

Agribusiness and Government



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São Paulo - August 15, 2011

Lack of Global Leadership

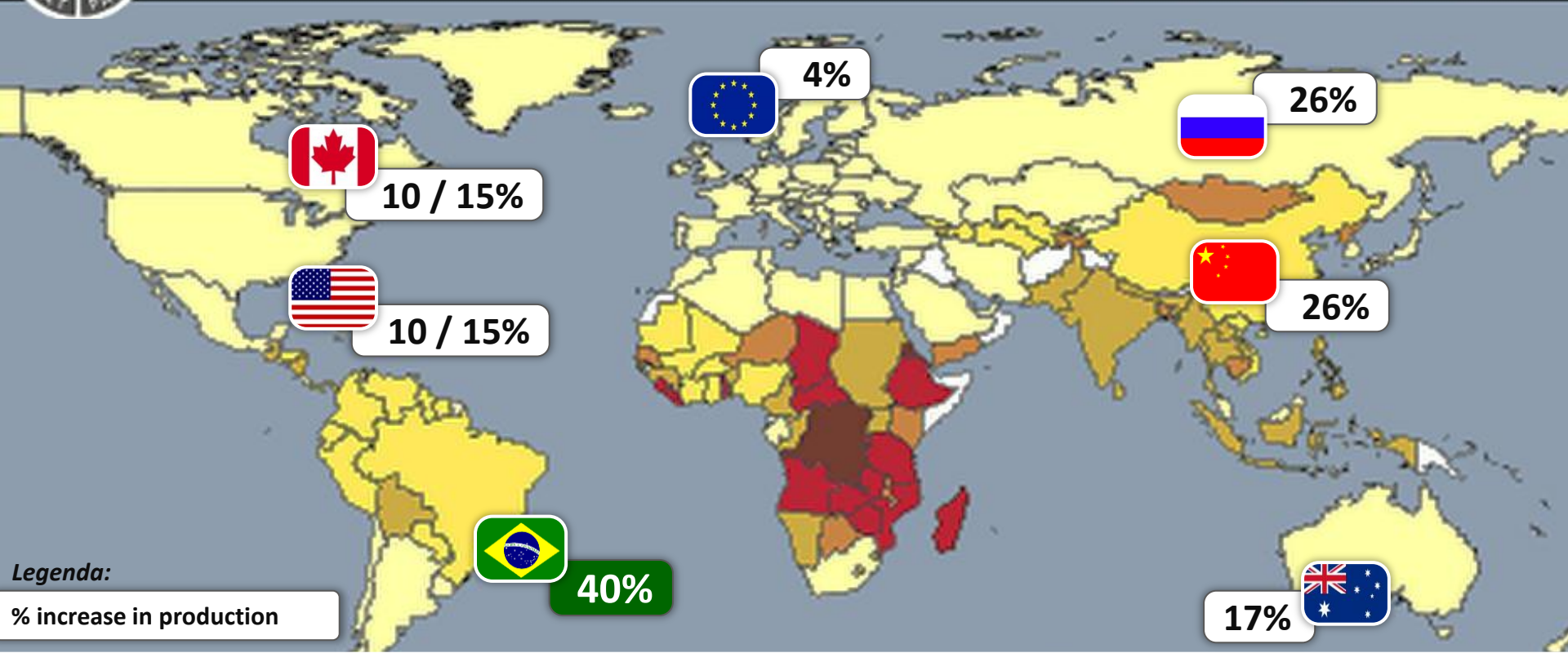
Is Democracy threatened?

***The need for a project
that motivate the whole
mankind***

Drivers : OECD - projection of food production by 2020



Map of undernourished population (% of total)



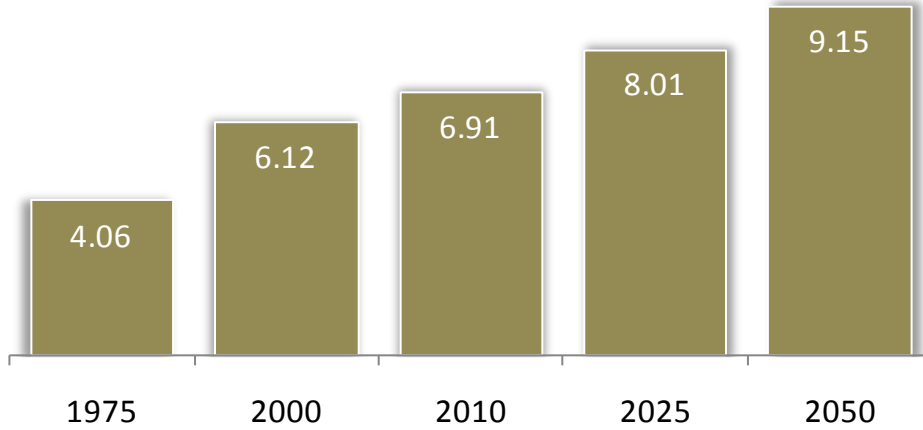
Legenda:

