

A large, cylindrical haystack made of golden-brown straw dominates the left side of the frame. The background features a dark, overcast sky with heavy, grey clouds. In the distance, a simple, dark-colored barn or farm building is visible on a slight rise. The foreground is filled with a field of harvested crops, likely rice, with stalks lying on the ground.

# Asia's growth in global agriculture

Martin Keulertz  
World Water Congress  
25.05.2015

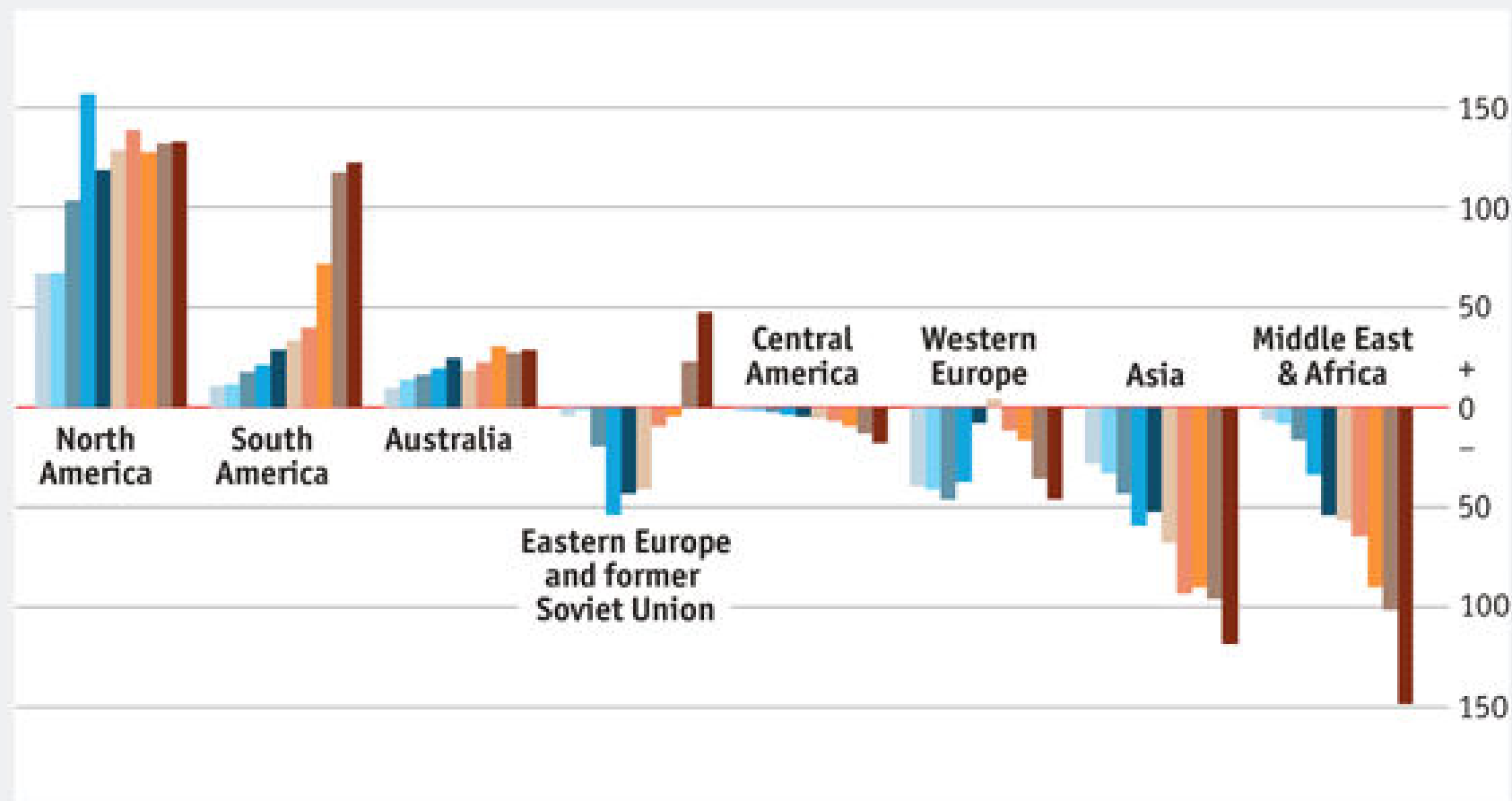
# Content

- Historical developments
- An optimistic view on food production developments
- A pessimistic view on trade blocs
- Conclusions

