

# Situation and Perspectives of Agriculture in the Americas Principal Trends

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Cooperation on Agriculture

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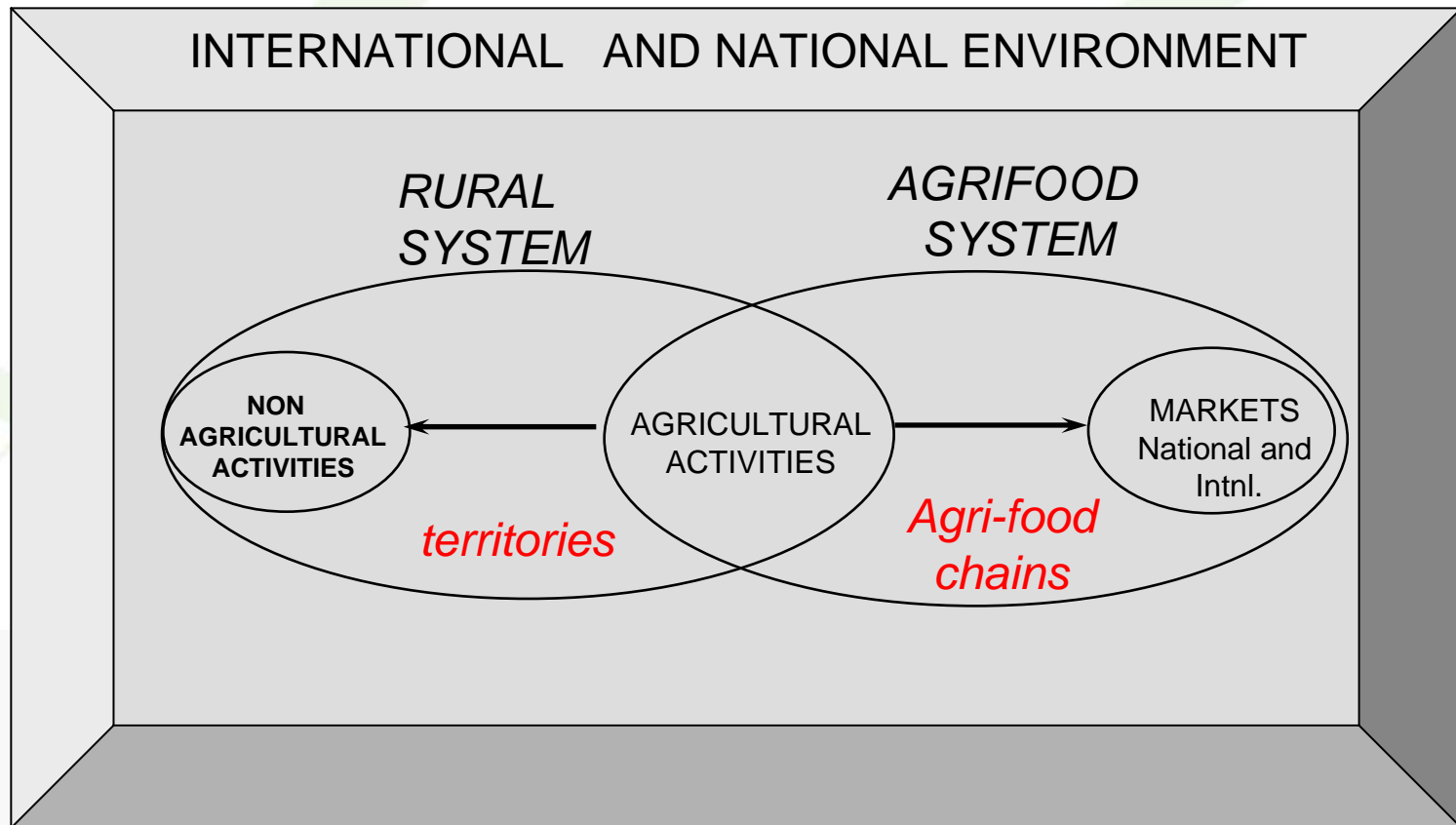


# 1. Background and Conceptual Framework

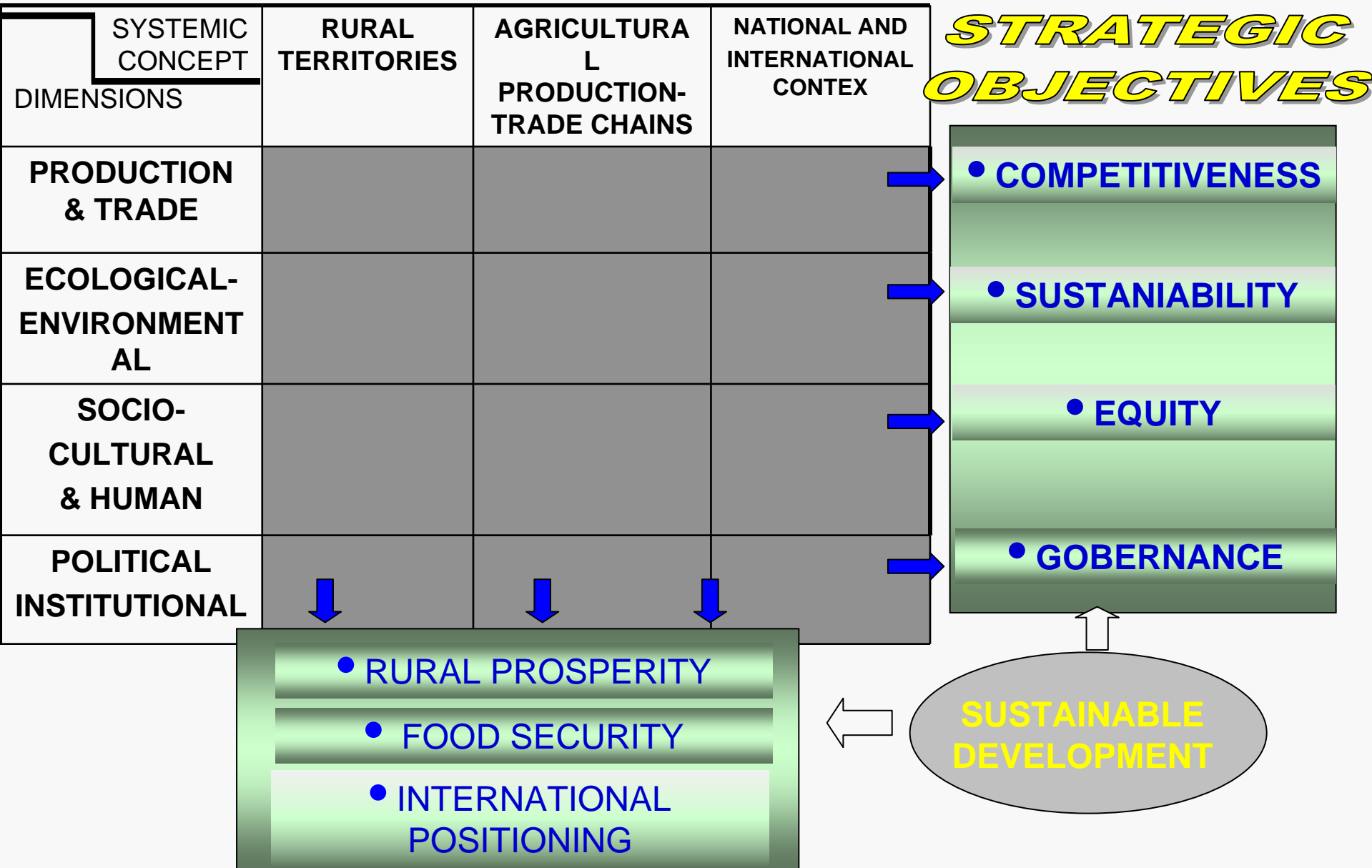
- ✓ IICA is a specialized agency of the Inter-American System: *66years, headquarters in Costa Rica and Offices in 34 countries of the Americas, in Miami and Madrid, Spain*
- ✓ IABA Regulations
- ✓ Ministerial Agreements (*Agro Plan 2003-2015*)
- ✓ Conceptual framework:
  - a) *Systemic Conception of Agriculture and Rural Territories*
  - b) *Agro-matrix*



# a) Systemic Conception of Agriculture and the Rural Milieu



# b) AGRO-MATRIX





## 2. Primary Message

The Hemisphere presents its best economic and social performance in the last 25 years:

- Significant growth in production
- Advances in the reduction of poverty
- Improvements in the distribution of income in some countries
- Increases in employment.

