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How Can the Argentinian G20 Presidency Support Trade's Contribution to a Sustainable Food Future?

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This policy brief aims to contribute to the discussion of how the G20 countries can best contribute to the achievement of a “sustainable food future”—one of the priorities of Argentina’s G20 presidency. The paper examines succinctly the role of trade in contributing to this objective; reviews the G20 discussions on food security to date, looking in particular at the issue of soil health which has been highlighted by Argentina as a key concern for countries to address; and identifies three key proposals for the G20 to consider in moving forward.

A Sustainable Food Future

The government of Argentina has highlighted a “sustainable food future” as one of three top priorities for its 2018 presidency of the Group of Twenty (G20) leading industrialised and emerging economies.

This emphasis echoes the importance world leaders placed on this issue in committing through Sustainable Development Goal (SDG) 2 to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture.¹

Trade is identified in SDG 2 as a key “means of implementation” for these objectives, representing a pledge on the part of governments to correct and prevent trade restrictions and distortions in world agricultural markets.²

However, this alone is insufficient for the achievement of a sustainable food future.

To meet the ambitious targets in SDG 2, the global food system must be considered holistically—including by taking into consideration the other goals and targets under the United Nations 2030 Agenda for Sustainable Development (Díaz-Bonilla and Hepburn 2016).

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- 1 The 1996 World Food Summit established a widely used definition of food security, as follows: “Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life” (FAO 1996).
 - 2 Specifically, SDG 2.B stipulates governments will: “Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round” (United Nations 2015).





In 2018, the G20 under the Argentinian presidency could take several practical steps in this regard.

1. Formally recognise through the Trade and Investment Working Group (TIWG) the relevance of trade and investment policies to a sustainable food future and the achievement of Agenda 2030.
2. Direct competent international agencies to conduct analysis on sustainable food production, trade, and consumption patterns, with outcomes presented to the World Trade Organization (WTO) and United Nations Framework Convention on Climate Change (UNFCCC).
3. Ensure the relevance of trade for a sustainable food future remains a focus of G20 work under the Japanese presidency in 2019 by agreeing to make this issue a focus of other key agenda-setting meetings on the farm policy calendar, such as the Global Forum for Food and Agriculture (GFFA) which is held in Berlin each January.

Trade's Role in the Global Food System: More Than Just Agricultural Markets

Governance frameworks affecting agricultural trade are certainly key to achieving the SDGs, not least because so many of the world's poor depend on farming for a living, and many of those going hungry are, paradoxically, also smallholder farmers.

Trade in agriculture itself is however only part of the story when it comes to the role of trade in achieving food security and rural development.

Policies affecting trade in farm inputs, such as seeds, fertilisers, and farm equipment are important in determining how markets function. Services markets—such as transportation and logistics, storage, and financial services—also affect the rural economy. Trade and trade governance are in fact important across the entire food value chain, from production to processing sectors and through to consumption, food loss, and waste (Meléndez-Ortiz 2016).

None of this means that long-standing concerns over agricultural trade are unimportant. To the contrary, the ambition of Agenda 2030 means “business as usual” is not an option on issues such as trade-distorting farm subsidies, measures impeding the flow of goods across borders, and unfair competition in export markets (ICTSD 2017a).

Efforts to achieve progress on these issues at the WTO have moved forward only slowly, despite an agreed objective to establish a fair and market-oriented trading system enshrined in the trade body's existing treaties.³ Long-running trade talks as part of the Doha Round, launched in the Qatari capital in 2001, led to incremental steps forward on specific issue areas in 2013 and 2015, but the most recent WTO conference in December 2017 ended with no clear consensus outcomes or road-map for the way ahead (ICTSD 2017b).

The G20, as a key part of the global governance architecture, can play a constructive role in charting a way forward both on the traditional issues currently deadlocked in the WTO but also more broadly, by building a holistic policy conversation around trade's contribution to the global food system.

Climate Change and Global Food Markets

Meanwhile, the danger of inaction is becoming clearer, as climate change raises the prospect of significant changes on global food markets in years to come.

Climate change is expected to change temperature and precipitation patterns—but also to increase the incidence and intensity of extreme weather events, such as droughts and floods. More volatile food and agricultural markets are likely to create new challenges for poor producers and consumers in particular.

The previously positive trend towards reducing hunger is thought to have been reversed recently, with the Food and Agriculture Organization (FAO) of the United Nations citing climate change, along with increased conflict, as factors. Globally, FAO figures indicate an estimated 815 million people are undernourished (FAO et al. 2017).

Governments have committed in SDG 2 to bringing this number down to zero—a huge challenge, compounded further by climate change. Moreover, in addition to overcoming undernourishment by 2030, governments have agreed to end all forms of malnutrition. This will mean that micronutrient deficiencies and the prevalence of overweight and obesity also need attention if the SDGs are to be achieved.

Food Access, Availability, Stability, and Use

A better functioning global trading system is not only needed to help move food more easily from food-surplus regions to those where there are shortages. While this would help improve food availability, it would not in itself tackle the other three components of food security: access, stability, and use.

Indeed, at the global level, there is no shortage of food as measured in terms of calorific availability. The persistence of undernourishment is more a function of inadequate access to food, particularly economic access due to low levels of purchasing power. Concerning the other two dimensions of malnutrition, problems associated with a lack of key nutrients and vitamins or with obesity are instead associated with non-diversified diets containing high levels of sugars, fats, and salt.

