



AGRICULTURE



**CCO BRIEF
ON
AGRICULTURAL
COOPERATION**

**COMCEC COORDINATION OFFICE
November 2019**

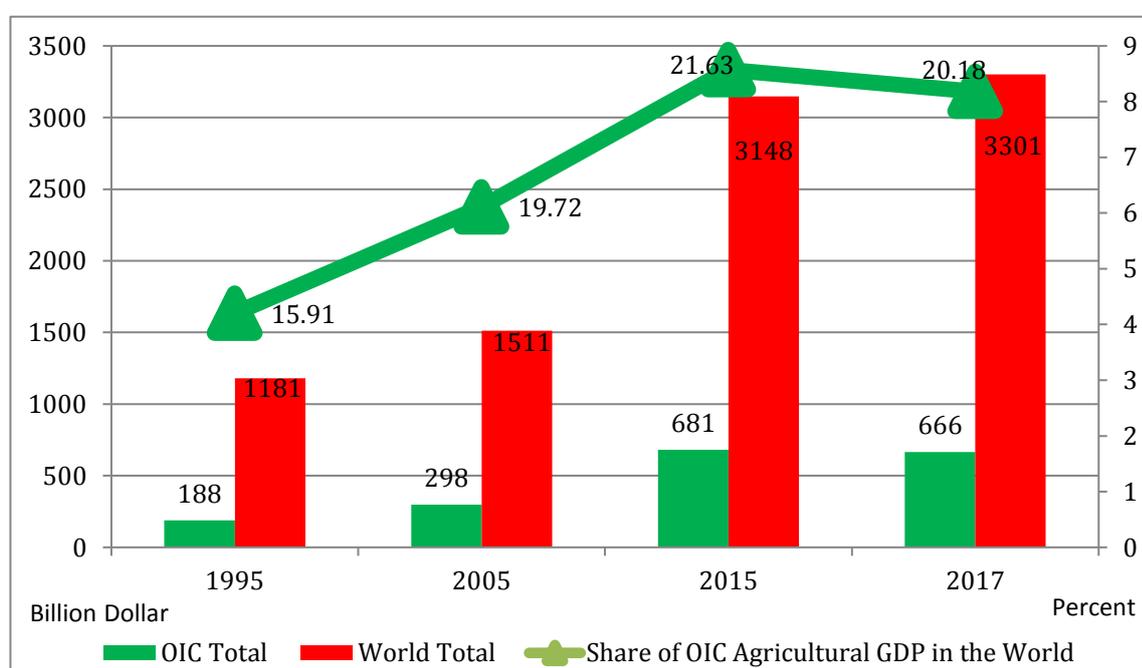
BRIEF ON AGRICULTURAL COOPERATION

Agriculture with its intrinsic nature plays a distinctive role in ever increasingly connected world economies. It is seen as an important engine of growth and unique source for poverty reduction in most of the developing world. Empirical studies demonstrate that agriculture is the most effective sector in generating income for the poorest segments of the population. Hence, it is accepted as a key sector for economic growth, reducing poverty and sustainable rural development especially in developing countries.

Agriculture in the OIC Member Countries

In many member countries of the OIC, agriculture is one of the leading sectors in terms of income, employment and trade. As shown in Figure 1, while the OIC's agricultural GDP was US\$188 billion with a share of 15.9 percent in the world's agricultural production in 1995, it reached to US\$ 666 billion with a share of 20.1 percent in the world's agricultural production in 2017.