Agriculture in LAC was a main actor in this good performance

But, there are important challenges in the panorama



### 3. Principal trends

- ✓ The developing countries will lead world agricultural growth, although LAC will be the region with the lowest rate of growth
- ✓ Higher productive investments in the Region
- ✓ High hydro-carbon prices and increases in world demand for energy will provide incentives to produce bio-fuels
- ✓ Changes in relative prices for several agricultural commodities
- ✓ The expansion of world demand for food faster than the world supply
- ✓ Promising perspective for international trade of agricultural goods for the Americas



## 4. Mayor challenges

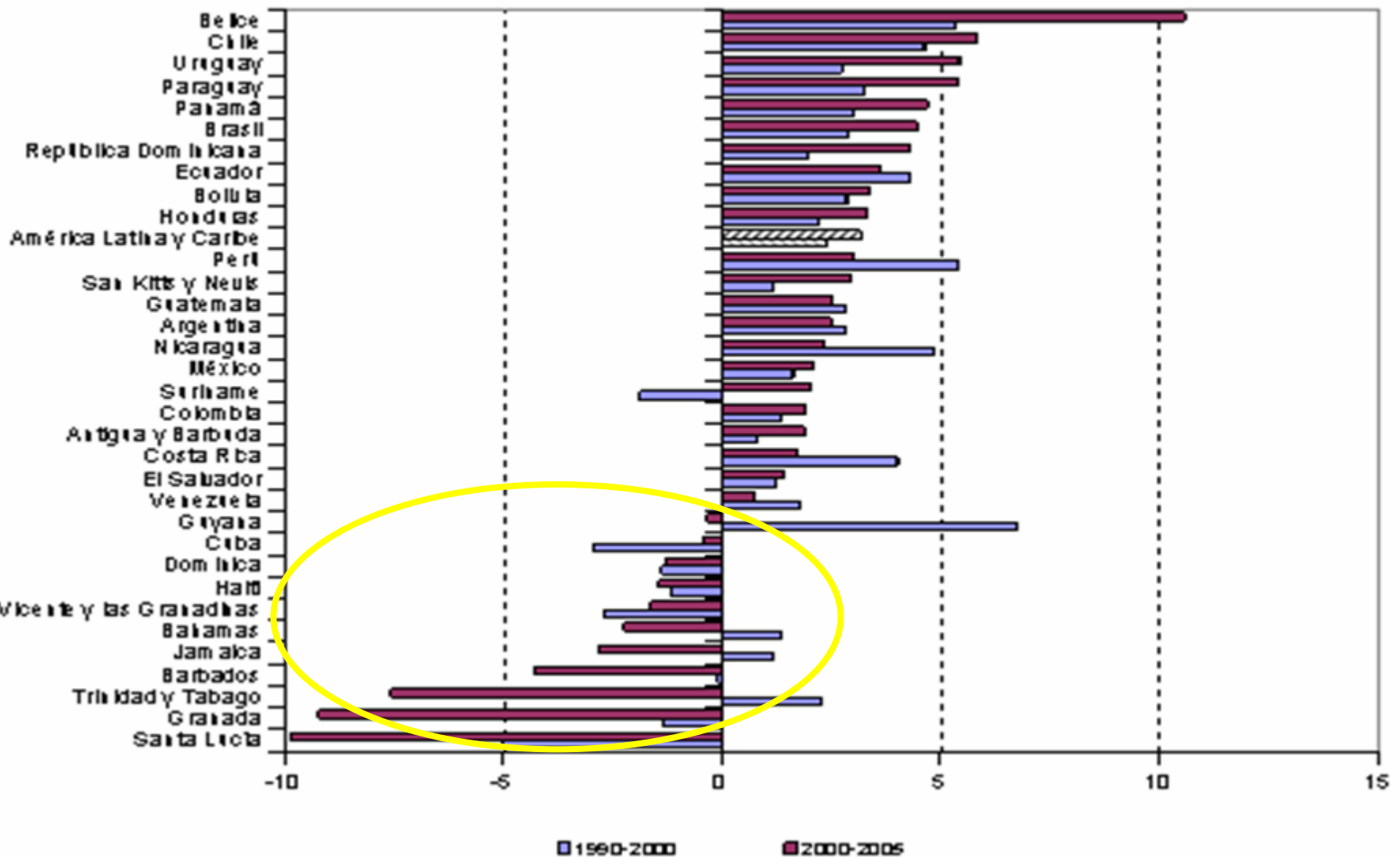
- ✓ Making agriculture more competitive
- ✓ Making agriculture and rural development more equitable
- ✓ Making the transition to a more sustainable paradigm
- ✓ Improving governance in agricultural and rural development



# **MAKING AGRICULTURE MORE COMPETITIVE**

# Growth of Agricultural GDP

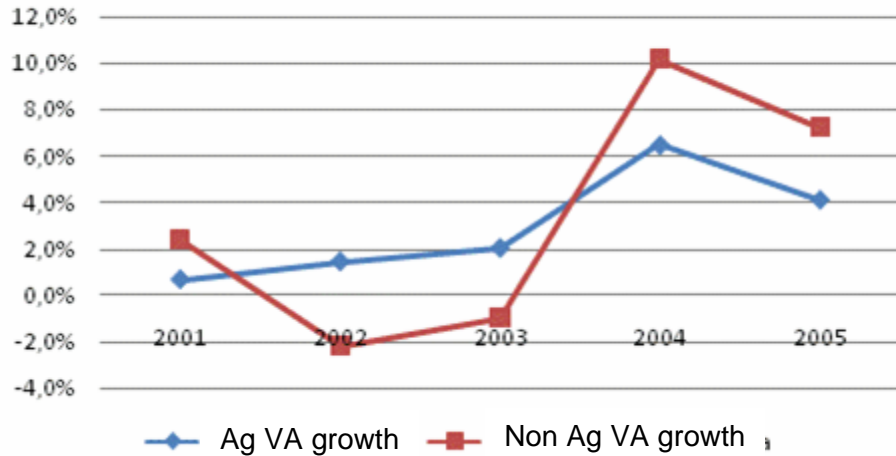
## 1995-2000 and 2000-2005: Relative stability



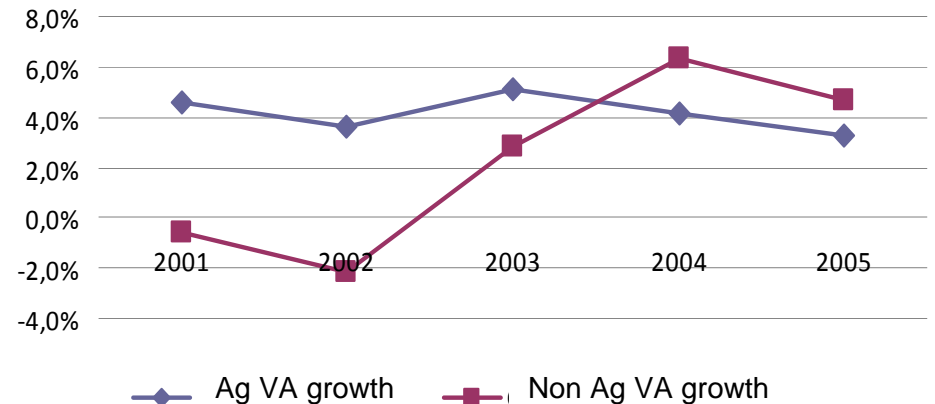
# AVERAGE GROWTH OF AGRICULTURAL GDP IN LAC: SLOWDOWN IN 2005 (in a real prices of 2000)



