

Improving Food Market Transparency and Policy Response for Food Security:

The Agricultural Market Information System

A Scoping Report

prepared by

FAO, IFAD, OECD, UNCTAD, WFP, the World Bank,
the WTO, IFPRI and the UN HLTF

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1. Introduction

Successful collection and dissemination of quality food market outlook information in a timely manner cannot be realised without full participation of the food market information providers and analysts. Building on and complementing existing systems, improvements in market information and transparency could be achieved through a collaborative food market data initiative.

FAO, IFAD, OECD, UNCTAD WFP, the World Bank, WTO, IFPRI and the UN HLTF propose to establish an **Agricultural Market Information System (AMIS)** in order to enhance the quality, timeliness and reliability of food market outlook information. Consultation with the International Grains Council (IGC) on this initiative is also on-going.

AMIS aims at making food market information better through strengthening the collaboration and dialogue between main producing, exporting and importing countries, commercial enterprises and international organizations. Such a collaborative effort will help to increase transparency and restore confidence in markets, reduce uncertainty and provide a more level playing field for poor countries by enhancing the dissemination of quality food market information. AMIS will also provide the basis for global food market alerts to price surges and more timely and effective policy responses to market developments. In more detail AMIS will:

- improve agricultural market outlook and forecasts at both national and international levels;
- issue alerts to food price surges as appropriate and strengthen global early warning capacity, thus enhancing food security and emergency policy response;
- provide policy guidance and promote international policy coordination; and,
- build data collection capacity in participating countries.

This scoping report provides a review of the existing global food market outlook information mechanisms, identifies problems and gaps and determines the scope, structure and operations of AMIS.

2. Current Global Food Market Outlook Analysis and Early Warning Systems

2.1 *Market Outlook Analysis: Problems and Challenges*

At the global level, food market outlook information is provided by FAO, USDA, IFPRI and other organizations. The International Grains Council (IGC) produces global market outlooks for grains and oilseeds. At the national level, a number of main producing countries make information on food production, consumption, trade, and stocks forecasts available. For developing countries, early warning systems, such as the FAO Global Information Early Warning System (GIEWS), the WFP Vulnerability Analysis and Mapping (VAM) and the USAID Famine Early Warning System Network (FEWS), forecast food balances, assess food security, and provide valuable information for countries facing food emergency situations.

For all global food market outlook providers, the assessment of global market fundamentals is based on the compilation of current and expected food balance sheets, based on data on current and expected crop production, utilisation, trade and stocks for the main producing and consuming countries.

Production forecasts are a key element in the estimation of food balance sheets. Data on crop production forecasts is collected by a variety of sources. Official information on planting intentions, area planted and expected yields is available for a number of main producing and consuming countries.

This information is generated by government or producer organizations through a variety of methods. For example, to estimate planted area and crop growth, sampling farms in the main producing areas, as it is done in the US, is a fairly accurate method. Other countries utilise remote sensing techniques in conjunction with information on weather and farming practices in order to assess area planted and crop growth. As the growing season progresses, the focus of forecasting switches from crop plantings to yield expectations and to the impact of weather and the incidence of unexpected pests or disease on the crop which inevitably introduce a degree of error in the forecast.

For many countries, information on production forecasts is unavailable and international providers of market outlook information resort to private traders' knowledge and local media sources. They also utilise remote sensing and crop growth modelling in order to update the baseline data on planted and harvested areas, yield, and production developments. Even for the main food producing countries, for which official production data is publicly available, the timing of their release is not always suitable to render global market outlook accurate and effective in informing the markets.

Data on stocks is not officially available for the majority of main food market players. The most useful stock data is on end-of-season stocks, when stocks are at their lowest point. Information on end-of-season grain stocks, both actual and forecast, is available by a handful of major producers (the US, Canada, Australia, the UK, France and India). From the EU as a whole, only data on (public) intervention stocks are available (which are of a small size and for high quality wheat only).

Information on end-of-season rice stocks is available only by India, the Philippines, Thailand, the US, and the EU. For all other countries, food stocks are estimated as the residual of the food balances (production + imports - exports - consumption - post-harvest losses + net stock change). As such, the estimates are subject to large errors, since accuracy depends on the quality of information on production, consumption and trade and the information available on the initial stocks.

