

Guyana Agriculture:

Challenges, Opportunities and Government's Response in a Changing Global Landscape

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Overview

- Brief Overview of the World Food Situation
- An integrated perspective: Primary Agriculture, Energy Production, Climate Change, and a world financial structure in chaos
- Guyana`s Challenges for Food Production within the new world (dis)order
- Guyana`s Agri-Food Strategy

GUYANA

- Guyana is a multi-ethnic country
- Land mass – 83,000 sq. miles (215,000 sq km)
- Population – 752,000
- Rural – urban ratio – 70/30

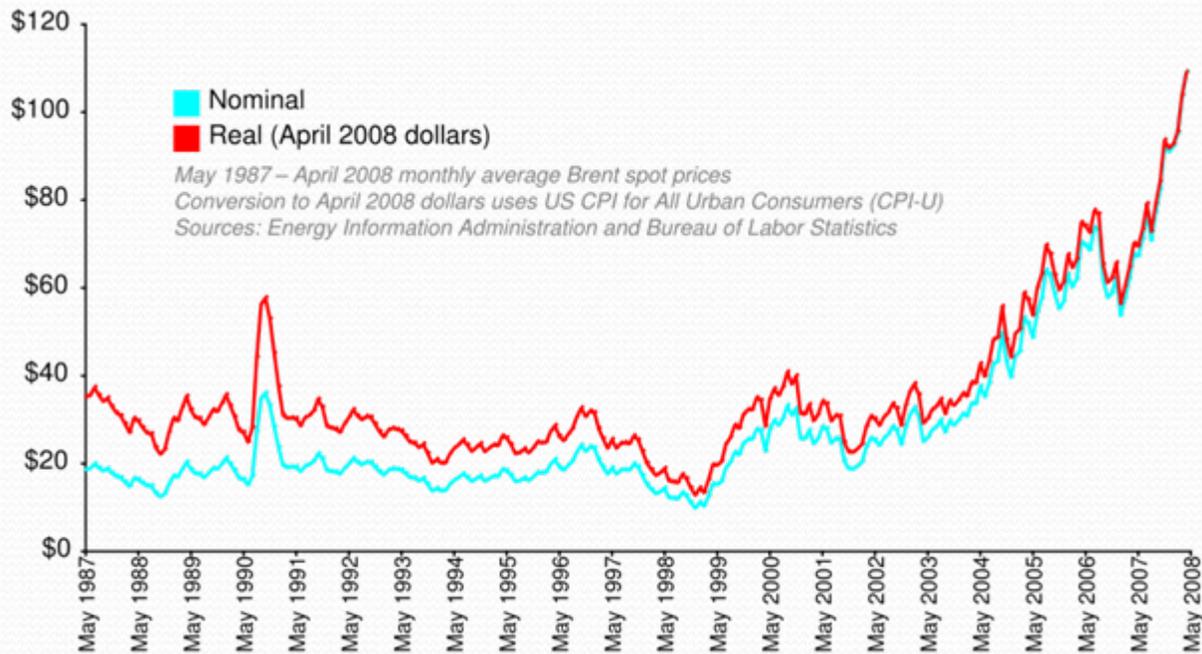


Agriculture in Guyana

- **Agriculture - 32% GDP, 37% export earnings**
- **Employs about 1/3 of the labour force**
- **Guyana enjoys food security (only country in CARICOM)**
- **Main agricultural exports: (2007)**
 - **Sugar - US\$ 137 million;**
 - **Rice – US\$ 55 million;**
 - **Forestry – US\$70 million;**
 - **Fish Products – US\$65 million;**
 - **Other Crops & Livestock – US\$7.5 million.**

