

March 2009

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منظمة الأغذية  
والزراعة  
للأمم المتحدة

联合国  
粮食及  
农业组织

Food  
and  
Agriculture  
Organization  
of  
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Nations

Organisation  
des  
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Unies  
pour  
l'alimentation  
et  
l'agriculture

Продовольственная и  
сельскохозяйственная  
организация  
Объединенных  
Наций

Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
Alimentación

## TWENTY-NINTH FAO REGIONAL CONFERENCE FOR ASIA AND THE PACIFIC

**Bangkok, Thailand, 26-31 March 2009**

**Statement by the Director-General**

*Mr Prime Minister,*

*Distinguished Ministers,*

*Mr Independent Chairman of the Council,*

*Honourable Delegates,*

*Ladies and Gentlemen,*

It is a great honour and a pleasure for me to welcome you to the Twenty-ninth FAO Regional Conference for Asia and the Pacific, held in this beautiful city of Bangkok, capital of the historic Kingdom of Thailand.

I should like to express my gratitude to His Excellency, Prime Minister Abhisit Vejjavjiva, whose presence with us today reflects the high priority that the Royal Thai Government attaches to agricultural development and food security. I should like to thank him, and the Government and people of Thailand for having kindly agreed to host this Conference. On behalf of all delegations and staff of FAO, I should like to tell them how much we have appreciated their warm welcome and generous hospitality.

***(State of food insecurity in the world and in the Asia and the Pacific region)***

This Regional Conference takes place at a time when the world is facing a serious economic and financial crisis that is compounding the world food insecurity crisis. The precarious food situation tells us that reviving agricultural production in the developing world is the only viable way to combat hunger.

The last three years have been marked by an escalation of food prices. The FAO food price index first rose by 7 percent between 2005 and 2006, then by 26 percent the following year, and finally by 40 percent in the first half of 2008. From July 2008, good prospects for global production, but also the financial crisis and deteriorating economic conditions led to a weakening of major cereal prices. In January 2009, the food price index was 25 percent lower than in January 2008 and 32 percent below its peak of June 2008. Yet, it was still 19 percent higher than the annual average for 2006 and 2007 in relation to 2005, when food prices were still stable. Between 2006 and 2008, fertilizer prices increased by 170 percent, seeds by 70 percent and animal feed by 72 percent, and became unaffordable to small farmers.

In 2007, mainly because of soaring food prices, the number of hungry people in the world rose by 75 million people, then by a further estimated 40 million in 2008: making a total of 963 million undernourished people in the world today. In other words, almost one billion human beings or 15 percent of the planet's population are suffering from hunger and malnutrition.

In the developing countries of Asia and the Pacific, the number of undernourished people fell by 40 million between 1990-92 and 2003-05, a reduction of 7 percent. But the food crisis of 2007 reversed this trend and added 41 million people to the number suffering from chronic hunger in those countries.

*(Changes in agricultural production)*

- Cereals

FAO's latest figures estimate Asia's cereal production for 2008-2009 at 959 million tonnes, an increase of 5 million tonnes over the previous year, against requirements put at 1 029 million tonnes.

Asia's cereal imports are evaluated at 132 million tonnes for 2008-2009, up 11 percent from the previous year. But its exports are estimated at 40 million tonnes, which is down 13 percent. That will produce a trade deficit in cereals of 92 million tonnes this year, compared to a deficit of 73 million tonnes in 2007-2008.

- Livestock

Total meat production in Asia came to 116 million tonnes in 2007, virtually unchanged from the previous year, while milk production rose by 5 percent from 2006 to reach 262 million tonnes in 2007. Although livestock products do not yet account for a significant proportion of diet in the developing countries of the region, their consumption is growing strongly at more than 5 percent per year, one of the highest rates in the world.

- Fisheries and aquaculture

The region of Asia and the Pacific continues to be the world's leading producer of fish, with 92 million tonnes in 2007, or 66 percent of the global total. Aquaculture production rose by an annual 6.3 percent between 1997 and 2007. It now represents 89 percent of global production. On the other hand, capture fisheries only increased by 0.9 percent per year during the same period. Fisheries and aquaculture continue to be an important source of food and protein, as well as of income because of trade and the development of value-added goods. Demand for fishery products continues to grow, and hence the importance of effective management and sustainable use of the region's resources in this sector.

- Forestry

The forests of Asia and the Pacific are playing an increasingly prominent role in the context of emerging global challenges that include mitigation of climate change, demand for bioenergy, water issues and frequency of natural disasters. The region's forest area increased by some 633 000 ha annually during the period 2000-2005, in contrast to the previous decade when there was a net loss of forest cover. We should however note that this increase was due to the activities of only a handful of countries. Most countries of the region continue to show an alarming rate of deforestation.