% increase in production

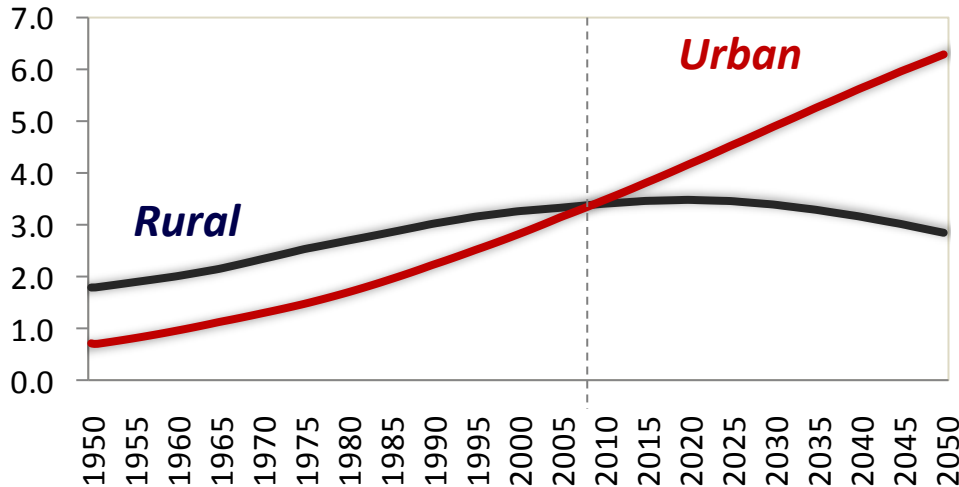
OECD projects to meet the 20 percent increase in world food production required to meet the market demand of estimated population levels in 2020. **Brazil is by far the fastest growing agricultural producer, with output expected to rise by more than 40% between now and 2019/20.**

(OCDE, 06.15.2010)

World Population (billion)



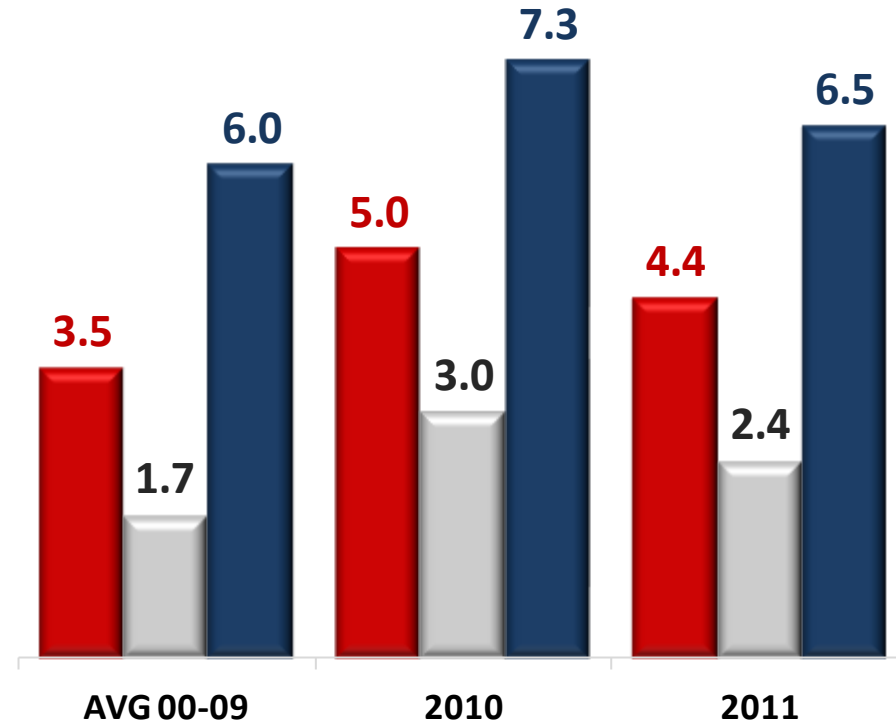
World Urbanization (billion)



Demand Drivers

GDP (annual %)