Often, lack of quality data on production, consumption and trade makes the estimation of end-of-season stocks very difficult. Analysts resort to the crude calculation of carryover stocks in an initial year when consumption is low, and it can be assumed that end-of-season stocks too have been run down to a minimum level, in order to arrive at stock level estimates for subsequent years. Sporadic information on stocks from local press and media also helps to refine the series. In sum, it is difficult to have complete confidence in world carryover figures.

For **data on trade**, global information providers rely on official monthly data and forecast imports and exports usually within the marketing year (July to June) based on past behaviour. Often, for countries where data is not available from official sources, analysts resort to an evaluation of exports by source and destination. This entails tracing the exports of a country where data on quantities and destination is available to assess the imports by countries that do not report trade data. Such an expected trade estimation exercise also requires verification on the basis of food balances.

Trade policies are routinely monitored by analysts. World trade in basic food has expanded substantially between 1990 and 2010 (for cereals by over 40 percent), exceeding the growth in both production and consumption. Although the main causes in disturbances in the world food markets have been production

shocks and other non-fundamental factors such as monetary expansion, trade policy changes, such as abrupt changes in import tariffs or export bans, can and do have real and substantial market effects.

Crop utilisation has been traditionally considered the food balance element that was relatively more predictable. Data on utilisation is available by few major grain producing countries (Argentina, Australia, Canada, the EU and the US). Analysts forecast food, feed and industrial utilisation based on past behaviour. However, consumption trends and policies require continuous monitoring. There are three main problems in estimating crop utilisation. First, consumption trends should be monitored especially for the fast-growing developing countries, including several G20 members. Fast economic growth in these countries results in rapid changes in diets that shift from consumption of basic grains to protein rich and other highly income elastic foods. There is need for detailed demand studies, especially where there are a number of closely competing commodities, as in the feed-grains/oilcakes complex. Consistency checks can be done between estimates of monogastric livestock and feed grain use.

Second, data need to be collected more intensively on the non-food uses of grains and oilseeds. Not only feed use has to be monitored closely, but more importantly, the growing use of some cereals and oil crops for making biofuels. Crop use by the biofuel sector accounts for some 12 percent of world production of coarse grains and 10 percent of global vegetable oil production. Often, the demand for crops is estimated on the basis of the volume of biofuels produced.

The sharp increase in the production of maize-based ethanol was prompted by policy measures, such as biofuel blending mandates and subsidies, as well as by increases in the prices of oil. The potential for large changes in the demand for maize is considerable if policies or fuel prices were to change. There is need for close monitoring of policies and upcoming legislation in order to assess how demand by the biofuels sector would evolve in the future. Changes in the technology of biofuel production also have important implications on demand for crops. There is also need for analysts to obtain better information on how technology would evolve through discussion with industry stakeholders and traders.

Third, quality issues are important to price and price responsiveness. At a minimum, there needs to be an effort to differentiate "old" and "new" crops in store, as the private sector currently does.

Monitoring **price developments** is crucial in food market information systems. Global information providers use primarily export or import prices' quotes from specific ports which are representative for world markets. Looking for indications on expected food prices, analysts resort to modellingⁱ or futures markets in a number of countries where quotations are available for prices at specific days and for specific qualities. However, the relationship between the futures prices and the cash prices in the future is not always one-to-one.ⁱⁱ There is need for further analysis and formal modelling to identify the relationship between futures and cash prices during different market conditions. Also the construction of specific indicators of market sentiment will be useful in assessing the transmission of price changes from the futures to the physical markets.

In the same manner, the relationship between food and energy prices ought to be closely monitored. As food and energy markets are becoming increasingly integrated through the utilisation of crops for the production of biofuels, shocks in the energy market can be rapidly transmitted to the food markets, rendering both monitoring the energy market and a formal identification of the relationship between food and oil prices necessary.

2.2 Early Warning Systems

Early warning systems with global coverage, such as the Global Information Early Warning System (GIEWS) and the USAID-funded Famine Early Warning Systems Network (FEWS NET) keep the world food supply/demand situation under continuous review. They primarily focus on monitoring the food situation in developing and less developed countries, issuing reports and providing early warnings of impending food crises in individual countries.

For countries facing a serious food emergency, GIEWS and the World Food Programme also carry out joint Crop and Food Security Assessment Missions (CFSAMs). Their purpose is to provide timely and reliable information so that appropriate actions can be taken by the governments, the international community, and other parties. In a similar manner, WFP and the FEWS NET rely on their strong presence in countries and collaborate with international, regional and national partners to provide timely and rigorous early warning and vulnerability information on emerging and evolving food security issues.

