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Agricultural
Outlook
Forum
2012



*Moving
Agriculture Forward*

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



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February 24, 2012



Inter-American Institute for Cooperation on Agriculture

Promoting competitive and sustainable agriculture for the Americas



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

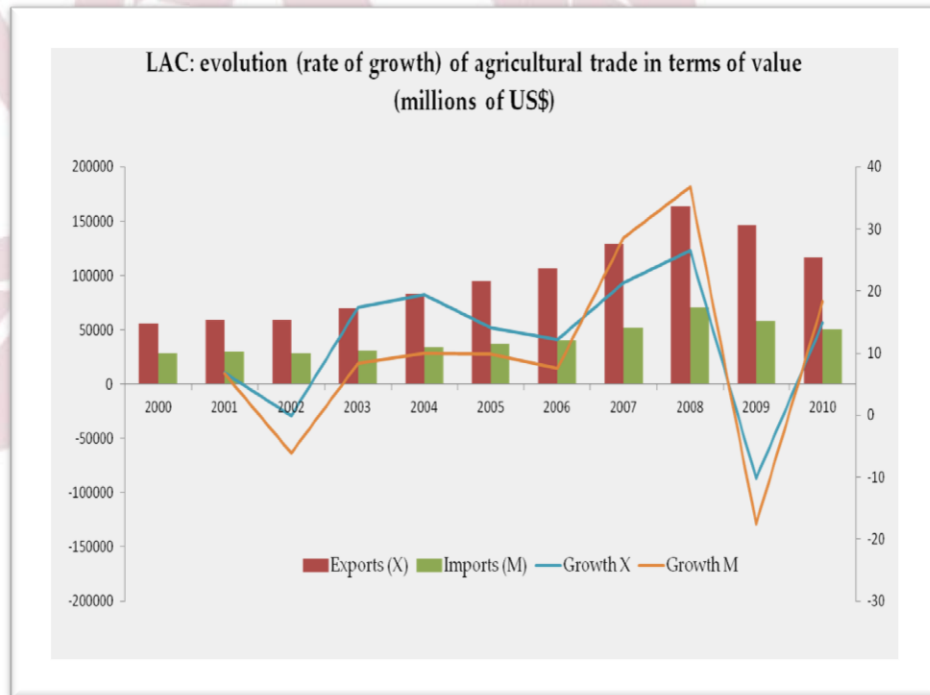
2011 - 2012



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:

