotechnology.

Regulatory Co-operation:

Including information exchange, technical assistance and capacity building on agriculture-related national regulations and international standards in food safety, plant and animal health and quarantine, sanitary and phyto-sanitary measures, traceability and similar areas.

Structural adjustment:

Including information exchange, technical assistance and capacity building on adjustments to such economic events as trade liberalization, sudden increases in input costs, exchange rate fluctuations, land reform and escalating food prices, as these events affect agriculture production, food security, poverty alleviation and small holder farmers.

Annex 3:

ATCWG Revisions to DRAFT: APEC Senior Officials Work Plan on Food Security

Comments from Japan on Food Security Plan:

Regarding the following text: "APEC should explore existing initiatives with multilateral organization such as FAO and OECD to enhance the quality and timely accessibility of data on food stocks in the APEC regions."

ATCWG recommends that APEC consider strengthening cooperation on agricultural statistics with the USDA's database "The World Agriculture Supply and Demand Estimates" (WASDE) and ASEAN's Food Security Information System rather than FAO and OECD.

Comments from PRC on Food Security Plan

The APEC work plan on food security shall add, highlight or emphasize information exchange activities among members (or establish prompt information exchange mechanism) to facilitate and promote cooperation among members.

Members shall promptly provide information on current production, trade, price, supply and demand balance, major challenges/difficulties, major policies, technical roadmap for example.

The above mentioned information shall be delivered in a timely, concise and clear fashion. Members shall exchange relevant information and inform their senior officials, so that the food security situation in APEC is clearly presented and draws close attention from all parties.

Comments from Thailand on the Food Security Plan:

Regarding the text on page 4 of the APEC Senior Official's Work Plan on Food Security

ATCWG suggests that "such as nutritional value, allergy and toxicity" be inserted into the second bullet of text of "Promoting Agricultural Biotechnology".

The text would now read: "APEC should now explore ways to support the use of available science by member economies in their safety determination regarding agricultural biotechnology, and for those economies that choose to establish biotechnology regulatory systems, agree that such systems should be transparent, predictable and no more restrictive than necessary to ensure the safety of human (such as nutritional value, allergy and toxicity), animal, and plant health and environmental sustainability.

Revised Text of Food Security Workplan Documents

Please see attachments.

APEC Senior Officials Work Plan on Food Security

APEC Senior Officials have undertaken an effort to review and revamp APEC activities in the area of food and agriculture, in response to high food prices and long-term challenges to food security in the Asia-Pacific region. Food is fundamental to human existence and to the economic and social life of all societies. The volatility of food prices is having a major impact on the well-being of our citizens across the region, especially on the poorest and most vulnerable. This situation threatens to undercut our fight against poverty, exacerbate economic and social problems in the region, and potentially undermine the peace and stability needed to achieve economic development and growth. The emerging financial crisis and economic slowdown could intensify these pressures.

This report outlines our views on possible new areas in which APEC may consider addressing **food security**, which refers to the availability of sufficient and affordable supplies of food needed for populations to enjoy productive lives. Within the Asia-Pacific region, concerns about food security and the increase in prices of various agricultural products are the result of a confluence of individual factors. Prospective long-term factors such as population growth and global climate change could also affect regional food security in ways that require both immediate and longer-term attention.

This myriad of factors underscore that food security is a cross-cutting issue that requires action across a broad range of areas. APEC is well-positioned to play a constructive role as it has institutional structures in place to address a wide range of food security-related issues. APEC has and continues to carry out a variety of important activities in the area of food and agriculture in multiple committees and working groups, but current and emerging challenges suggest the need to refine and strengthen the APEC food security agenda. As in the past, APEC's approach must reflect member economies' commitment to market-led economic growth and free and open trade and investment, as well as fully utilize APEC's strengths and expertise in facilitating technical cooperation and capacity building. Member economies must also work together to foster conditions that spur development and utilization of technological advances and best practices that will help the region meet short and long-term food security challenges.

