

MEETING OF THE COMMITTEE FOR AGRICULTURE AT MINISTERIAL LEVEL

Paris, 25-26 February 2010

Statement by József Gráf, Minister of Agriculture and Rural Development of Hungary

I make the following observations and proposals regarding the issues arising in connection with climate change and lack of resources, the contradictions of wastefulness and famine, and the excessive volatility of prices.

I. Water utilisation and water supply protection

In numerous countries of the world and Europe the most significant agricultural and environmental risk is represented by the lack of water supply today and even more so in the future. The situation is continuously deteriorating; water demand is increasing, while available water supplies are decreasing. Freshwater, as a basic element bearing strategic significance in agricultural production, will have an increasingly important role in satisfying increasing food demand, and also in providing the growing population of the Earth with healthy drinking water.

Excessive exploitation and water utilisation, the contamination of water supplies, uneven water distribution and management deficiencies, even without climate change, may result in conflicts between the different sectors. Consequently **the risk of agricultural production is increasing at an extreme rate.**

Among natural resources arable land and precipitation are Hungary's two most valuable conditionally renewable resources. The reasonable, efficient and sustainable (reversible) use of these two resources, especially the protection of water supplies, the preservation of their versatile function abilities, are all input and investment-demanding processes.

As soil is the largest regularly refilled natural water reservoir, the protection of soils is related to the protection of water supplies. The termination of water-wasting farming practices and the propagation of water-saving irrigation methods is of elementary interest to human kind.

International coordination is required in order to satisfy the future water demands of society, for the sustainable utilisation of water supplies and for the quantity and quality protection of water supplies. For this reason:

We propose that a “Comprehensive Water Safety Strategy” be elaborated in order to enable producers to take joint measures and adapt to the negative consequences of the excessively fluctuating amounts of precipitation both in space and time due to climate change (lack of precipitation, floods and inland waters)

by using modern monitoring and forecasting systems provided by space information technology, by increasing the safety of their production rather than causing damage to each other.

II. Contradictions of wastefulness and famine

In numerous countries of the world the population purchases significant amounts of food products above their needs, a lot of which goes to waste without being used at all. According to certain estimates the amount of food products that could be safely recovered from waste would be enough to cater for the starving masses of the world.

Studies made into waste content show an astonishing picture about how certain countries waste food. Waste collection, its energy gobbling transportation and disposal requires enormous amount of fossil fuel and requires gigantic elimination costs, while the practice of selective waste collection, despite its spreading, represents a burden on the environment.

Unnecessarily produced food products use up resources to an unnecessary extent, consequently they also contribute to excessive use of water.

We propose that the ministers' meeting should agree with the necessity of raising the above problem to program level and launch a research program in this respect at OECD level.

III. Volatility of prices

We find that the excessive fluctuation of agricultural produce prices is a serious problem, especially the drastic changes of produce prices within the same season. The excessive volatility of prices impairs the capital-attracting ability of agricultural production, weakens the chances of producers' foresight, restricts predictability and weakens the chances of profitable farming. Consequently, it disables development policy and questions the reasonability of producers' decisions.

The excessive fluctuation of market prices makes producers defenceless, and it is also harmful in respect of financing production, extending loans to producers and price bargaining with trade. **Coordinated measures need to be taken against the increasing volatility of agricultural produce prices!** Rapid price changes may undermine the foundations of production and development and agricultural policy aimed at creating food safety.