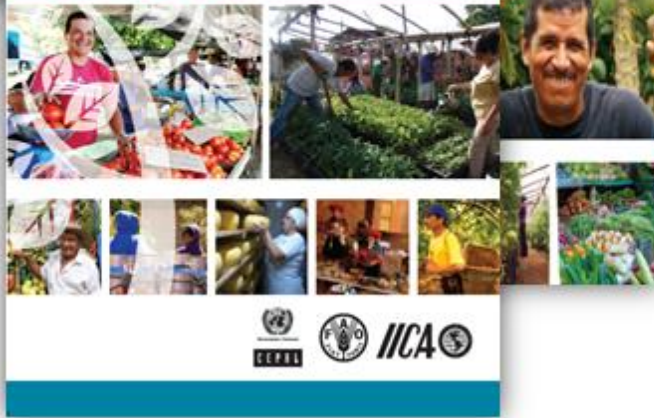
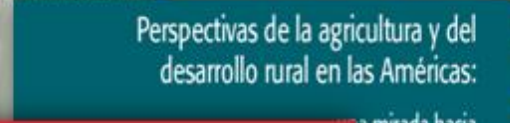


# The Outlook for Agriculture and Rural Development in the Americas:

A Perspective on Latin America  
and the Caribbean

## 2015-2016





# Boletín CEPAL · FAO · IICA

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## Gestión de riesgos de la agricultura familiar en ALC





# CONTENTS OF THE PRESENTATION

- **Macroeconomic context**
- **Sector analysis**
  - Context of the agricultural sector
  - Agriculture (Crops)
  - Livestock
  - Fisheries and aquaculture
  - Forests
- **Rural well-being**
- **Policies and institutional framework**
- **Policy recommendations**



The region's growth rate is the lowest since 2009, with aggregate foreign demand weakened by a downturn in the world's largest economies. The countries continue to require macro policies that will enable them to overcome structural obstacles to growth.

# MACROECONOMIC CONTEXT



# Trends



- ✘ Slower growth and expected not to be higher than 3%.
- ✘ Price contraction.
- ✘ Volatility in Exchange rates.
- ✘ Improvement in the economy of the United States.

# Perspectivas



## Slower growth

- Brazil, Mexico y Argentina



## Low energy prices

- Differential impacts.



## Market volatility

- China, Eurozone and US



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The slowdown in world demand for food and agricultural raw materials will affect the outlook for growth of agricultural production and trade in Latin America and the Caribbean

# SECTORAL CONTEXT

**Meeting of Ministers of Agriculture of the Americas**

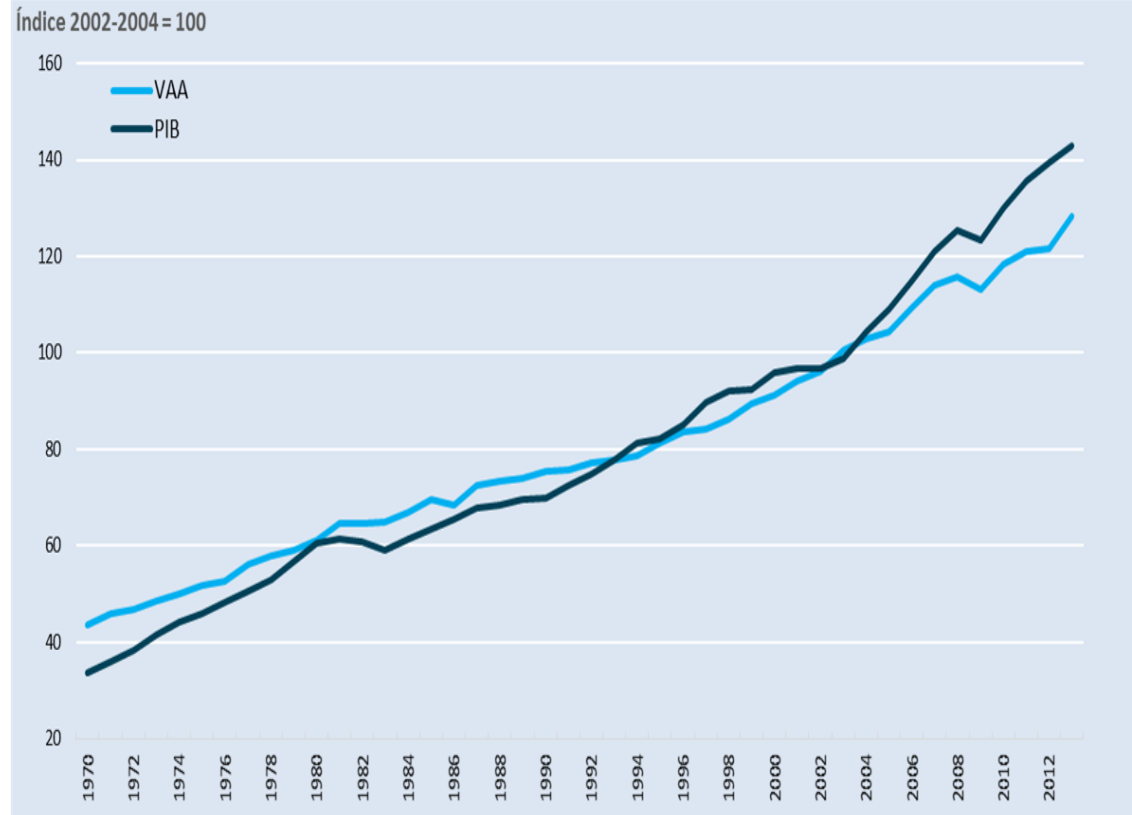
Eighteenth Regular Meeting of the Inter-American Board of Agriculture  
Cancun - Riviera Maya, October 19-23, 2015