Although early warning systems focus on the food markets of developing and least developed countries, their role in assessing global food market situation and providing this information to AMIS is important. International market price surges may or may not be transmitted to the domestic markets of developing countries. For example, in 2008, international market food price increases were fully transmitted to food markets of the most vulnerable countries with some delay. In 2010, good crops, especially in Africa, resulted in the increase in the international grains prices not affecting the domestic food market situation of many less developed countries. Price transmission analysis between the world market and the markets of developing countries is of crucial importance.

Early warning systems, through the monitoring of indicators, such as domestic price indices and estimated food import bills, can provide valuable information to AMIS, especially when international price developments affect the vulnerable and necessitate action by the international community.

Box 1 - Identifying problems and gaps in global food market outlook analysis

- Official country data on crop production and consumption forecasts often is not available to international information providers. When available, forecasts are often not timely and can be inaccurate.
- For most of the main producing and consuming countries reliable official information on food stocks is not existent.
- There are no formal links between national market outlook agencies and international information providers.
- There is a lack of indicators that are meaningful and comprehensive.
- Although international information providers include in their price monitoring work the developments in the energy and agricultural futures markets, there is need to increase the scope of market outlook analysis.
- The linkages with the private sector are often weak, especially as far as information on private stocks is concerned.
- Many major food market players have little capacity to collect information on expected production, stocks, trade flows and utilisation.

3. The Agricultural Market Information System: Structure and functions

AMIS will provide a platform to enhance collaboration. It is not a new institution. Building on and complementing existing systems, improvements in the flow of market information and market outlook analysis could, initially, be achieved through a limited budget. It is proposed that such an initiative is built on the model of the Joint Oil Data Initiative, launched in 2000 to improve information about oil markets. However, it would have the additional functions of issuing global food price surge alerts and promoting policy coherence.

AMIS will involve a number of international and inter-governmental organizations with capacity to collect, analyse and disseminate information on a regular basis regarding the food situation and outlook, the major producing and consuming countries, as well as commercial enterprises. A significant improvement in the ability to monitor world food markets can be realised through collaboration and improving the synergies within a key set of major producing and consuming countries. For food crops as rice, wheat, coarse grains and soybeans, access to better information on production in few countries can go a long way in helping to understand market trends at the global level. For instance, in the case of wheat and rice, less than ten countries account for over 90 percent of world production (see also Annex A). It is proposed that the following countries participate in AMIS:

- **G20:** Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, Republic of Korea, Turkey, United Kingdom, United States of America, and the European Union.
- **Non-G20:** Bangladesh, Philippines, Thailand, Vietnam; Egypt, Iran, Nigeria, Pakistan.

The Chair of AMIS can be rotated between the above G20 and non G20 countries.

The structure of AMIS should allow effective performance of two important functions, namely food market information collection and analysis and the ability to issue global food price surge alerts, and the coordination of international policy responses in the event of an international food price surge. This will necessitate the participation of both agricultural market experts and policy makers. In order to carry out these functions AMIS will comprise of:

- the Secretariat;
- the Global Food Market Information Group; and,
- the Rapid Response Forum.

3.1 The Secretariat

It is proposed that the following international and inter-governmental organizations form the Secretariat of AMIS: **FAO, IFPRI, IGC, OECD, UNCTAD, the UN High Level Task Force, WTO, WFP and the World Bank**. The objective will be to exploit each Organization's comparative advantage (see Box 2).

The AMIS Secretariat will make use of existing mechanisms. It is proposed that it is based on a network of all participating organizations, anchored in FAO.

The functions of the Secretariat will include:

- collate and assess the submitted data and undertake the market outlook analysis in collaboration with Global Food Market Information Group;
- develop appropriate methodologies and indicators;
- receive information on food security assessments in vulnerable countries from early warning systems,
- issue global food price surges alerts, as appropriate;
- maintain communication with countries and commercial enterprises and organise the meetings of AMIS;
- ensure the market outlook information products are of high quality and are disseminated frequently; and,
- assist participating countries to build their capacity in market outlook information.

Strengthening the links within the Secretariat will be achieved through frequent communication and meetings, staff exchanges and secondment programmes. Further details on the scope and the analytical priorities of the AMIS Secretariat are elaborated in Section 4.