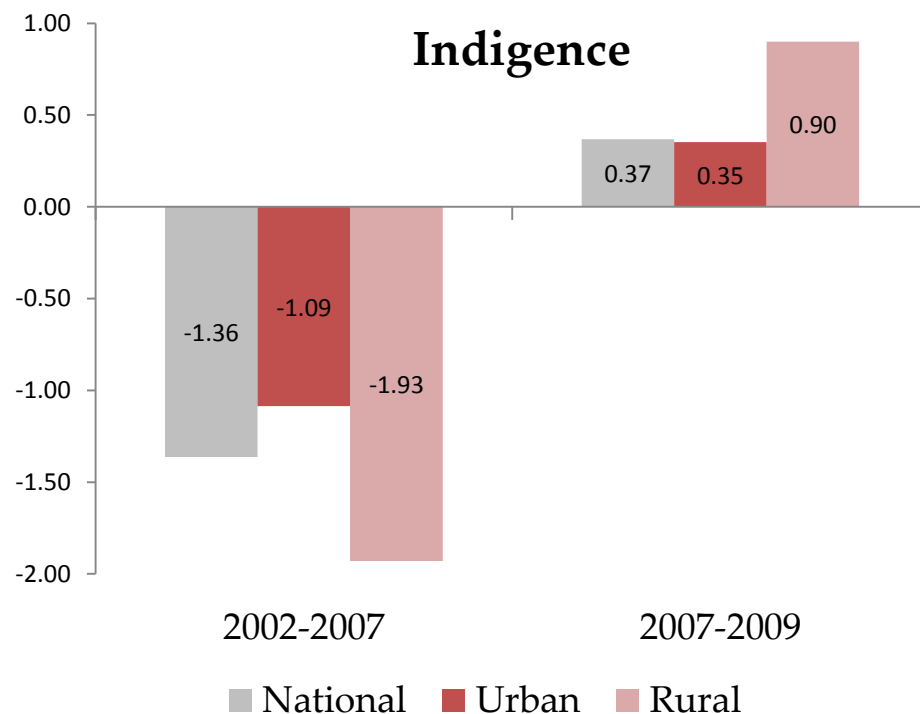
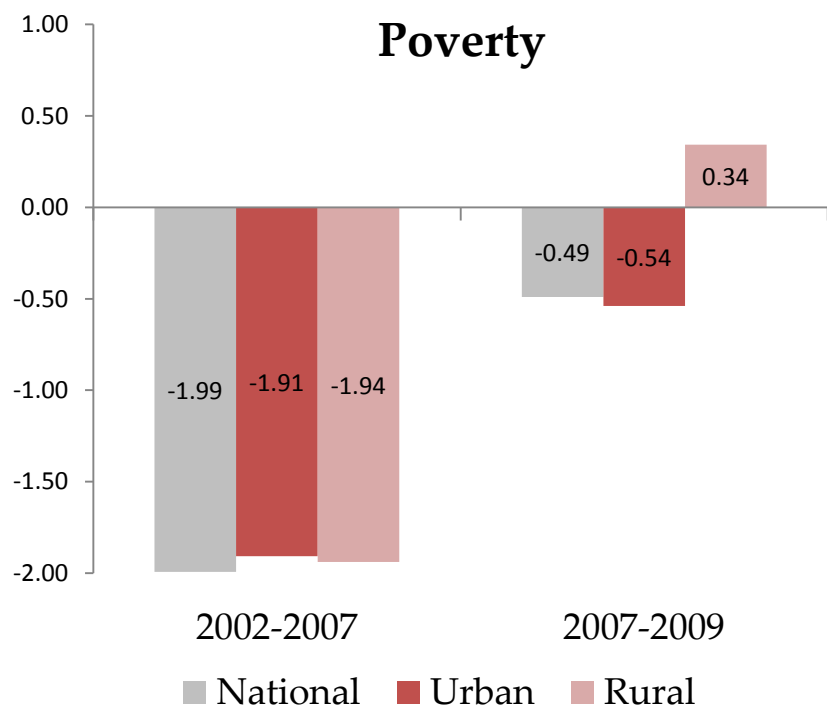
- Remains the fastest-growing activity in food production in the region
- South America is the regional leader in commercial fishing and aquaculture