«Grow better, produce more, feed everyone»  
Sustainable agricultural productivity and rural inclusión

# Trends

- Growth relative to the rest of the economy.
- Productivity improvement.
- Export markets and volumes. .
- Reduced buffer capacity of agriculture at times of crisis.





# Perspectives

Reduction from  
the demand.



Price  
Supercycle



Trade  
agreements.





Although there was greater climatic stability, in some regions of LAC high temperatures and droughts, coupled with the appearance of pests and diseases, posed a threat to crop yields. Producers of tropical crops were hit hardest by these phenomena but the situation also provided an opportunity to incorporate innovations that have enabled farmers to increase their production and positioning in niche markets with higher value added.

# AGRICULTURE





# Trends



Cereals and  
oilseeds.



Tropical crops



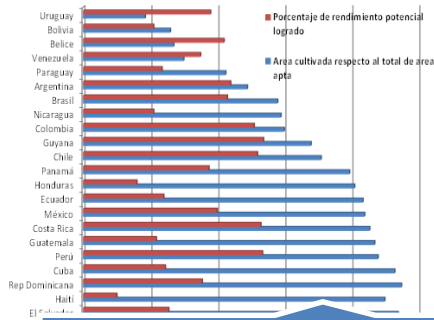
Technology



Competition



# Perspectives



Productivity



Differential impact of food prices.



Local markets and short circuits



Pest and diseases



Trade and standards.



Livestock production continues to grow at an impressive rate. The countries will continue to strengthen the sustainable intensification of livestock and disease eradication efforts. They should also continue to promote research and access to technology and markets for small-scale producers, and increase adaptation to climate change.

# LIVESTOCK



# Trends

Meat and dairy production and export continue to grow

Concentration of livestock inventories

Reduction of milk imports

Increased episodes of animal diseases.

Cambios en los paradigmas de producción.



# Perspectivas



Dairy and meat production will continue to increase

Development of large commercial operations.



Sustainable production systems.

Increase risk for animal diseases.



Brazil as the main producer.



