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**Enhancing international market transparency:
the Agricultural Market Information System
(AMIS)**

By

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Enhancing international market transparency: the Agricultural Market Information System (AMIS)

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Why AMIS?

Food Price Crisis and Lack of Policy Coordination

- **2007-2008 Food Price Surge:** International prices peak in June 2008 - up 80 percent in two years!

Problems to Solve

- Lack of reliable and up-to-date information on supply, demand, stocks and export availability
- Weaknesses at national level to produce consistent, accurate and timely agricultural market data and forecasts
- Inadequate information on stocks, domestic prices, and linkages between international and domestic markets
- Inappropriate and/or uncoordinated policy responses to market crisis

Towards AMIS ...

- G20 Seoul Summit (November 2010) – Food security identified as one of the key pillars of the Multi-Year Action Plans for Development.
- International organizations report (June 2011) on **Price Volatility in Food and Agricultural Markets** calls for the establishment of an **Agricultural Market Information System (AMIS)** to enhance the quality, timeliness and reliability of food market information.
- G20 Agriculture Ministers Meeting (June 2011) adopts the **Action Plan on Food Price Volatility and Agriculture**.
- Launch of **AMIS** and **Global Agricultural Geo-monitoring Initiative** to increase market information and transparency (September 2011).



AMIS objectives

- Improve agricultural market information, analyses and forecasts at both national and international levels
- Report on *abnormal* international market conditions including structural weaknesses, as appropriate
- Strengthen global early warning capacity
- Collect and analyse policy information, promote dialogue and international policy coordination
- Build data collection capacity in participating countries



AMIS activities to date

September 2011

Official launch of **AMIS** (Rome, 15-16 September 2011): Adoption of AMIS' Terms of Reference and Rules and Procedures, as well as a working document outlining Secretariat outputs.

December 2011

Launch of the AMIS **Website** (www.amis-outlook.org).

Expert Meeting on **Market Indicators**, AMIS outputs and Work Programme (Rome, 19-20 December 2011).

February 2012

First meeting of the **AMIS Information Group** (Rome, 9-10 February 2011) to discuss informational channels, data requirements, methodology, and data input mechanisms with **AMIS Statistical Database**.

April 2012

First meeting of the **Rapid Response Forum** (Mexico City, 11 April 2012) to review the progress made since the AMIS inception meeting in September 2011.

October 2012

First meeting of the AMIS Secretariat Steering Committee (Rome, 1 Oct 2012)

Second meeting of the Global Food Market Information Group (Rome 2-3 Oct 2012)

March 2013

Second meeting of the Rapid Response Forum (Washington, 20 Feb 2103)



AMIS Outputs

Statistics

- **AMIS statistical database** provides supply and demand statistics on AMIS-covered commodities (wheat, rice, maize, soybeans) for the participating countries and allows extraction/comparison of the latest data from different sources

Capacity Development

- Establishment of an **“Umbrella project”** for all AMIS-related capacity building projects and preparation of two project documents (funded by the Japanese Government and the Bill and Melinda Gates Foundation)

Governance

- Establishment of AMIS Steering Committee, a body which acts as a managing or governing body of the Secretariat, with a clear governance structure defining tasks and responsibilities of the Secretariat members

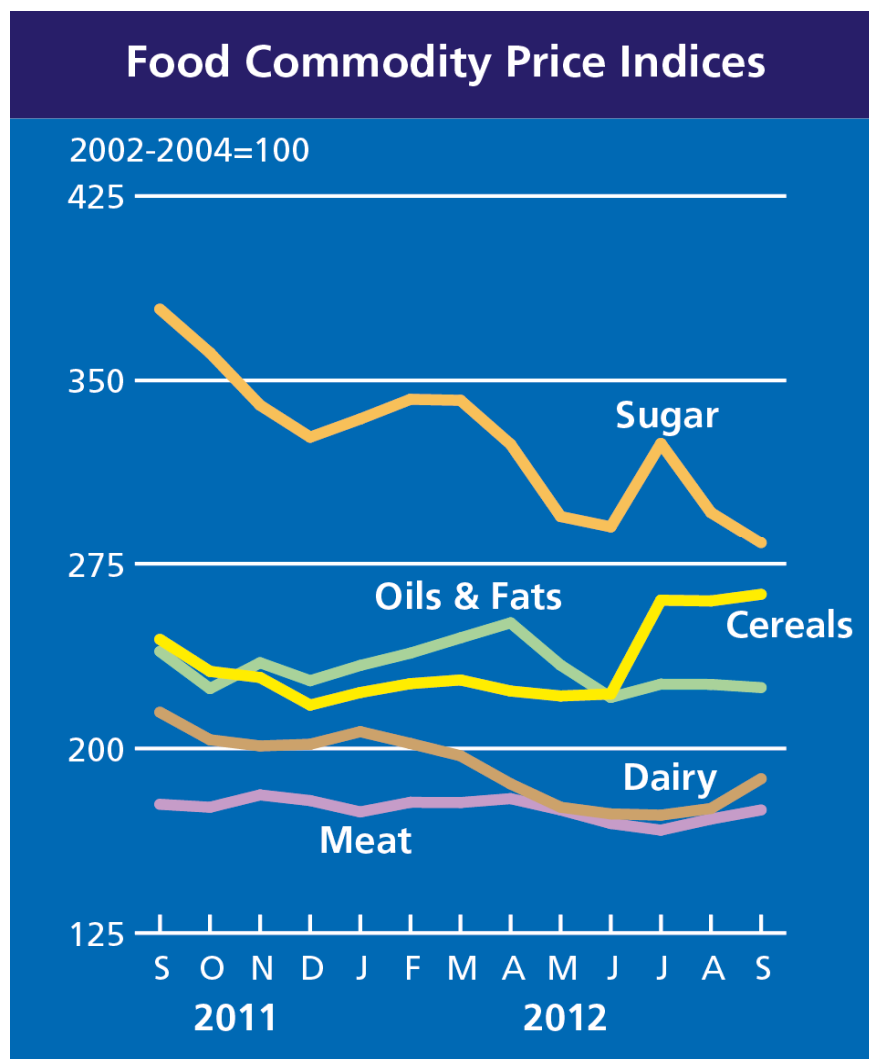
Indicators

- Identification of priorities, assessment of needs and information to define a set of indicators enabling AMIS to predict any sudden, undesirable developments that could result in major market disturbances

Market Monitor

- Release of regular reports on market conditions, that attempts not to duplicate any current information product already available and reflects the unique data and information collected by AMIS

Market problems in 2012 but no need for the Rapid Response Forum



- US drought affects maize prices and wheat prices follow – grain prices increase 25% in July
- Need for a meeting of the RRF?
- Why it was not a “crisis”
- Black Sea region drought adds to problems – continuing threat



What indicators can and cannot do

- Can identify vulnerability and heightened risk of excessive price movements so appropriate responses and contingency plans can be put in place
- Cannot exactly predict timing and extent of impending crises
- Can suggest impacts of responses/further shocks

What is “abnormal”?

- How you define favours different indicators/assessment methods
- Some price volatility is normal
- Variation outside normal bounds in market variables
- Operational definition – heightened vulnerability to demand and supply shocks
- Need for threshold values
- Need to be forward looking



Insights from the IOs' report

- Conditions associated with heightened vulnerability and risk
- Low stock levels and stock-use ratios
- Policy shocks – biofuels, trade policy
- Futures markets impacts on spot price trends and variability
- Exogenous shocks – oil prices



More information

www.amis-outlook.org