

# Future of Ag in a Global Market

The United States will have a major role in supplying global agriculture needs.

Story & photos by **Kasey Brown**, associate editor

All soils are not equal, and North America is blessed with fertile soils. These soils will play a key role in feeding a burgeoning global population, said Paul Genho, retired president of Farmland Reserve Inc. and chairman of the board of AgReserves Inc. Food security has much to do with optimizing soil use, he told attendees of the International Livestock Congress (ILC-USA) in Houston, Texas, March 5.

The United States is a blessed land, with

6.7% of the world's land area, 4.2% of the population and 31% of the two most-fertile soil types, mollisols and alfisols. Additionally, the United States has a river system that penetrates most of its farmland, providing cheap transportation and a competitive advantage. North and South America, primarily, will meet the growing demand for food, he claimed, because these continents have the resources to produce enough.

However, 40% of the world lives in

India, China and the continent of Africa, most of which have subsistence-level soils, he said. Additionally, these areas have the most prevalence of undernourishment and are projected to have the most population growth in the near future. Starvation is a reality around the world.

"During the time of my presentation — one hour — 1,000 children will die from hunger and malnutrition. That is unacceptable," Genho said.

## New Livestock Global Alliance

Addressing the largest International Livestock Congress in 30 years, Bernard Vallat said he is a firm believer in the global importance of the relationship between animals and humans. The director general of the World Organization for Animal Health (OIE) spoke to attendees in Houston, Texas, March 4-5.

Established in 1924, 20 years before the United Nations formed, the Office of International des Epizooties (OIE) changed its name to the World Organization for Animal Health in 2003. It has 180 member countries and is recognized by the World Trade Organization as a reference for developing intergovernmental standards to animal health and welfare, including diseases transmissible to humans.



► The recently formed Livestock Global Alliance is working to ensure animal health, welfare and productivity by investing in veterinary services worldwide, specifically developing countries, explained OIE Director General Bernard Vallat.

our job, it's our passion, and it has become an ever-growing shared responsibility of a global public good," he said.

Much of the developed world has tarnished the reputation of the livestock industry with exaggerated and nonscience-based accusations, he claimed. Yet the livestock sector is part of a large global picture. More than 1 billion people worldwide depend upon livestock for their livelihood. In developing countries, more than 70% of poor rural households possess and depend on livestock for food, income, employment and social status, he noted. Additionally, livestock corresponds to 30% of agricultural gross domestic product (GDP) in the developing world.

With a burgeoning world population, food security is necessary, and livestock productivity must increase globally through use of

scientific advances and use of best practices, Vallat urged. In low-income countries, the livestock sector is seriously constrained by animal diseases. He added that experts estimate that morbidity and mortality due to animal diseases cause the loss of at least 20% of livestock production globally.

The OIE represents the national veterinary services of 180 member countries.

"Failure to act in one country may indeed threaten the entire world," he emphasized. Investments and work in prevention and disease control is crucial. The OIE helps its members improve the capacity to ensure the health and welfare of animals by investing in veterinary services worldwide, most notably in developing countries.

It is not fighting this battle alone, though, Vallat said. The OIE is a founding organization of the Livestock Global Alliance (LGA), along with the World Bank, Food and Animal Organization (FAO), the International Fund for Agricultural Development (IFAD) and the International Livestock Research Institute (ILRI). It also has permanent partners with a high stake in the global livestock industry, like the Bill & Melinda Gates Foundation, the European Commission in France, and the Chatham House Royal Institute in the United Kingdom.

The LGA takes advantage of the existing strengths of its partners to provide a united voice on issues of importance for the livestock sector, he explained. It increases the understanding of livestock's contribution to global human and animal health, food security, nutrition and poverty alleviation with scientific information.

It aims to provide a voice and garner support of a sustainable development of the livestock sector. It is working to find support from the public sector and boost livestock-oriented programs like research. Engaging policy makers and promoting private-public partnerships are other organization goals.

"The livestock sector is an essential part of the solution to the objective of global food security, increased human health and a better world," he concluded.

— by **Kasey Brown**, associate editor

**New alliance has formed to provide safer, fairer and sustainable livestock sector.**

Factors that aggravate the food insecurity issue include population growth, a growing middle class, international unrest, nonfood use of commodities like using food for fuel, and political, financial and transportation barriers, he said. Population growth is adding 80 million people per year annually, which he likened to adding the population of Germany each year.

Commodity prices are rising. He explained that oil is king, and energy prices affect all commodities. In this example, corn is queen and gold is the joker. All food commodities follow corn, and the food-to-oil price correlation is incredibly strong at 0.96. Food



prices and political instability are also highly correlated.

► **Left:** Agriculture consultant Paul Genho said that North and South America will meet the growing food demand because those two continents are best equipped with resources and infrastructure.

Countries that spend the greatest percentage of their disposable income on food tend to also be those who have social and civil unrest. There is a vicious circle of hopelessness with food insecurity, which includes higher food prices, civil unrest and higher oil prices.

“We need to take the hopelessness out of food-insecure nations, not just send more military,” he suggested.

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Political barriers contribute to the problem. He cited Argentina's export quotas, Mexico's Zapata agrarian laws, Brazil's ban on foreign ownership of farmland, and the United States' inheritance laws and other regulations.

Additionally, water is becoming an issue of monumental importance. He said the infrastructure is decaying, and water is moving from agricultural purposes due to environmental concerns. The need to grow 70% more food with the same amount or less

water is an unrealistic demand at this point, he noted. The United States needs a national commitment to water management.

Despite these multiple obstacles, Genho suggested four solutions.

**1. Need a global free-market agriculture system.** We need to get the government out of the way of free trade of commodities.

**2. Viable, profitable agriculture is the best assurance of an abundant and reasonably priced food supply.** Excessive regulations and taxes block farmers and

ranchers from producing necessary food and making a living wage.

**3. Meaningful production ag research pays big dividends.** "With the growing desperate need for more food worldwide, how can we not make this investment?" he asked.

**4. Facilitate the entry of bright young people into production agriculture.** He recommended assuring excellence in teaching at ag schools and minimizing barriers to enter agriculture for young farmers.

