Agriculture Mechanization in Latin America – Opportunities and Challenges

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Business conditions review and outlook

Introduction

• Past 15 years unprecedented for global food/agriculture:
  • New price, income, other records – unparalleled prosperity
  • Global grain consumption rose 31%; area 6%; yields 25%; trade 64%
• Global food security improved – hunger and malnutrition reduced 27%
• Spurred investment, innovation, shifted policy attention nationally and globally
• Confluence of drivers; population and incomes growth; urbanization; biofuels
• Another transition now occurring: Where are we? Where to next?
Population growth and distribution

Source: United Nations Department of Economic and Social Affairs, July 2015
The Role of Mechanization in Feeding the World

• Essential for farmers of all sizes to feed the world.
• About more than labor availability— also enables significant yield gains.
• Varies by farm size, type – from basic power for smallholder farmers to guidance systems and precision farming techniques for the largest farms – and everything in between.
Mechanization Rate: LATAM Outpaced World Average

Source: World Bank
LATAM Mechanization: Rapid Progress

~ 40% increase

Source: Deere estimates
Note: Tractor quantity is limited to those reported to ANFAVEA
Brazil led the increase during the past 10 years ...while Argentina declined

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