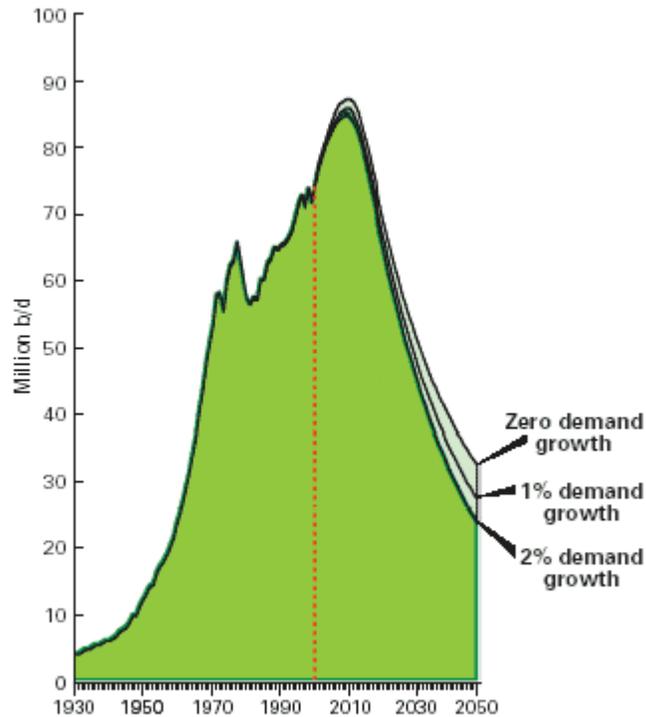
Growing Food: Our Challenges

- Energy



Growing Food: Our Challenges

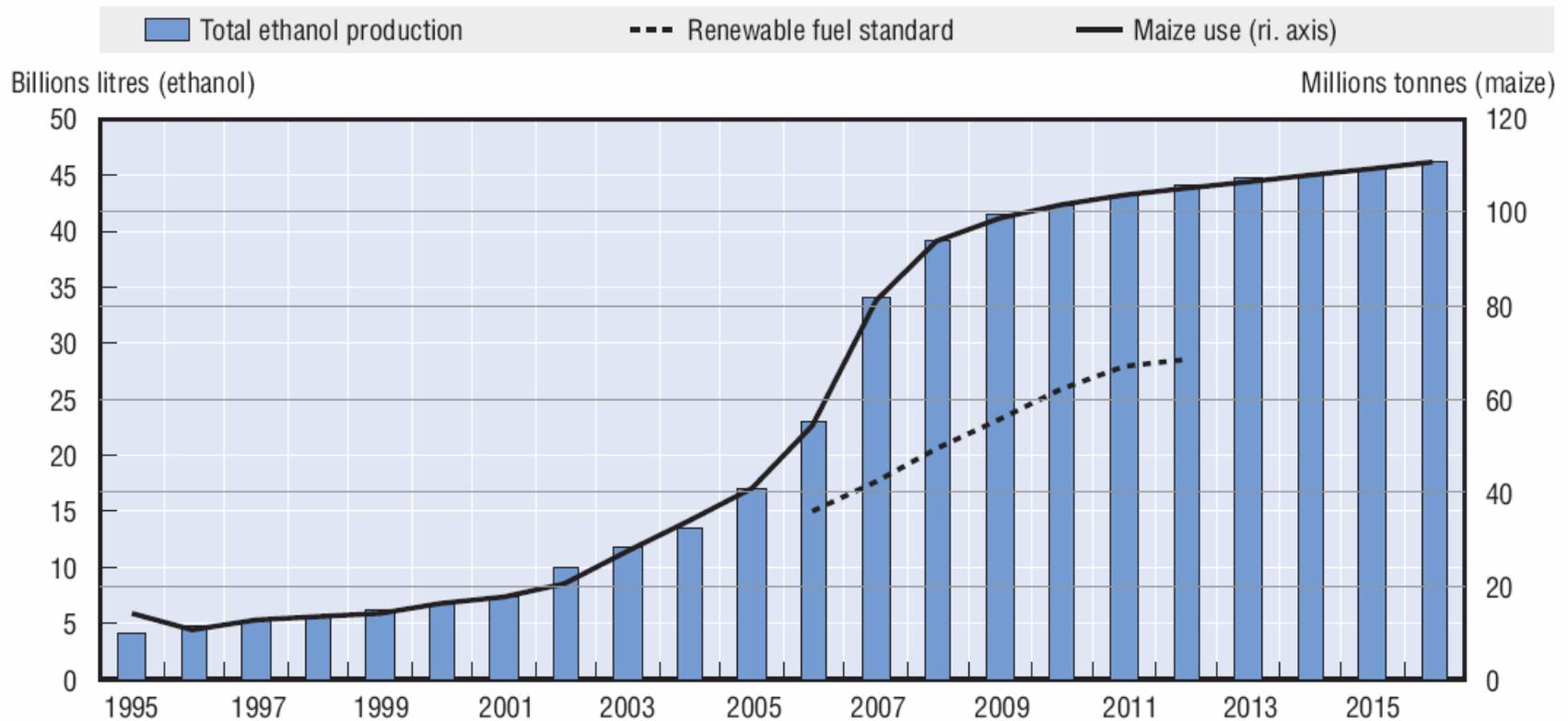
PROJECTED PEAK OF WORLD OIL PRODUCTION



Source: Douglas-Westwood Ltd.

