Overview: Tilling Latin American Soils

Peter Goldsmith, Guest Editor

Latin America has emerged as a significant force within the global agri-food system. Agricultural production in the region is growing 3% per year, or 1.5 times the global rate. At the same time, modern food and energy now involve industrialized systems of production. Larger farming units, greater coordination across the food chain, and global integration operate within a context of greater social and environmental expectations. Meeting these social and environmental expectations is especially challenging in a developing country context where public and private institutions are weak.

One of the themes of this issue of Choices is the challenge for Latin America to balance the world’s increasing demand for food and fuel and their own ambitions for development, with society’s expectations as to the way food and energy are produced and natural resources are used. Such complexities create new strategic challenges not only for Latin America’s agricultural industries and policymakers, but also nongovernmental organizations and outside stakeholders who have an interest in the region’s practices and development.

The objective of this theme is to provide readers with examples that highlight this difficult balancing act. There are two general messages to be gotten from this set of articles. The first is how the interconnectedness of the modern agri-food system across the globe makes optimal policy development difficult. Suppliers, consumers, and stakeholders are increasingly located in different regions of the world. Each has an interest in how foreign agricultural development takes place, as well as how their domestic producers and consumers are affected. For example, in the article written by Carlos Steiger, European consumers are increasingly eating Brazilian beef and valuing the healthiness of the region’s grass-based diet for cattle. But, increased demand for Brazilian beef causes land use changes from a native state to pasture in the environmentally sensitive northern and western parts of the country.

The second message communicated by these articles is how Latin American agricultural development is a very modern phenomenon involving industrial production systems, greater coordination along the value chain, and much larger units of production. These modern agricultural systems have different economic, social, and environmental impacts compared with the idealized notion of a traditional small family farm. Domestic policymakers struggle in an environment of weak public and private institutions to balance environmental stewardship and the needs of small and landless farmers, with expectations for economic growth and development. For example, the article by Chaddad and Jank conveys the challenge for the Brazilian government to enact policies that lead to greater agricultural competitiveness within the global economy, while simultaneously shifting resources to support landless and small farmers.

There are four articles focused on these issues. The first article, by Fabio R. Chaddad and Marcos S. Jank, is entitled: “The Evolution of Agricultural Policies and Agribusiness Development in Brazil.” The authors trace the history of agricultural policy in Brazil. Farm policy evolved from initially emphasizing food security and self-sufficiency to a focus on deregulation and trade in the late 1980s and 1990s. Recently though, policy has taken a reactionary bent focused on small farms and land reform. The authors

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explain the implications of the recent shift in policy direction.

The second article, by Joao Martinez-Filho, Heloisa L. Burnquist, and Carlos E. F. Vian, is entitled: “Bioenergy and the Rise of Sugarcane-Based Ethanol in Brazil.” This paper documents the forces and challenges for Brazil as it has risen to global leadership in bioenergy. Key issues discussed are appropriate government policy and the importance of market forces within a developing country context, strategic investments in R&D, and the competition for inputs between the food and energy sectors.

The third article, by Peter Goldsmith and Rodolfo Hirsch, is entitled, “The Brazilian Soybean Complex.” This paper conveys the story of the Brazilian soybean complex as the classic rise of an industry due to natural resource abundance and strategic investments in agricultural technology. But, it is also a story about the challenges facing developing countries as they become the dominant suppliers of the world’s foodstuffs.

The final article, by Carlos Steiger, is entitled: “Modern Beef Production in Brazil and Argentina.” This paper tells how the dynamic demand and supply factors in the beef industry have directed attention to Brazil and Argentina as critical global suppliers. In recent years, Mercosur countries have doubled their share of world exports to over 42%. This increasing dependence on Latin America for beef has important social, environmental, and economic implications.

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