Figure 1. The OIC Agricultural GDP and its Global Share

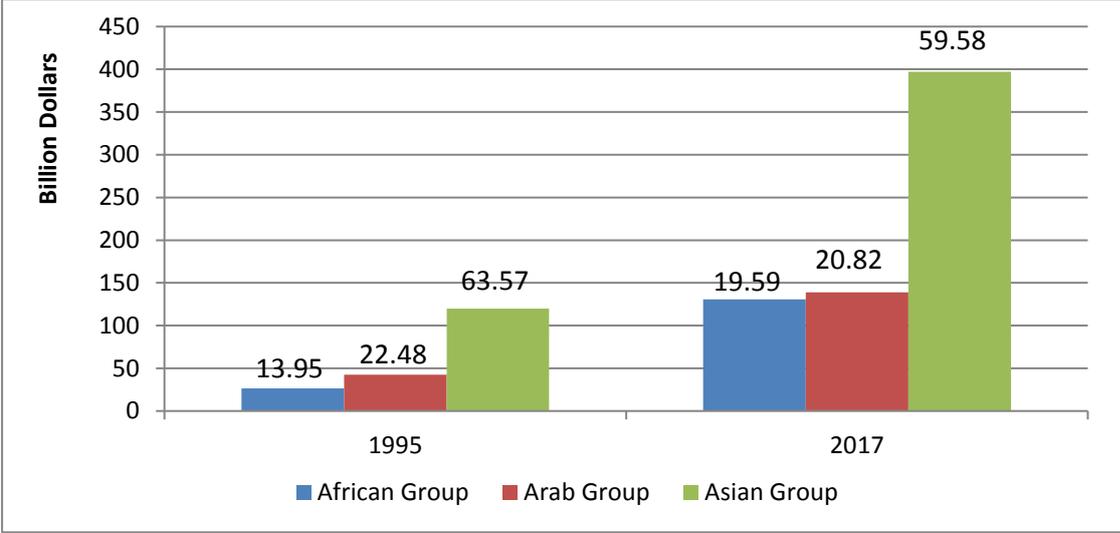


Source: COMCEC Agriculture Outlook 2019

Figure 2 demonstrates the share of agricultural GDP in total GDP of the three official regional groups of the OIC (African, Arab and Asian). 1995-2017 period, the performance of the African Group strengthened compared with the Arab and Asian Groups; nevertheless, over the years, the Asian Group has made the highest contribution to agricultural production.

As of 2017, the OIC agricultural GDP reached to 666 billion US Dollars and the contribution of the Asian group to this value is 397 billion US Dollars, which is more than half of the total agricultural GDP of the OIC member countries. Hence, the Asian Group has the highest amount of the agricultural GDP, followed by the Arab Group and African Group with approximately 138 billion and 130 billion US Dollars, respectively.

Figure 2. Agricultural GDP by Sub-Regions and their share by current price

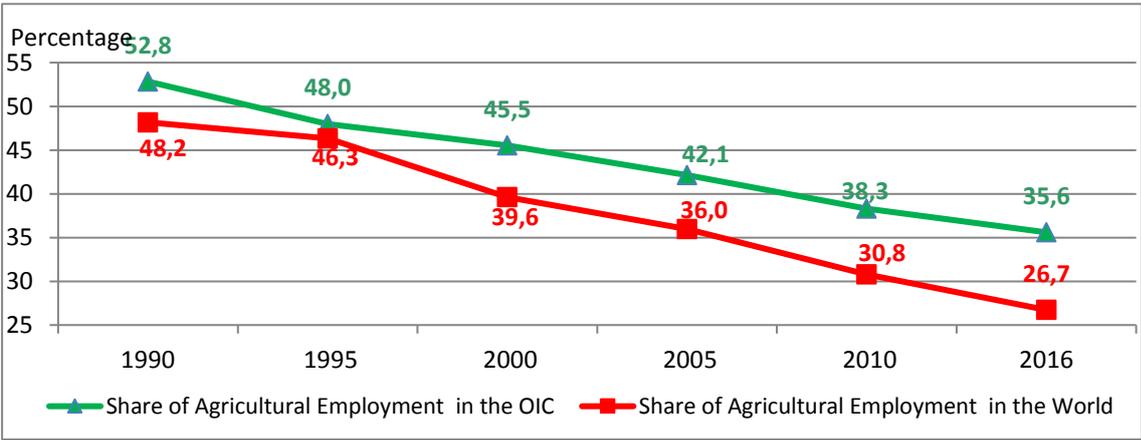


Source: COMCEC Agriculture Outlook 2019

As with many developing countries, the agriculture sector is a significant source of employment in the OIC member countries. In 1990, the agricultural sector of OIC member countries employed almost 199 million people. Up to 2016, 23 million agricultural labor have been added, increasing the number of people employed in agriculture to 222 million people.

Despite the increase in agricultural employment, over time the share of agricultural employment is decreasing. In 1990, agriculture accounted for almost 52.8 percent of total employment in the OIC. At the beginning of the 2000s, the contribution of agricultural sector to total employment decreased to around 45 percent in the OIC and 40 percent globally. In 2016, the proportion of agricultural employment was 35.6 percent in the OIC and 26.7 percent worldwide as shown in Figure 3.

