

PSM Submission on the Use and application of CFS policy recommendations on price volatility and food security, and social protection for food security and nutrition

(3 May 2023)

The Private Sector Mechanism thanks the CFS Secretariat for the opportunity to participate in the stocktaking exercise on the use and application of the critical policy recommendations on Price Volatility and Food Security and Social Protection for Food Security and Nutrition.

The impact of price volatility on food security and nutrition has become alarmingly clear as international food prices at an all-time high before the war due to COVID, leading to the soaring food prices since the Ukraine war due to resulting food, fuel and fertilizer shortages. Valuable information provided by FAO has revealed there is no end in sight to rising prices, reducing food access and availability and thereby affecting nutrition, especially in low-income countries. Farmers are overwhelmingly over-represented in this group and subjected to variations in weather, crop failures and unexpected events, such as conflicts. Due to their share of food consumed in some regions of the Global South, smallholder agriculture should be strengthened by supporting the rate of technology adoption.

The international community has become acutely aware of the impact of the war on the global agricultural market and the effects on global food security, due to the significant role that both the Russian Federation and Ukraine play as net exporters of agricultural products. This has exposed low-income countries to increased vulnerability to shocks and volatility leading to a hunger crisis.

Within this context, with enormous challenges facing the agricultural sector, the private sector underlines the importance of trade and adherence to key principles that can combat food price volatility, including the suggested CFS actions to increase food production and availability; enhance resilience to shocks and actions to reduce volatility; and mitigate the negative impacts of volatility. Sustainably increasing agricultural productivity and resilience requires the development of new varieties of rice, maize, wheat and other crops, to become more resilient to drought, heat, pests, diseases and soil problems.

In alignment with these principles, the private sector has supported and joined initiatives to increase the exchange of information, including the participation of the Private Sector Mechanism in the Global Crisis Response Group established by the United Nations Secretary General to coordinate the global response to the worldwide impacts of the war in Ukraine on global food, energy and finance systems.

Other activities include the inception of '[Sustain Africa](#)', an emergency response and resilience initiative to support food production in Sub-Saharan Africa by mitigating the fertilizer supply and affordability crisis and improving sustainable nutrient use. Led by a consortium composed of IFA, Rabobank, Bill Gates Foundation, AGRA and AFAP, partners include a number of input companies, agriculture development and multilateral institutions and NGOs, who coordinate the distribution of donated or discounted fertilizer in 13 African countries, paired with advisory services and the provision of seeds and biological products. Where possible, the program includes finance options for agrodealers and farmers. As part of its measurement of success, Sustain Africa collects data to support a broader learning agenda on how to deal with future price spikes.