3.2 The Global Food Market Information Group

The AMIS Global Food Market Information Group will be primarily responsible for the provision of data and the assessment of the analysis of market outlook information undertaken by the Secretariat. All participating countries will be represented in this group and would be desirable if the participants were market experts from the Ministries or Departments which are responsible.

The Global Food Market Information Group will:

- be responsible for the provision of official data to AMIS Secretariat;
- meet regularly and collectively assess the global food market current situation and outlook analysis carried out by the Secretariat; and,
- identify problems and gaps in the collection of data (for example data on stocks) and in collaboration with the Secretariat discuss solutions and capacity building projects.

Such a collaborative initiative will strengthen and formalise existing relationship between international organizations and countries, resulting in better data, deeper analysis and quality products.

AMIS Global Food Market Information Group will meet twice per year to discuss market trends, emerging issues and policy changes that may affect agricultural markets. Such meetings will strengthen the links and synergies between the international organizations, countries and commercial enterprises. They will also be instrumental in overcoming difficulties that some governments or commercial enterprises may experience in relation to confidentiality of data on food stocks.

Box 2 – International Organizations comparative advantages in AMIS

FAO	Global, country and regional supply and demand analysis of major agricultural commodities with a particular focus on food security staples such as cereals; price databases, widely disseminated information products, food security assessments, capacity building, presence in countries.
IFPRI	Modelling of price developments and changes in returns, price transmission from international to local markets, level of interdependence and volatility transmission in major agricultural exchanges, food and energy markets, future markets analysis, agricultural trade policy monitoring, and modeling of drivers behind food prices.
IGC	IGC is an intergovernmental organisation concerned primarily with grains and oilseeds trade, while offering market outlook information on regular basis covering major cereals and oilseeds. It has strong links with major exporters and the private sector.
OECD	Food and energy markets policy monitoring and analysis.
UN High Level Task Force	Coordination and food security issues.
UNCTAD	food and non-food commodity market policy monitoring and analysis, futures market analysis, trade database, biofuels policy monitoring and analysis, shipping freight rates monitoring and analysis, fiscal and balance-of-payments monitoring and analysis.
WFP	Vulnerability analysis, food security assessment and monitoring, developing country market information monitoring, cross-border food trade monitoring, extensive presence in developing countries.
WTO	Databases on duties and trade flows, notifications on trade measures and trade policy changes.
the World Bank	Food market policy monitoring and analysis, presence in countries, capacity building.

3.3 *The Rapid Response Forum*

The objective of this Forum will be to provide appropriate policy guidance and promote policy coordination when the market situation and outlook as evaluated by the analysis of the Secretariat indicates a high food security risk. Through the participation of the major producing, exporting and importing countries the AMIS Rapid Response Forum will be able to mobilise wide political support to achieve agreement on appropriate policy response and actions in times of crisis. The Rapid Response Forum will comprise of policy experts from all participating countries and will meet in times of crisis, and in particular in response to a food price surge alert situation.

The Rapid Response Forum will:

- receive and assess information and analyses from AMIS Secretariat on the current global market situation and outlook, assessing the Secretariat's regular statements on the ensuing implications for food security;

- receive information and assessments for particularly vulnerable countries;
- when the market situation and outlook as evaluated by the AMIS Secretariat indicates a high food security risk, provide appropriate policy guidance and promote policy coordination; and,
- work closely with the Committee on World Food Security (CFS) to promote greater policy convergence and strengthen policy linkages at global level.

The guidance provided by the Rapid Response Forum will encourage the implementation of efficient and effective policies, the avoidance of potentially damaging policy choices, and will ensure that humanitarian responses are rapid and appropriate.

4. AMIS: Scope, data assessment and analysis

4.1 Scope

It is proposed to initially focus on data collection and market outlook for the four major crops: **wheat, maize, rice** and **soybeans**. Additional commodities will also be added to AMIS' work in the future. A minimum core set of data will be identified and each participating country will commit to provide this information twice per year. This core set of data will provide the necessary information to compile expected wheat, maize, rice and soybean balances at different points of time. At a later stage, the coverage of AMIS can be expanded to include additional crops or countries and additional data, thus increasing the level of detail, as for example, information on food, feed and industrial utilisation (see Box 3).

The collection of data will be realised by means of electronic questionnaires and an AMIS collaborative website where participating countries will directly input the data. Data collection, examination, and consolidation will be carried out by the Secretariat.

