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As we do not have a Thierry de Montbrial, I suppose that it is my turn to report back to you from the second working group on food security. We had a very lively discussion with representations from Brazil, China and India, animated by Mr Terrab from Office Chérifien de Phosphates (OCP), who is unfortunately not here at the moment and I am humbly replacing him to give you some feelings about our discussion.

I think that one of the key issues that we dealt with was, first of all, the challenge. As you probably know, the challenge is how to feed 9 billion people by 2050 and do so in a sustainable way and, above all, do it in such a way that we actually lift the poor out of their poverty and into nutritional food. As you probably also know, there are 2 billion people today who do not have the right type of food and 1 billion who actually go hungry. However, there are also 1.5 billion people who are already overweight or even obese. Therefore, out of the 7 billion people today, 3.5 billion have a food problem.

What we can see today is still a period of very high and particularly volatile prices and we spent a lot of time on the volatility of prices. The overall consensus was that high prices in themselves also represent an opportunity. In fact, they are in part the result of decades of underinvestment in agriculture and we are very pleased to see that agriculture and food are back on the political agenda, even to the extent that the G20 has taken this up. However, the volatility of prices is an issue of concern because it is a disincentive and it is very difficult to deal with for poor populations.

In fact, one of the key issues is how we can promote sufficient market liberalisation. The general feeling is still that food should be produced in the place where it can be best produced and any attempt in the past to interfere with markets, such as through export bans, as we saw in 2008, actually has a negative - that is increasing - effect on world prices. However, you obviously have to do something for the poor.

70% of the poor live in rural areas and it is therefore very important that developing agriculture and the whole agricultural and food industry helps the poor to be lifted out of poverty. While we spent some time discussing what the best solution could be for the urban and rural poor in terms of income access, we felt that there may be different national solutions there. However, the lessons of the past have generally been that good functioning markets are the best way of dealing with food availability issues, although, as you know, poverty and a lack of access to food are the things that keep many people down.

Apart from price fluctuations, the question is therefore how we can best direct investment into agriculture and increasing food production in a sustainable way. We were all convinced that it is quite possible and there are some interesting lessons to be learned from the Brazil, Russia, India, China (BRIC) countries, for example, although it is actually a matter of very careful fine-tuning. The key issue on which we were all in very strong agreement is that you need long-term investment in innovation and knowledge building. It is a great issue of concern that the best and brightest young people do not go into agricultural or food science but into other things and young men and women do not want to be farmers. We are therefore increasingly faced with a real need to improve labour productivity and given the scarcity, or relative scarcity of land and water, also improve land and water productivity.

That means innovation, and innovation has been the key to Brazil's success. For example, we can look at the way that the Cerrado areas which were not used or were considered to be unusable in the past have been developed. Similarly, the advent of irrigation in Africa will really help lift Africa out of poverty, although it requires a concerted effort where fertilisers, water and seeds all need to be linked together.

One issue that we spent some time on was genetically modified organisms. The general feeling was that, with its reticent attitude, Europe is really in the back seat today. All the emerging markets have embraced this technology and



the key issue is to get some kind of international clearinghouse or agreement where information and experiences can be shared. However, the best breakthroughs in terms of science and technology will probably be in the combination of genetically modified organisms (GMOs) and the fine-tuning of fertilisers and water. In that sense, the whole tendency was very optimistic.

Nevertheless, a lot needs to be done. Other issues that were mentioned were, for example, the reduction of waste. We use between 30% and 40%, depending on the country, of the crop that is actually in the field and does not get to the consumer. Biofuels were also discussed. This is a major bone of contention for some people and the feeling was that where it directly competes with food or feed, as is in the case of maize, it is an issue. However, the multiple use of crops such as sugar cane in Brazil really represents another issue. Again, the advances will be in technology through the use of what we call second and third-generation biofuels where cellulosic and other materials are used that do not compete with food or feed or perhaps marine resources. Again, this is an issue of innovation.

The lessons from Brazil, India and China in particular show that it is a matter of organising the entire food production chain. The market linkages are important and we currently see large companies consolidating their activities all along the food chain. That is an issue that needs to be watched so that we are sure that the best production potential is channelled into these markets. We also spent a little time discussing the experiences with cooperatives and the feeling was that cooperatives in a new form – and you probably know that next year is the United Nations (UN) Year of Cooperatives – have real potential. Some of the most productive groups of producers, whether in processing or production, in Brazil and other countries are led by cooperatives.

To conclude, we are very optimistic - and I hope that you are glad to hear that on a Sunday morning – that we can feed the world, but we will probably need a lot more discussion on how to actually do it. There are also some serious provisos. Investment in agriculture, science and technology keeps on declining, even with the current attention on the subject. There is much more room for South-South cooperation and this is already happening, particularly in Africa, but more is obviously needed. We also need to do something to transition the situation of the urban poor, who would suffer from increasing food prices. However, food prices are probably going to increase a little, having been at their historical low about 10 years ago. Nevertheless, that in itself is not a problem as long as volatility is not exacerbated by ill-directed Government policies.

I am sure that I have not done justice to everybody or the chair of our session, but that is the best summary that I can give you at the moment. Thank you.