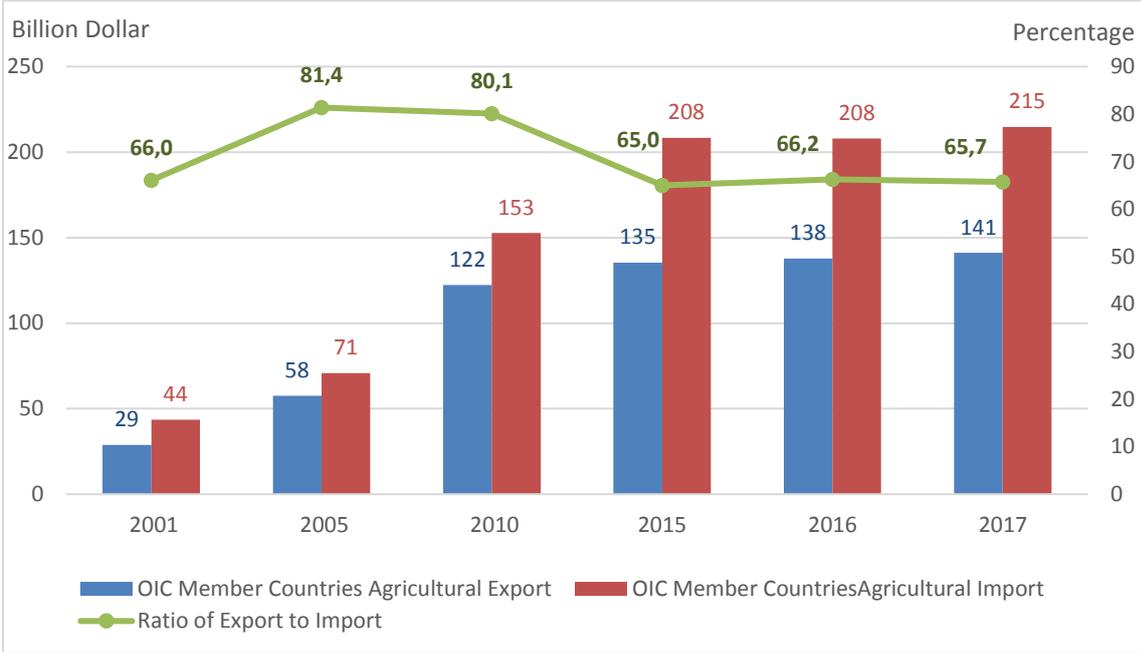
Figure 3. Share of Agricultural Employment in the OIC and World



Source: COMCEC Agriculture Outlook 2019

Agricultural commodity trading of the OIC Member Countries has increased considerably in the last decade up to 2015. Total agricultural trade in the OIC member countries grew by more than 4 times during this period, reaching 355 billion USD in 2017 (Figure 4). The total agricultural imports of OIC member countries reached to 214 billion USD in 2017, from 43 billion USD in 2001. Correspondingly, total agricultural commodity exports of OIC member countries was 141 billion USD in 2017 compared with 29 billion USD in 2001.

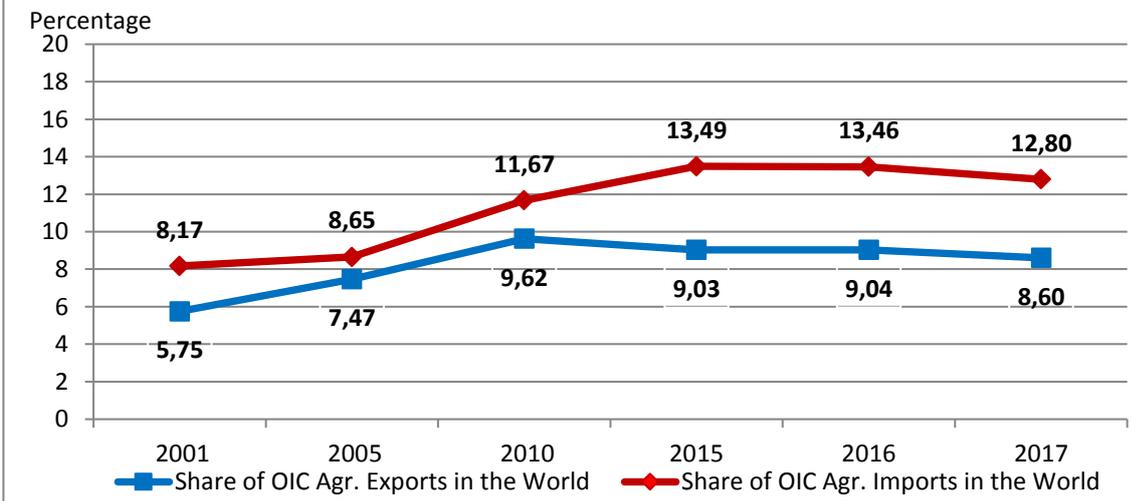
Figure 4. Agricultural Exports and Imports in the OIC