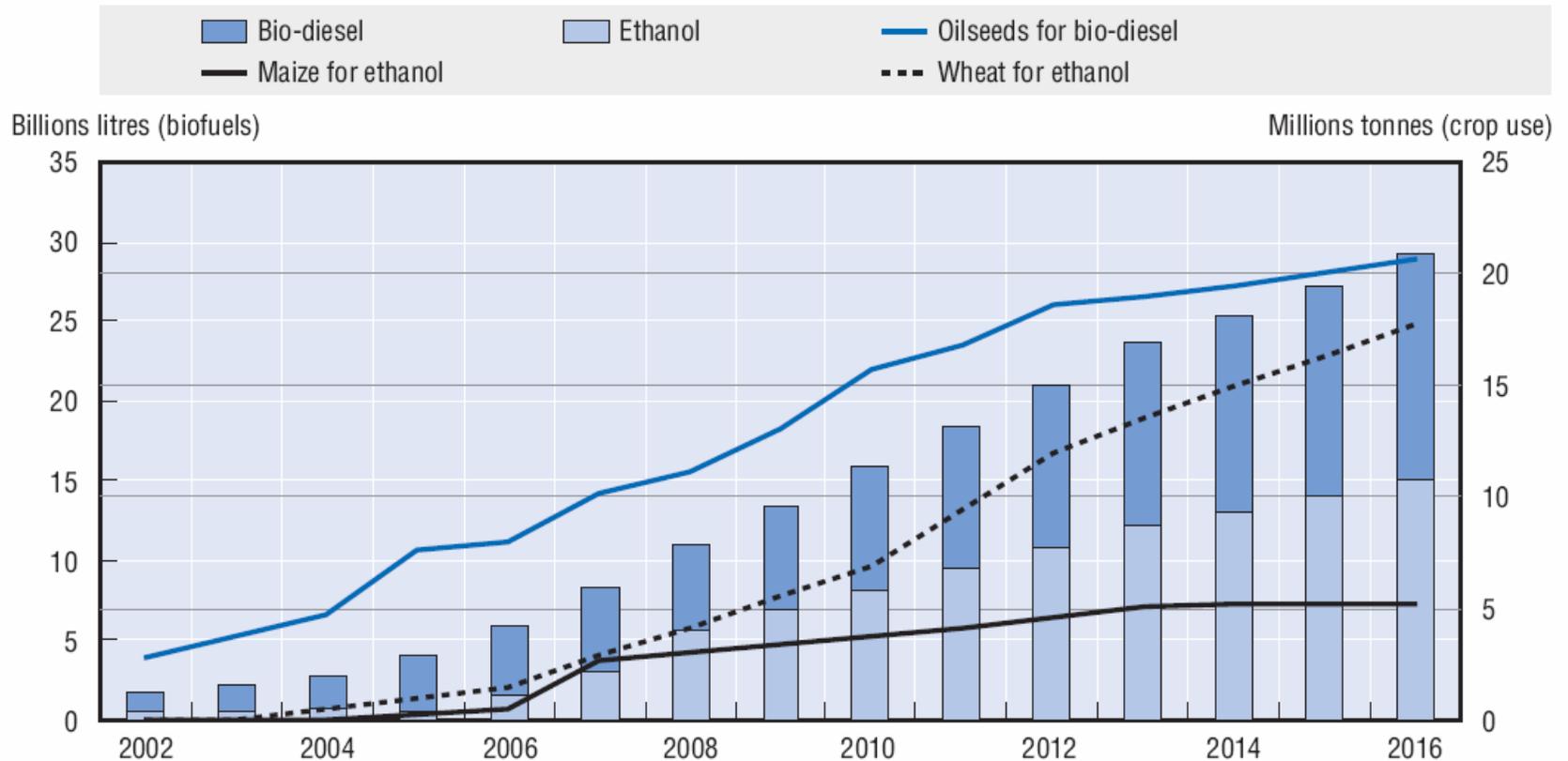
- ✓ Although the estimates vary, end of oil is not an if, but a when
- ✓ Availability of fuel will become an issue long before peak oil
- ✓ The demand for agricultural sources of energy and materials will grow accordingly
- ✓ This in turn will continue to escalate prices

Expansion of US ethanol production and corresponding use of maize



(Source: OECD-FAO Agricultural Outlook 2007 – 2016)