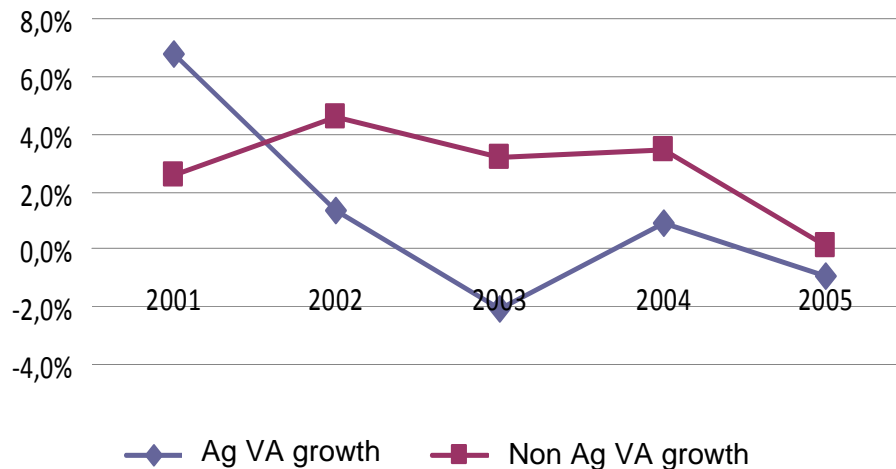
## Andean Region



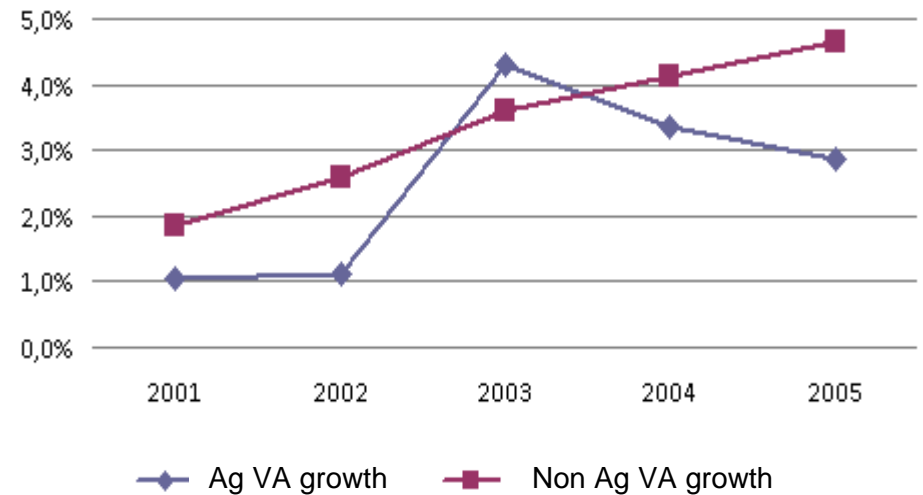
## Southern Region



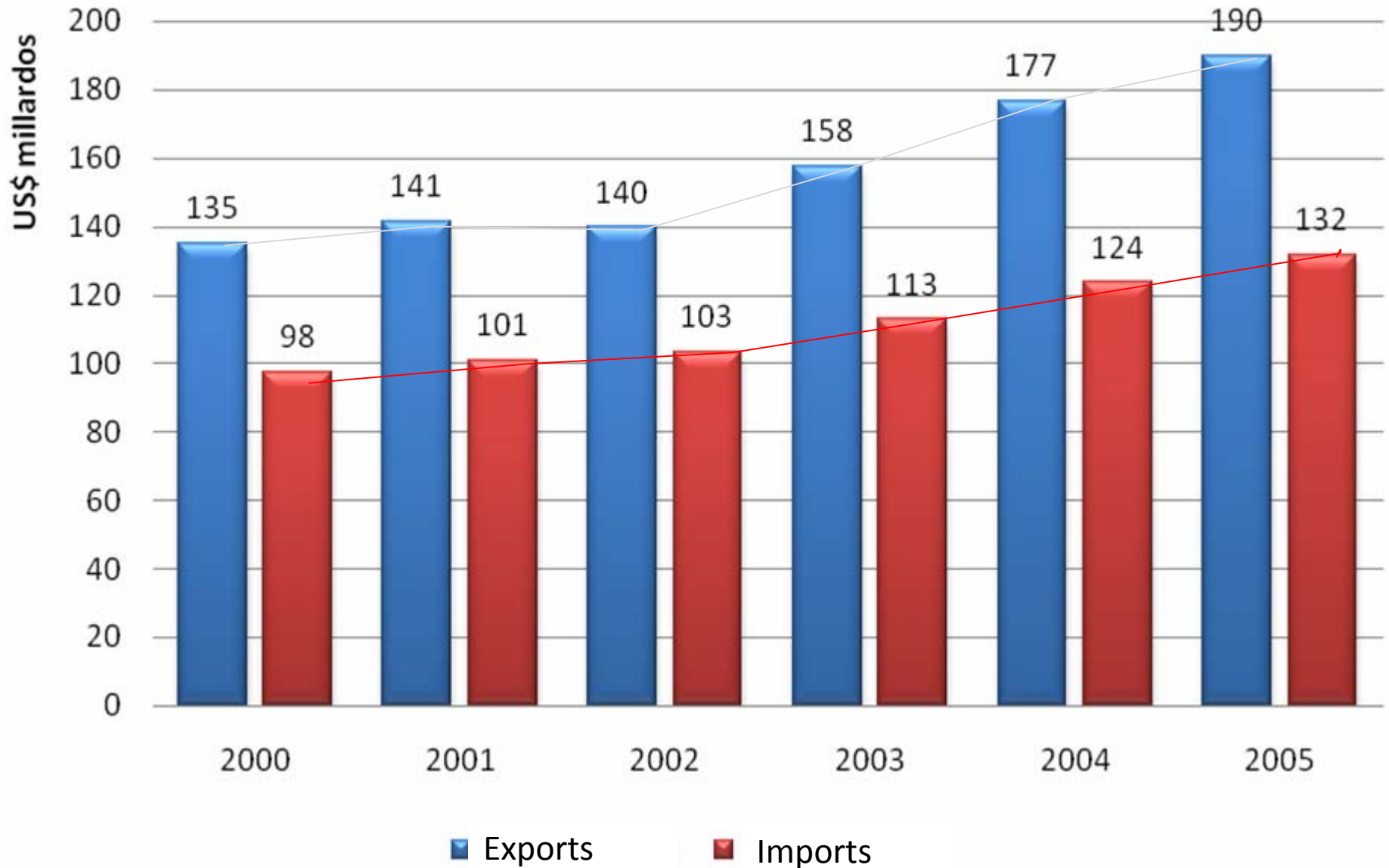
## Caribbean Region



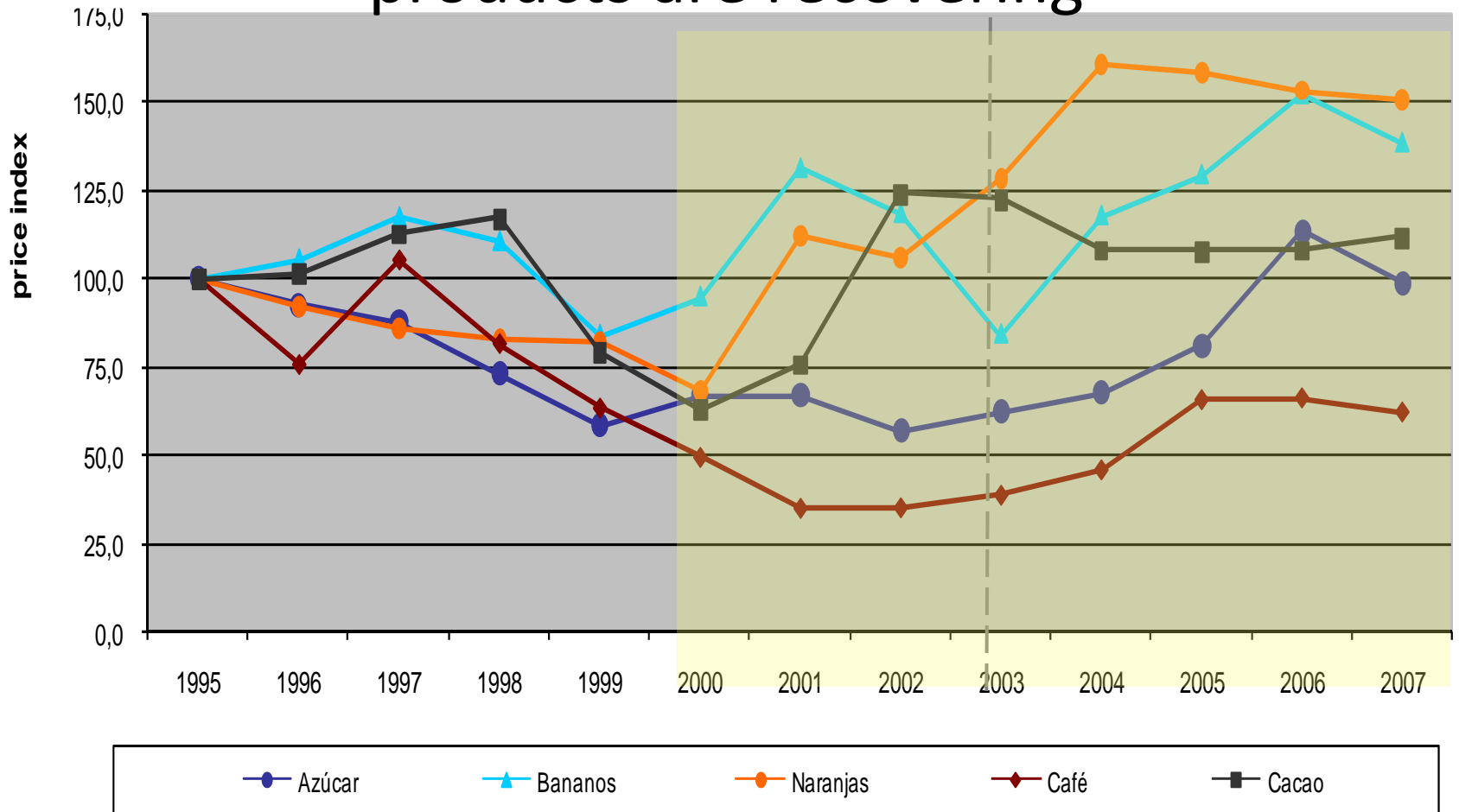
## Central Region



# Agricultural trade continues