Source: COMCEC Agriculture Outlook 2019

The global share of the OIC member countries’ agricultural imports increased to 12.8 percent in 2017 from 8.17 percent in 2001. Correspondingly, the contribution made by the OIC agricultural exports to world agricultural exports reached 8.6 percent. Both agricultural imports and exports have risen significantly during the 2001-2010 period. During the 2010-2017 period, while the share of agricultural commodity exports of the OIC Member Countries had been stabilized, the contribution made by the OIC agricultural imports to global agricultural imports began to decline (see Figure 5).

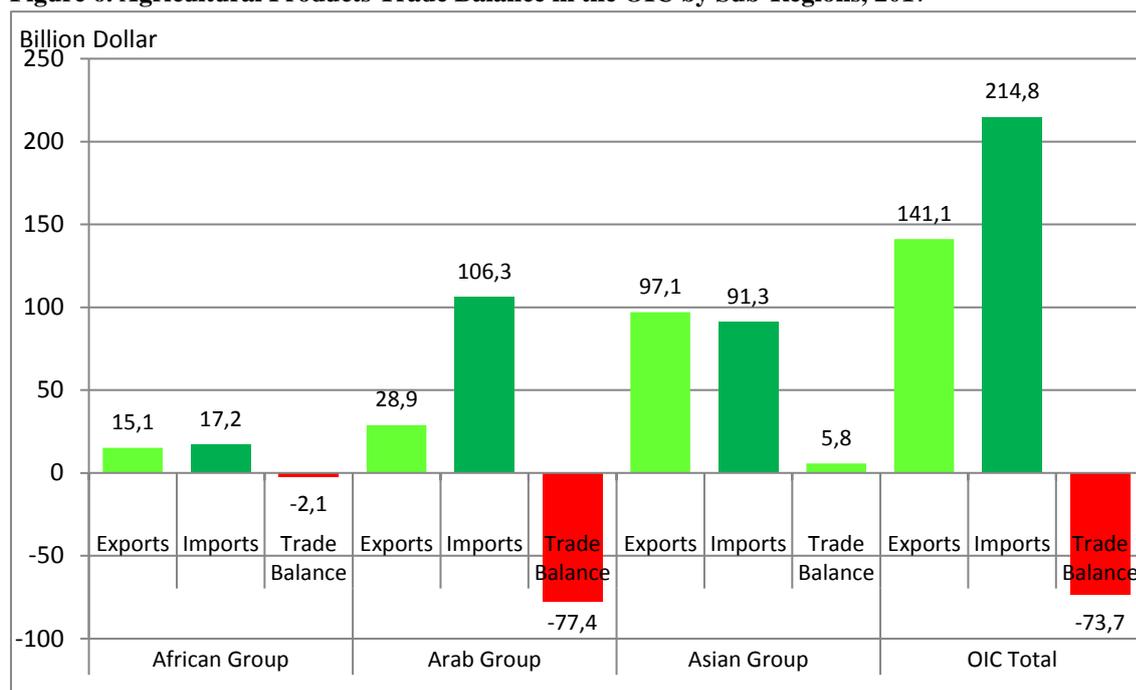
Figure 5. OIC Agricultural Trade Performance of OIC Member Countries in the World



Source: COMCEC Agriculture Outlook 2019

As can be seen in the Figure 6, most of the OIC member countries have trade deficits in agriculture. As of 2017, 74 billion US Dollars trade deficit occurred in the OIC. Said figure also illustrates the agricultural trade balance in the OIC Sub-Regions in 2017. The only group, which had a positive trade balance, was the Asian Group with 5.8 billion US Dollars. On the other hand, African and Arab Groups have registered trade deficits of 2.1 and 77.4 billion US Dollars, respectively.

Figure 6. Agricultural Products Trade Balance in the OIC by Sub-Regions, 2017



Source: COMCEC Agriculture Outlook 2019

“Reviewing Agricultural Trade Policies to Promote Intra-OIC Agricultural Trade” (13th Meeting of the Agriculture Working Group)

Global trade in agricultural products has grown rapidly in recent decades and is also expected to grow further over the coming decades. International trade promotes economic growth and creates welfare gains. But, many developing countries, including the OIC member countries, face serious difficulties that prevent them from fully reaping the benefits of international trade.

