

AGRICULTURE FOR FOOD SECURITY AND DEVELOPMENT IN THE AMERICAS

Panel 1

CREATING AN ENABLING ENVIRONMENT FOR INVESTMENT IN AGRICULTURE

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OPENING REMARKS

The World has signed on to eight Millenium Development Goals as a priority in making the Earth provide its people with living conditions which the current level of technology have long made possible. Of the eight Goals, three are strongly related to Agriculture:

1. To eradicate extreme poverty and Hunger;
2. Ensure environmental sustainability;
3. Develop a global partnership for development.

Since 43% of the world's labour force is engaged in agriculture, 40% of its land is engaged in agriculture and 100% of its people eat food, and is the basis of the culture in most civilizations -the essential act of partnership – breaking bread together, there can be no doubt as to the importance of man's oldest occupation (World Development Report 2009).

In Year 2009, we lack the normal excuses for failure in explaining our inability to feed all 6.6 billion of us, and especially to feed the 900 million people in the Americas which boast the first, ninth, tenth, thirteenth and thirtieth richest countries on the planet. Within the 34 countries of the Hemisphere, we have

1. The land to produce it all, indeed, the Region is the major exporter of agricultural products,
2. The best educated and proficient farming professionals, technicians and workers on the planet;
3. The largest pools of capital, from public, private, non-profit, philanthropic, multi-lateral and regional sources on the planet.
4. Entrepreneurial skills are in abundance, communication networks abound, every single country announces as priorities, every year in its Budget Debates - food production, the welfare of farmers, the protection of the countryside and participation in the international agricultural trade

It is on the subject of creating an investment for agriculture that this panel will attempt to throw some light.

Three centuries have passed since the Industrial Revolution removed farming as man's main, and in some cases only, source of employment. Two centuries have passed

since the majority of the American countries have gained independence and set out to build their prosperity on agriculture.

All countries have had success in critical areas and all have had failures. But for the majority of the rural population in Latin America and the Caribbean, farming has not produced an acceptable standard of living. The capacity to produce value from the land reveals wide gaps. The World Bank uses three indicators to illustrate the gaps – value added per worker, use of fertilizers and % of farm land irrigated .

Country	US\$ V.A. Per Farm worker	Fertilizer 00gms/ha	% land irrigated	Tractors Per 100 sq km Land
Argentina	\$10,072	479	5.6	86
Bolivia	\$ 773	61	4	20
Brazil	\$ 3,119	1,570	4	134
Chile	\$ 5,309	2,910	81	274
Canada	n.a.	581	1.5	161
Colombia	\$ 2,749	3,310	24	97
Costa Rica	\$ 4,506	8,523	20	311
Dominica Republic	\$ 4,586	1,003	21	23
Ecuador	\$ 1,676	1,731	28	112
El Salvador	\$ 1,638	904	5	52
Guatemala	\$ 2,623	1,285	6	30
Honduras	\$ 1,483	545	6	50
Jamaica	\$ 1,889	611	11	18
Mexico	\$ 2,793	714	23	130
Nicaragua	\$ 2,071	317	3	16
Peru	\$ 1,481	854	28	36
Panama	\$ 3,904	426	6	148
Trinidad-Tobago	\$ 1,745	1,848	3	683
USA	\$42,744	1,562	12	272
Uruguay	\$ 7,973	1,387	15	266
Venezuela	\$ 6,331	1,747	17	186

The WDR Report shows the average farmer in seven countries producing less than \$2,000 per year, with the US farmer producing \$42,700 per year, followed by Argentina with \$10,000. In fertilizer use, Bolivian's use 6.1 kilos per hectare (5 lbs per acre) , while Costa Rica uses 131 lbs per acre. In irrigation, Fourteen countries have less than 10% of their farms irrigated, while Chile has 81%. Egypt is the world leader with 100% irrigation. In tractor ownership, Chileans have 274 per hundred sq kms, while Nicaraguans have 16 and Bolivians 20

On Food Security, the concentration of mankind's diet to 4 cereals – rice, wheat, maize and sorghum places society at extreme risk. The spike in wheat prices in 2007 caused riots across the globe, particularly in countries which had been weaned on cheap, subsidized imports. FAO has consistently warned that we are courting disaster.

On Development, I will state the following:

1. **In the Americas, 30% of the population is in agriculture, producing 5% of GDP**, which means the farmers gross earnings are one-sixth of the average income of the Region. The resulting face of rural poverty is regarded sometimes as cute and even, indigenous, but let us not forget that it is the base cause of
 - a. The well documented rural/urban migration which swells favelas (slums), the breeding ground of the high crime rate which we denounced in San Pedro in February;
 - b. It attracts drug dealers and is the base of the calamitous international drug trade which is the Region's major security threat;
 - c. It discredits democratic politics, market-driven economics and the norms of modern Western culture which we have all built for the past 2 centuries;
 - d. Prolongs bad agricultural practices causing soil erosion, land clearing by fire; and after the rains – flash flooding, scouring roads, and destroying buildings and even towns;
 - e. Finally, creates disaffected youth, early pregnancy, and school drop-outs who ensure that the cycle of poverty continues.

2. **One size does not fit all.** Latin America has seen significant agro successes in the recent past. The success of Chile is becoming a world leader in fruit and wine production – Brazil's dominance of sugar, citrus and soya markets and Dominican Republic increasing worker productivity by over 100% from 1990-2003 shows that we have the technical capacity. Of course, we know that **the alluvial plains and volcanic highlands of the Region have maybe the most fertile soils of the world.** Some farmers are very successful and we often make the mistake of blaming them for the poverty of the others What we need is to have all farmers being successful.

3. Are we addressing the real issues ?
 - a. Most of our successes are in large (over 1,000 acre) farms, but what about the millions who live on less than 20 acres. In countries like Jordan, Israel, Egypt, Cyprus, Netherlands and Switzerland, small farmers are well educated, middle-class citizens, using computer-guided modules. Can the Latin American campesino be as successful?

 - b. Have we dealt with the indigenous challenges ?
 - mechanical small tools, hillside tractors,
 - absence of a sustainable pasture legume,
 - bio-energy systems which would allow energy independent farms
 - mini irrigation systems to meet the biennial sharp drought periods,
 - knowledge sharing of antidotes to age-old soil pests such as phytophthora and Lethal Yellowing which cause billions of dollars of damage.

- c. Community organizations which can allow economies of scale for the provision of facilities to select, grade, package, distribute and market fresh produce, and process the surplus.

4. The tremendous success of the recently introduced greenhouse technology by USAID shows that high-quality, heavy yield is possible on small farms for a wide range of products. It has adaptation challenges to various environments, but are we putting in enough research and funds for investment? . .