Senior Officials acknowledge and commend the active role of the APEC Business Advisory Council (ABAC) in raising the importance of food and agriculture issues on the APEC agenda. In 1998, ABAC proposed (and APEC Leaders subsequently endorsed) the APEC Food System (AFS) as a strategic framework to comprehensively address food issues. Based on a stocktaking of APEC work on food and agriculture related issues, we have found that APEC has carried out a variety of activities consistent with AFS recommendations. While APEC needs to refine its food security agenda to address current regional and global food security issues, we believe that the basic tenets of the AFS – increasing food and agriculture trade, promoting and disseminating technological advances, and fostering the development and growth of the rural sector – are still relevant today. These principles will continue to be reflected in APEC's actions on food security going forward. APEC will also continue to work in partnership with the private sector on food and agricultural issues in the Asia-Pacific region.

APEC Senior Officials highlight efforts underway at the global level to address food security, and the need for APEC to open channels for dialogue, cooperation, and coordination with other multilateral bodies on this issue. We note efforts by the United Nations, including the development of a Comprehensive Framework for Action by the U.N. High Level Task Force on Global Food Security, which outlines a range of policies and actions to enable effective coordinated responses to address food security at all levels. We also recognize efforts by the World Bank and the G8 Experts Group on Food and Agriculture.

We also note that the APEC Finance Ministers process has asked the APEC Policy Support Unit (PSU) to undertake research into behind-the-border impediments to food trade across the entire food chain between farm producers, processing facilities and family consumers whether local or international. The initiative will also examine if there are any regulatory frameworks, transport infrastructure, and logistics capability issues which inhibit the efficient movement, handling, and marketing of food commodities and contribute to prices higher than would otherwise occur. This work is scheduled to be completed in time for the APEC Finance Ministers meeting in late 2009, with milestones for the Senior Finance Officials Meeting (SFOM) earlier in that year. We welcome this effort and look forward to reviewing the PSU's findings.

While this document specifically focuses on food security activities, Senior Officials also commend other important efforts underway in the areas of Food Safety and Food Defense. Initiatives in both areas serve to ensure access to safe food supplies and, within APEC, are undertaken by specialized program activities.

- **Food safety** describes efforts to ensure the quality of agricultural products for safe human consumption, particularly through standards setting and regulatory oversight. In APEC, the lead group for food safety work is Food Safety Cooperation Forum within the Committee on Trade and Investment's Subcommittee on Standards and Conformance (SCSC).
- **Food defense** describes efforts to protect the food supply from the threat of deliberate tampering by terrorists and others with malicious intent. Example of food defense measures include monitoring food processing facilities for sabotage and other suspicious activity, locking sensitive areas, personnel screening, the use of name badges, and the use of tamper-evident packaging. The Counterterrorism Task Force (CTTF) leads food defense work within APEC.

Request for APEC Fora to Develop Food Security Recommendations

APEC Senior Officials instruct relevant APEC fora (as outlined in the Annex) to evaluate and comment on the possible actions outlined in this report for their fora, develop concrete recommendations, and describe prospective steps for their implementation (including potential capacity building projects), and report back to Senior Officials on their findings and planned actions in 2009. These may be developed by SOMs into recommendations for endorsement by Ministers. The reports should also note any relevant activities currently underway or about to be launched. In addition to the tasked foras, we welcome comments and suggestions from other APEC fora.

UNDERSTANDING FOOD PRICE VOLATILITY.

- To help member economies better understand the factors behind food price volatility and make informed decisions to promote food security, APEC should explore the possibility of holding a workshop in 2009 to discuss and exchange information on factors contributing to volatile food prices in the region. We suggest that this workshop should be open to participation from relevant APEC fora, with outcomes to be reported to APEC Leaders, Ministers, Senior Officials, and relevant APEC working groups.

TRADE. APEC should build upon the 2008 statement by the APEC Ministers Responsible for Trade (MRT) in addressing the need to achieve substantial improvements in market access and reductions in market-distorting measures in global agricultural trade, and noting in this regard the importance of the conclusion of the WTO Doha Round, with an ambitious and balanced outcome.

RESEARCH AND DEVELOPMENT. APEC Senior Officials highlight that technological development and dissemination is critical to increasing agricultural output, improving food distribution, decreasing costs, and helping to sustain output in the face of environmental and population growth challenges. APEC's work in technical assistance and capacity building, disseminating best practices, and helping to build economic conditions conducive to investment and trade in technology make it a valuable venue to foster R&D cooperation.