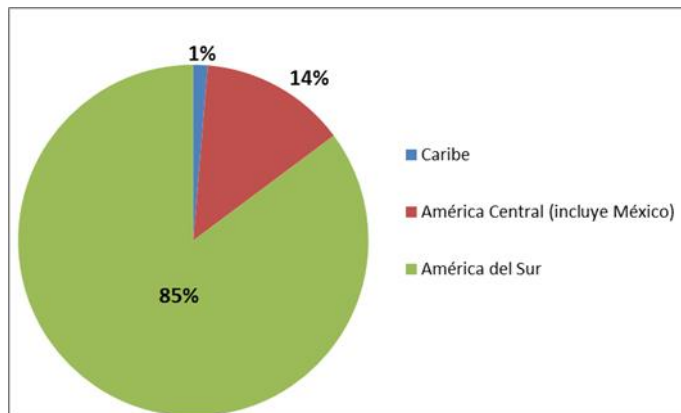
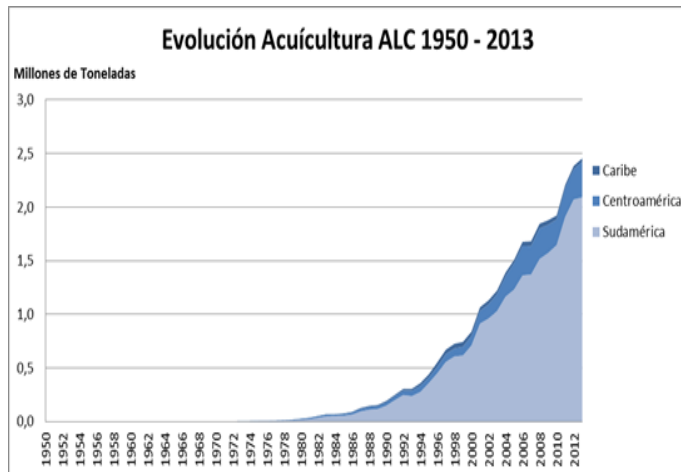
While fishery has registered a historic decline in LAC, aquaculture is experiencing sustained growth. It is imperative that production systems be developed that take environmental sustainability and social well-being into account, as well as an institutional framework capable of meeting the challenge of achieving competitive and sustainable aquaculture.

# FISHERIES AND AQUACULTURE





# Trends



- ✘ Over exploitation of traditional fisheries.
- ✘ Increased role in food security and employment.
- ✘ Climate change impact.
- ✘ Cost fo feed and technology.

# Perspectives

Reduction of traditional fisheries.

Acuaculture will continue to grow

New products from acuaculture.

Impact from climate change.

New innovations



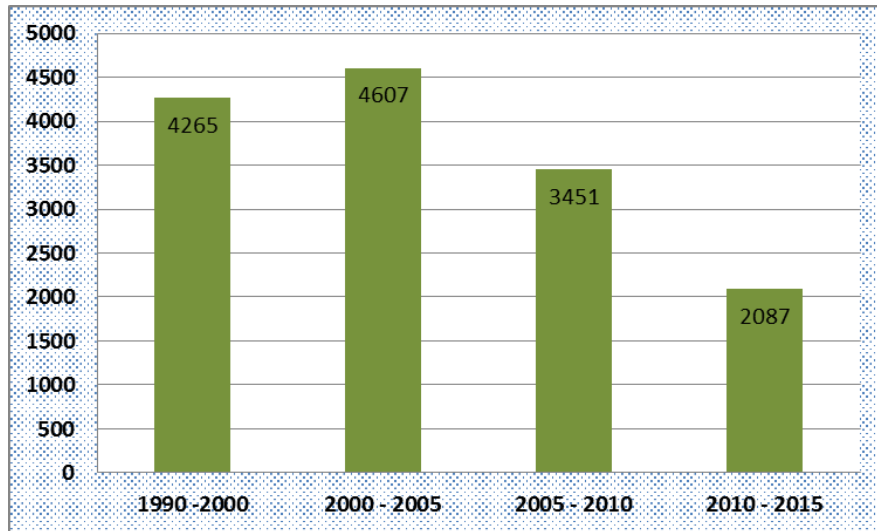
LAC countries are making major efforts to reduce deforestation, which remains a serious concern in the region. The promotion of sustainable forestry management and agro-environmental policies aimed at integrated natural resource management are reducing pressure on forests and yielding significant benefits for local communities.

# FORESTRY



# Trends

Deforestation rate in ALC (thousands ha/yr).



- ✘ Reduction in deforestation rates.
- ✘ Structural causes remain.
- ✘ Emergence of new regulation and reglaments .



# Perspectives

Impact of  
international  
agreements.

Land tenure.

Development  
of local  
communities.

Strengthening of  
legislation and  
reglaments.



The share of households engaged in agriculture has shrunk, while the share engaged in non-agricultural activities continues to expand. Although poverty reduction accompanied the growth of the non-agricultural sector, the main driving force may be related to expansionary social policies.

