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OPENING SPEECH

by

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delivered at the

An FAO Informal Expert Meeting

on

Designing Effective Country-Specific Strategies for Dairy Development

FAO Regional Office, Bangkok, 17-20 November 2008

Good morning Ladies and Gentlemen,

I wish to welcome you all to Bangkok. Everyday we open our newspapers and note, yet again, another article about commodity market shocks in Asia and elsewhere. Markets continue to be characterized by considerable turbulence as prices fall as quickly as they rose last year. However, in FAO, we believe that higher prices are here to stay and that this is providing the backdrop against which investment in agriculture in developing countries is more conducive than ever before. This is particularly true of the dairy sector where Asian appetites for milk products have increased rapidly faster than almost any other agricultural product. This trend would continue.

Within this new paradigm of a rapidly changing agricultural economy, local producers can potentially raise on-farm productivity, increase production, and help stabilize prices to adequately feed growing populations. This translates into potential opportunities for smallholders who currently supply 80 percent of local milk production. However, it also can lead to potential exclusion and higher risks for those whose livelihoods are heavily dependent on linkages to both formal and informal markets.

It is also clear that, within the context of rapidly changing and globalizing food markets, clearly articulated sector strategies and enabling policies are key to shaping the ability of industry and, in particular smallholder producers, to participate in this development process. It is these trends, amidst the recognition that dairying represents one of the fastest returns for many rural dwellers, many of whom are landless, which have prompted many governments in the region to place a priority on dairy development as a means for economic growth.

It is in response to this interest that FAO and the Animal Production and Health Commission for Asia and the Pacific (APHCA) have developed a blueprint of action for smallholder dairy development. The organization of this dairy policy workshop is part of this road map for action. Specifically, we recognize 1) the importance of identifying factors which are key to ensuring an enabling environment for dairy development and 2) the role of an effectively designed sector strategies as the vehicle for this development. As resources are channeled into the dairy sector in Asia, actionable and well-designed commodity/industry strategies and sound and implementable supportive policies are the bedrock upon which resource mobilization (both financial and human) are based.

I noted that a comprehensive and innovative programme has been prepared for this workshop. It is clear that you have a challenge ahead of you during the next three days. This isn't a workshop where FAO gives you information, rather you will all be working together to push the boundaries on knowledge on how to better set the stage for sector development. This is a dialogue which is just starting as we jointly create a knowledge and communication base that extends into the future.

In this opportunity, I wish to reaffirm FAO's commitment to work closely with you to promote the small-holder dairy development in this region.

In recognition of the hard work ahead of you, I wish you a constructive meeting and fruitful deliberations.

Thank you.