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Food and
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COMMITTEE ON COMMODITY PROBLEMS

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THE AGRICULTURAL MARKET INFORMATION SYSTEM

Executive Summary

The creation of the Agricultural Market Information System (AMIS) is one of the most significant outcomes of the G20 in 2011. Its implementation is a top priority for the G20 in 2012. This document provides a summary of how AMIS came about, its objectives and structure and reports on progress made since September 2011 when it was officially launched. It also includes some preliminary thoughts about its potential relationship with the Committee on Commodity Problems (CCP).

Suggested action by the CCP

The Committee is invited to:

- Take note of the progress made with regard to the implementation of AMIS.

Enhancing transparency in global food markets

1. The creation of the Agricultural Market Information System (AMIS) is one of the most significant outcomes of the G20 in 2011. Its implementation is a top priority for the G20 in 2012. This document provides a summary of how AMIS came about, its objectives and structure and reports on progress made since September 2011 when it was officially launched. It also includes some preliminary thoughts about its potential relationship with the Committee on Commodity Problems (CCP).

AMIS: History, Objectives and Structure¹

2. Recent sharp price swings and surges in world prices of basic food commodities exposed a number of weaknesses in market information systems and in the coordination of actions and policy responses. Weaknesses included lack of reliable and up-to-date information on crop production,

¹ A more detailed report on the background to AMIS was included in November 2011 issue of *Food Outlook*.

utilization, stocks and export availability. The resurgence of high food prices in 2010 helped place global food security among the nine key pillars of the Multi-Year Action Plan for Development recognized by the G20 Seoul Summit in November 2010. This led to a report by relevant international organizations on ways to manage price volatility and mitigate its impacts. This report included ten recommendations, one of which called for the creation of AMIS. This was endorsed by the G20 Agriculture Ministers and AMIS was officially launched in September 2011 in Rome.

3. AMIS is an open global agricultural market information system that will closely monitor major developments in world markets and report on abnormal market conditions, while working in parallel to improve the quality of data, market analysis and forecasts at national and international levels. It will further provide a forum to promote enhanced coordination of policy responses. AMIS is intended to build on and complement existing systems in order to improve global food market information. AMIS is not a new international organization but is a platform through which major actors can work together to strengthen synergies and collaboration in order to improve data reliability, timeliness and frequency. AMIS will also build developing countries' capacity in market outlook analysis and promote policy dialogue.

4. Initially, AMIS focuses on four leading commodities: maize, rice, soybeans and wheat. Countries participating in AMIS include the G20 Members and seven invited countries (Egypt, Kazakhstan, Nigeria, the Philippines, Thailand, Ukraine and Viet Nam). These include the world's leading producing, consuming and exporting countries of the commodities concerned and account for a large share of the world food market. The active participation of these countries will ensure that key information on factors that affect the markets for basic food commodities will be available and analysed quickly, thus providing a public good for the international community.

5. AMIS is managed by a joint **Secretariat** located in FAO but supported by nine international organizations (FAO, IFAD, OECD, UNCTAD, WFP, the World Bank, the WTO, IFPRI and the UN HLTf) with capacity to collect, analyse and disseminate information on a regular basis regarding the current and future food market situation and food policies. The International Grains Council (IGC) is an observer cooperating in the area of market information. The Group on Earth Observations Global Agricultural Monitoring Initiative (GEO-GLAM) is assisting AMIS in improving crop production forecasts.

6. The organizations involved will ensure that the information outputs of AMIS are objective and factual. The AMIS Secretariat is responsible for global food market outlook analysis based on information provided by the participating countries. It is currently developing appropriate tools, methodologies and comprehensive indicators, reflecting food market developments in a meaningful way. The Secretariat is also responsible for assessing the quality of data provided and for the provision and dissemination of high quality food market outlook information products in a timely manner.

7. In addition to the Secretariat, AMIS includes two groups:

- **Global Food Market Information Group** which provides information on supply and demand as well as prices for the commodities covered by AMIS. It includes food market experts from the participating countries. This Group is also expected to identify gaps in information collection and, through specific projects, build capacity to collect market outlook information and improve the quality of the data in terms of timeliness, coherence and completeness.
- **Rapid Response Forum** focuses on enhancing policy dialogue when the market situation and outlook indicates a high food security risk. As such the Forum will encourage the coordination of policies and the development of common strategies. It is made up of senior policymakers from the participating countries who meet when the food market situation warrants. Its objective is to promote discussions on options in order to enhance policy coordination.

8. In the AMIS inception meeting in September 2011, participants recommended to have the Chairperson of the Committee on World Food Security (CFS) as a Permanent Observer and to establish a mechanism for collaboration between the Rapid Response Forum and the CFS.