to grow and the balance of trade is positive in the Americas



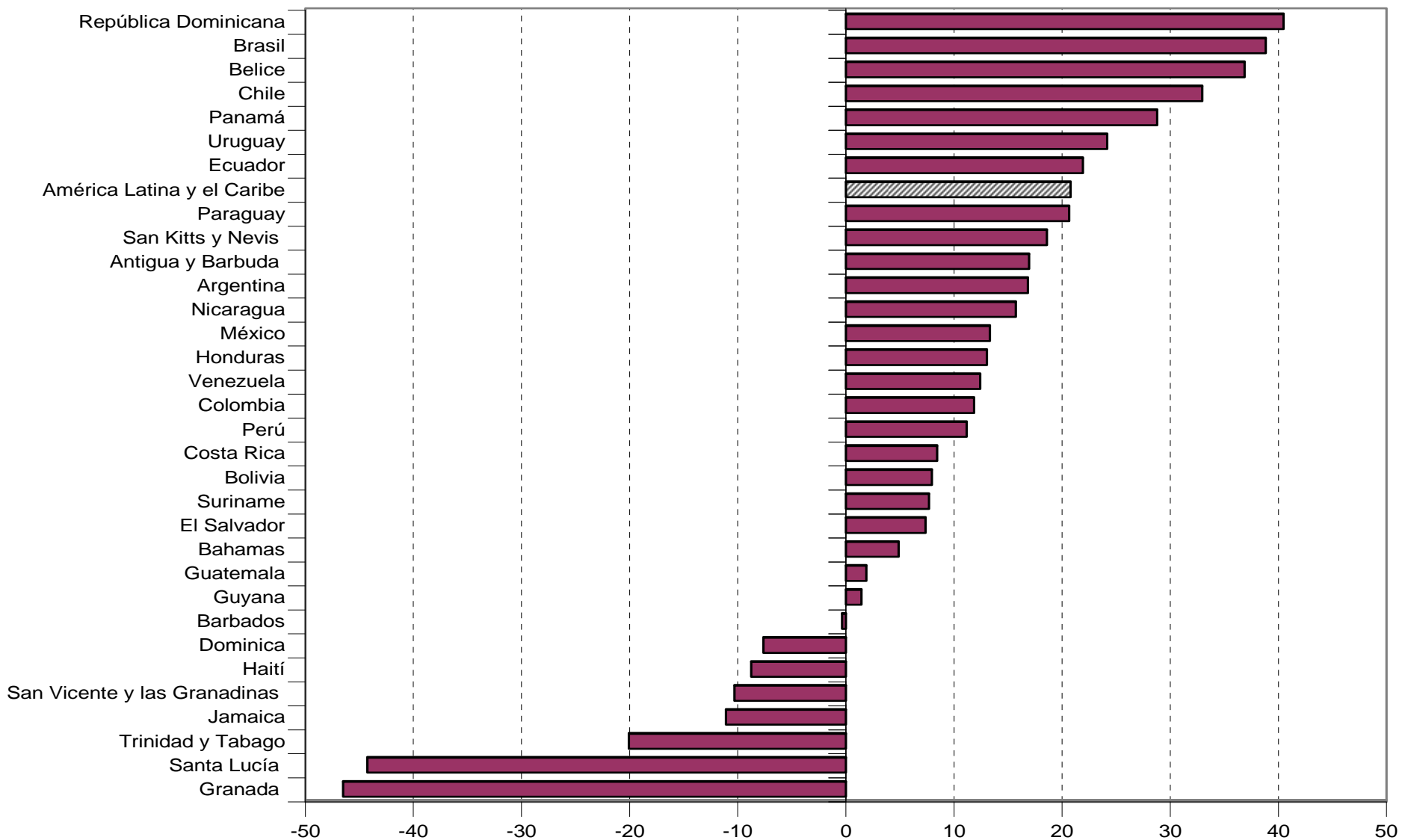
# World market prices of agricultural products are recovering



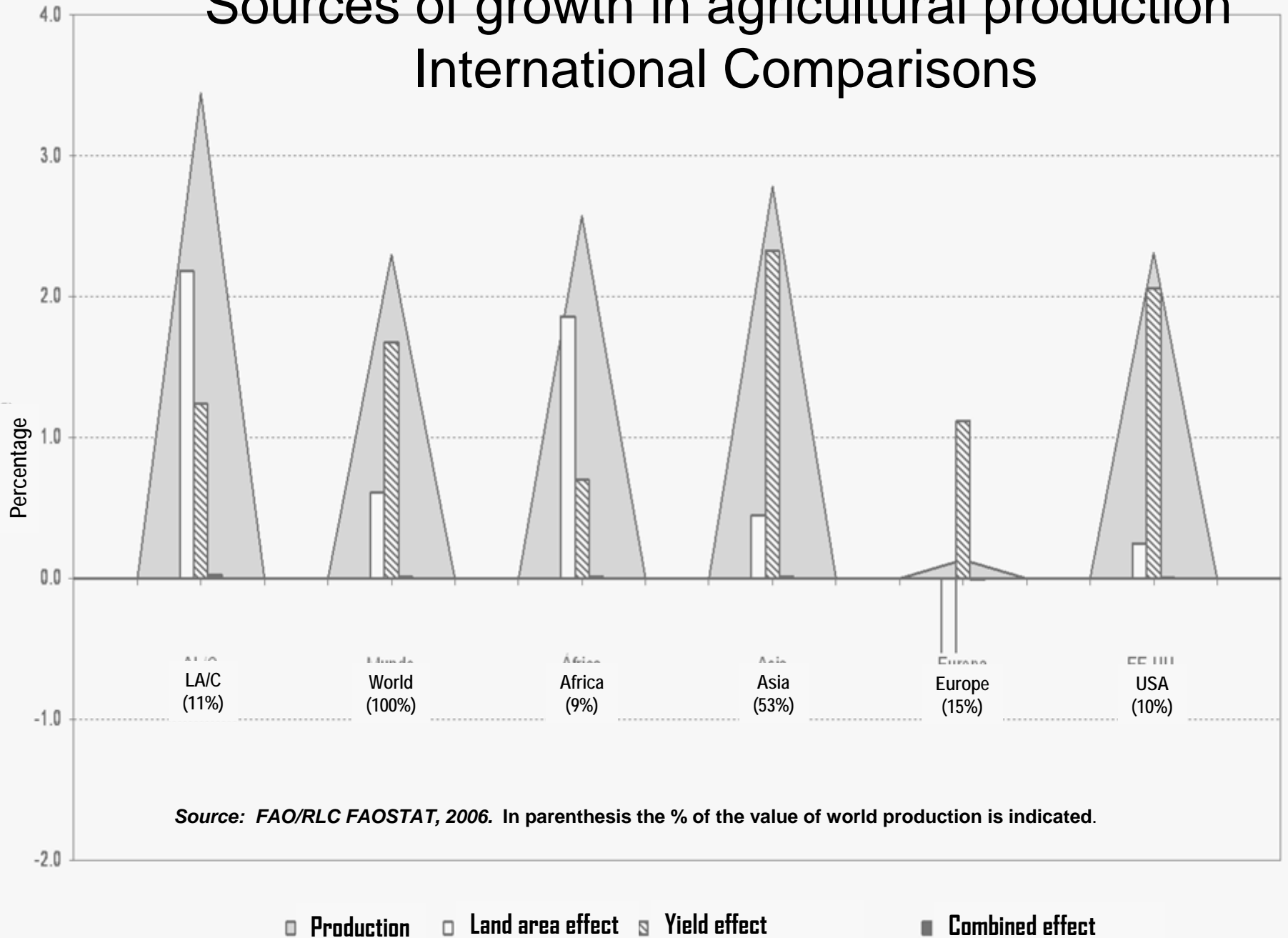
Source: IICA with data from World Economic Outlook of the FMI