World Developed Developing

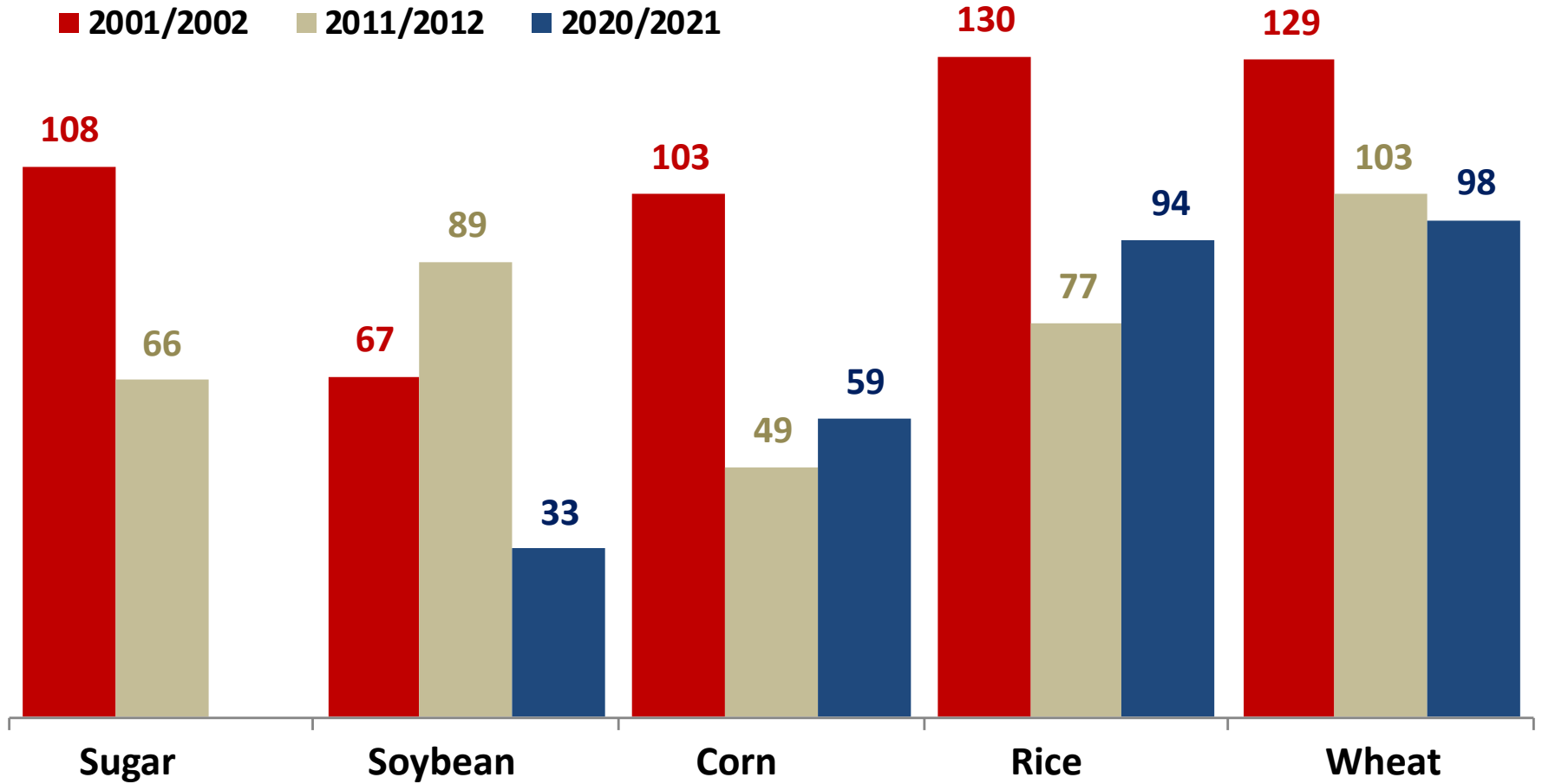


Sources: UN (dec/2010) and IMF (apr/2011). Elaboration: Fiesp-Deagro

Global Stocks

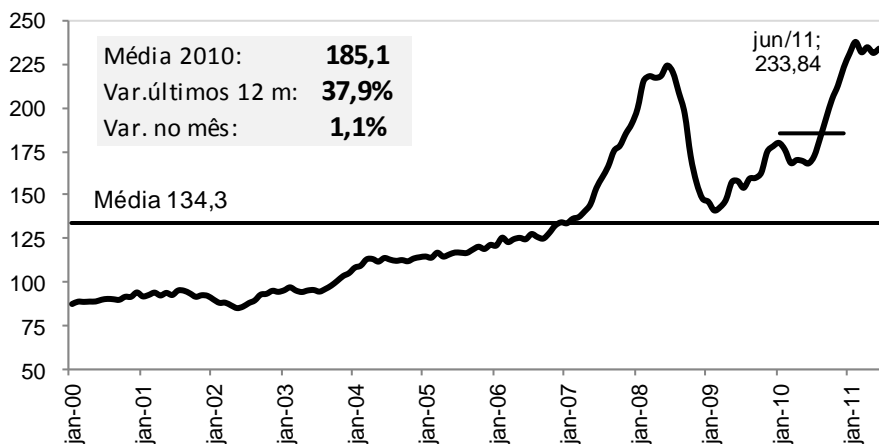
(in days of consumption)

