Perspectives on Agriculture and Rural Development in Latin America and the Caribbean (LAC)

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February 24, 2012
A view from LAC region: Positive results in terms of prosperity and stability

- Since 1990’s Inflation has fallen from triple digits to an average of close to 7 per cent.
- Foreign debt has dropped from 28 % of GDP to 7 per cent
- Per-capita income has doubled
- LAC is a more open region to trade; average external tariff has dropped from 45% to a round 9 %.
- Many positive social indicators
- Great potential for continued and sustainable growth in agriculture
The Outlook for Agriculture and Rural Development in the Americas: A Perspective on Latin America and the Caribbean

2011 - 2012
Sectoral Analysis

Growth of agriculture in the region has been positive. Agriculture contributes to the recovery of the LAC economies.

- High prices for agricultural commodities have spurred LAC growth (real AVA grew at an annual average of 3.2%).
- The growth of the adjusted AVA was greater (3.8%), but with regional differences: 4.5% in the Southern Cone, and 2.5% in all other regions.
- Real income grew more than the volume of production.
Expectations are high, but…

- Emerging agricultural health and food safety challenges.
- Investment in R+D+I is inadequate.
- Agriculture needs to perform even better.
- Pressures related to land ownership.
- Energy and food prices are moving in the same upward direction.
- Some countries do not benefit from this trend in prices.
Opportunities will depend on innovation

Livestock:
• Meat production and consumption has increased
• Meat exports grew higher than its production increase
• Outlook: Increase of pastoral livestock production systems, Higher prices, increased dairy production.

Forestry:
• LAC forests make up 23.6% of the world's forests
• The contribution of the forestry sector to the GDP of the region increased steadily
• Increased efforts to improve the sustainable management of forests will be observed
• Efforts to keep biological diversity will continue
• More actions to restore degraded land and strengthen the management of river basins

Aquaculture:
• Remains the fastest-growing activity in food production in the region
• South America is the regional leader in commercial fishing and aquaculture
In LAC, the negative impact of the crisis was less than expected.

Changes in poverty and indigence rates 2002-2007 vs. 2007-2009

Policies and institutional framework: Modernization with a long-term vision

Objectives of the policies implemented (% of replies)

- To stabilize prices
- To protect incomes
- To foster production
- To foster consumption
- To ensure domestic supply
- To regulate competition
- To strengthen local markets
- To protect the labor market
- Others

Percentage

0 10 20 30 40 50 60 70 80
Future vision of LAC Agriculture, IICA role

70 years promoting competitive & sustainable agriculture for the Americas

✓ We work to promote agriculture and rural well-being in the region …
✓ We work based on a new paradigm for agriculture …
✓ Our experience is at the service of all 34 member countries…
✓ We face many challenges, but the most important challenge is to increase productivity in the region …
IICA, the leading agricultural organization in the Hemisphere, offers technical cooperation to its member countries to:

1. Improve productivity and competitiveness in the agricultural sector;
2. Strengthen agriculture’s contribution to the development of territories and to rural well-being;
3. Improve agriculture’s capacity to mitigate the effects of, and adapt to, climate change, and make better use of natural resources;
4. Improve agriculture’s contribution to food security.
Final remarks

• Agriculture is one area of major concern in the international debate mainly because of food security, energy potential, climate change and sustainability issues.

• IICA is an active participant in promoting competitive and sustainable agriculture in the Americas, through country capacity building, technical cooperation, fostering innovation and sharing knowledge within the region.

• IICA helps to implement practical solutions to increase production and productivity according to country needs.

• IICA is participating in the creation of a new model of collaboration in the international community.
Thank you

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