## Food\* surpluses and deficits

Net intra-regional trade, tonnes, m

1965 1970 1975 1980 1985  
1990 1995 2000 2005 2010

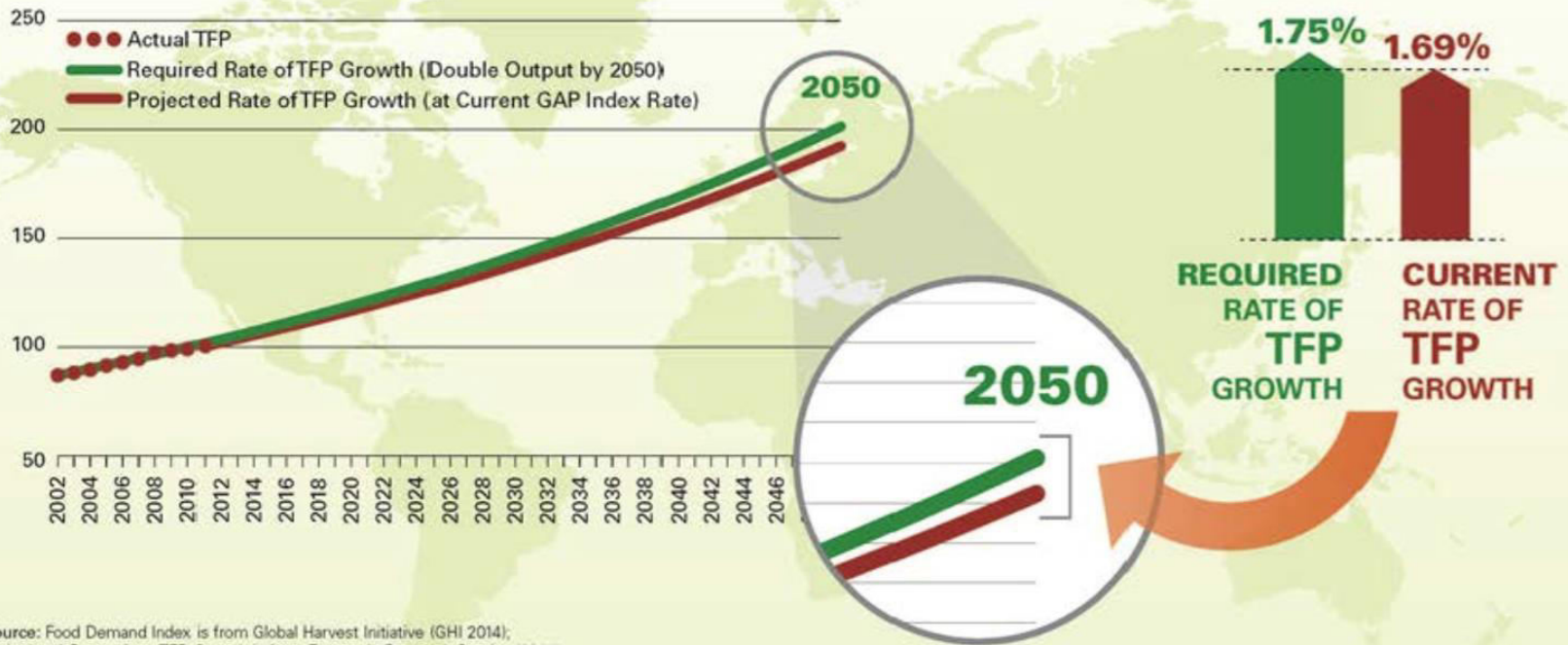


Source: Cargill

\*Cereals, rice, oilseeds, meals, oils and feed equivalent of meat

# Total Factor Productivity Gap

## THE GLOBAL AGRICULTURAL PRODUCTIVITY (GAP) INDEX™



# Total Factor Productivity

THE RATIO OF AGRICULTURAL OUTPUTS TO INPUTS

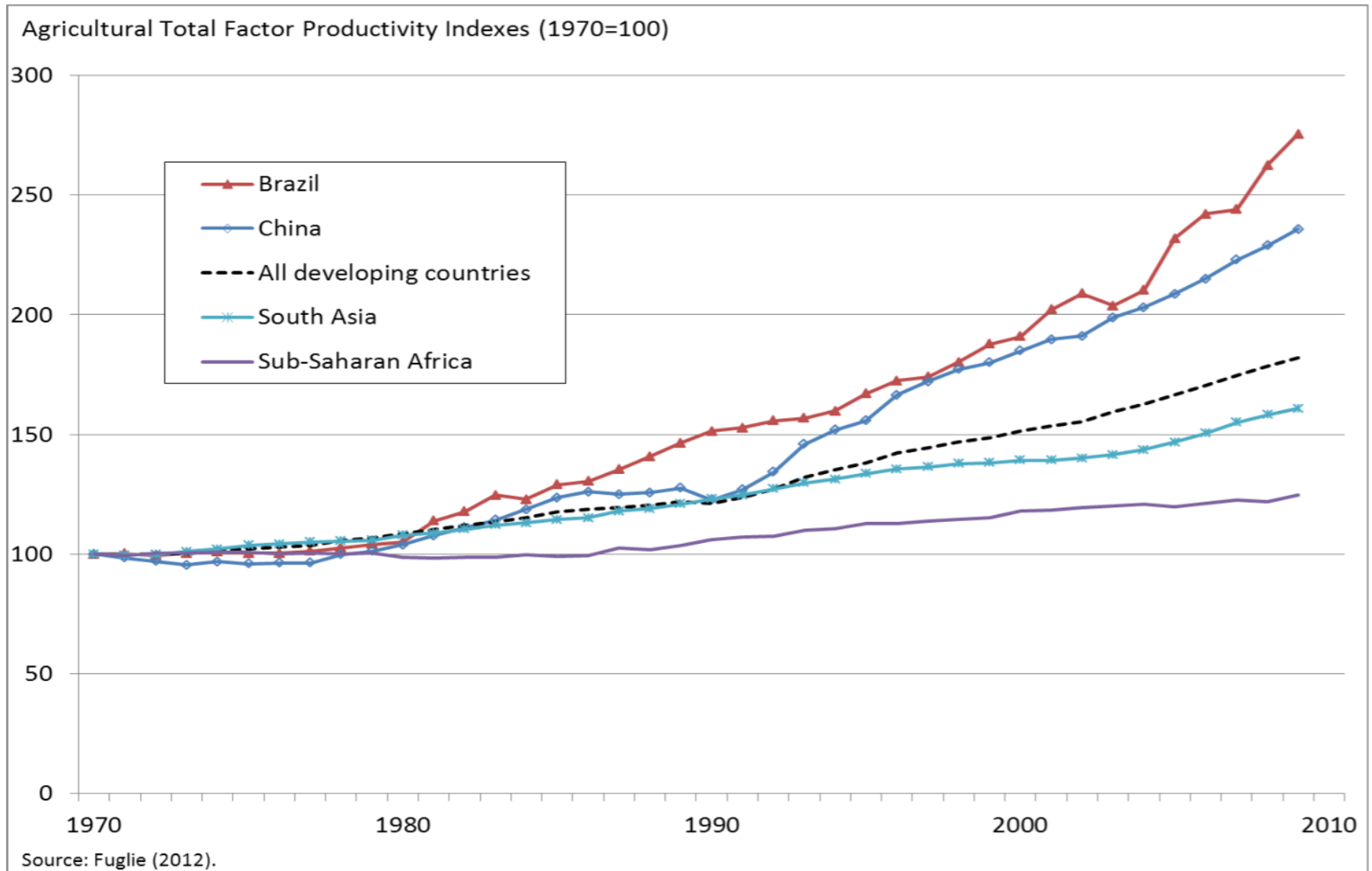


TFP INCREASES WHEN  
**OUTPUTS RISE**  
WHILE

**INPUTS REMAIN CONSTANT**

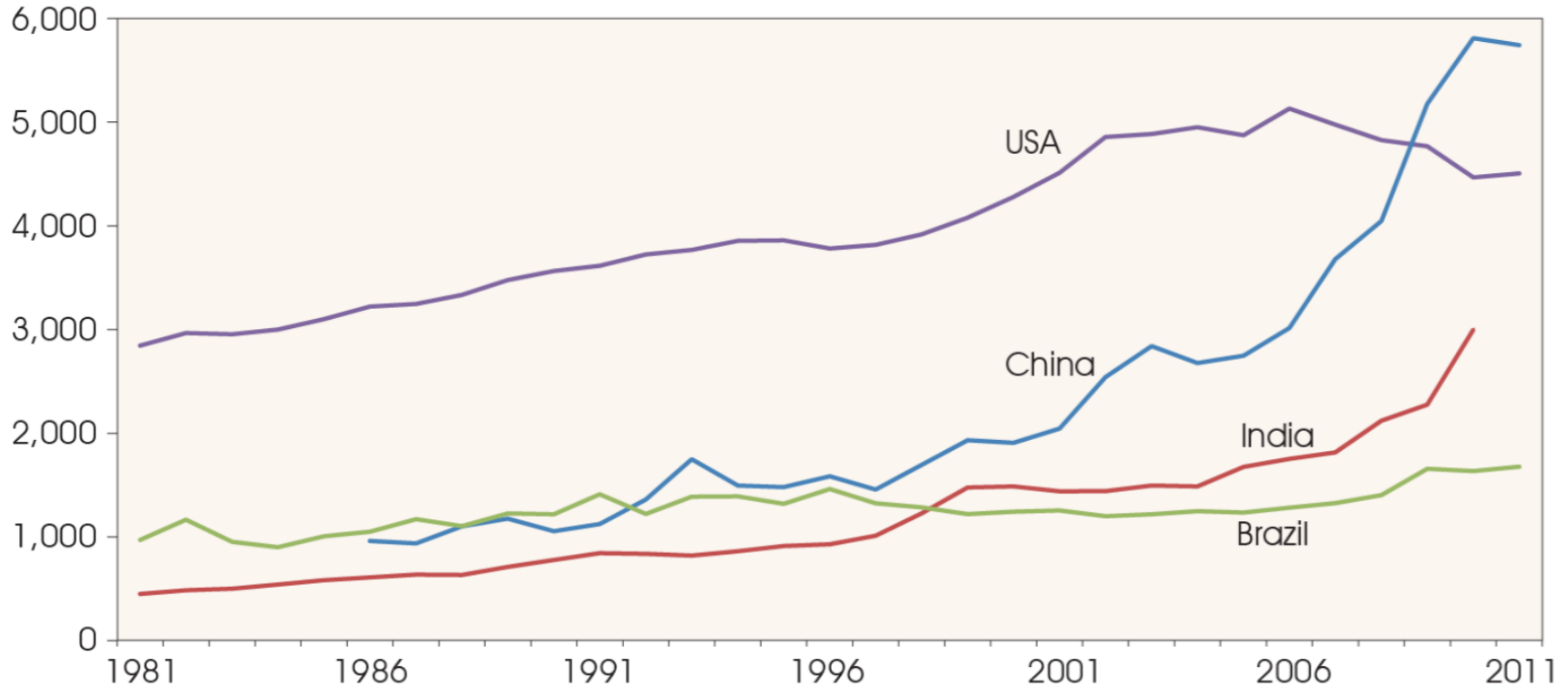
Source: Global Harvest Initiative