(harvests 2001/02, 2011/12 e 2020/21 (Source: OECD)

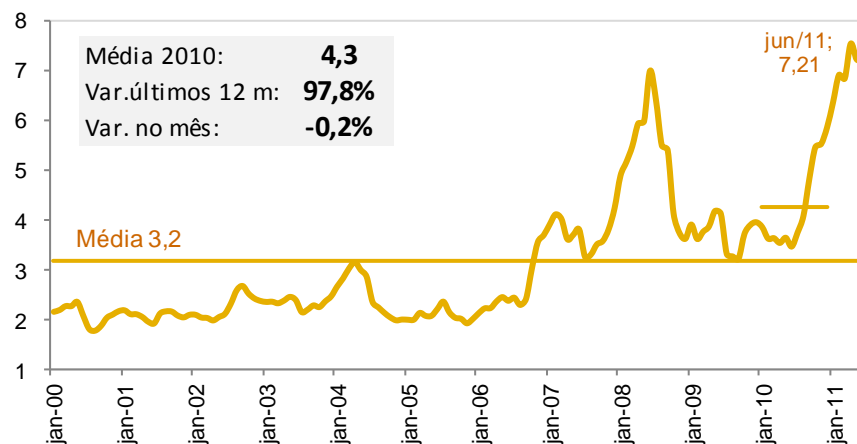


International agricultural commodities prices

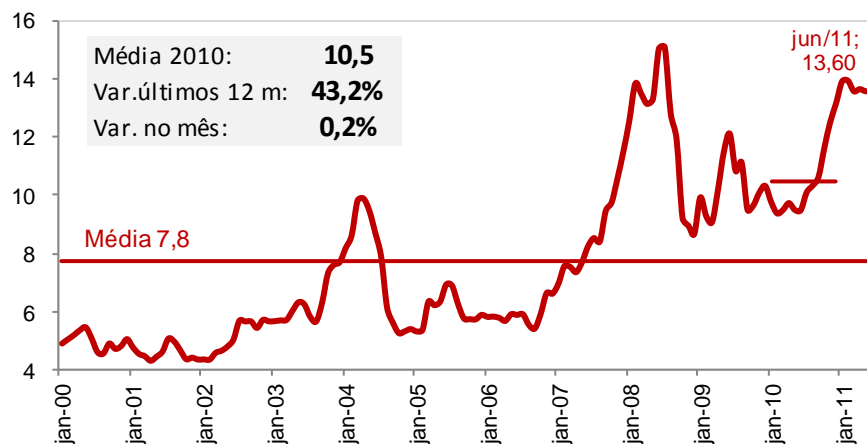
FAO Food Price Index (100 = avg 2002-04)



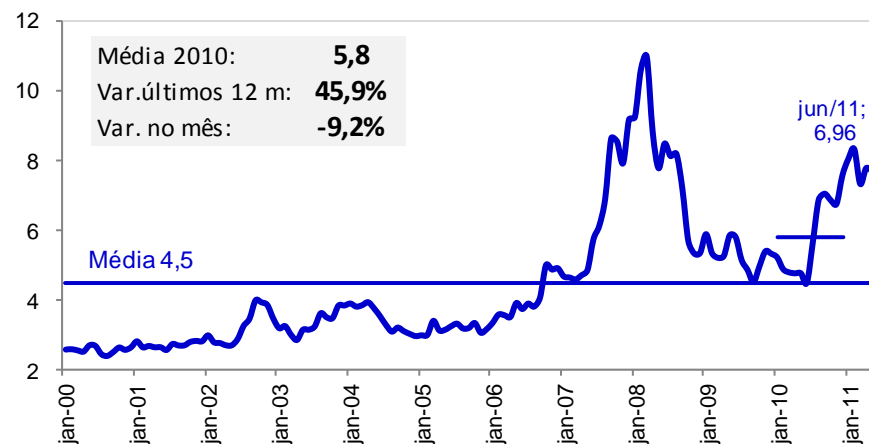
Corn (US\$ / bushel) 1 bushel = 25,401 kg



Soybean (US\$ / bushel) 1 bushel = 27,216 Kg



Wheat (US\$ / bushel) 1 bushel = 27,216 Kg



A Global Project:

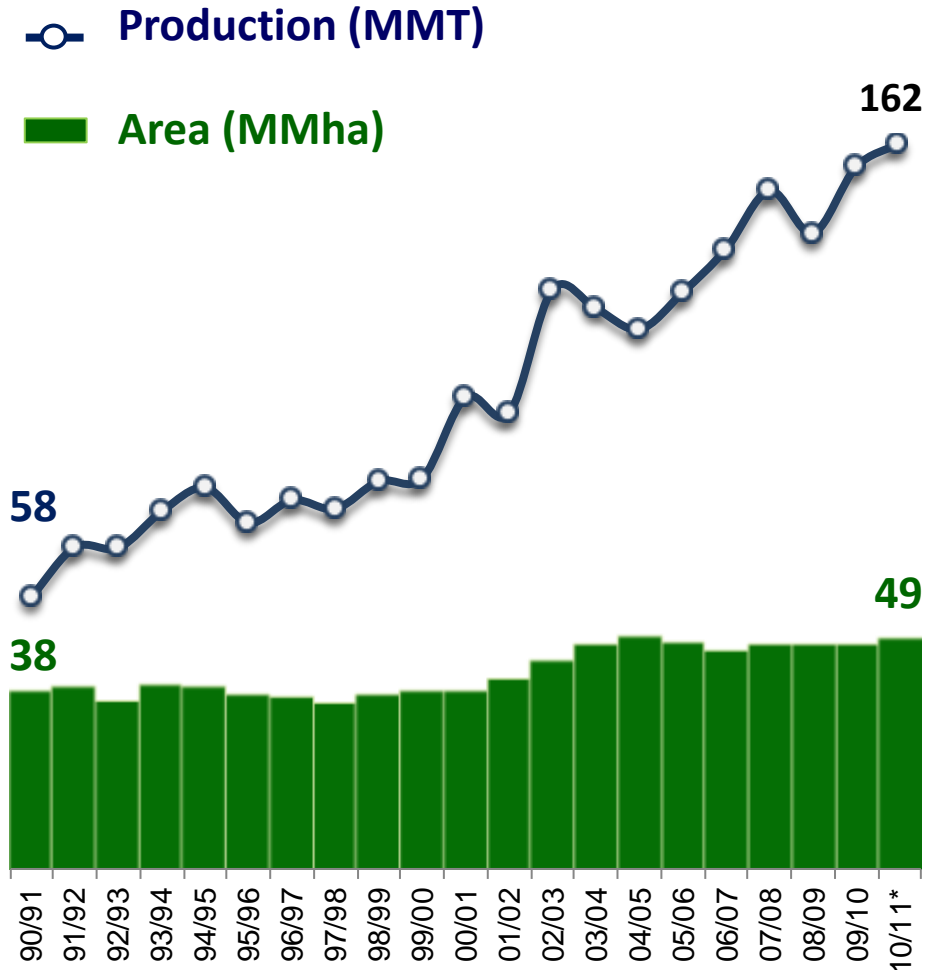
» Food and Energy Security with sustainability.

» Green Economy.

Brazil: On the way

Brazilian production of grains

(Harvests 1990/91 to 2010/11)