**Trend of International prices of tropical agricultural products  
(base year 1995 = 100)**

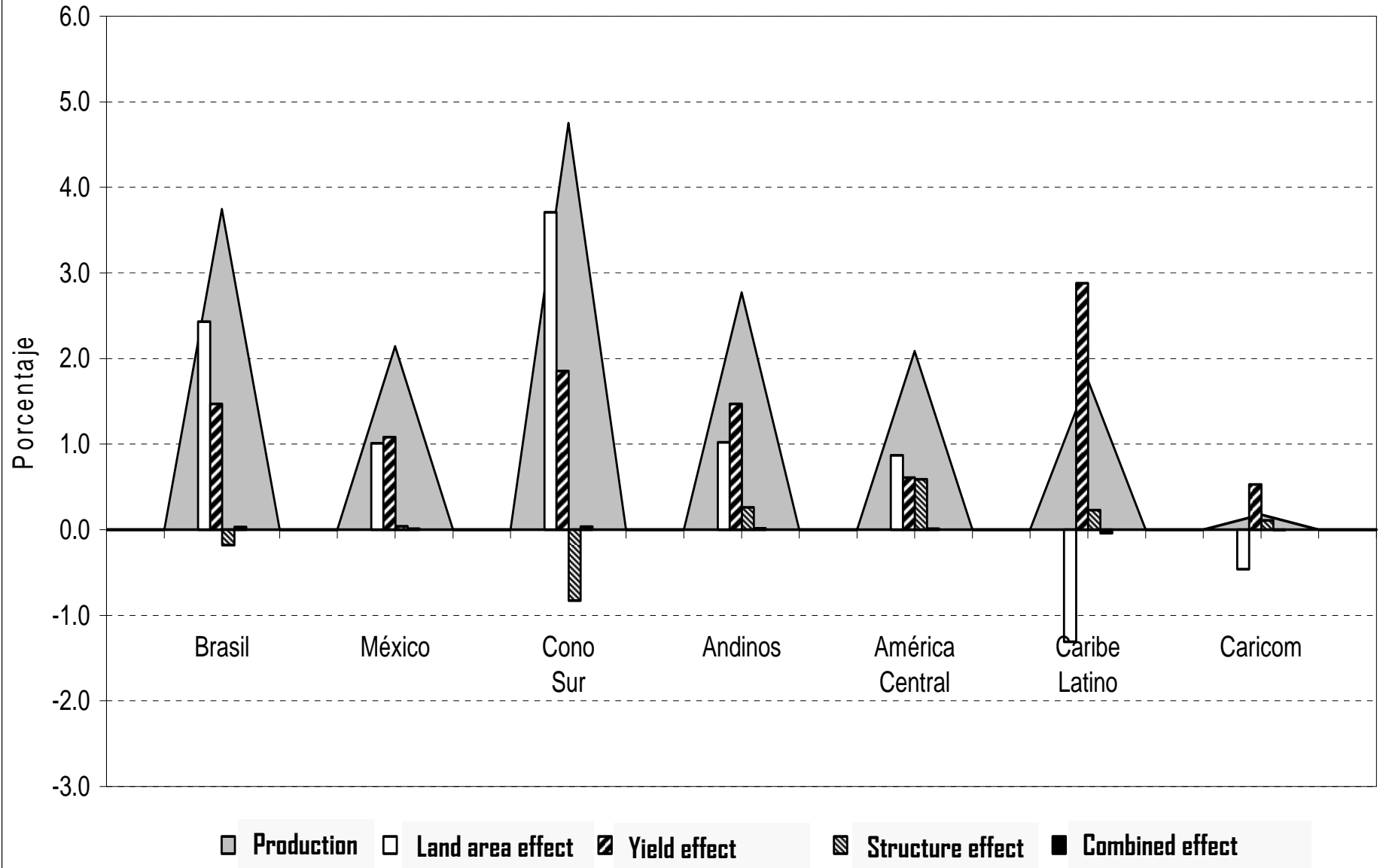
# Average growth of productivity in 2005 (índex 2000 = 100%)