- Noting the impact of the "Green Revolution" of the previous century in increasing agricultural production in the Asia-Pacific region, APEC fora should explore regional cooperation to bolster conditions conducive to investment and innovation in agricultural research and development. This includes work to facilitate the utilization of new varieties of crops developed using advancements in technology that benefit the people of the APEC region, to reduce dependence on petroleum-based agricultural inputs, including fertilizers and fuel, and to promote sustainable development in agricultural production.
- APEC should explore opportunities to work with other multilateral organizations to share experiences and knowledge to enhance research and development cooperation in food security-related fields.

PROMOTING AGRICULTURAL BIOTECHNOLOGY

- New crops developed using agricultural biotechnology are an important potential means for addressing food security, as biotechnology has the potential to create crops that provide greater yields, are resistant to disease, and use less water. Both exporters and importers

must work to ensure that all products, including biotech foods and foods derived from biotech ingredients, meet the science-based standards of importing economies.

- APEC should explore ways to support the use of available science by member economies in their safety determinations regarding agricultural biotechnology, and for those economies that choose to establish biotechnology regulatory systems, agree that such systems should be transparent, predictable, and no more restrictive than necessary to ensure the safety of human (**such as nutritional value, allergy and toxicity**), animal, and plant health and environmental sustainability.
- APEC should examine how it could help member economies develop the appropriate regulatory frameworks to benefit from the potential of agricultural biotechnology in the APEC region through technical cooperation and capacity building activities.
- APEC should consider recognizing and welcoming the work of the *Codex Alimentarius* Commission to develop and adopt international guidelines related to risk assessments for the products of modern biotechnology, in order to promote science-based regulations and facilitate trade in these products.
- APEC should consider recognizing the importance of the High-Level Policy Dialogue on Agricultural Biotechnology (HLPDAB) to facilitate regional cooperation on agricultural biotechnology and urge it to pursue work in support of the Codex guidelines.

BIOFUELS

- Diversification of energy resources is a potential means to reduce energy costs and volatility, and bolster overall energy security.
- APEC Senior Officials note that while there are challenges, non-food based biofuels have significant potential in both developed and developing economies to contribute to long-term socio-economic development, especially in rural areas, improve energy security, and provide environmental benefits.
- APEC Senior Officials ask APEC fora to examine ways economies may accelerate the sustainable development and commercialization of 2nd generation biofuels to ensure the compatibility of food security with policies for the sustainable production and use of biofuels.
- APEC fora should also explore ways to foster conditions that are conducive to the expeditious and sustainable development of this new technology, and endorse efforts, including in the field of biotechnology, to improve the yields of biofuel feedstocks which would allow for the continued introduction of biofuels without unduly affecting the cost or availability of food. Efforts to explore other approaches for minimizing negative impacts between the production of biofuels and food should also be considered.
- APEC Senior Officials note the work of the APEC Energy Working Group (EWG) in exploring the potential of 2nd generation biofuels and that the EWG and other relevant APEC groups consider undertaking a comprehensive examination of key economic, environmental and other issues impacting the successful emergence of future generation biofuels, and to provide recommendations for regional action.

AGRICULTURAL INFRASTRUCTURE. Agriculture infrastructure – which includes “hard” infrastructure such as roads and irrigation systems, as well as “soft” infrastructure such as institutions, markets, practices, and human capacity – is a major component in guaranteeing a productive, efficient, and well-managed regional food supply. Senior Officials highlight APEC’s experience and expertise in soft infrastructure development through technical assistance and capacity building, and believe it provides a solid foundation for APEC to facilitate comprehensive cooperation on infrastructure development that is focused on the needs of the Asia-Pacific region.

SOFT INFRASTRUCTURE

APEC Senior Officials note the work of APEC in promoting the development of well-functioning markets, regulatory institutions, and best practices in the agricultural sector through capacity building activities.

- APEC economies, including relevant APEC fora, should consider exploring increased cooperation to develop and encourage best practices, including at the local level, for making agricultural production, food storage, transportation and distribution systems more efficient.
- Relevant fora should examine how they can increase their support for agricultural capacity building and sharing of best practices to increase agricultural production and efficiencies, including in such areas as organic farming.