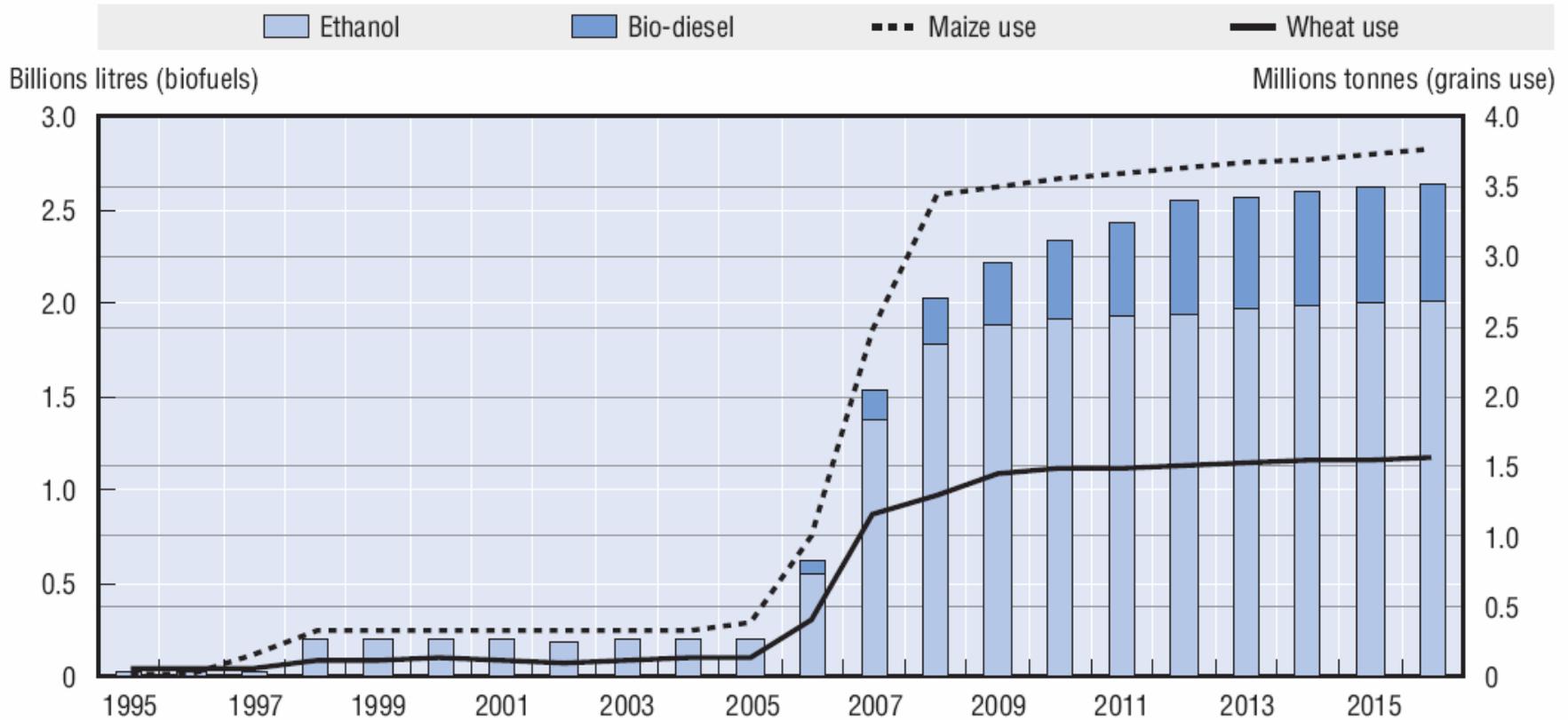
Ethanol and Biodiesel Projections in the EU



Note: Ethanol and bio-diesel data before 2006 refer to production, from 2006 to 2016 to consumption.

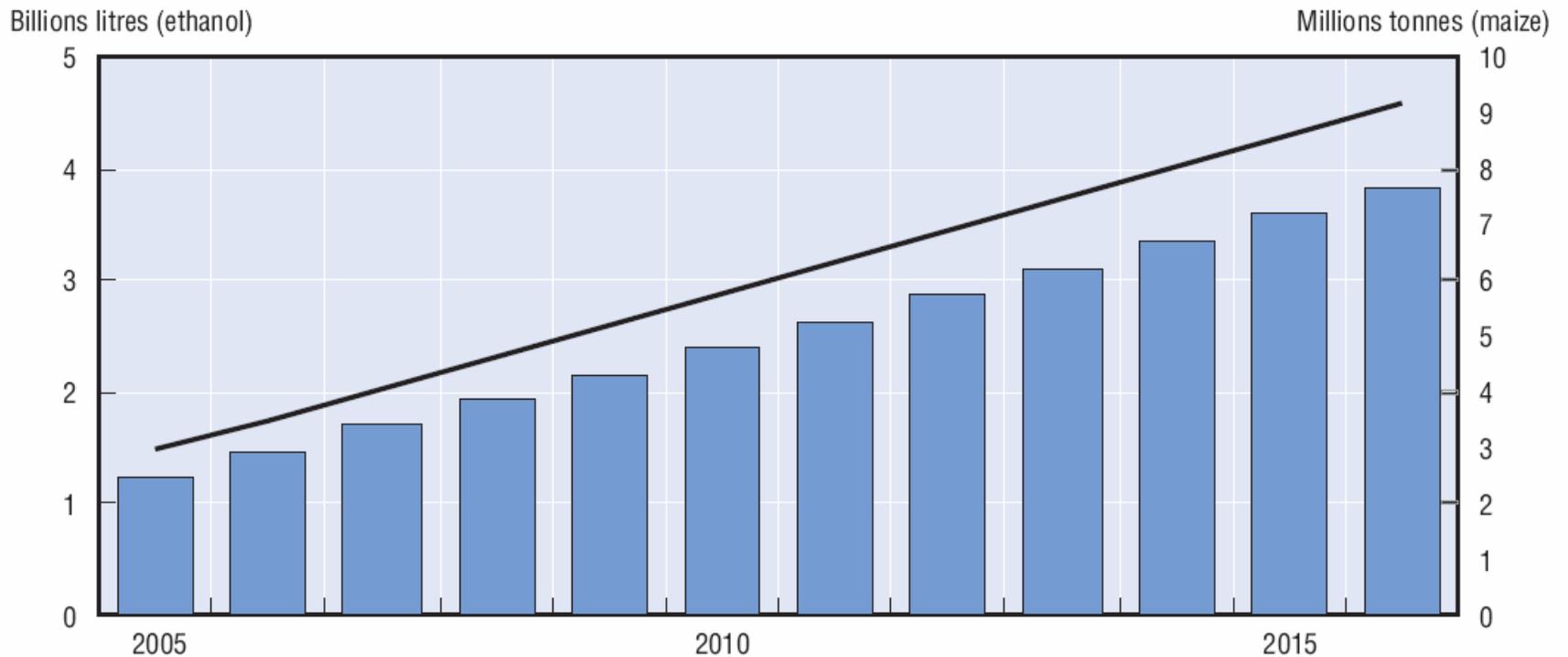
Source: EU Commission, OECD Secretariat.

