

## Position paper on food security and global value chains of food and agricultural products

### Interrelationship of food security and trade

Food security requires responsible and sufficient production of quality food, and a steady availability of food and agricultural products on markets. Food should also be accessible at affordable prices for all consumers. Food utilization should be safe, healthy and nutritious. For food supply to be viable fair remuneration is required for producers, processors and traders.<sup>1</sup>

Most countries are highly dependent on other countries in securing the supply of food to their citizens. Rules-based global and regional trade provide a buffer against shocks in supply and demand. International trade furthermore contributes to more choice for consumers and to lower prices, which is critical since food prices are determinant for the purchasing power of most of all poorer people. Eradicating poverty and promoting inclusive economic development, including through (international) trade, are also key to food security. Workers and entrepreneurs who earn living wages/incomes will be able to feed themselves and their families.

Increased production, trade and marketing of food and agricultural products are needed to feed the growing world population and meet ever more critical consumer demands. However, geopolitical tensions, unconducive trade policies and measures, the impact of climate change and the insecure future for farmers and workers in the agrifood sector worldwide threaten the security of supply of food and agricultural products. This is a challenge for all stakeholders, including producers, exporters, importers and retailers.

### Role of the Netherlands

The Netherlands is a global player in trade. Top 4 in goods trade and amongst the largest international traders in a range of agricultural products. Trade in food and agricultural products is of vital importance to the Netherlands: for earning capacity, prosperity, employment, and consumer choice. The Dutch trade strength lies in combining home-grown products with the import, processing, and re-export of goods from all over the world. The Netherlands is, for example, one of the world's largest importers of flowers, cocoa, and vegetable oils, which are processed and sold on the European continent and beyond.<sup>2</sup>

This unique position creates a close bond with countries that consider the Netherlands as a partner for their economic development. Developing countries seek cooperation in trade and investment also to eradicate poverty, recognizing the strong assets of the Netherlands in sustainable production and trade of food and agricultural products. Foreign producers work together with Dutch companies, knowledge institutions and civil society organisations, for example in the supply of seeds, greenhouse developments, and agrologistics.

### Mutual benefits

Continuity and sustainability of trade chains, with investments in a responsible production of agricultural goods/services, is therefore a mutual interest of the Netherlands and our trading

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<sup>1</sup> See [World Bank](#) and [OECD-FAO](#) Guidelines for Responsible Agricultural Supply Chains, Standard 5: "We will strive to ensure that our operations contribute to food security and nutrition. We will give attention to enhancing the availability, accessibility, stability and utilisation of safe, nutritious and diverse foods."

<sup>2</sup> [Dutch import and export values of cocoa are at record height](#). Cocoa prices are high due to bad harvests caused by inter alia climatic conditions and farmers being poor, not having the means to invest in productivity.



partners. It requires economic cooperation from all links in global supply chains: from farmers and small producers, via traders, processors and retailers, to consumers.

## **IDH**

IDH believes in a world where sound environmental management and social equality go hand in hand with profitability. To achieve this goal, IDH brings together businesses, governments, investors, and communities across agrifood value chains, jointly transforming markets for the benefit of people, planet and progress. We operate with offices around the world, our headquarter being in Utrecht, the Netherlands.

### **Promoting security of supply and making global value chains more sustainable**

IDH is resolute in promoting continuity of supply in agrifood while making trade more sustainable, with a key contribution to food security worldwide. We have taken the initiative together with VNO-NCW and partners from the Dutch agrifood sector to develop [an action plan](#). A first draft has been presented to the Minister for Foreign Trade and Development and the Minister and State Secretary of Agriculture, Fisheries, Food Security and Nature. In response, the Minister for Foreign Trade and Development indicated that the initiative for the action plan is an important contribution to policy and programming aimed at trade (chains) in food and agricultural products, and at food security.

The plan is to be further developed and implemented jointly by the business community, civil society organizations, knowledge institutions and the government. More knowledge is needed on the security of supply and opportunities to enhance resilience. The plan envisages the agrifood sector to: a) analyse the relations between the Netherlands and trade & investment partner countries linked to agricultural and food products; and b) assess the security of supply of products globally, as well as for the Netherlands, in the light of geopolitical, trade policy and climate-related developments, and prospects for farmers. This will define how the Netherlands can strengthen its position as a global trade & investment partner, enhancing cooperation on human- and environmentally friendly production of food and agricultural products. The plan underlines the need for the private sector to invest, and the Dutch government to provide sufficient support to responsible business, economic cooperation and trade, and food security.

### **Ensuring effective and efficient implementation of legislation**

International rules are the basis of a global level playing field in the pursuit of a flourishing economy, social welfare, and a healthy environment. International trade in agrifood products is subject to strict requirements. There are high standards in place for bringing agrifood products to the European market, many of which are stricter than globally agreed rules. In certain areas the EU is also ahead of other major consumer markets. Implementing EU-legislation requires major efforts. Producers, especially smaller farmers in poorer developing countries, face major challenges in properly implementing these rules. The action plan calls for an effective and efficient implementation of EU-legislation, more cooperation with trading partners worldwide, substantial investments, and support to SMEs and farmers along international value chains.

### **The Dutch Diamond**

Also in international cooperation, the 'Dutch Diamond' is a strong asset: result-oriented cooperation between government, businesses, civil society organisations and knowledge institutions tackling societal challenges. With this asset, the Netherlands distinguishes itself as a small country, being a big partner for food security worldwide.