Variation %
Harvests 1990/91 to 2010/11

Production: + 179%

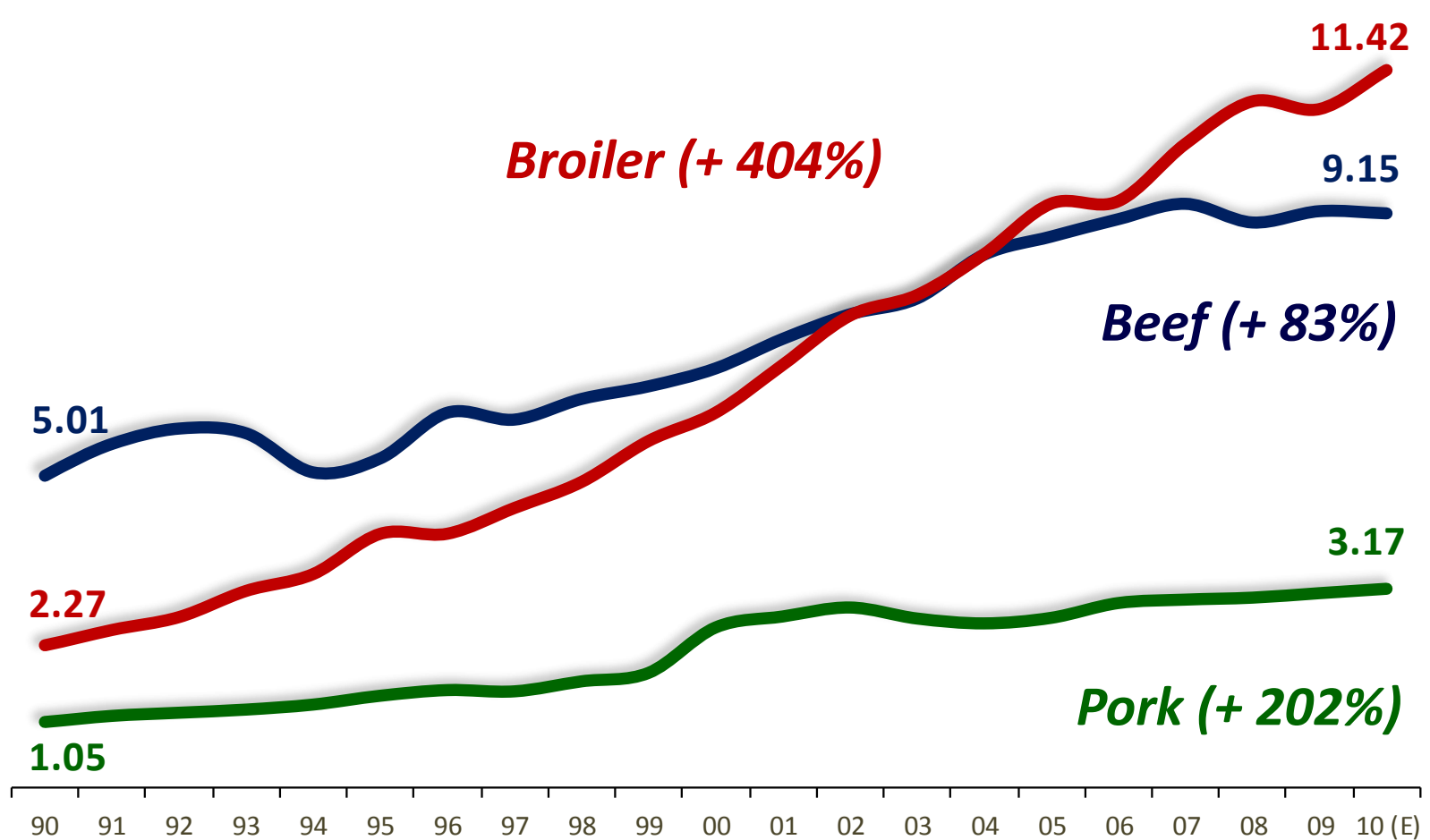
Area: + 30%

Productivity: + 115%

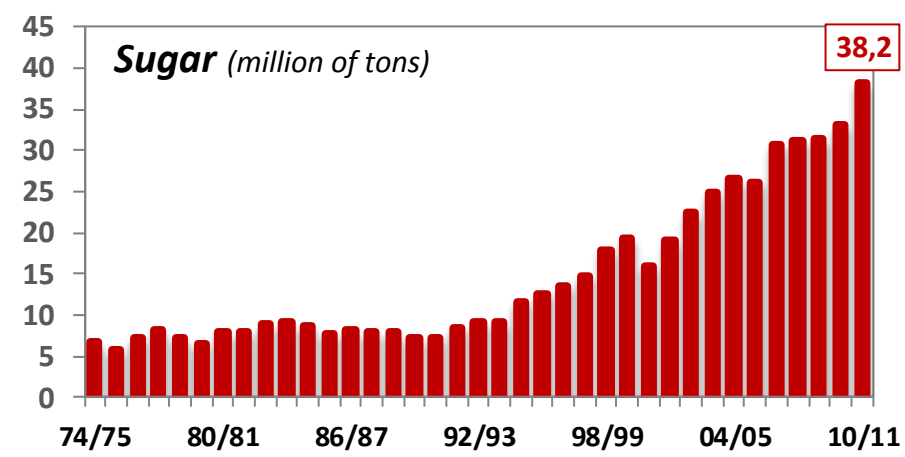
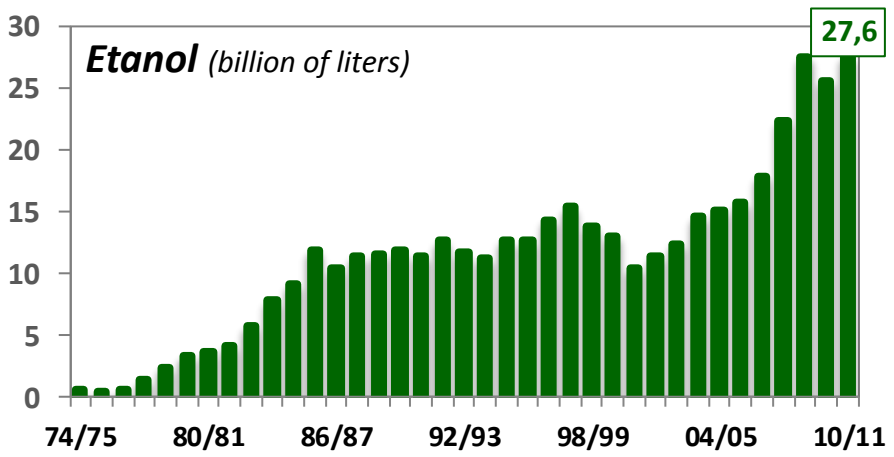
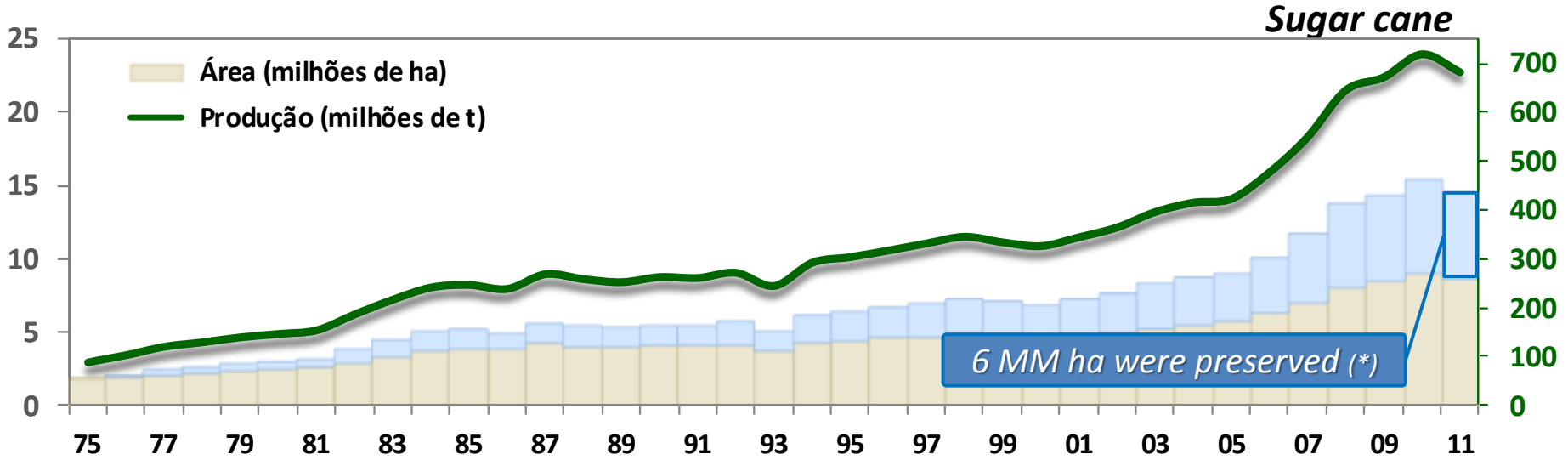
*The successive productivity gains have enabled the economy of **57 MMha**.*

Brazilian production of meat

in million of tones