Canadian Biofuel Outlook



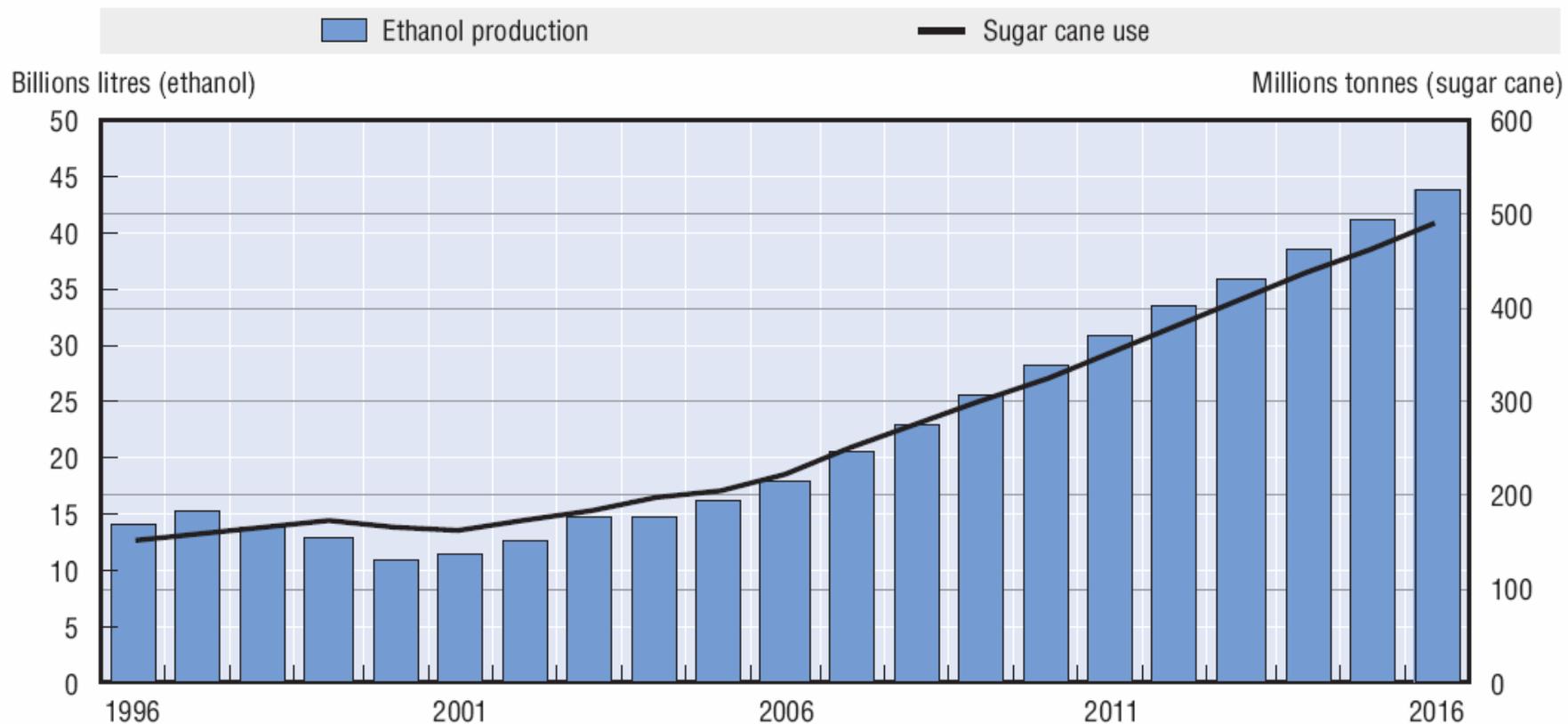
Source: AAFC.

Chinese Ethanol Outlook



Source: ERS.