- APEC should explore ways to promote best practices as developed in the region and by other organizations for sustainable use and management of land, water, and other natural resources relevant to the regional food supply.
- APEC should recognize the work of the Agricultural Technical Cooperation Working Group (ATCWG) to promote reduction in post-harvest crop losses and that relevant APEC officials and fora increase their efforts in this regard.
- APEC officials and relevant fora should explore potential cooperation in sharing innovations and best practices in agriculture higher education, including models for in-service training for students, classroom links to farmer outreach programs, and curriculum enhancement through electronic instruction and regional faculty/staff exchanges.
- APEC should recognize the impact that natural disasters can have on food security and encourage further efforts within APEC to enhance cooperation in regional disaster preparedness, risk reduction, and recovery. This includes taking into consideration food security concerns in disaster planning activities, where appropriate.

HARD INFRASTRUCTURE

APEC should consider exploring opportunities to contribute, as appropriate, to regional dialogue and cooperation on physical infrastructure development in rural areas of the Asia-Pacific region, working together with developed and developing economies, multilateral development banks such as the Asian Development Bank, international development organizations, the private sector, and others. For example, APEC could help to identify and facilitate dialogue on regional infrastructure priorities.

FOOD AID. The recent, dramatic increase in food prices presents serious challenges, particularly for the poorest and most vulnerable in the Asia-Pacific region and around the world. This situation also threatens to undermine our fight against poverty and exacerbate economic and social problems in the region.

- APEC members should consider highlighting the importance of increasing support to food aid programs and the need to ensure that they are managed in a way that does not unnecessarily distort markets or reduce the incentives for local production, while ensuring that the neediest receive the assistance they require.

AGRICULTURAL COMMODITY MARKET TRANSPARANCY. APEC Senior Officials note questions and concerns about the role of speculation and increased portfolio investment in commodities in driving increases in food prices.

- Member economies should explore cooperation in sharing information and analysis on evidence of commodity speculation and hoarding on food prices in our region – as part of a larger discussion on the fundamental drivers of food prices – and examine ways to minimize any potential negative impact while bolstering positive ones. Senior Officials note that commodity markets remain a vital tool for farmers to manage risk. APEC economies should agree that policies must be based on hard evidence and objective analysis.
- Senior Officials also highlight that monitoring of price and market data on agricultural commodities would help APEC economies react more effectively and cooperatively to changes in regional food supplies. ***APEC should consider strengthening cooperation on agricultural statistics with the USDA’s database “The World Agriculture Supply and Demand Estimates” (WASDE) and ASEAN’s Food Security Information System.***

SOCIAL SAFETY NETS. APEC Senior Officials recognize the policy challenges faced by developing economies, especially those dependent on food imports, in ensuring food security for their citizens. Senior Officials recommend that relevant APEC fora undertake work to examine short-term social safety nets and longer-term social protection mechanisms which can also protect those most vulnerable to high food prices. Safety nets should be carefully targeted and should not block the transmission of price signals to agricultural producers.

APEC COORDINATION. Food security is a cross-cutting issue that will require cooperative efforts among various APEC fora, across a broad range of areas. APEC should work to enhance communication and coordination within the organization on food security activities. We invite relevant APEC fora to offer suggestions in this regard. This would help ensure that food security is addressed effectively and that all the important work being done in this area is highlighted to stakeholders, including the business community.

INFORMATION SHARING WITH OTHER MULTILATERAL ORGANIZATIONS. APEC should explore opening channels for dialogue on planned actions with other multilateral bodies that are working to address the global food crisis, such as the World Bank and related regional financial institutions such as the Asian Development Bank, the United Nations and related specialized agencies, and the G8 Experts Group on Food and Agriculture.

