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**OECD COMMITTEE FOR AGRICULTURE  
Ministerial level meeting**

**Paris, 25-26 February 2010**

**STATEMENT FROM THE INTERNATIONAL FEDERATION OF  
AGRICULTURAL PRODUCERS (IFAP)**

The International Federation of Agricultural Producers (IFAP) represents farmers at the world level. It includes national farmers' organisations from 87 countries throughout the world, including most of the OECD countries.

Farmers appreciate very much this opportunity to meet with the Co-chairs of the Ministerial session of the OECD Committee for Agriculture.

**Situation of OECD farmers**

The OECD meeting of ministers of agriculture in Paris takes place at a very difficult time for farmers. Severe falls in farmers' income occurred through the OECD region in 2009, of from 20-40 percent.

The farm economy is squeezed by low prices for farm products and high prices for farm inputs. Further, interest rates are predicted to rise later this year. This is an unsustainable situation for farmers.

OECD is an organisation with high credibility doing good reports. IFAP requests therefore that the OECD better track the cost of farm inputs, and the functioning of farm input markets. This is in addition to its work on farm prices.

The cost-price squeeze on farmers is aggravated by increasing volatility – volatility of farm prices and farm costs.

Excessive price volatility has a negative impact on both consumers and producers. OECD is therefore asked to give priority in its work to examine policy and regulatory instruments to address this issue.

## **OECD farmers' contributions**

Farmers can contribute substantively to solving many of the global challenges. These include: meeting world food security needs; contributing to renewable energy and energy security; providing eco-system services; mitigating climate change.

### **World food security**

The production response to resolve the food price crisis in 2007-2008 was nearly all made in the OECD. It is unfortunate that farmers in developing countries did not have the necessary infrastructure to allow them to better respond to the higher prices in early 2008, but without the mobilisation of farmers in the OECD countries we would still be in a food crisis.

Looking forward, it is clear that investment in small-holder agriculture in developing countries needs to be increased as a priority. However, it is also clear that a significant quantity of the growth in world food demand will have to be met by exports from the OECD countries. The productive capacity of agriculture in the OECD countries therefore needs to be maintained in order to achieve world food security.

High inputs costs took away much of the benefits that farmers could have expected from price increases in 2008.

Farmers, including in OECD countries, are motivated to increase productivity to achieve world food security, as long as they receive a fair share of the value-added.

### **Climate change**

Farmers are well-placed to contribute to the production of renewable energy, including the production of biogas and biofuels. This can make a significant contribution to replacing dependence on fossil fuels and mitigating climate change.

By adopting the most sustainable farming practises, farmers can both adapt to and mitigate the effects of climate change.

## **Sound policy frameworks**

To be sustainable agriculture must be profitable. Farmers therefore call upon the OECD Committee for Agriculture to develop policy and regulatory frameworks that address the following problems:

- The use of land and water and its future availability for agriculture. Too much good farm land is being lost to urbanization. Farmers need secure water rights, regulation and fair pricing.
- Investment in research to continue to improve the sustainability of farming practices, especially in relation to their environmental impact
- Incentive schemes for the provision of eco-system services by farmers
- Policies to help farmers manage risks and shocks to mitigate the effects of market volatility on their incomes
- Market regulations to calm price and input volatility

- Measures to move to a low-carbon economy
- Measures to strengthen the organization of farmers in the food chain, including inter-professional agreements, contracts and changes in competition policy

Farmers need to be better organised in the interests of consumers and society in a situation of imperfectly functioning markets. Millions of individual farm families in OECD countries face in the market only a few consolidated firms in the food retail sector. They are therefore not equal partners in the market. When farmers seek to work together to increase their market power in the agri-food chain, they are impeded from doing so by competition policy that does not take into account their situation

## **Conclusion**

Viability and sustainability of agriculture in OECD countries is critical in order to ensure that its production capacity is not eroded. Governments should not take agriculture for granted. Maintaining the viability and sustainability of OECD agriculture is a challenge because of market and climate volatility as well as low farm prices in relation to input costs. Farmers trust that the OECD Ministerial Conference will put in place programs to work with farmers to meet this challenge.