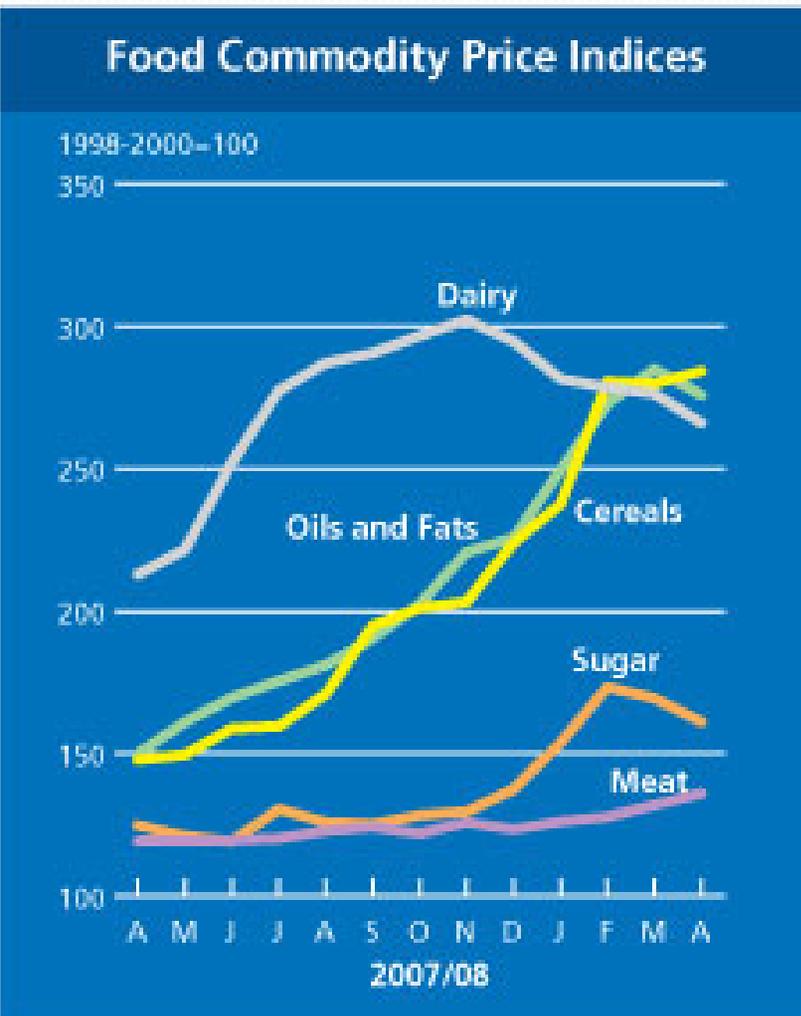
Brazilian Production of Ethanol from Sugar Cane



Source: OECD and FAO Secretariats.

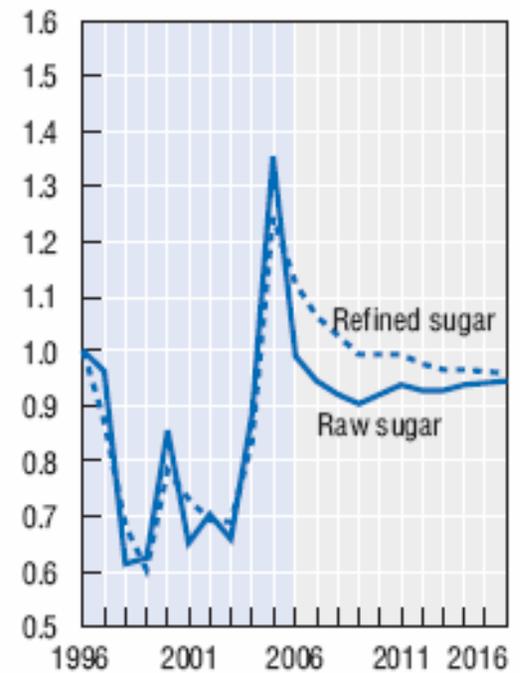
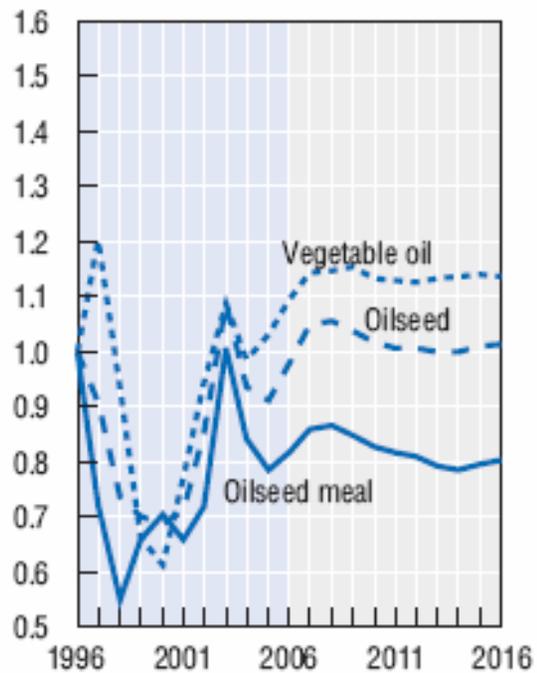
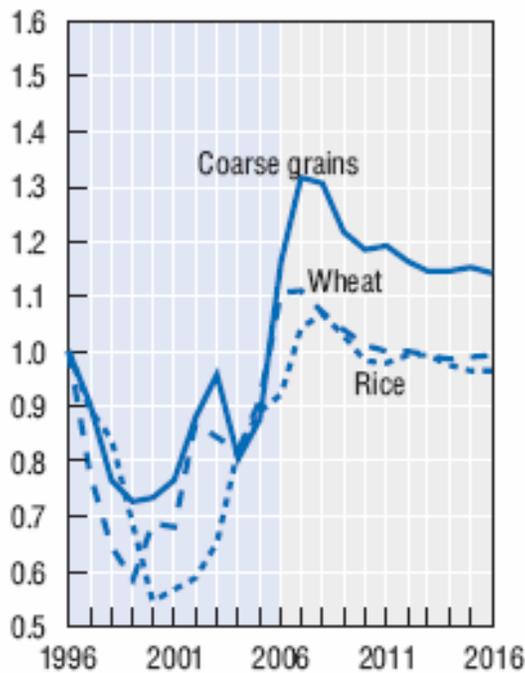
(Source: OECD-FAO Agricultural Outlook 2007 – 2016)