# Sources of growth in agricultural production International Comparisons

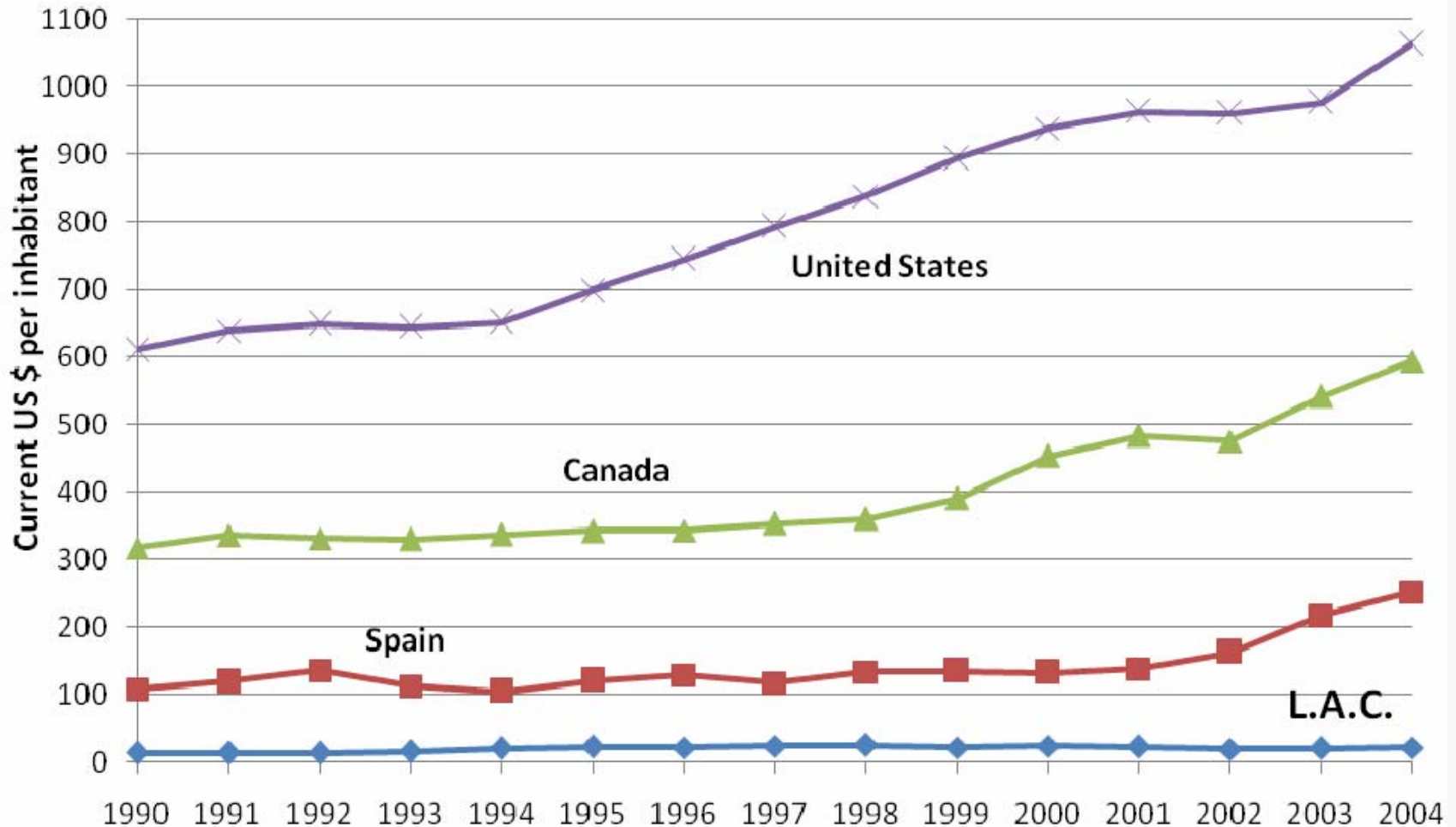


# Sources of growth in agricultural production: Regional Comparisons



# LOW INVESTMENT IN SCIENCE AND TECHNOLOGY

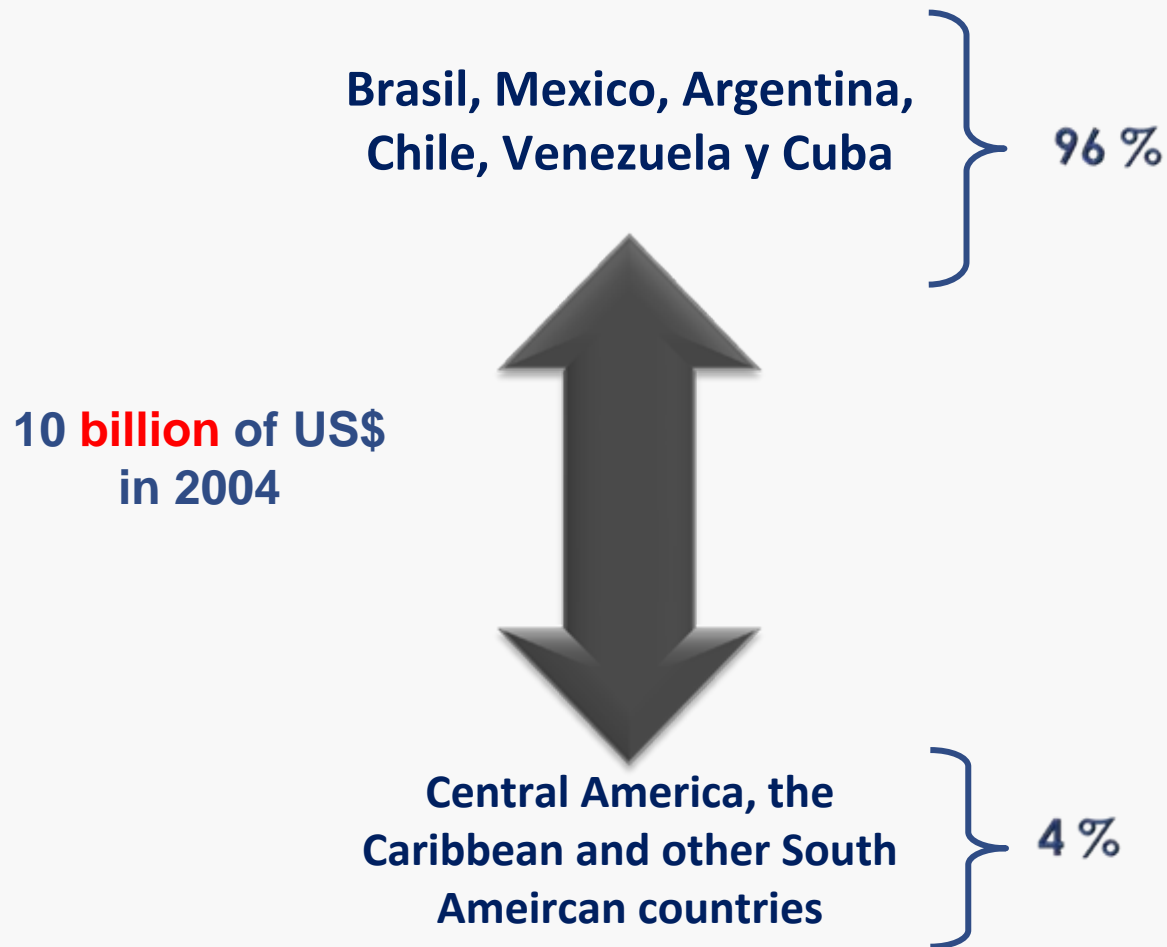
## Per capita Expenditures in Science and Technology (R+D)



Source: data from RICYT; analysis by IICA- Technology and Innovation

# Science & Technology Investments for LAC

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*Source: information from RICYT; elaboration: IICA – Innovation and Technology*





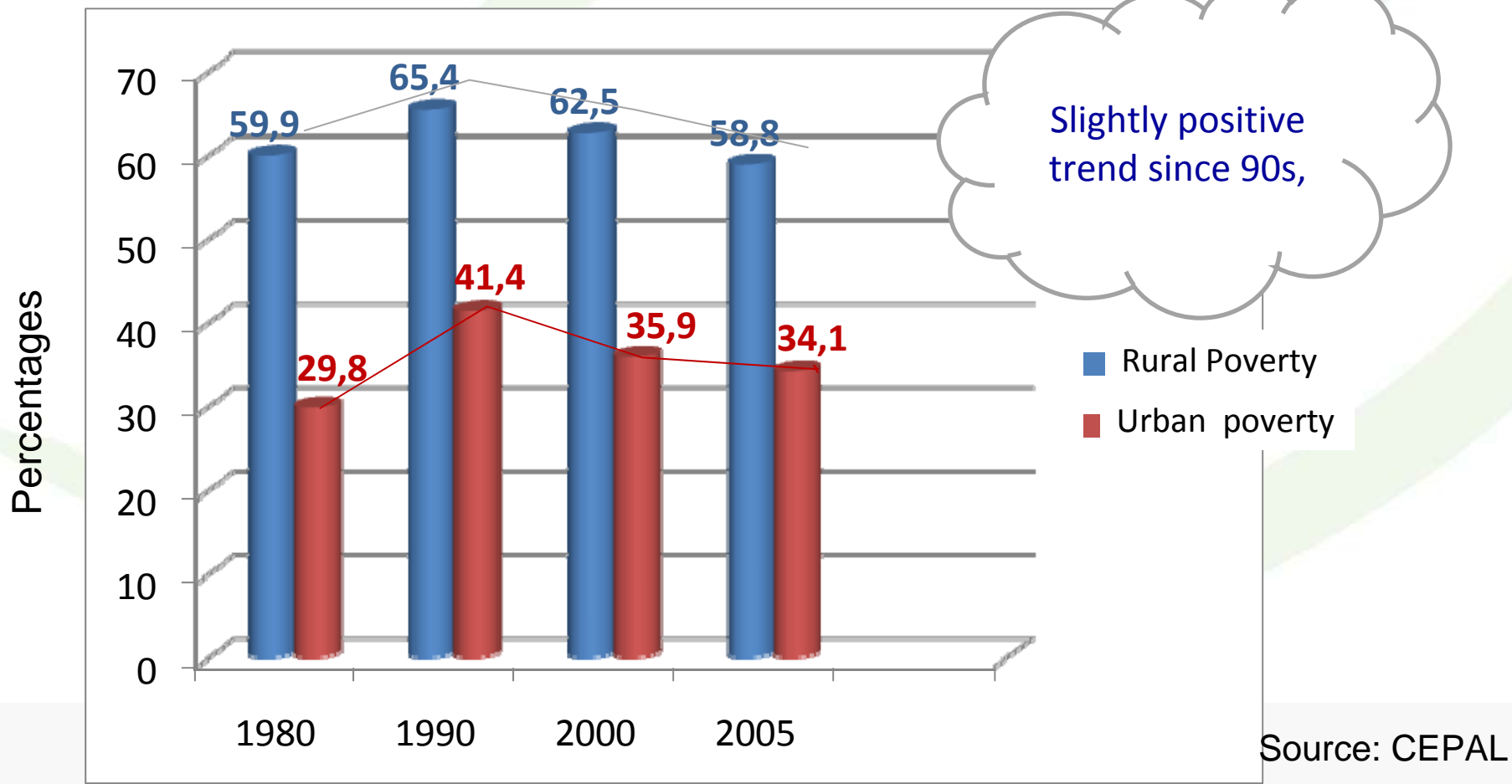
- ✓ Urgent need to increase investment in agricultural research
- ✓ The incorporation of modern technologies in agriculture & agribusinesses is accelerating
- ✓ Need to increase food and raw materials production without increasing areas cultivated,
- ✓ Conserving forests and biodiversity

An aerial photograph of a rural landscape. A dirt road winds through a valley between green hills. There are several small buildings and structures scattered across the terrain. The overall scene is lush and green, suggesting a rural or agricultural setting.