4.2 Assessment

The assessment of the collected data will be carried out in terms of standards to be set by AMIS:

- **timeliness** (whether the information was provided on time to contribute towards a global food market situation assessment and outlook);
- **completeness and coherence** (whether the data suffices to compile a meaningful national food balance sheet); and,
- **comparability** (whether the data is comparable with past values and other information).

Assessment is an important part of collaborative data initiatives. The experience of JODI-Oil suggests that assessment was crucial in increasing the quality of the data. In a similar manner, data submitted to AMIS will be assessed in terms of timeliness, completeness and coherence and comparability, evaluated in three categories of "Good", "Fair" and "Poor" and publicised. Such an assessment will measure the collaborative effort's progress and will also indicate where improvements and capacity building are warranted. It is also

important that the participating organizations, such as FAO, and the World Bank will utilise their presence in the major producing and consuming countries to leverage the collection of data.

Box 3 – Core data for wheat, maize, rice and soybeans (marketing year) and other information

Food balance data requirements	Other data requirements
Planting intentions of producers (where available)	International market food prices
Planted area	International market energy prices, input prices (fertilizers, seeds) at the international and national levels Future prices and future transactions for major commodities
Expected yields and crop development	Agricultural futures prices and information related to futures markets
Consumption forecasts	Domestic food market prices in developing and less developed countries
Current and expected end-of –season stocks (public and private)	Remote sensing information to estimate area planted and crop growth
Trade flows (exports and imports)	US dollar exchange rate Freight rates Climate data (rainfall, temperatures by minimum possible geographical disaggregation) Information on trade and biofuels policies: current level of import duties, safeguards, tariff rate quotas filling rate; export taxes and restrictions; biofuels subsidies

4.3 Analysis

The Secretariat of AMIS and the Global Food Market Information Group will utilise the collected data to maintain current season food (wheat, maize, rice and soybean) global balance sheets and will monitor food price developments. The responsibility of global market outlook analysis will lie with the Secretariat. Indicators such as price indices, global and food exporting countries stocks to utilization ratio will be calculated.

Apart from the assessment of global market current situation and outlook, AMIS will aim to increase the scope of analysis. Additional analytical capacity can be exploited through the collaboration of international organizations in areas such as agricultural futures markets, energy markets, policy monitoring, price transmission from world to domestic markets and food security assessments. Such additional secondary information will be collected and assessed by the Secretariat in order to facilitate and complement the global food market outlook analysis.

(i) Agricultural futures markets

The Secretariat will monitor closely developments in agricultural futures markets in terms of futures prices trends, abnormal price changes, investments by financial institutions and volatility. Indicators which measure future market developments will be calculated, such as trends in implied volatility, or the net long position of non commercial financial investors, in order to monitor the sentiment of the market. Additional capacity in assessing the effect of futures prices on cash prices through econometric modelling of the transmission of price changes between these two markets will be brought in AMIS by the participation of IFPRI.

(ii) Energy markets

Improved monitoring of international energy prices will also be undertaken. Organizations participating in the Secretariat with capacity in modelling, such as IFPRI and the World Bank, will also undertake studies on modelling the relationship between oil and food prices in order to better anticipate volatility spillovers between the energy and food markets. Specific indicators reflecting this relationship will be developed.

(iii) Policy monitoring

The Secretariat will place emphasis on monitoring and analyzing domestic and trade food policies, as well as policies related to biofuel production. Timely identification and analysis of policy changes provide an early warning of changes in food supply and demand. Capacity in AMIS is brought through the policy monitoring and policy analysis activities already undertaken by OECD, WTO and the World Bank.

(iv) Global Food Security

Indicators reflecting food market situation and prospects in vulnerable countries, such as major staple prices and food import bills, will be used as part of global food market monitoring activities to inform on impacts on food security. Additional information on the vulnerability of developing and less developed countries to international food price shocks will be provided by WFP and GIEWS in order to assess the food security situation.

