Asia’s growth in global agriculture

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• Historical developments
• An optimistic view on food production developments
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**Food surpluses and deficits**

Net intra-regional trade, tonnes, m

Source: Cargill

*Cereals, rice, oilseeds, meals, oils and feed equivalent of meat
Total Factor Productivity Gap
Total Factor Productivity

THE RATIO OF AGRICULTURAL OUTPUTS TO INPUTS

OUTPUTS
GROSS CROPS
GROSS LIVESTOCK

INPUTS
LAND
LABOR
FERTILIZER
MACHINERY
LIVESTOCK

TFP INCREASES WHEN OUTPUTS RISE WHILE INPUTS REMAIN CONSTANT

Source: Global Harvest Initiative
General picture: Acceleration in global TFP growth led by developing countries, especially Brazil and China.
Public Agricultural R&D Spending

73% market share of traded commodities in 2003
2013 takeover by Summa Group
Intent to become largest wheat trader by 2019

Quadrupling of revenues since 2007; April 2014 takeover by CofCo

Strong presence in SSA and LA

Indonesia, SSA Named as 'least environmentally friendly company in the world' by Newsweek in 2012

Sources: Murphy et al 2012; company websites
Conclusions:
Tectonic shifts in global food-water trade

• Asian lions are on the move
• Led by public spending in R&D and strategic trading companies
• Gap to close is smaller than thought thanks to Asian investment in agriculture
• The remainder must come from investment in Africa