Brazilian production of sugarcane, sugar and ethanol



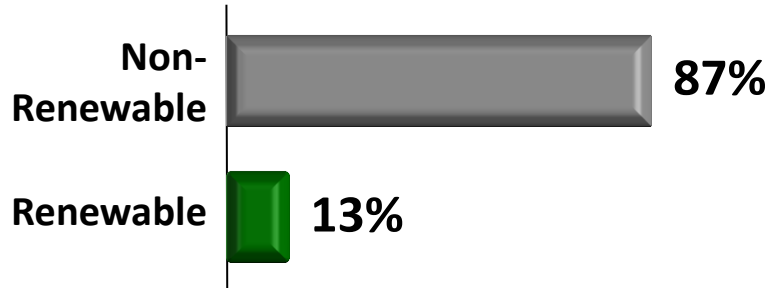
Sources: Statistical Yearbook of Agroenergy 2010/MAPA (1970 a 1989) and IBGE (PAM 1990 a 2009 e LSPA 2010 e 2011)

Note: (*) additional area required to produce the volume of cane in 2011 with the same productivity in 1975.

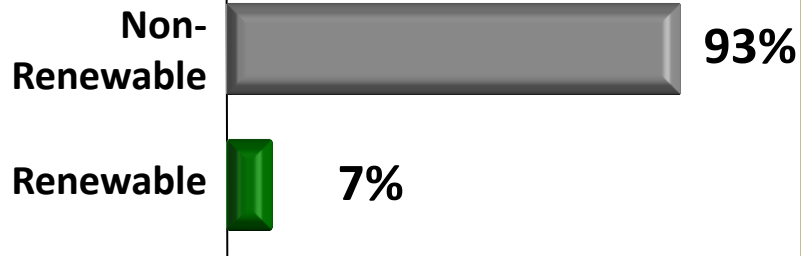
Elaboration: Fiesp-Deagro.