# General picture: Acceleration in global TFP growth led by developing countries, especially Brazil and China

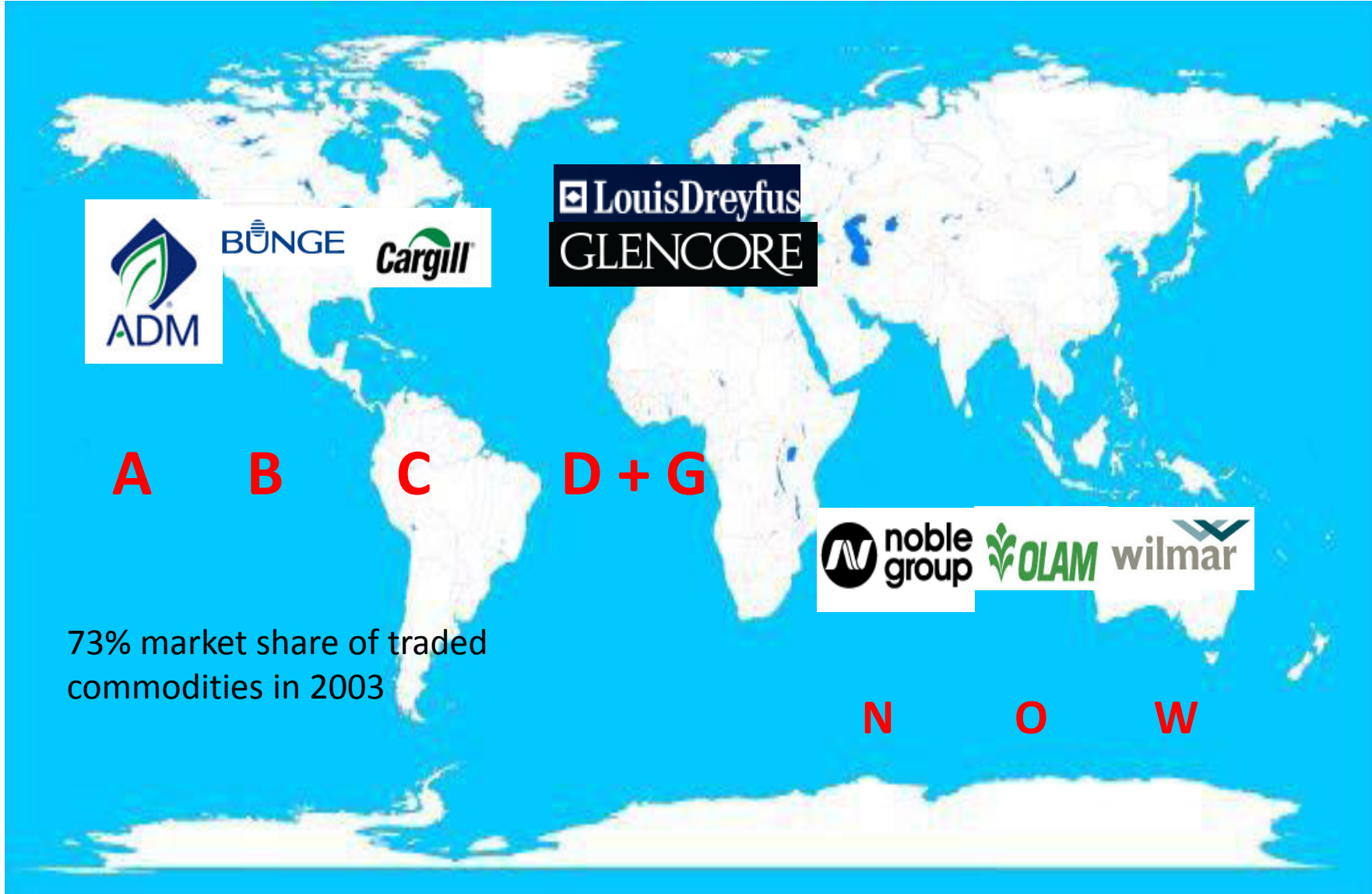


## Public Agricultural R&D Spending

Constant 2005 PPP\$, millions



Source: United States Department of Agriculture, Economic Research Service and International Food Policy Research Institute (IFPRI).



BUNGE



