

Speech by Commissioner Phil Hogan at G20 Agricultural Entrepreneurs Forum

2nd June 2016, Xi'an, China

- Check Against Delivery –

- Esteemed Heads of Delegation, Ladies and gentlemen, Minister Han, Ministers,
- Allow me to first of all commend the Chinese Presidency for making this a priority topic. Agriculture has always been an innovative and entrepreneurial sector of the economy.
- Here in China, to provide just one example, farmers and food entrepreneurs have innovated for thousands of years, ranging from improved water conservation in the Spring and Autumn Period to the expansion of the organic market in the present day.

- Policymaking has strived to be in tune with the potential of agricultural entrepreneurship and innovation. But let's be honest, it has not always succeeded. **Thankfully, we are now entering a period where the importance of smart agricultural policy is broadly recognised.**
- Today, it is commonly understood that giving farmers and agri-businesses the right type of support will reap great benefits for both the economy and society.
- During my recent visit to China Agricultural University, I encouraged the students to face the future with ambition and develop an innovative and research-based approach to their work. **In China, as in every region of the world, we need to stimulate a new generation of young agri-entrepreneurs to develop the agri-food sector of the 21st Century.**
- But this will only happen if we as policymakers provide the right support structures. I commend and support China's focus on sustainable agricultural development, notably through improving world food and agriculture governance.

- This means innovative farm policies, smart regulation and investment, and well-functioning markets. But that is only one part of the equation.
- Today, farmers are not simply expected to provide high-quality, nutritious and affordable food, and generate rural jobs and growth. They are now also expected to play a role in combating climate change and managing precious resources like soil and water.
- We have created a number of ambitious international targets in recent years – and these will be the reference point for our work in this forum and others like it.
- The COP21 Climate Agreement places a clear responsibility on the agriculture sector to do more.
- And the Sustainable Development Goals also form an important part of the roadmap. I welcome the fact that G20 Agriculture Ministers are taking a leadership role to achieve the Agenda 2030 targets. If the world is to meet the challenge of Zero Hunger and end extreme poverty in the next 15 years we have to increase our efforts both individually and collectively.

- We also need to be realistic and acknowledge that public funding will not be enough to secure these developments. The private sector must be mobilised - it has resources to achieve the scale of investments needed. **Private investment can be an enormous force for positive change if it is responsible.**
- Governments must therefore promote a stable, socially responsible business environment for private sector investment in the development of food systems. Fora such as the G20 will be vital for this work.
- **And the European Union wants to lead from the front.** Our Common Agricultural Policy has become far more outward-looking and is now firmly plugged into the global economy. In line with the aims of SDG 2, the CAP contributes to:
 - correct and prevent trade restrictions and distortions in global markets, due to its increased market orientation;
 - and sustainable food production systems which improve the environmental performance of farming.

- And through rural development policy, the CAP is a role model for keeping lives and livelihoods in rural areas. We aim to support sustainable rural communities by providing them with the economic opportunities and social and cultural opportunities they need. **This a common challenge for all G20 members.**
- When it comes to investment, we are working hard to support and promote loan and credit schemes to back agri-entrepreneurship.
- Classic financial products are not always suitable for an industry such as agri-food, where factors such as weather and market volatility can have an unexpected and decisive impact. **We need to get smarter when it comes to helping agri-entrepreneurs.**
- And abroad, the EU has recently put private sector involvement at the focus of development: on 12 May 2016, a meeting of EU foreign ministers highlighted the need for private sector investment to achieve the Sustainable Development Goals, notably tackling poverty and hunger.

- The EU has a strong recent track record in global leadership. The EU was instrumental in achieving the ground-breaking agreement to end export subsidies and strengthen discipline on export competition at the Nairobi WTO meeting in December 2015.
- The EU contributes to the AMIS system to monitor agricultural markets in conjunction with the FAO and G20. **By putting reliable data in the hands of traders and markets we have shown we can reduce price fluctuations.**
- However, the functioning of commodity markets, especially those relied on by developing country farmers, is a work in progress and one we must address collectively.
- I want to emphasise that our responsibilities in meeting these challenges cover our own countries and territories, but also extend to the developing world.
- The G20 provides a strong and influential forum to influence other nations and organisations.

- There is a need for practical experience to be shared, to see how responsible investments work on the ground, what kind of financing instruments work best, and how to create a better and more responsible pro-business regulatory environment.
- We have to ensure compliance burdens are manageable, develop the key policy elements to encourage it, and identify the possible barriers to be alleviated.
- Colleagues, if we take these responsibilities as seriously as they deserve;
- If we mobilise all the resources within our power;
- If we create the right dialogues between businesses and policymakers;
- We can shape the enabling commercial and political environment required to achieve our goals.
- Investment – and by this I mean smart, sustainable and responsible investment – will be the catalyst. I look forward to hearing your ideas. Thank you.