Food Prices



- Climate-related supply shortfalls and longer-term issues
 - Australian & New Zealand drought
 - 3 consecutive years of reduced yields of the East Asian Rice crops
 - Increased demand for food and changes in economic status
 - Biofuels competition in some countries
 - Biomaterials competition
 - Reduced acerages under cultivation

Outlook for World Crop Prices, to 2016 (Index of Nominal Prices, 1996 = 1)



Source: OECD and FAO Secretariats.

Climate Change

Climate Change?



Drainage and Irrigation

Government is spending \$6M annually on Drainage and Irrigation



**Govt. requires some \$100M
To adapt its drainage
Infrastructure to deal with
The effects of climate change**

Standing Tropical Forests & Climate Change: Guyana's Offer



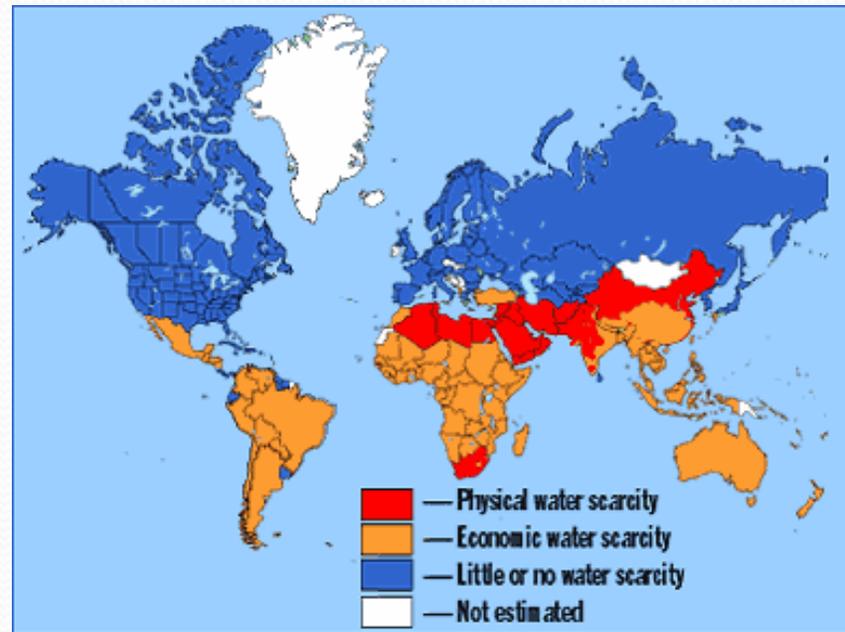
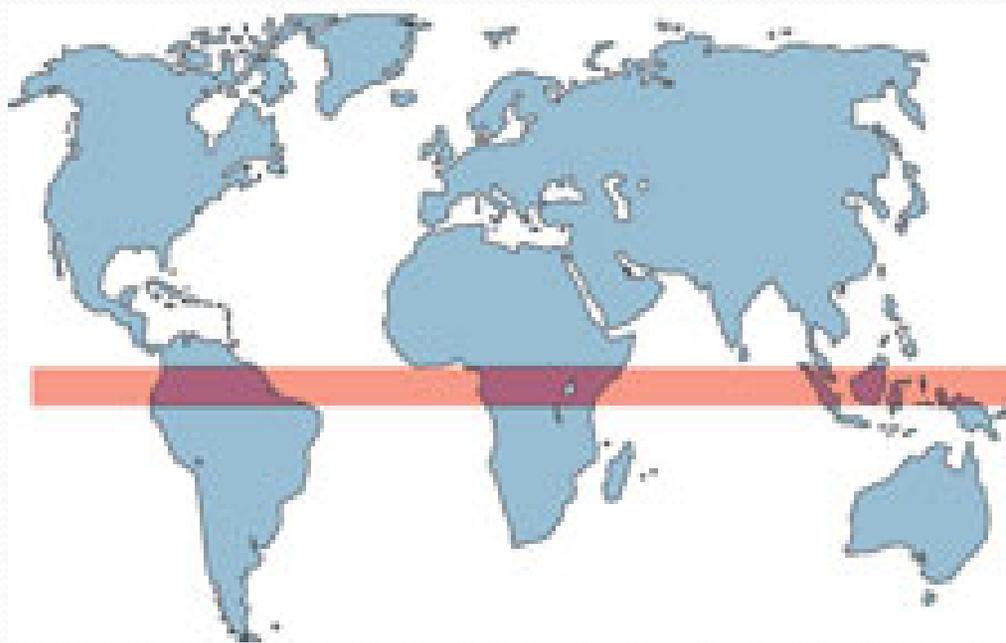
- 80% of Guyana's surface area is covered by rainforest- the size of England
- Forest cover in tact; SFM practised
- Guyana donated 1 M acres of rainforest at Iwokrama to the world.
- President Jagdeo is advocating a market-based mechanism to compensate for the role of tropical standing forest in mitigating climate change; growing carbon trade market
- Post-Kyoto framework to reward contribution of standing forest; current arrangement is perverse