ANNEX

DRAFT: Suggested Relevant APEC Fora for Examining Potential Actions on Food Security

ISSUE	POTENTIAL ACTION	SUGGESTED APEC FORA
Trade	Identify and raise awareness of non-tariff measures affecting global food trade including behind-the-border issues such as technical needs and regulatory measures	Finance Ministers Process EC SCSC MAG ATCWG
	Identify alternatives policies and approaches that could be utilized in extraordinary circumstances that affect food security, without resorting to the use of food export restrictions, and to undertake efforts to enhance regional cooperation to respond to and mitigate impact of food security emergencies in the region.	PSU CTI EC ATCWG
Research and Development	Develop tools and strategies to reduce dependence on petroleum-based inputs in agriculture, including fertilizers and fuel	ATCWG EWG TPTWG ISTWG
- Promoting Agricultural Biotechnology	Encourage science-based risk assessment of agricultural biotechnology and appropriate regulations that ensure safety without unnecessary trade restrictions	HLPDAB ATCWG
	Build technical capacity for the development of appropriate regulatory frameworks for agricultural biotechnology	HLPDAB ATCWG
- Biofuels	Work to realize the expeditious development and commercialization of 2 nd generation biofuels. Examine key economic, environmental and other issues impacting the successful emergence of future generation biofuels and provide recommendations for regional action.	EWG ATCWG TPTWG
Agricultural Infrastructure - Soft Infrastructure	Enhance capacity building and sharing of best practices to increase productivity and efficiency in agriculture and aquaculture.	ATCWG FWG
	Develop and encourage best practices for making agricultural production, food storage, transportation and distribution systems more efficient	ATCWG TPTWG EWG
	Promote best practices as developed in the region and by other organizations for sustainable use and management of land, water, and other natural resources relevant to the regional food supply.	ATCWG FWG MRCWG
- Soft Infrastructure (cont'd)	Build on current work to reduce post-harvest crop losses	ATCWG
	Explore cooperation to share innovations and best practices in agriculture higher education, including	HRDWG

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	models for in-service training for students, classroom links to farmer outreach programs, and curriculum enhancement through electronic instruction and regional faculty/staff exchanges	ATCWG FWG
	Where appropriate, take into consideration food security concerns in activities on disaster preparedness, risk reduction and recovery.	TFEP FWG ATCWG
- Hard Infrastructure	Explore potential opportunities to facilitate regional dialogue and cooperation on physical infrastructure development in rural areas in the Asia-Pacific by bringing together individual economies, multilateral development banks, international development organizations, the private sector, and others.	ATCWG TPTWG
Agricultural Commodity Market Transparency	Share information on evidence of commodity speculation and hoarding on food prices in our region – as part of a larger discussion on the fundamental drivers of food prices – and examine ways to minimize any potential negative impact while bolstering positive ones. <i>Work on a project that: “Adds, highlights or emphasizes information exchange activities among members. Establish a prompt information exchange mechanism to facilitate and promote cooperation among members. Members shall promptly provide information on current production, trade, price, supply and demand balance, major challenges/difficulties, major policies, technical roadmap for example. This information shall be delivered in a timely, concise and clear fashion. Members shall exchange relevant information and inform their senior officials, so that the food security situation in APEC is clearly presented and draws close attention from all parties.”</i>	Finance Ministers Process ATCWG
	Strengthening cooperation on agricultural statistics with the USDA’s database “The World Agriculture Supply and Demand Estimates” (WASDE) and ASEAN’s Food Security Information System. z	ATCWG FWG
Understanding Food Price Volatility	Explore holding workshop to discuss and exchange information on factors contributing to volatile food prices in the region.	ATCWG
Food Security and Social Safety Nets/Protections	Study mechanisms and effectiveness of short-term social safety nets and longer-term social protection mechanisms which aim to protect those most vulnerable to high food prices.	HRDWG

ANNEX

DRAFT: Suggested Relevant APEC Fora for Examining Potential Actions on Food Security

Glossary of Acronyms

ATCWG	Agricultural Technical Cooperation Working Group
CTI	Committee on Trade and Investment
EC	Economic Committee
EWG	Energy Working Group
FWG	Fisheries Working Group
HLPDAB	High Level Policy Dialogue on Agricultural Biotechnology
HRDWG	Human Resource Development Working Group
ISTWG	Industrial Science and Technology Working Group
MAG	Market Access Group (of the Committee on Trade and Investment)
MRCWG	Marine Resources Conservation Working Group
PSU	Policy Support Unit
SCSC	Subcommittee on Standards and Conformance (of the Committee on Trade and Investment)
TFEP	Task Force on Emergency Preparedness
TPTWG	Transportation Working Group