**MAKING AGRICULTURE AND  
RURAL  
DEVELOPMENT MORE EQUITABLE**

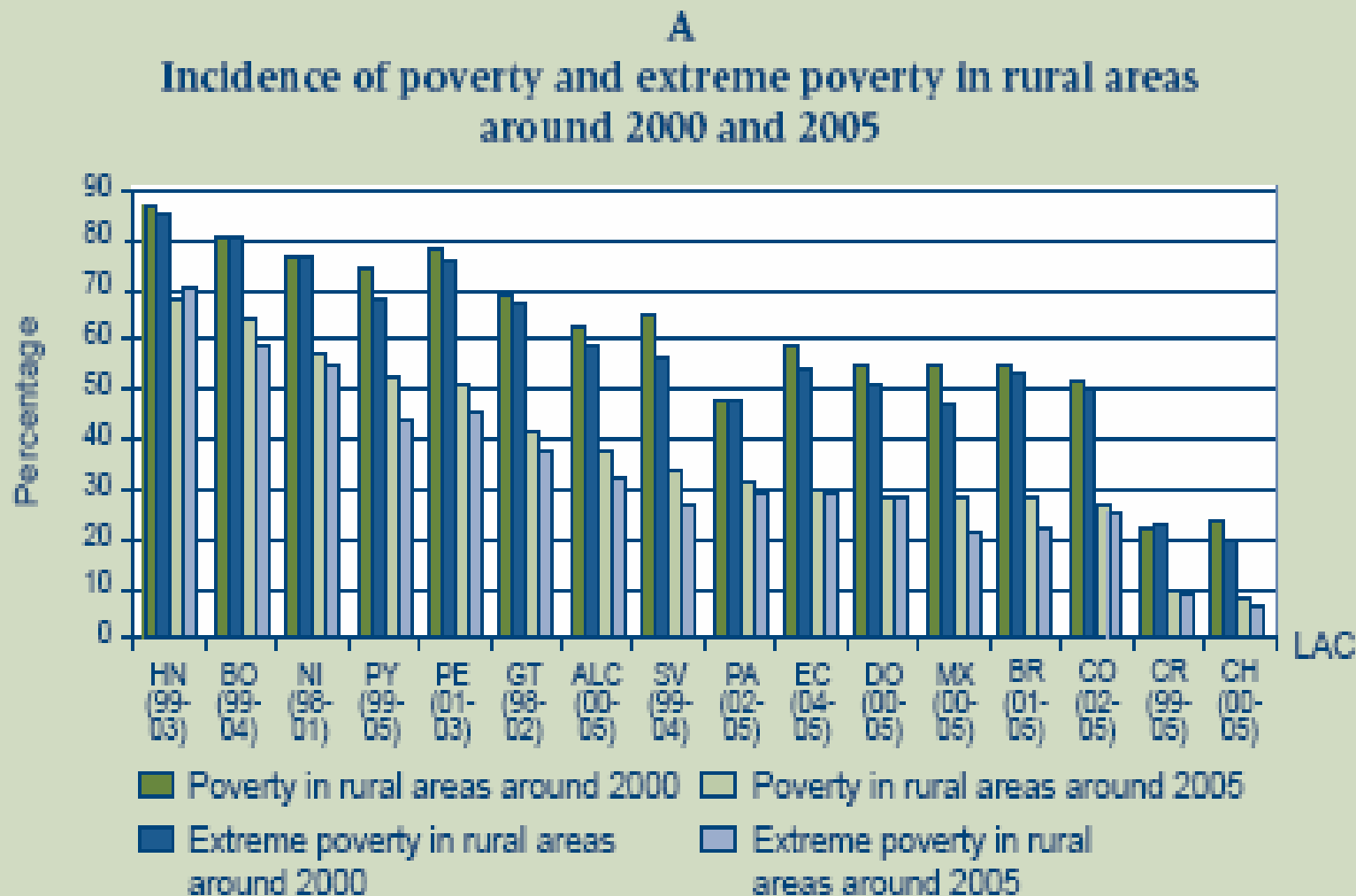


# Incidence of rural poverty in LAC: decline, but still remain high

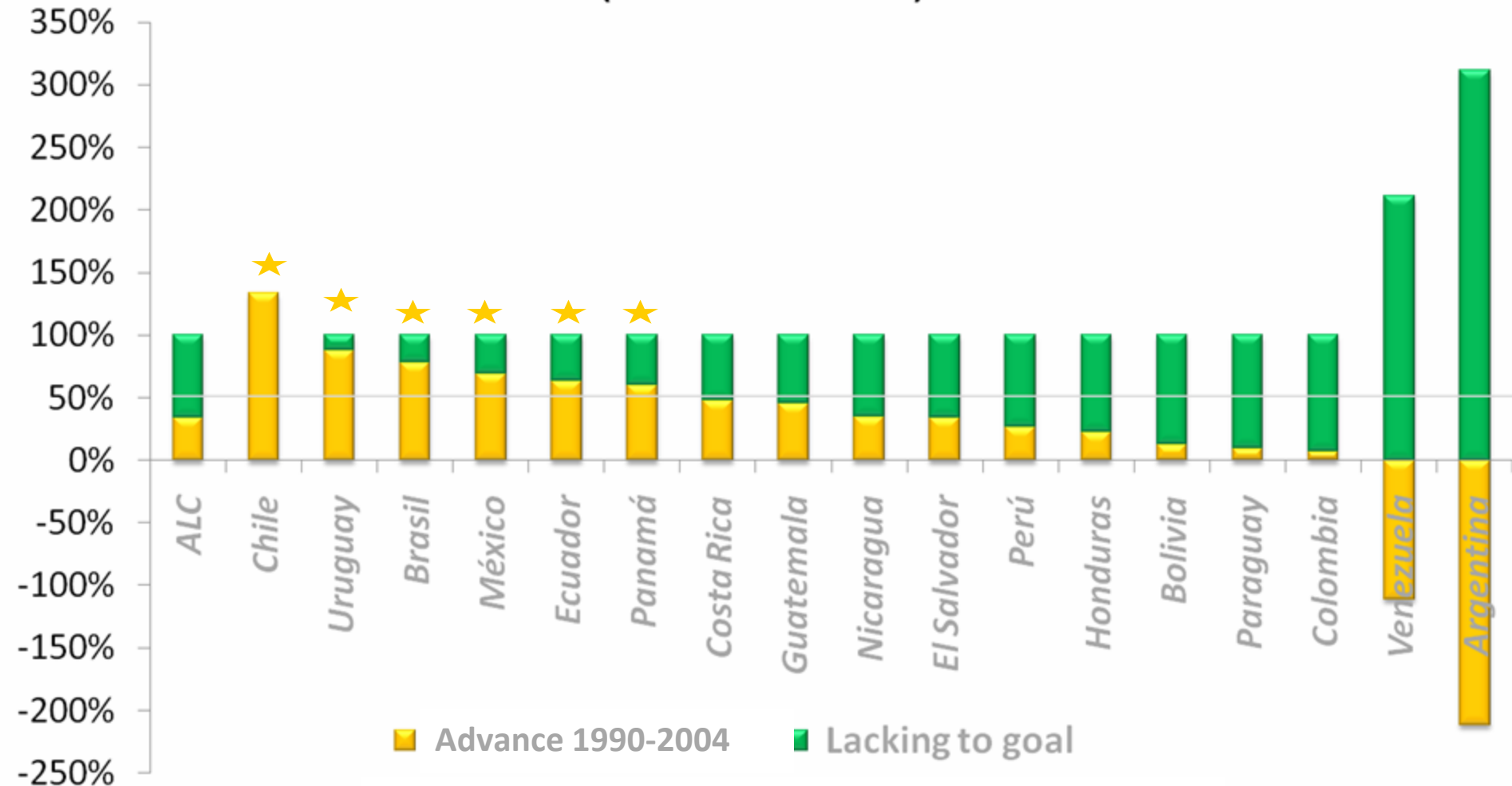


# IMPROVE EQUITY IN THE RURAL TERRITORIES

*Latin America and the Caribbean (14 countries): evolution of the incidence of poverty and extreme poverty in rural and urban areas*



# Advances & requirements to achieve Millennium Goals of Poverty Reduction by 50% (Goal = 100%)



Source: IICA-UMI with information from CEPAL



- ✓ Poverty and inequality reduction continue to be important challenges, especially in rural areas
- ✓ Present trends indicate a reduction of 6 million people in extreme poverty for 2015, which is only 5.12% of the persons in this condition in the year 2000



An aerial photograph of a lush green landscape, likely a rural or agricultural area. The terrain is hilly and covered with dense vegetation, including trees and what appears to be terraced fields or small-scale farming plots. The overall scene is vibrant and natural.

