Statement by the AMIS Chair to the G7 Agriculture Ministers
11 March 2022 - Online videoconference

Thank you for inviting me as the Chair of the G20 Agricultural Market Information System (AMIS) to today’s important event.

AMIS is an inter-agency platform to enhance food market transparency and policy response for food security. It is composed of G20 members, Spain and seven additional major exporting and importing countries of agricultural products (including Ukraine). The AMIS Secretariat is supported by ten international organizations and is hosted by FAO. It works closely with focal points in AMIS participating countries in the analysis of four main food commodities: wheat, maize, rice and soybeans. Through the AMIS Rapid Response Forum (RRF), the initiative also has a mechanism to promote early discussion about critical market conditions and ways to address them.

In view of the abrupt escalation of recent developments in the Black Sea region and the potential impacts on global food markets and food security, I convened an extraordinary meeting of the RRF on March 5, 2022. It was the first such emergency meeting since AMIS was launched by G20 Ministers of Agriculture in 2011, and it was attended by representatives of most G20 members as well as Spain and Ukraine.
By now, we are all aware of the importance of the Black Sea region for global food markets, considering the significant share of Ukraine and the Russian Federation in exports of several staple foods.

- For wheat, the crisis has put additional pressure on an already tight global supply situation. Port closures in Ukraine and the impact of economic sanctions in the Russian Federation are of immediate concern while global availability in the upcoming marketing season might also be reduced. Several countries in the Middle East and North Africa will be particularly affected as they rely heavily on imports from those countries.

- The crisis also affects maize markets; Ukraine alone accounts for about 10 percent of global maize trade. While the upcoming Southern hemisphere crop might provide some relief to markets, the overall uncertain global supply situation and the sharp increase in input costs will continue putting upward pressure on prices.

- Impacts will also felt in the oilcrops complex, especially the global vegetable oil market, considering that the Russian Federation and Ukraine are main exporters of sunflower seed and sunflower oil.

- The high and volatile energy prices, especially for natural gas, will likely drive up fertilizer prices further, which would translate into
even higher input costs for farmers and contribute to rising food inflation; soaring oil prices will also affect freight costs.

– Moreover, the transportation of grains is impacted by the blockage of routes through the Black Sea Region and the reduction in the availability of containers, higher insurance costs, and diversion of shipments.

In the extraordinary meeting of the RRF, several countries highlighted the important role of AMIS for enhancing food market transparency and promoting policy dialogue. Participants recognized the role of the RRF as a mechanism for early discussion about critical market conditions and agreed on the relevance of maintaining open food trade and avoiding measures that would limit trade such as export restrictions.

AMIS participants recognized the severe implications of the crisis for global food markets and global food security. For some countries, the impact of rising costs of fertilizers was a main concern, especially those that are heavily dependent on fertilizer imports and preparing for the next crop season. Others mentioned that the damages in the infrastructure of Ukraine might also affect the long-term viability of the country’s production.

Several interventions highlighted the importance of AMIS in analyzing, monitoring, and regularly reporting the effects of the current situation to
promote evidence-based decision-making. AMIS proved to be very efficient and successful during the COVID-19 pandemic, and will hopefully be able to play an equally constructive role during the current crisis. Against this background, I am asking the G7 and your individual member countries to continue supporting and further strengthening this unique initiative.

Despite the difficult geopolitical context, all participants agreed “to continue sharing reliable data and information on global food market developments” and they stressed the importance of “ensuring the smooth functioning of global food markets, including through avoiding any measures that would disrupt international food trade and negatively affect global food security”.

An ordinary meeting of the RRF is scheduled on March 23, 2022 in which countries will follow up on the discussions of the extraordinary session and will share experiences dealing with escalating food prices and policy options.

Thank you.