

OCDE COMMITTEE FOR AGRICULTURE AT MINISTERIAL LEVEL

Paris, 25 -26 February 2010

**Statement by Antonio Serrano, Minister of Agriculture, Rural Development
and Fisheries of Portugal**

The agricultural sector faces three major challenges for the next two decades:

- **Ensuring world food security;**
- **Promoting sustainable development;**
- **Mitigating and adapting to climate change.**

These three challenges are closely related and it is not possible to dissociate them; they must all be tackled in a balanced way.

The Millennium Development Goals point to a 50% decrease in the number of hungry people in the world by 2015. Ten years after they were set, we realise that the number of malnourished people has increased from 800 million to more than 1 billion. This reveals a policy failure that must be addressed. Apart from the need to successfully complete the FAO reform in progress, we must redesign policies regarding food aid and incentives to food production.

We have to ban the idea that we can grow food anywhere in the world where production efficiency is higher and we can then transport it to where it is needed, because the market will take care of distribution. The recent food crisis that affected the world in 2008, especially poor people, has proved that the implementation of such policies has serious limitations and it was a timely reminder that we must find solutions that minimize food dependency from abroad. It is essential to develop policies to foster local food production that take into account the need to meet minimum levels of food self-sufficiency. Moreover, the spread of farming in all regions of the globe enables to limit and minimize fluctuations in food supply and demand with positive effects on the stabilization of food prices.

If we take into consideration these concerns, we will be also supporting the sustainability of employment and income of people who make a living out of agriculture. Farmers in some parts of the world are among the poorest populations. We need to find well adjusted policy measures to allow these populations to produce, to get a profit, and to be financially sustainable. This inevitably leads us to concerns regarding the balance of bargaining power and profit margins along the food supply chain.

Today, agricultural prices are closely linked to the price of energy and its fluctuations. Furthermore, there is an increasing pressure on natural resources and agriculture must compete directly with other sectors of the economy over land, water, mineral resources and energy.

These issues are probably our biggest challenge for the future.

The development of production must take into account the fact that the natural resources we use in the various economic activities are limited. Their price cannot be simply linked to their direct economic cost. These resources must be valued so as to reflect the real cost of their use in environmental terms in order to obtain a satisfactory balance between sectors and regions to achieve a truly sustainable development.

Mitigation and adaptation to climate change are a vital challenge on our agenda, closely linked with concerns about food security and agricultural sustainable development.

The only way to overcome this important challenge is with the contribution of active farmers occupying rural areas. Desertified rural areas do not have sufficient capacity or resilience to carry out tasks of this nature on their own.

Therefore, farmers must be kept there since they are our best partners to do that.

Overcoming the three challenges listed is directly dependent on the willingness and ability of governments to act and to work with each other, because this cannot be done on an individual basis. Multilateralism is crucial in this respect. We must use all discussion “*fora*” and multilateral cooperation and decision-making institutions - UN and its organizations, WTO, COPS, etc. - to discuss and agree on strategies in an integrated way, to design policy measures and to foster the necessary means to implement them.

The OECD is uniquely positioned to develop long-term strategic analysis to monitor and evaluate the effectiveness of policies.