Improving how trade and markets function can have a direct impact here by helping create jobs and raising incomes, especially in rural areas. And although agriculture will remain critical to fighting poverty in many world regions, the reliance of many poor households on off-farm income means that policies affecting markets beyond the farm sector also need serious attention from governments.

Issues around food trade and stability have recently come to the fore following unexpected food price spikes in 2007-08 and again in 2011-12. Consumers in poor food-importing countries are particularly vulnerable to policy interventions such as export restrictions in major exporting countries, which can

³ Article XX of the WTO (1994) Agreement on Agriculture provides for ongoing negotiations with a view to continuing the reform process and makes reference to this objective.

exacerbate shortages on global markets (Anania 2014).⁴ At the same time, many developing country governments have argued in favour of temporary safeguards to protect poor producers from sudden import surges or price depressions. Reforms in this area are critical, but require the impetus of G20 leadership (Morrison and Mermigkas 2014).

The G20, Trade, and Food Security: History and Current Dynamics

The ambition of the SDGs contrasts starkly with deep-seated tensions and scepticism about multilateral institutions apparent at the international level.

Major players, including the US, have questioned the efficacy of the WTO's transparency and enforcement mechanisms around agricultural trade, largely disengaged with most negotiations, and increasingly sought to address trade barriers for their producers through bilateral, regional, or plurilateral means.

Talks at the G20 have not been immune to tensions over multilateralism. In 2017, Sherpas and then leaders tussled over language reiterating commitments from previous summits—including wording that hitherto had been seen as innocuous.

However, past G20 summits have succeeded in delivering concrete outcomes on food security. In particular, the French G20 presidency in 2011 saw countries agree to a raft of new initiatives (ICTSD 2011). Among these was the launch of the Agricultural Market Information System (AMIS), which seeks to improve transparency and data availability in a bid to reduce the likelihood of further food price spikes.

While the Mexican G20 presidency the following year focused on the challenges facing small family farms, and in 2015 Turkey highlighted the issue of food loss and waste, attention to food security issues has been somewhat haphazard. Not all G20 presidencies have included meetings of agriculture ministers and their deputies, and linkages with trade and investment have not always been made explicit even where seemingly obvious—largely because food security questions have traditionally been dealt with under the Development Working Group.

Food Security, Trade, and Soils

As part of its G20 presidency, Argentina has highlighted the importance of soil health as a key component of G20 work on a sustainable food future. While not seemingly connected in any direct way to trade, the topic relates to a number of deep-seated concerns about food security, markets, and climate change among producers in different world regions.

Many farmer and environmentalist groups, particularly in the EU, have expressed concern that further trade liberalisation could expose producers in the bloc to unfair competition from competitors who do not abide by high standards of environmental protection. They have raised concerns about tropical deforestation, genetically modified farm goods, lower animal welfare standards, and greenhouse gas emissions associated with various agricultural practices and in particular with livestock farming (Garnett et al. 2017).

At the same time, producer associations in other world regions, and especially in Latin America, have emphasised the role of high tariff barriers and trade-distorting subsidies in contributing to a suboptimal allocation of global resources, and in dis-incentivising sustainable farming that would otherwise be commercially competitive (ICTSD 2018).

Soils and soil health are central to this debate. In Latin America, farm groups have emphasised the progress made using “zero till” agriculture and production techniques such as inter-cropping, which are designed to increase carbon sequestration and yields (Regúnaga 2015).

4 Anderson (2012) has also shown that changes in import tariffs and policies also contributed significantly to the shocks.



With widely differing views persisting in this area, the G20 could usefully request competent international agencies such as the Consultative Group on International Agricultural Research (CGIAR) and FAO to conduct analysis on the scientific basis needed to inform evidence-based policymaking on specific topics in this area, such as the greenhouse gas emissions associated with various agricultural practices, including with livestock farming.

Similarly, Charveriat (2018) has suggested that the G20 request competent agencies to generate a report on sustainable food production, trade, and consumption patterns; that G20 countries use the forum to exchange domestic experiences designing pathways forward in this area; and that complementary initiatives be undertaken at the UNFCCC and the WTO. The outcome of this work could contribute to the UNFCCC's Koronivia joint work programme on agriculture, as well as be presented to farm trade officials at the WTO.⁵

Food Security and Trade: Rebuilding Consensus

With G20 talks on trade, investment, and food security largely taking place under separate tracks, the Trade and Investment Working Group could spur collaboration by recognising the relevance of policies in these areas for food security.⁶

G20 recognition could help galvanise political momentum for progress towards the SDGs, including by re-energising talks at the WTO. Moreover, broader acknowledgement of the value of both agricultural and non-agricultural trade for food security could be helpful in reframing and reconceptualising the policy agenda towards addressing emerging challenges affecting global value chains, including climate change.

In order to ensure that the relevance of trade for a sustainable food future remains a focus of G20 work in 2019, governments could agree to address this issue at other key agenda-setting moments on the farm policy calendar. This could include the Global Forum for Food and Agriculture held in Berlin in January. With the WTO's twelfth ministerial conference due to be held at the end of the same year, the GFFA could provide a useful opportunity to assess outstanding issues in agriculture and fisheries, as well as to review progress under relevant plurilateral initiatives.

5 For more detail of the UNFCCC's Koronivia joint work programme, see: http://unfccc.int/files/meetings/bonn_nov_2017/application/pdf/cp23_auv_agri.pdf

6 Eugenio Díaz-Bonilla (2018) explores some of the issues around a sustainable food future and investment.

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