To help the OIC member countries formulate effective measures and policies so as to make greater use of their potential as trading partners in global market as well as within the OIC markets for agricultural products, diverse needs and priorities of the Member Countries need to be examined. Design and implementation of better agricultural trade policies require reviewing the existing state of policies thoroughly and in such a way to allow for identification and removal any inefficiencies and weaknesses. In this respect, the 13th Meeting of the Agriculture Working Group was held on February 21st, 2019 in Ankara with the theme of “Reviewing Agricultural Trade Policies to Promote Intra-OIC Agricultural Trade” and a research report on the same subject was considered by the WG.

The said report focuses on three sets agricultural trade policies: (i) border measures such as applied tariff rates, (ii) non-tariff measures such as sanitary requirements, export subsidies and technical barriers to trade, and (iii) bilateral and multilateral trade agreements among countries. According to the report, there exists considerable protection through high tariff rates within the OIC for certain critical product divisions and products such as sugars and oil seeds, and potential exporters of these products face high applied tariffs imposed by potential importers. A similar pattern is observed for a large number of products at the product level for the top export products of the OIC member countries.

On the other hand, some other key product divisions such as meat are not subject to high tariff protection but still exhibit low shares of intra-regional trade within the OIC region. Thus, non-tariff measures may also be responsible for limited intra-OIC agricultural trade in certain products.

Moreover, the report indicates that in general, the OIC member countries have, on average, fewer trade agreements with other OIC countries than their non-OIC trade agreements. In other words, on average, each

OIC member country has 22 preferential trade agreements, and 8.73 of them are with other OIC Member Countries.

The research report identifies some factors adversely affecting agricultural trade flows. These are, among others, the very poor status of marketing knowledge and information; the unavailability of financial resources; the very poor status of technical adaptability of producers and lack of standardization of the products; problems concerning data availability and data reliability in the realm of agricultural trade flows and agricultural trade policy measures (including both the tariff rates and the NTMs) and widespread smallholder farming practices across the OIC (which means cost disadvantages, barriers against modernization, and other supply chain issues act as significant barriers to access to global markets).

Within the framework of the research report, field visits were conducted in Turkey, The Gambia and Morocco and desk based studies were made on Chad, Brazil and Thailand.

The AWG, in its 13th Meeting, came up with the following policy recommendations:

- ✓ Promotion of Niche Agricultural Products and Halal Certification through product diversification, trademarking, marketing strategies and advertising campaigns.
- ✓ Promotion of Commercial Cooperation (e.g. enhancing agricultural investments, removal of business visas, etc) and Non-Commercial Cooperation (e.g. sharing best practices and technical expertise, developing safety standards, etc.) among the OIC Member Countries in the areas related to agricultural trade.
- ✓ Promotion of Tariff Reductions and Bilateral Arrangements in key products (e.g. sugar, meat, feeding stuff for animals, oil-seeds, live animals)
- ✓ Developing and implementing multilateral trade arrangements (e.g. TPS-OIC - Trade Preferential System among the Member States of the OIC)) with a view to contributing to collaborative and sustainable agricultural trade development.
- ✓ Enhancing the capacity of the Member Countries in collection, management and dissemination of agricultural trade data with a view to designing sound and evidence-based agricultural trade policies.

All the reports submitted to the Meeting and the presentations made during the Meeting are available on the COMCEC web page (www.comcec.org).

“Increasing the Resilience of the Food Systems in Islamic Countries in Face of Future Food Crises” (14th Meeting of the Agriculture Working Group)

With the environmental, economic, and social challenges facing the world today, sustainability has become a guiding principle for development. Food systems have been at the heart of sustainability debates, with their negative effects on the environment from pollution to food waste.

