



AGRICULTURE

Overview

- Agriculture plays an important economic role in development: as a whole, the agriculture industry represents over one-third of GDP in low-income countries.¹
- Around 2.5 billion people rely on agriculture for their livelihoods.²
- According to the World Bank, an estimated 75% of poor people in developing countries live in rural areas and 2.1 billion survive on less than \$2 a day.³

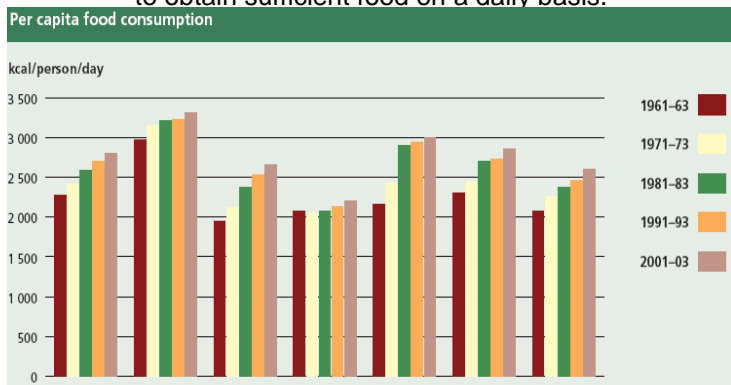
Food Security

- By 2030, demand for food is expected to double. Agriculture will have to meet demand with increased efficiency through use of less land and water.⁴
- The ongoing 2007-2008 global food crisis has seen food prices soar as a result of lower agricultural production, weather shocks, more meat consumption, and shifts to biofuel crops.
- Since the start of 2007 wheat prices are up 120%; Rice prices are up 75%. Poor families now spend up to 80% of their budget on food.⁵
- Prices are expected to remain high through 2015.⁶
- 21 of 36 countries in a food security crisis are in Sub-Saharan Africa.⁷
- Over 40% of Africans do not have the ability to obtain sufficient food on a daily basis.⁸

- Climate change is predicted to reduce potential crop yields in most tropical and sub-tropical regions.
- Over 90% of the remaining land available for cultivation is found in Latin America and sub-Saharan Africa.⁹
- Conversion of natural systems to agriculture is a main cause of biodiversity loss.¹⁰
- Land conversion will mainly occur in developing countries and dryland regions.¹¹
- Pesticides pose risks to workers, organisms, migratory and freshwater species.¹²
- About 70% of all freshwater withdrawals globally are for agricultural use.¹³
- World biofuel production tripled between 2000 and 2007 and is expected to double again by 2017. Growth in production of biofuels contributes to higher food prices.¹⁴

Trade

- As a group, developing countries are net importers of food.¹⁵
- Agriculture accounts for over one-third of export earnings for almost 50 developing countries, and over half of export earnings for about 40.¹⁶
- Over 50 developing countries depend on the export of three or fewer agricultural products for a significant portion of their foreign exchange earnings.¹⁷
- Developing countries face higher trade tariffs than developed countries.¹⁸
- The rapid growth of "South-South" trade is limited by import tariffs imposed by developing countries on each other.¹⁹
- Agricultural subsidies by OECD governments compromise the ability of developing country farmers to participate in global agricultural trade.²⁰



Source: FAO, The State of Food & Agriculture, 2007

Agriculture & Development

The agriculture industry spans from subsistence farmers to multinational conglomerates, providing livelihoods for 2.5 billion people globally. There is an opportunity to integrate low-income farmers in the global agricultural supply chain. There is much opportunity for research and development in agricultural processes and products that increase production with fewer resources.





Notes

¹ World Bank. March 2007. "Agriculture & Rural Development." Issue brief.
<http://www1.worldbank.org/publicsector/pe/pfma07/ARDBrief.pdf> (accessed 10 August 2007)

² UN Food and Agriculture Organization. *The State of Agricultural Commodity Markets 2004*. Rome: United Nations (2004).

³ World Bank. March 2007. "Agriculture & Rural Development." Issue brief.
<http://www1.worldbank.org/publicsector/pe/pfma07/ARDBrief.pdf> (accessed 10 August 2007)

⁴ World Bank. March 2007. "Agriculture & Rural Development." Issue brief.
<http://www1.worldbank.org/publicsector/pe/pfma07/ARDBrief.pdf> (accessed 10 August 2007)

⁵ The World Bank, Topics in Development, *Food Crisis*,
<http://www.worldbank.org/html/extdr/foodprices/>

⁶ The World Bank, Topics in Development, *Food Crisis*,
<http://www.worldbank.org/html/extdr/foodprices/>

⁷ The World Bank, Topics in Development, *Food Crisis*,
<http://www.worldbank.org/html/extdr/foodprices/>

⁸ Millennium Project. Fast Facts: The Faces of Poverty. 2006.
<http://www.unmillenniumproject.org/documents/UNMP-FastFacts-E.pdf> (accessed 10 August 2007)

⁹ FAO and World Bank Farming Systems and Poverty, 2001

¹⁰ WBCSD. 2006. "Business and Ecosystems: Ecosystem Challenges and Business Implications." Issue Brief.

¹¹ WBCSD. 2006. "Business and Ecosystems: Ecosystem Challenges and Business Implications." Issue Brief.

¹² WWF. Agriculture and Environment: Cotton.
http://www.panda.org/about_wwf/what_we_do/policy/agriculture_environment/commodities/cotton/environmental_impacts/agrochemicals_use/index.cfm (accessed 10 August 2007)

¹³ WBCSD. 2002. "Tomorrow's Markets: Global Trends and Their Implications for Business"

¹⁴ UN Food and Agricultural Organization, FAO Newsroom, *Agricultural commodity prices expected to remain high*, May 2008,
<http://www.fao.org/newsroom/en/news/2008/1000849/index.html>

¹⁵ FAO, *The State of Food and Agriculture*, 2004

¹⁶ The World Bank, Agriculture and Rural Development, *Agricultural Trade*,
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTARD/0,,contentMDK:20451181~menuPK:336688~pagePK:148956~piPK:216618~theSitePK:336682,00.html>

¹⁷ UN Food and Agriculture Organization. *The State of Agricultural Commodity Markets 2004*. Rome: United Nations (2004).

¹⁸ UN FAO. *The State of Agricultural Commodity Markets 2006* <http://www.fao.org/docrep/009/a0950e/a0950e00.htm> (accessed 10 August 2007)

¹⁹ UN FAO. *The State of Agricultural Commodity Markets 2006* <http://www.fao.org/docrep/009/a0950e/a0950e00.htm> (accessed 10 August 2007)

²⁰ The World Bank, Agriculture and Rural Development, *Agricultural Trade*,
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTARD/0,,contentMDK:20451181~menuPK:336688~pagePK:148956~piPK:216618~theSitePK:336682,00.html>

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