Box 4 – Indicators

Major crop stock to utilisation ratio (global)	Volatility indicators (annual and monthly)
Major crop stock to utilisation ratio (exporting countries)	Financial institutions' open interest (volume of contracts in futures markets – transmission indicators across futures exchanges)
Freight rates	Prices of fertilisers (current and forecasts)
Oil prices	US Dollar exchange rate (current and forecasts)
Food import bills – cost of imported food	Major crop futures prices
Developing country food security and vulnerability situation	Food price indices
	Price transmission indicators

5. AMIS: Information output and alerts

The information outputs of AMIS will be seen as dependable and independent of special interests. Improved monitoring must be disseminated if it is to play a role in enhancing market transparency. There is a need for both timeliness and higher frequency of such outputs. Existing information products will be expanded and market situation and reports would be published more frequently. AMIS will issue:

- global food market situation and outlook reports twice per year (an enhanced pilot global market outlook and situation will be published in June 2012);
- monthly short updating documents to the market situation and outlook reports, presenting the expected supply/demand situation, food and non-food price updates and other related indicators; and,
- global food market alerts, as appropriate.

A crucial output of AMIS will be that of providing a global early warning mechanism. The comprehensive coverage of global major food markets and the close monitoring of prices in combination with food security assessments across vulnerable countries will provide a complete picture of both food price trends and their impact. This will allow the Secretariat of AMIS to act as an effective food crisis alert mechanism, combining the strong technical expertise of the participating Organisations with the active presence and collaboration of major producing and consuming countries.

The building blocks of such a global food market alert mechanism will be developed as part of the regular activities of AMIS. The current season global balance sheets for major crops, food price indices and other indicators related to the sentiment of the market, as well as indicators for food security will comprise a comprehensive “food price crisis alert system” which will manage critical information about food markets and ensure accurate and timely communication.

There are important advantages in using AMIS Secretariat as a standing body focusing exclusively on food price surges alerts. The Secretariat, through the participation of market experts, will have strong technical expertise and therefore will be well-placed in interpreting information and deciding whether a situation is sufficiently grave to warrant issuing an alert.

6. AMIS: Transfer Knowledge and Capacity Building

Building capacity in the participating countries to collect market outlook information and improve the quality of the data in terms of timeliness, coherence and completeness will be an important component of AMIS.

There will be need to harmonise definitions and data collection methodologies, and enhance capacity, especially in crop forecasting, as well as in the measurement of stocks. It is important to align capacity building efforts with other initiatives, such as networks of agricultural monitoring based on geoinformation, such as the initiative for *“Strengthening food market transparency through a global network of agricultural monitoring centres”*, which aims at improving the remote sensing capacity worldwide focusing on crop monitoring based on meteorological and crop growth data.

AMIS efforts in capacity building will focus on:

- a manual defining best practices and methodologies for agricultural market data collection and analysis, aiming at improving data quality and harmonization of the collection process across participating countries;
- a series of regional training sessions to enhance data collection capacity and to assist in the development of methodologies for food market outlook; and,
- the identification, design and implementation of special projects, aiming at enhancing data collection and market outlook capacity in major producing and consuming countries.

7. Involving the private sector

Commercial enterprises will also participate in AMIS and more specifically in the Global Food Market Information Group. FAO and IGC have informal relationships (through exchange of information and opinions in market situation) with traders and commodity analysis groups. Commercial enterprises can be important providers of data, as well as data users. On the one hand, the private sector can assist significantly in the compilation of food balance sheets through information on stocks and inventories. It can also add to the technical expertise of the collaborative initiative. On the other hand, commercial enterprises can also benefit from strong links with AMIS and the participating organizations. Most of the important traders operate internationally, and thus they have a need for information on developments in other markets.

Initially, it may be that private trading companies would be reluctant to disclose information on their stocks and intentions. Strengthening dialogue between exporting and importing countries, commercial enterprises and international organizations can help in changing the attitude towards confidentiality. Priority should be

given to highlight the mutual benefit of market information transparency. AMIS can motivate the private sector to collaborate through:

- briefing commercial enterprises at both national and international levels on the objectives of the joint data effort and the mutual benefit of collaboration;
- direct involvement in market outlook analysis;
- communications between the international organizations and commercial enterprises high level managers; and,
- the development of mechanisms by participating countries for the preservation of such commercial confidentiality where necessary to ensure that the information needed is forthcoming.

8. AMIS relationship with the Committee on World Food Security

The recently reformed Committee for World Food Security (CFS) is the foremost inclusive international and intergovernmental platform dealing with food security and nutrition. It provides a platform for discussion and coordination and promotes greater policy convergence through the development of international strategies and policy guidelines on food security. CFS includes in the policy debate countries, international organisations, experts, and civil society, particularly organisations representing smallholder family farmers, basing decisions on scientific evidence and state of the art knowledge.