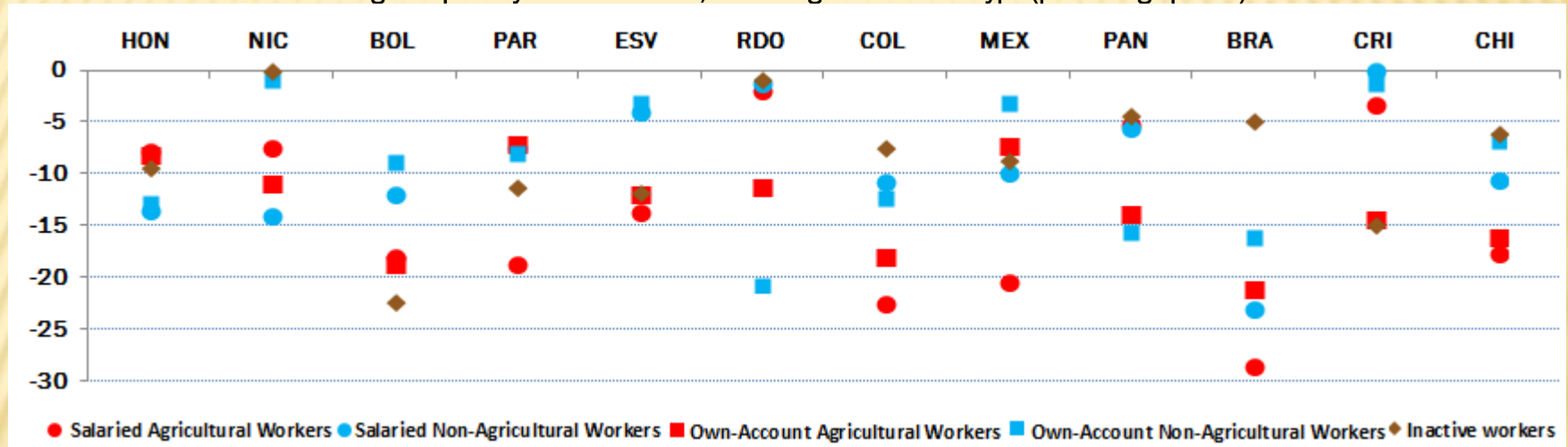
# RURAL WELL-BEING





# TRENDS

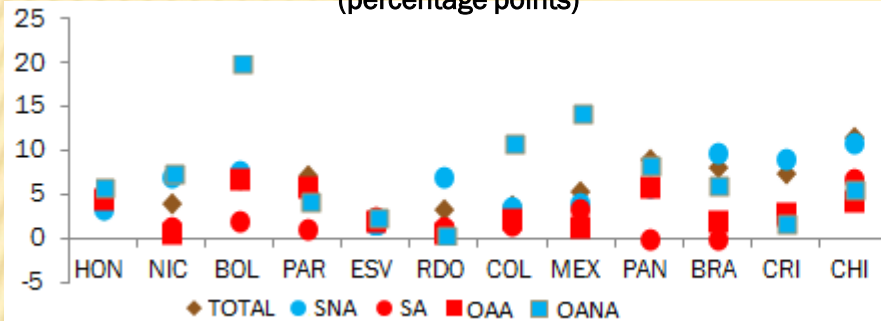
Changes in poverty incidence rates, according to household type (percentage points)



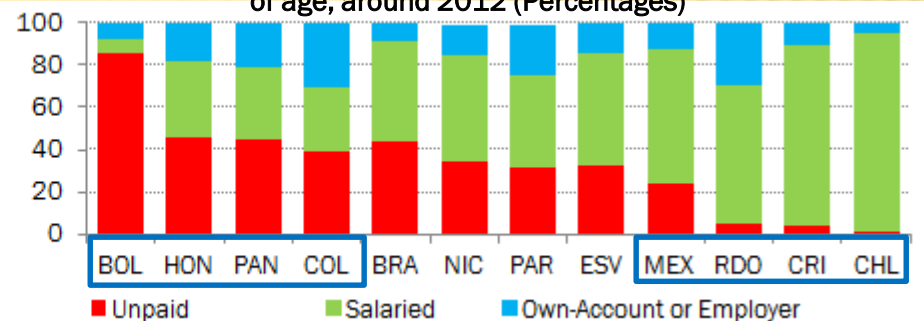
- Process of structural change (reduction in agricultural households and reduction in poverty)
- Poverty has fallen among all groups of households, with the biggest falls recorded among agricultural households (both salaried and own-account workers).
- The drop in poverty among own-account agricultural households points to an improvement in the living conditions of family farmers.
- There has also been a significant reduction in poverty among inactive households (importance of social policies).