**Making the transition to a more  
sustainable paradigm**



# Deterioration of the natural resource base

- Forests: LAC loses 4.3 millions of hectares per year
- Genetic resources: loss of species
- Water resources: LAC has 45% of worlds fresh water, but threatened by contamination and over use
- Marine habitats threatened and marine resources are being over-exploited
- Soils: advanced desertification, degradation and erosion



- ✓ Natural Resources in LAC are abundant and rich, but their future is threatened
- ✓ Need to develop more sustainable agricultural systems and use our natural resource base in a more sustainable manner
- ✓ Growing importance of agro-energy and bio-fuels



## Concerns related to trends in agro-energy and bio-fuels

- Increases in certain agricultural prices and food prices
- Displacement of food crops for agro-energy
- Impact on food security
- Greater competition for use of soils
- Increased pressure on forests and protected environments

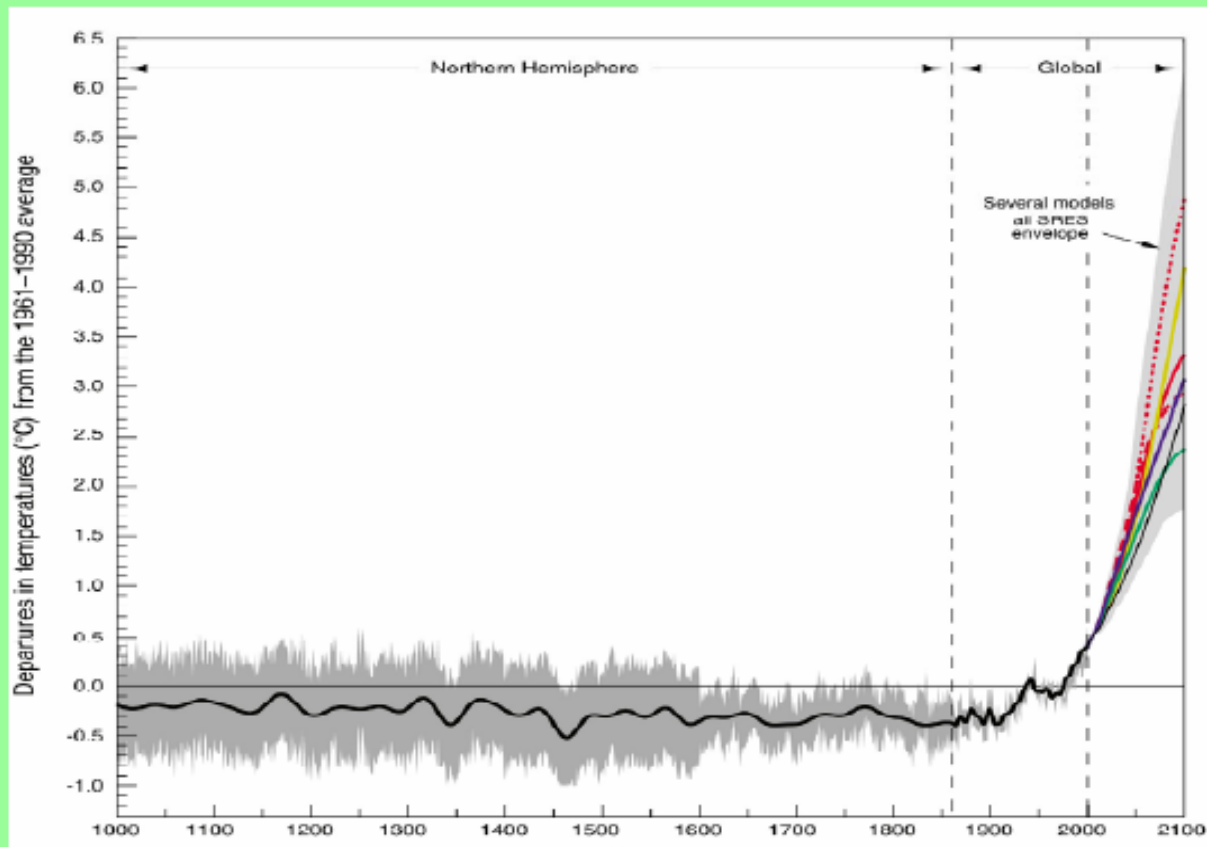




# Strong incidence of climate change on agricultural activities

## CLIMATE 1000 -2100AD

IPCC 2001



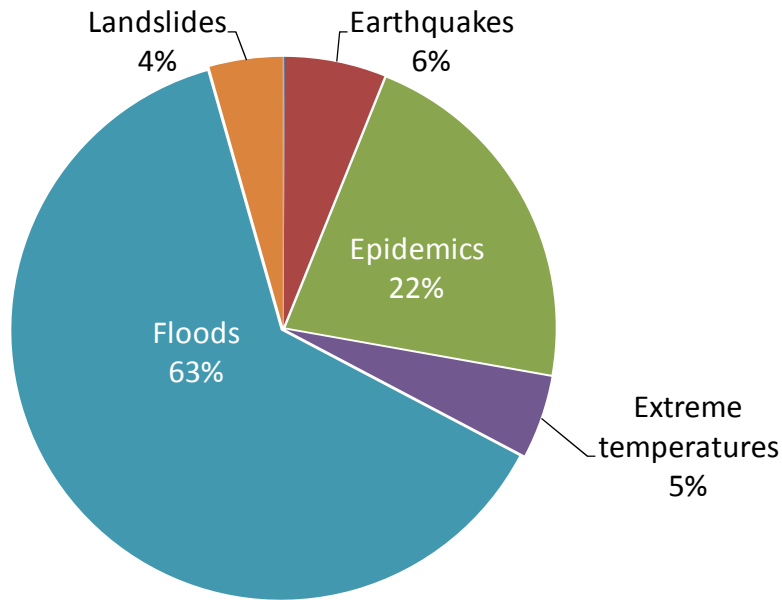


- ✓ The expected impacts of climate change will be greater in the tropical regions
- ✓ Need to begin to prepare for the challenges of climate change

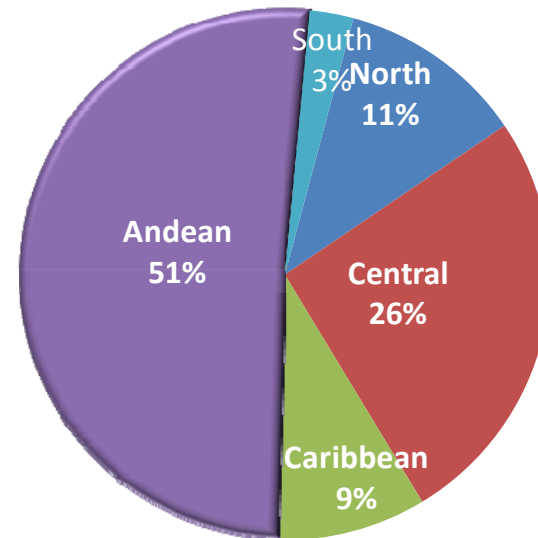


# Rural areas more vulnerable to climatic change

Incidence according to type of event



Distribution of deaths per region



SOURCE: Developed based on data taken from EM-DAT data base  
March 14, 2007

An aerial photograph of a rural landscape. A dirt road winds through a hilly area with dense green vegetation. Several small houses are scattered across the hillsides. The overall scene is lush and green.

# IMPROVING GOVERNANCE IN AGRICULTURAL AND RURAL DEVELOPMENT





## SLOW PROGRESS IN IMPROVING GOVERNANCE IN AGRICULTURE AND RURAL AREAS

- Increase citizen participation in political decisions in rural territories and democratic progress
- Economic growth based on the market help to reduce hunger, poverty and inequity
- Public spending and investment in agriculture and rural areas fell in the last two decades, and there are problems with quality and efficiency.
- No correspondence between the rural public expenditure and the importance of agriculture in the countries
- Integration processes shows new dynamism



**FINAL MESSAGE:**  
**New Market Challenges  
& Opportunities**



- ✓ The expansion of world demand for food represents a continuing opportunity for agriculture
- ✓ The growth in demand for alternative uses also represents opportunity
- ✓ High hydro-carbon prices and increases in world demand for energy will provide incentives to produce more bio-fuels
- ✓ Need to find a balance between food production needs and agro-energy demands

*Thank you!*