In LAC, the negative impact of the crisis was less than expected

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



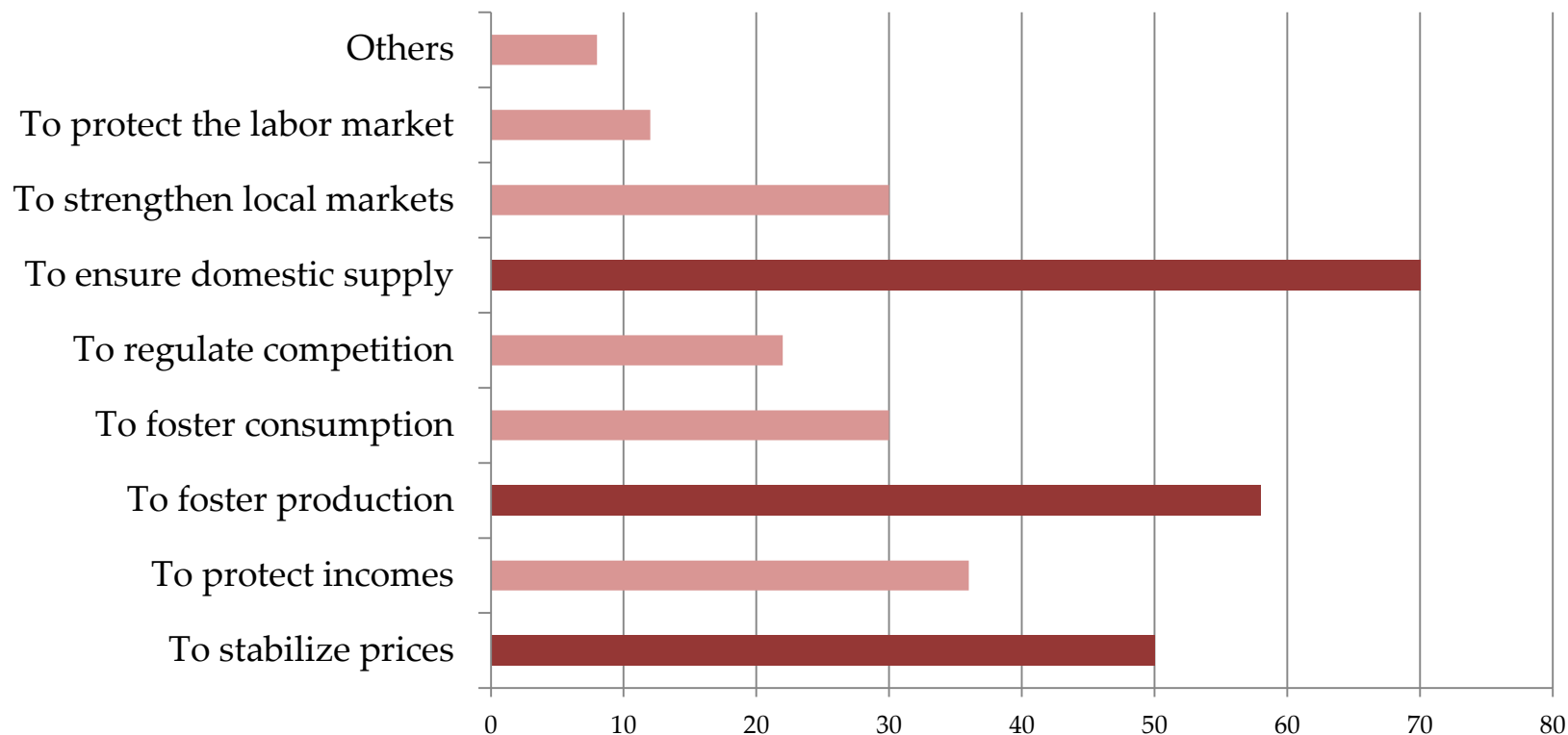
Source: CEPAL, 2010.





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

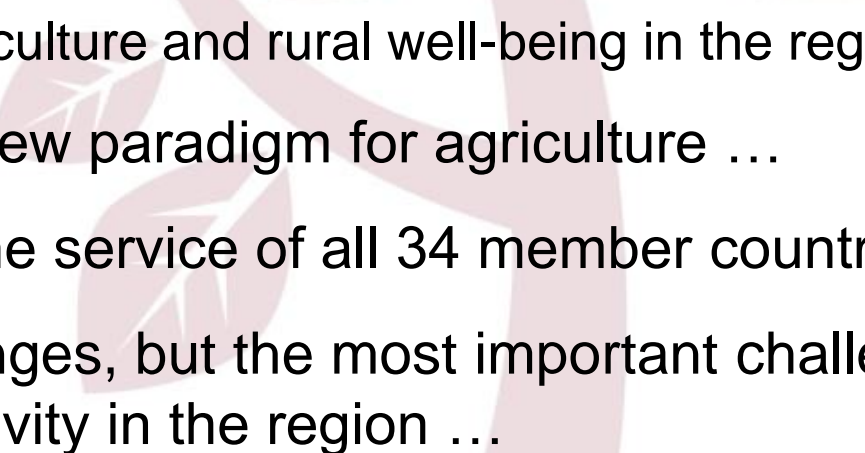
Objectives of the policies implemented (% of replies)





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, a leading agricultural organization and facilitator

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.



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Thank you

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