A sustainable food system is defined as *“a food system that delivers food security and nutrition for all in such a way that the economic, social and environmental bases to generate food security and nutrition for future generations are not compromised.”*

Sustainable food systems and food security are strongly linked with each other. Considering that the OIC is home to a substantial proportion of the world’s food-insecure population (with an average of 98 million severely food-insecure people in 2015-2017), ensuring sustainable food systems is of particular importance for the Member Countries. In this respect, the 14th Meeting of COMCEC Agriculture Working Group was held on 9-10 October 2019, in Ankara, with the theme of “Increasing the Resilience of the Food Systems in Islamic Countries in Face of Future Food Crises” and a research report on the same subject was considered by the WG. The 14th Meeting of the COMCEC Agriculture Working Group has also served as a preparatory meeting for the Ministerial Exchange of Views session of the 35th COMCEC to be held on 27 November 2019 with the theme of *“Promoting Sustainable Food Systems in the OIC Member Countries.”*

The report indicates that the OIC member countries face disproportionate risks for future food crises, with member states predominantly affected by instability and drought. The OIC is also highly dependent on trade, and is particularly vulnerable to food price fluctuations, having imported \$117.2 billion in food and beverage products in 2018 and incurred a trade deficit of \$67 billion.

Some factors adversely affecting sustainable food systems are, among others, low level of agricultural and labor productivity; lack of reliable and up-to-date data on food security; price fluctuations of food products; limited/low level of intra trade for food products in the OIC region due to high tariff and non-tariff barriers; adverse effects of climate change on agriculture and food systems (drought, water scarcity) and poor risk management of natural disasters.

In this regard, the 14th Meeting of AWG has come up with a set of policy recommendations under the following headings:

- *Legal and regulatory framework*
- *Improving Agro-production and Agricultural Productivity*
- *Development of Infrastructure*
- *Financing and Investment*
- *Market Performance and Market Access*
- *Promotion of intra-OIC agricultural trade/ Reducing barriers to trade*
- *Human and institutional capacity*
- *Monitoring and evaluation of food security*
- *Adaptation and mitigation strategies for reducing the adverse effects of climate change, man-made disasters, etc*
- *International and Regional Cooperation*

All the reports submitted to the Meeting and the presentations made during the Meeting are available on the COMCEC web page (www.comcec.org).

COMCEC Agriculture Working Group will continue to deliberate on food security issues. The next (15th) Meeting of the Agricultural Working Group will be held in February 2020 in Ankara with the theme of Good Governance for Ensuring Food Security and Nutrition in the OIC Countries.”

COMCEC Project Funding

Through its Project Funding Mechanism, the CCO provides grants to the selected projects proposed by the relevant OIC institutions and the Member States that have already registered in the Agriculture Working Group.

Under the Fifth Project Call, two projects have been selected for funding in agriculture cooperation area of the COMCEC Project Funding. The first project was implemented by Indonesia and titled “Developing Agricultural Market Information System for Horticulture Farmers”. Project partners for this project were Malaysia, Bangladesh, Brunei Darussalam, Egypt, Pakistan and Jordan. The project aimed at facilitating the marketing of agricultural products, especially horticulture in the OIC member countries through capacity building activities on marketing management information systems. In this regard, study visits to Australia and Morocco were conducted by the project team for data collection on the best marketing practices for agricultural products. In addition, an international workshop was organized in order to share experiences on market access strategies and best practices for global competitiveness adopted and promoted by advanced countries. Lastly, a training program with the participation of experts from the partner countries was held in Indonesia. In the training program, which included onsite training, participants were trained on theoretical and practical aspects of the marketing management information systems.

The second project titled “Improving Agricultural Irrigation Extension Services” was implemented by Turkey with the participation of Morocco, Tunisia and Palestine. The project purpose was improving knowledge and experience of technical staff employed in agricultural irrigation extension and training services. Within the scope of the project, project team conducted study visits to Morocco and Tunisia for investigating current situation in the irrigated fields and good practices on agricultural irrigation. After the study visits, a workshop was held in Turkey with the participation of experts from the partners to elaborate in detail the difficulties and opportunities of improving the irrigation extension services. Immediately after the workshop, a training program, which focuses on innovative approaches for the effective use of limited

water resources, new irrigation techniques, alternative irrigation water resources such as saline or drainage water and water harvesting techniques, was organized in Adana, Turkey.

Under the Sixth Project Call of the COMCEC Project Funding, made in September 2018, two projects are being implemented in agriculture cooperation area in 2019. The first project titled “Capacity Building on Warehousing and Storage Management” is being implemented by Malaysia with the participation of Indonesia, Bangladesh and Turkey. The project purpose is increasing technical knowledge of farmers and farmer associations on warehousing and storage management.

The second agriculture project titled “Reduction of Food Loss and Waste in the OIC Countries” is being implemented by Turkey with the partnership of Indonesia, Palestine, Morocco, Qatar and Tunisia. The project aims at strengthening human and institutional capacity and raising awareness on reduction of food loss and waste with a holistic approach.

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