In order to respond to the challenges that emerge from highly volatile food prices, the executive arm of CFS, namely its Bureau and Advisory Group have already asked that information relevant to price volatility, actions and policies by various bodies and the food security situation and threats be collected in one place and that the issue of price volatility and the food security situation be an item on the agenda of all their meetings.

It is important that AMIS develops a strong relationship with the CFS and collaborates closely with the CFS Bureau:

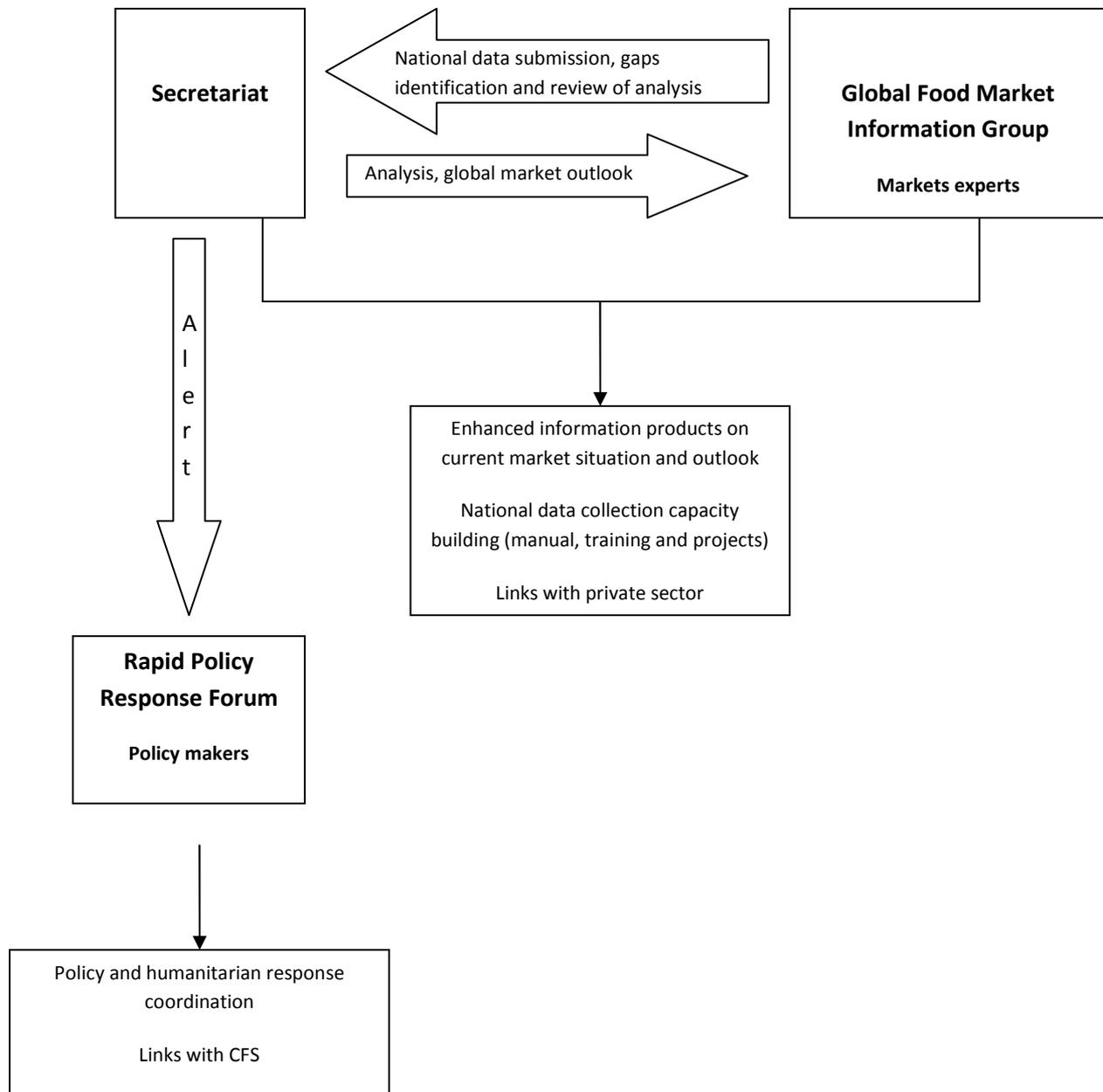
- AMIS regular analysis will be presented by the AMIS Secretariat to the CFS Bureau and Advisory Group; and,
- In the event of global food price surge alert, the CFS Bureau will be briefed by the AMIS Secretariat on the situation and the actions of the Rapid Response Forum in order to broaden policy coordination and convergence among a larger group of countries and actors.