Progress to date

9. Progress since the inception of AMIS in September 2011 has been marked by very rapid advances on several fronts. The inception meeting itself was an important achievement. All G20 Members attended. They adopted the Terms of Reference and Rules of Procedures of AMIS. They had also agreed on a set of outputs, including the AMIS website, and selected a logo. The Members also called for a meeting of experts from international organizations to discuss “abnormal market situation”, related indicators and regular AMIS outputs. As a further evidence of the strong desire in turning AMIS into a relevant platform for global food market information and analysis, seven non-G20 countries were also invited to join AMIS: Egypt, Kazakhstan, Nigeria, the Philippines, Thailand, Ukraine and Viet Nam. These countries were selected on the basis of their important share in world markets.

10. By December 2011, the AMIS website became operational. The web site (www.amis-outlook.org) is the main platform through which AMIS activities and outputs will be available to the public. It is divided into four domains: Market Monitor, Analyses, Statistics and Capacity Development. In the spirit of transparency and as a public good, the new site will be open to the public and free of charge. Although the site is still in development stage and its various domains have yet to be completely populated with relevant information, its statistical domain already allows extraction of supply and demand data on the four commodities covered by AMIS by country. Another feature of this statistical domain is the Data Input, which allows the participating countries to submit their latest data. The data will be reviewed by the Secretariat before their release in the public domain. The Data Input section of the site is password protected, permitting the national focal points of the Information Group to view or input data for their respective countries only.

11. As was requested in the inception meeting, representatives from the international organizations composing the AMIS Secretariat and their invited experts met in Rome in December 2011 to discuss “abnormal market conditions” as well as to brainstorm over appropriate market indicators and to define 2012 outputs and work plan. This expert meeting decided to publish regular market bulletins starting in March 2012 on the AMIS website. The bulletins will include a section on market indicators and will evaluate price trends, impacts of policy changes and developments in energy and other markets with a bearing on food markets. The meeting recognized the importance of establishing sound thresholds for some of the indicators to help identify abnormalities and hence avert eventual problems.

12. The first meeting of the AMIS Global Food Market Information Group took place in Rome in February 2012. The meeting was attended by all G20 Members as well as Egypt, the Philippines and Thailand. As of that time, only Nigeria, out of the initial seven invitee countries, had not yet officially notified its decision to join AMIS. The two-day event was significant in that it provided the first opportunity for all AMIS participating focal points to present national practices and methodologies in collecting and analyzing market data. It was also agreed that starting in May 2012; countries will provide their supply and demand forecasts for the 2012/2013 season. Several participants identified areas for improvement in their data collection systems and expressed interest in improving methodologies with the help of AMIS. The issue of AMIS commodity coverage was also raised with suggestions to extend the coverage to cereals (for grains) and oilseeds (for soybeans) to provide a more comprehensive analysis of the world market. The meeting also reviewed a preliminary working document on indicators and suggested some criteria for selecting the new indicators, such as their relevance to “abnormal” market situations and added value compared to existing indicators, while focusing on those which would reflect improved methodologies and data gained through collaboration with the Focal Points.

13. The first meeting of the AMIS Rapid Response Forum will take place in April 2012 in Mexico City during the G20 Agriculture Vice-Ministers/ Deputies Meetings.² The agenda includes an analysis of the current market situation and outlook, a review of the concept paper on the role and functioning of the Forum and the election of a new AMIS Chair for 2012/13.

² Note: This document was written in March 2012.

14. Given the pace of the AMIS progress so far and continued strong support and commitments expressed by the participating countries and the various international organizations in the Secretariat, AMIS should become a fully functional entity within just one year of its creation. By September 2012, AMIS will have a well-defined structure with clear outputs. It will be a leading source of reliable information on global markets for major food commodities and a distinctive tool, at times of uncertainty, to help improve market stability.

AMIS and the CCP

15. There are clearly strong linkages between activities of AMIS and the terms of reference of the CCP. To recall, the terms of reference of the CCP include:

- Keep commodity problems of an international character affecting production, trade, distribution and consumption, and related economic matters under review;
- Prepare a factual and interpretative survey of the world commodity situation, which would be made available directly to Member Nations; and
- Report and submit suggestions to the Council on policy issues arising out of its deliberations, and to avail these reports and those of its Subsidiary Bodies to Member Nations for their information.

16. AMIS core activities are also highly relevant to the work of at least three subsidiary bodies of the CCP: namely, the Intergovernmental Groups (IGGs) on Grains, Rice and Oilseeds, Oils and Fats. The FAO IGGs are forums for intergovernmental consultation and exchange on trends in production, consumption, trade and prices of the commodities covered, including regular appraisal of the global market situation and short term outlook. In this respect, therefore, AMIS will strengthen the information base as well as the analytical capacity of the relevant IGGs while, in turn, the IGGs could provide broader country coverage for improved global market analysis by AMIS.