*The Most Important Resources of
the future are:*

Arable Land and Fresh Water

Countries around the Equatorial Belt can have multiple growing seasons, although there are generally challenges with access to water





Agriculture, Climate Change, World Economic Outlook, Increased Protection of Markets

- As we speak, the U.S. senate is grappling with the largest bail-out of the financial markets ever suggested.
- The world's financial markets, where most of the world agricultural commodities are traded on the futures exchange, are in chaos.
- At the same time, some big producers/exporters are moving towards greater subsidies and protectionism

Agriculture, Climate Change, World Economic Outlook, Increased Protection of Markets



- While there is justifiable anger at the way financial institutions have behaved....
- This does mean that there will continue to be uncertainty and investor conservatism over the next couple of years...
- This can have a positive impact on investment dollars available for agriculture, which generally attracts more conservative investments..

Protected Markets, the ACP Countries, and GeoPolitics

- The access of the so-called ACP countries to preferential markets in the EU have come to an abrupt and untimely end.
- It has now been replaced with the EPA, and as you know, Guyana has expressed grave reservations about this agreement
- Concern that other trading partners - Canada and US - will not take same approaches
- As Minister of Agriculture, this trend causes me a lot of worry, and I believe this can lead to significant issues in the food supply chain, which can lead to major food security issues.

However, the future is optimistic

- In the midst of this world-view...
- Guyana sees an opportunity for immense growth in our agricultural and agro-food sector of the economy.
- I will concentrate the rest of my talk therefore on the measures we have taken, the plans we have made, and the partnerships that we must forge if our plans are to be realized.

Food Sovereignty

- FAO approximates the amount spent on food importation globally to be \$1 Trillion in 2008, up 26% from 2007.
- The Caribbean expends \$3.5 Billion annually on food importation.
- The principal regional program in response to the need to stabilize Caribbean food prices and ensure that there is access to sufficient nutrition for the region, is referred to as the Jagdeo Initiative, and is led out of Guyana.
- This initiative addresses nine (9) binding constraints hindering agricultural development in the region, among them: inadequate R&D, transportation, and marketing.

National Initiatives

- Guyana is the only Caribbean country which is a net food exporter.
- Launch of the Grow More Food campaign
- We have a clear, unfettered focus on improving of food security and profitability of our agri-food sector, through targeted investments, careful taxation policies encouraging investment in the sector, increased R&D and technology transfer efforts, and massive improvement of our drainage and irrigation.
- To this end, the GoG has recently secured a \$21.9 M loan from the IDB, to implement and Agricultural Export Diversification Programme & IFAB US\$6.8M

Grow More Food Campaign

- Apart from the strategic, institutional activities mentioned before, GoG has responded to the recent rise in food prices with a number of short, medium and long term interventions with its resources; still awaiting promises of support
- These are aimed at increasing food production in the near term.
- The campaign is aimed at encouraging farmers, producers of fisheries and livestock, investors and potential investors to increase food production.

Grow More Food Campaign

- Five Step Plan:
 - Speedy implementation of US\$21.9 M Agricultural Export Diversification Program and US\$6M Rural Enterprise and Agriculture Development Project.
 - Increased Investment in Drainage and Irrigation with an average annual budget of \$7M
 - Enhanced Extension and marketing services to farmers and traders
 - Increased availability of seed and planting materials and breeding animals
 - Approval of all outstanding viable food production investment projects. 67 last six months

Its all ABOUT Opportunities..

- With the global financial markets in chaos
- With climate change looming
- With Energy prices at an all time high and energy availability being an increasing threat...
- Food security and food availability becomes of paramount importance
- It is my fervent belief that in this milieu, developing nations such as Guyana have an opportunity to use their climate, supply of arable land and fresh water, agricultural know-how, and developing technologies, to take advantage of the growing markets and higher prices, so as to facilitate sustainable development in the agricultural sector.

EXPECTATIONS

- Greater alertness of international bodies/early warning
- Real, timely response and support for national efforts by agencies and bodies; end sloth and ambivalence
- Ensure financial crisis does not unduly distract from food crisis responses
- Dialogue, focus on global problem must be sustained; linkages with govt., academic and global bodies
- Outcome and consensus fed into current international efforts to hasten urgent action
- McGill Conference must monitor progress and issue periodical assessments of situation



Thank You