



**9TH MEETING OF THE MINISTERS
FOR FOOD, AGRICULTURE AND FISHERIES of
THE MEMBER COUNTRIES OF CIHEAM**

Malta, 27 September 2012

**Introduction Remarks by the Secretary General
Dr. Francisco Mombiela**



THANKS

Honorable Ministers and Ambassadors
Distinguished Representatives
Excellencies, Ladies and Gentlemen,

On behalf of CIHEAM, let me say that it's a great pleasure and an honor to be here today

I would like once again to thank the Maltese Authorities for their warm hospitality and for having invited us to hold the 9th ministerial meeting of CIHEAM Countries.

I would also like to acknowledge the FAO for its valuable contribution to the organization of this meeting.

By way of introducing this meeting, allow me to state some facts

FACTS

1. Food prices are increasing and are more volatile

In 2012/2013 world agricultural markets will experience a rise in price and price volatility. This will be the third time this happens in five years.

All cereals based products, including meat, are expected to experience price increases, if not this year almost certainly in 2013. The Mediterranean region is likely to be one of the hardest hit.

We are not talking about a level of price volatility that is typical of agricultural markets and is to some extent predictable, as for example when price change can be described by smooth trend lines based on more or less measurable market parameters or well known seasonal patterns. We are talking about wide variations that cannot be anticipated and consequently produce a level of uncertainty that increases risks for all agrifood chain stakeholders and governments.

2. Food demand is growing at a faster pace than food production

The extended downward trend in real prices of past years reflected the effect of technical improvements, which tended to increase yields and food production at a rate that outpaced demand arising from growth in population and incomes. In recent years, however, there has been some slowing down of the rate of yield growth which has

coincided with low levels of investment in agriculture and in research and development, whether international or national, public or private. But demand has continued to grow rapidly, fuelled by climate disruption, high rates of economic growth in emerging economies, and a closer linkage of agricultural markets to energy markets. Since CIHEAM was created, 50 years ago, cereals production in MENA countries has increased threefold, but consumer needs have increased by a factor of 6 and cereals imports by a factor of 23.

Arab countries import at least 50 percent of the cereal calories they consume, and this figure is expected to rise to almost 64 percent over the next twenty years.

3. The natural constraints of the Mediterranean are increasing: water and land scarcity

Climate constraints are part of the Mediterranean's ecological identity and a perennial feature throughout its history.

They have always required Mediterranean farmers to show great ingenuity in adapting to and managing fragile environment.

While the ability to adapt to climate constraints is therefore not a new challenge for Mediterranean agriculture, climate disruption is intensifying, with flood, drought and forest fires capturing the attention of the media

Water alone offers an illustration of the tremendous tensions to which the allocation of a scarce natural resource can give rise. It is often forgotten that in the Mediterranean region water is primarily devoted to producing food and hence to nourishing the population.

As climate constraints increase, living conditions in the rural world will inevitably become harder for those segments of the population that are already vulnerable.

4. Most Mediterranean countries' show a structural deficit with respect to basic commodities

Mediterranean countries as a whole are unable to produce enough to satisfy consumers' food needs.

Non-oil-exporting MENA countries that rely significantly on cereal imports all have fiscal and trade deficits that contribute to economic hardship.

Food-price shocks have driven up the cost of government food subsidies and, as the government response to such shocks is commonly to increase the size and scope of the subsidies, costs are being driven up even further. In some countries subsidies may amount to 2 or 3% of GDP. The IMF estimated that the Arab countries' food subsidies for 2011 amounted to 40 billion dollars.

5. Food habits are deviating from the Mediterranean Diet pattern

Even though hunger is being curbed and the prevalence of undernourishment within the population as a whole remains low in the Mediterranean, outbreaks of famine have tended to be more frequent in certain Arab countries. More generally malnutrition has been on the increase, especially among children.

With the rise in the consumption of saturated fat (meat imports have increased one hundredfold in Jordan and twentyfold in Egypt over the past 50 years) and sugar, overweight and obesity are spreading throughout the region. The Mediterranean diet is losing ground at a time when its virtues are recognised worldwide.

6. The complexity of the food chain

Millions of metric tons of foodstuffs are wasted worldwide. Studies of wheat supply chains in the Arab world identified losses of over US\$480 million due to inefficiencies.

As countries develop, food chains become more complicated, consumer price decouple from production prices and shortages affect the least organized links of the chain which are usually the small producers.

THE CHALLENGE

How to build up a price resilient Mediterranean food system that:

- takes advantage of the Mediterranean's natural endowments, to produce agrifood in an efficient and sustainable way;
- and is capable of satisfying food needs of societies in countries with production deficits.

CIHEAM's MULTIPLE FIELDS OF ACTION

Food Security is always a key consideration in CIHEAM's activities of education and specialized training, joint research networking and co-operation in agrifood at the regional level.

As regards to education, all CIHEAM's activities are directly or indirectly related to the question of food security issue.

As far as research and development is concerned, we focus on pooling skills and gradually developing regional networks, thereby strengthening cooperation across the Mediterranean.

And when it comes to the debate on agro-food policies, the CIHEAM contributes through its publications (Edition 2014 of *Mediterra f.i.* will focus on trade and logistics) and communication activities, as well as its numerous networks - including the present one, for the meeting of our 13 member

countries' ministers of agriculture forms the paramount high-level network of our organisation.

POINTS FOR CONSIDERATION

To conclude, allow me to lay down three points for consideration, which I think may be particularly relevant to the subject you are about to address:

1. Pooling of skills, joining efforts and sharing instruments, whether technical, scientific or educational, is becoming a must. The solutions to most of the major issues are not confined within political frontiers. Ways have to be found to facilitate the free circulation of food-market information as well as foodstuffs across the Mediterranean.
2. Likewise, this is no time to be focusing simply on the quantitative dimension of agricultural production. Efforts to improve both quality (to ensure a healthy diet) and efficiency (produce more with less) are also imperative.
3. Finally I would like to draw your attention to the importance of the role of food policy as a means of addressing food security in the Mediterranean, bearing in mind that an important way for the Mediterranean to address the food security issue might consist in changing eating habits and returning to the fundamentals of the Mediterranean Diet.

Excellencies,

Let me once again thank you for attending this meeting. We see CIHEAM as a Mediterranean, problem-solving-oriented, knowledge-sharing platform. Reactivity is our watchword. We eagerly await your suggestions for adapting our activities so that they might better serve the Mediterranean agrifood family