A

B

C

D + G



73% market share of traded commodities in 2003

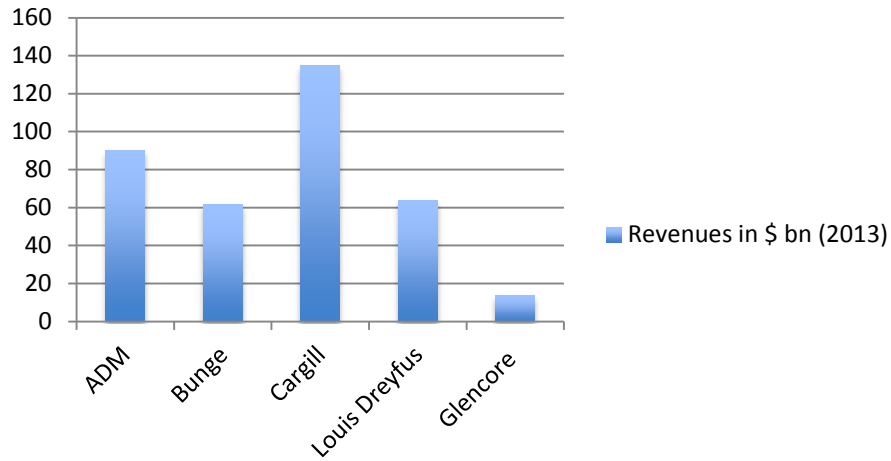
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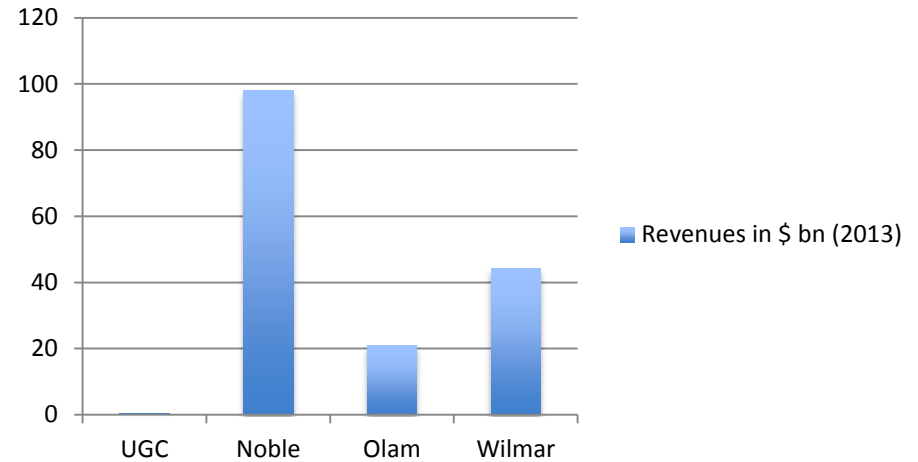
W



### Revenues in \$ bn (2013)



### Revenues in \$ bn (2013)



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