9. AMIS Schedule

June 2011	AMIS Secretariat is set-up
September 2011	Inception workshop involving the focal points from countries, international organizations and the private sector to discuss AMIS data needs, collection methodologies, analytical capacities, questionnaire design, coverage and frequency, market indicators and scheduling
September 2011	Data collection methodologies are identified and assessed across participating countries; training and capacity building needs are identified
November 2011	Report to the G20 Heads of States on objectives, progress and future workplan
January-March 2012	Special studies undertaken, market indicators are developed
March- April 2012	AMIS Manual is prepared and dispatched to the countries' focal points
May 2012	AMIS Global Food Market Information Group commences bi-annual meetings
June 2012	An enhanced pilot global market outlook and situation is published (the main information product of the initiative); market indicators are developed, monitored, and disseminated monthly

* The newly set up Secretariat can call a meeting of the Rapid Response Forum at any time starting June 2011 if the situation warrants.

Chart 1: Process of market information and policy coordination in AMIS



Annex A

Table 1: Wheat: leading producers and their global share

Wheat production: leading producers and their global share		
Country	Production (2008-2010 average) (million tonnes)	Global share (percent)
EU	141.5	21.0
China (Mainland)	114.2	17.0
India	80.0	11.9
United States of America	62.8	9.3
Russian Federation	56.2	8.3
Canada	26.2	3.9
Australia	23.4	3.5
Pakistan	23.0	3.4
Ukraine	20.8	3.1
Turkey	19.3	2.9
Kazakhstan	15.0	2.2
Iran Islamic Rep. of	12.4	1.8
Argentina	9.1	1.4
Egypt	8.4	1.2
Uzbekistan	6.5	1.0
Other countries	54.5	8.1
World	673.2	

Table 2: Rice: leading producers and their global share

Rice production: leading producers and their global share		
Country	Production (2008-2010 average) (million tonnes)	Global share (percent)
China (Mainland)	194.5	28.2
India	143.1	20.8
Indonesia	63.6	9.2
Bangladesh	48.5	7.0
Viet Nam	39.2	5.7
Thailand	31.4	4.6
Myanmar	30.8	4.5
Philippines	16.5	2.4
Brazil	12.0	1.7
Japan	10.8	1.6
United States	10.1	1.5
Pakistan	8.9	1.3
Cambodia	7.6	1.1
Korea Rep. of	6.4	0.9
Egypt	5.8	0.8
Other countries	60.0	8.7
World	689.2	

Table 3: Coarse grains: leading producers and their global share

Coarse grains production: leading producers and their global share		
Country	Production (2008-2010 average) (million tonnes)	Global share (percent)
United States of America	336.2	29.9
China (Mainland)	174.8	15.5
EU	153.1	13.6
Brazil	57.7	5.1
India	37.2	3.3
Russian Federation	31.6	2.8
Mexico	30.4	2.7
Canada	24.1	2.1
Argentina	24.1	2.1
Ukraine	23.0	2.0
Nigeria	21.7	1.9
Indonesia	17.3	1.5
Australia	13.6	1.2
South Africa	13.4	1.2
Ethiopia	12.8	1.1
Other countries	154.6	13.7
World	1 125.4	

Table 4: Soybeans: leading producers and their global share

Country	Production (2008-2010 average) (million tonnes)	Global share (percent)
United States of America	81.7	35.4
Brazil	62.0	26.9
Argentina	44.2	19.2
China	14.4	6.2
India	8.8	3.8
Paraguay	6.2	2.7
Canada	3.2	1.4
Bolivia	1.5	0.7
Uruguay	1.3	0.6
Other countries	7.4	3.0
World	230.7	

Endnotes

ⁱ See IFPRI's food security portal at www.foodsecurityportal.org.

ⁱⁱ As an example of the type of analysis needed to be done is the study of Hernandez, M. and Torero, M (2010) examines the dynamic relationship between spot and futures prices of agricultural commodities. The results indicate that spot prices are generally discovered in futures markets. In particular, they find that changes in futures prices lead changes in spot prices more often than the reverse.