*(Global and regional issues and challenges)*

Soaring and volatile food prices and the uncertainties of agricultural markets have become major concerns as they threaten not only food security but also social and political stability. To address these issues, governments, donors, financial institutions and world and regional organizations must take urgent and courageous steps to unlock agricultural potential and rapidly revive production in the most affected countries, in order to increase the food supply and to facilitate the access of impoverished and vulnerable population groups to food.

As part of its "Initiative on Soaring Food Prices" FAO has mobilized 151 million US dollars from its own resources and its trust funds to provide small farmers with access to inputs. It has also made technical expertise and support available to 98 countries, including 11 in Asia and 7 in the South Pacific, that requested assistance in the formulation of appropriate food security policies.

Under this initiative, FAO has taken part with the UN High-Level Task Force in assessment missions in 58 countries. And the European Commission has approved a "Food Facility for Developing Countries", with an allocation of 1 billion euros.

The financial crisis could have a profound impact on several developing countries. The tightening of credit could restrict access to the financing that these countries need, first to purchase on the market the necessary quantities to cover their food requirements, and second to invest in means of production and rural infrastructure.

In this time of crisis, it is important to address the complex substantive issues, by which I mean governance, the strengthening of national institutions, farmer support, official development assistance, increasing agriculture's share of national budgets, incentives for private investment, and partnerships at country level.

The lengthening of food supply chains that characterizes the development of agriculture in the region requires the building of capacity and the control of food safety and quality. This aspect will only intensify over time as consumers become wealthier and better educated. That will require more investment in production and in the different stages of the supply chain.

The region will also have to rise to the challenge of climate change, notably higher temperatures, greater variability of rainfall and more frequent extreme weather events, including floods and droughts. The reduced supply of water and the advance of animal and plant diseases will primarily affect the poor countries and the small island states that have less capacity of response to absorb and control the negative impacts. Good agricultural practices including conservation agriculture would help considerably to adapt to and to mitigate climate change.

#### ***(Agenda of the Regional Conference)***

*Excellencies,*

*Ladies and Gentlemen,*

In accordance with your recommendations, this Regional Conference will give you an opportunity to discuss biofuels and their implications for food security, rural development and the environment. You will learn of FAO's activities in the region and be able to examine the emergency issues that affect millions of people in the world and the region.

Your Conference will also be looking at emerging issues and priorities relating to food security and agricultural development in the region.

We are honoured to have with us for this session Mr Noori-Naeini, Independent Chairman of the Council, who will brief you on the progress of FAO reform and, more specifically, the Immediate Plan of Action that was approved at the Special Session of the Conference of FAO last November.

#### ***(Thirty-fifth (Special) Session of the Conference of FAO)***

At its Special Session, the Conference also charged the Director-General with establishing a High-Level Panel of Experts. To that end, I have written to all Member Nations, sending them a preliminary document on the terms of reference for this Panel of Experts and asking them to start identifying personalities who could participate in this network that will have several hundred members, including experts from the public sector, research centres and civil society.

The Conference of FAO also discussed the Committee on World Food Security (CFS) – which is open to all Member States of FAO and the United Nations, and to representatives of other international institutions, NGOs, the private sector and civil society, and is mandated to monitor the world food security situation – and requested that it be able to play to the full its role in the new system of global governance. Work in this area is well underway in close collaboration with the Bureau of the CFS and in cooperation with the different stakeholders.

I have also taken several measures and introduced mechanisms, including a reform support group, a panel on culture change and a team to oversee implementation of the Immediate Plan of Action. I am pleased to inform you that, despite the funding constraints, we have made solid progress on the reforms that come within my administrative responsibility.

***(Conclusion)***

*Mr Prime Minister,*

*Excellencies,*

*Ladies and Gentlemen,*

Developing agriculture is crucial if we are to address the major global and regional challenges that include food insecurity and extreme poverty.

We need investment in irrigation and better water control, in building storage capacity and maintaining the cold chain, in constructing rural roads and in producing and multiplying selected seeds; investment that will combine to boost agricultural production for the benefit of the 600 million hungry people that live in the region.

This Twenty-ninth Regional Conference for Asia and the Pacific must examine all these challenges and guide us in our future work. For its part, FAO will continue to support the region's governments and partners in the design and implementation of effective programmes. We must together ensure there is sustainable agricultural and rural development, which is the very foundation for food security in the region. I therefore eagerly await the outcome of your deliberations.

I wish you every success in your work and thank you for your kind attention.