Energy matrix (2009) – Brazil's example

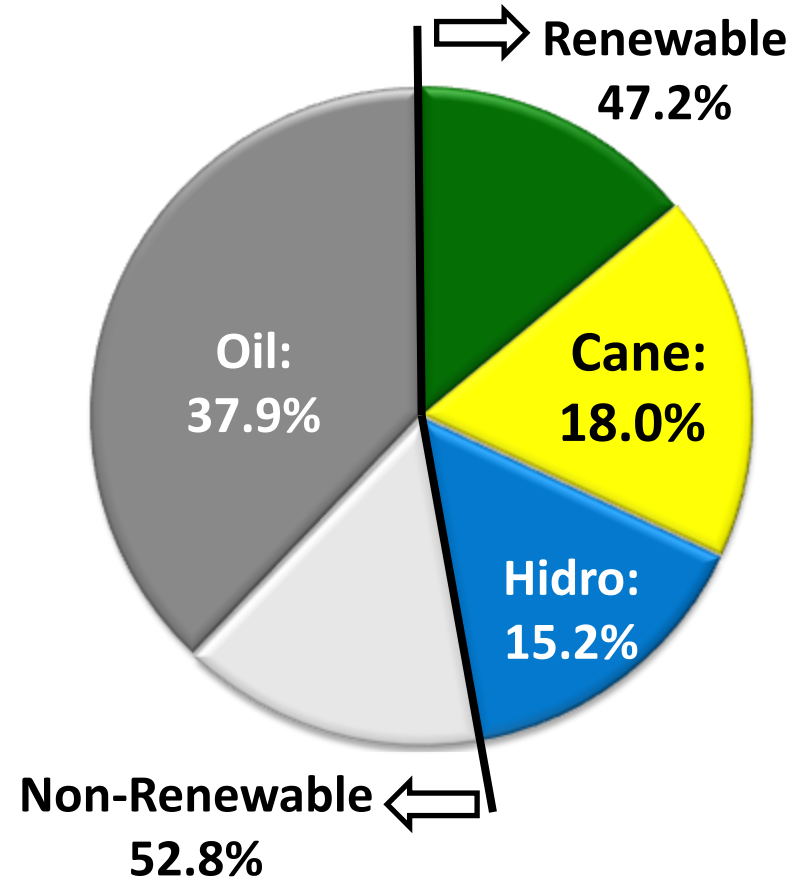
World: 12,029 million t.e.p



OECD: 6,115 million t.e.p



Brazil: 243.7 million t.e.p



Lifecycle of ethanol from sugarcane

Balance of CO₂ emissions

Cultivation and Harvesting
Emission: **2,961 kg**

Sugarcane Processing
Emission: **3,604 kg**

Transportation: Field→Mill
Emission: **50 kg**

Motor-cars
Emission: **1,520 kg**

Total emissions:
8,135 kg CO₂

Sugarcane Growth
Absorption: **7,650 kg**

Bioelectricity
Avoid emissions: **225 kg**

Avoid emissions:
7,875 kg CO₂

*Database for CO₂
emissions to
1,000 liters of ethanol
produced and
consumed.*

Emissions from the use
of gasoline: **2,280 kg**

Source: Macedo, I. 2008

Ethanol balance: 260 kg CO₂ (- 89% of gasoline emissions)

EPA/USA recognized the ethanol of sugarcane as an advanced biofuel.

Brazil – land use

Territorial Distribution – million ha		% total land	% arable land
Brazil	851	100%	---
Arable land	340	40%	100%
Planted area (annual/permanent)	72.0	8.5%	21.2%
Soy	21.3	2.5%	6.3%
Corn	14.6	1.7%	4.3%
Sugarcane	7.8	0.9%	2.3%
Sugarcane for ethanol	4.7	0.5%	1.4%
Coffee	2.1	0.2%	0.6%
Pastures	172	20.2%	50.6%
Available area	96	11.3%	28.2%
Total arable land - (crop land + pastures)	96	11.3%	28.2%

Brazil: Homework (Global Homework?)

Ensuring the Stability of Productive Activity

1. Income Policies

- » Rural Credit***
- » Agricultural Insurance***
- » Minimum Prices***
- » Trade and National Marketing Tools***

2. Infrastructure and Logistics

- » PAC***

Ensuring the Stability of Productive Activity

3. Trade Agreements

- » Multilateral*
- » Regional (Mercosur, Nafta)*
- » Bilateral*
- » SPS – Sanitary and Phytosanitary measures*
- » Initiatives from the private sector*

4. Technology

5. State Strategy

Conclusion

1. Can we take on the leadership of global project?

2. We need an internal strategy and partnerships with other countries: South America? BRICS?



Thank you!

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