



APEC BUSINESS ADVISORY COUNCIL



27 August 2010

H.E. Masahiko Yamada

Chair, APEC Ministerial Meeting on Food Security &
Minister of Agriculture, Forestry & Fishery
Japan

Dear Minister Yamada:

Solving the issue of food security is vital to APEC's economic growth and regional integration. As businesspersons, we know well that our customers buy food first, and that all our other products and services are purchased with what is left over. The gross numbers are well known and daunting – the need to produce 70 to 100% more food by 2050 with climate change likely to have a depressing effect on crop yields.

If food cannot be kept abundant and affordable through effective technology, policy and trade responses, then all economies and businesses will suffer. And if the situation gets out of hand, then there is the possibility of serious economic dislocation in the decades to come.

APEC member economies, and their individual citizens, have a right to food security and the sound nutrition needed to enjoy productive lives.

This is an alarm that ABAC has been sounding for over ten years in its reports to APEC.

ABAC is now very pleased that APEC Leaders in 2009 named food security, “a major priority for APEC” and that the first ever ministerial meeting on the subject will take place this October.

We urge you to now grasp the opportunity you have to be bold in undertaking a comprehensive and long-term response to this issue. It would be extremely disappointing if you can only recommend a lowest common denominator work plan to APEC Leaders and governments.

The CEO of a major agribusiness put it this way, “If it becomes every man for himself in food supply, then it is the poor who will suffer.” We agree and add that if it becomes every man for himself in food, then it is also nearly every business in every APEC economy that will suffer.

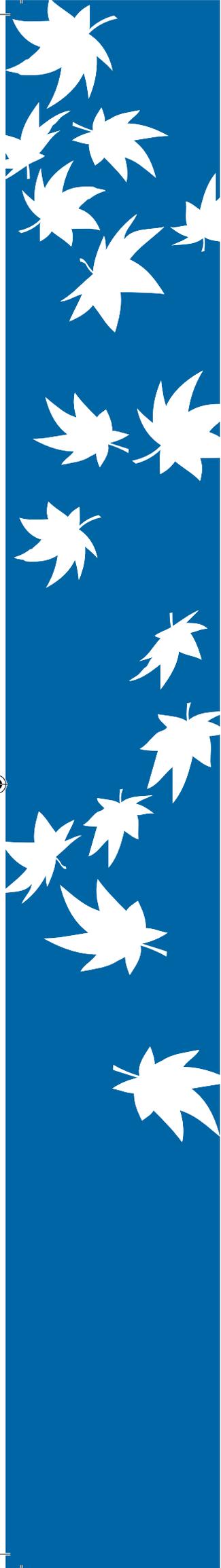
Last year, ABAC published a *Strategic Framework for Food Security in APEC*. We commend that document to you in its entirety and reiterate its key recommendations, which we hope will also become part of your recommendations to Leaders:

Implement the Food System Approach: Leaders should unequivocally re-commit to the APEC Food System and use this approach to integrate the regional food system, end distorting measures such as import restrictions and subsidies, and avoid ineffective piecemeal responses.

End Export Restrictions: Leaders should formally declare an end to all export embargoes, quantitative restrictions and export taxes for food traded between APEC economies. Simply put, no matter what else is done, food security cannot be achieved if food trade is not a reliable part of the solution.

Establish a Coordinating Mechanism: APEC needs an ongoing, high-level group, which includes the private and research sectors, with sufficient authority to ensure the policy and technical cooperation necessary to address the complex challenges of achieving food security and an integrated food system.





Use the APEC Caucus to Advance Doha: The specter of real progress on the APEC Food System could be instrumental in advancing the Doha agricultural negotiations.

Additionally, the feedback to requests we made to the private and research sectors for input on this issue lead us to the conclusion that the greatest early returns can be achieved in the short-term by reducing undernourishment. In the medium-term, APEC should work to: improve food transport logistics (especially within and between developing economies) and supply chain efficiencies; create reliable cold storage chains to ameliorate post-harvest loss; build stronger market “soft” infrastructure such as pricing signals, credit, etc.; and, encourage investment, including from agribusiness, in agricultural production.

Sincerely,



Gempachiro Aihara
ABAC Chair 2010