# TRENDS - GENDER AND RURAL YOUTH

Changes in female headship rates according to household type (percentage points)



Employment distribution among rural population under 25 years of age, around 2012 (Percentages)



- Rural female headship has increased (more job opportunities in the non-agricultural sector).
- Rural female employment rates have increased more than overall rural employment rates.
- Among women under 35, the biggest source of employment is SNA work. Unpaid employment is also important (around 2012)
- In the 35-60 age group, the biggest source of employment is OANA work, while NSA and unpaid work are less important (~2012)
- In the over-60 age group, the percentage of OAA and OANA employment is higher than SNA.
- Employment among the youngest group fell in BOL, BRA, CRI, and ESV and CRI (and enrollment in secondary education increased).
- Significant differences in the employment profile of the youngest group (3 groups)
- 25-35 age group v. under 25
  - Less UFM and more salaried employment (BOL, PAN)
  - Less UFM and more own account employment (PAR, ESV, COL, HON, MEX, NIC)
  - No difference in the rest
- Replacement challenges (headship OAA households)
  - Low percentage in under 35 age group in CHI and CRI (below 10%)
  - High percentage in over 60 age group in CHI, MEX, and PAN (above 30%)





With a view to increasing their agricultural productivity in a sustainable and inclusive way, the countries of the region have advanced not only in the formulation of sectoral policies, but also in the coordination of efforts among the different institutions that influence the sector's performance. In addition to efforts within the region, agricultural development will be impacted by policies implemented by the United States, the European Union, India and China, global agricultural powerhouses.

# POLICIES AND INSTITUTIONAL FRAMEWORK





# TRENDS

## Policies outside LAC

- Farm Bill
- CAP
- China's agricultural policy

## Policies in LAC

- The promotion of productivity and competitiveness
- The promotion of equity and an increase in the income of poor producers
- The sustainability of natural resources and climate change



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# POLICY RECOMMENDATIONS

**Meeting of Ministers of Agriculture of the Americas**

Eighteenth Regular Meeting of the Inter-American Board of Agriculture  
Cancun - Riviera Maya, October 19-23, 2015



*«Grow better, produce more, feed everyone»*  
*Sustainable agricultural productivity and rural inclusion*



# MACROECONOMIC

- **Improve inter-institutional coordination.**
- **Foster regional integration.**
- **Invest in infrastructure.**
- **Maintain balanced public finances.**
- **Improve market access and diversify exports.**
- **Promote the decentralization of public policies.**



# SECTORAL

- Strengthen integrated risk management systems.
- Strengthen animal and plant health and food safety policies and programs.
- Promote integrated management of natural resources and plans for the adaptation and mitigation of agriculture to climate change.
- Develop differentiated policies with an emphasis on family farming, including policies on innovation and links with the markets.
- Promote participatory management and shared responsibility for the sustainable use of fish stocks and aquaculture resources.
- Improve agricultural information systems, including those related to fisheries and aquaculture.
- Strengthen forest management policies, including the development of REDD+ programs.
- Improve social protection mechanisms for rural populations and family farmers.



# RURAL WELL-BEING AND INSTITUTIONAL FRAMEWORK

- **Develop new production activities (either non-agricultural or involving greater value added within agriculture) to boost employment for young people and women**
- **Develop the skills of rural dwellers to facilitate their integration into new economic activities.**
- **Create incentives and opportunities so that young people remain in the school system.**
- **Stimulate higher-productivity family farming with greater social and environmental potential, including segments regarded as subsistence agriculture.**
- **Strengthen social protection mechanisms for the rural poor and family farming.**
- **Promote the decentralization of public policy management.**
- **Promote inter-institutional coordination and the participatory approach.**



# TO IMPROVE PRODUCTIVITY

**1**

Strengthen the management capacities of the State.

**2**

Enhance educational management and human resource capabilities.

**3**

Increase investment in research, development, and innovation (R&D&I).

**4**

Strengthen trade policies.

**5**

Improve the entrepreneurial and associative capabilities of producers.



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*MUCHAS GRACIAS  
THANK YOU  
MUITO OBRIGADO  
MERCİ BEAUCOUP*

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