

Document for the Ministerial Meeting

The dynamic context of a world-wide agriculture: some issues that we must address

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1. - Agriculture in a changing world. -

We don't have to be surprised that the world is constantly changing. The population is growing and, at the same time, its needs. However, needs and demands use to grow faster than population due to both better living conditions and to the integration of new members to the consuming market, while they overcome the constraints imposed by underdevelopment.

If we add to these processes the fact that life expectancy is growing world-wide, the result is a complex equation: on one hand, there is an increasing demand and needs for food and forest resources and, on the other hand, a limited geographic and environmental context which is overexploited and severely diminished in a number of areas.

There is no doubt that this fact sets a big challenge to our countries and to the different forums in the global governability, especially when our ethical approach of development is considered. We are aware that by 2030 it will be necessary to feed more than nine billion people, almost 50% more than today.

All this happens in a fragile environmental context and in a changing climatic dynamics. While these obey to long-term processes, it is the responsibility of humankind as a whole to be ready to respond to these changes, which may affect significantly the What, Who, How and Where do we produce. For the agricultural, forestry and fishing sectors these questions are increasingly relevant.

In this regard, some questions that we must ask and answer ourselves are the following:

- How can we achieve a production scheme that, in addition of being compatible with the signals provided by markets, attains a fair balance between the needs and demands of the world's population?
- How do we ensure, individually and collectively, equal opportunities of development to all the economies within the current globalisation scheme? How can be these

opportunities compatible with the free movement of capitals, goods and services, within a clean-production process?

2. - Innovation, creativity and inclusion as axes of answers. -

When we look at the variety of events and effects associated with climate change, we witness how situations such as drought and temperature increases in the polar and Mediterranean regions or greater floods in tropical regions overlap with cold winters and more intense snowstorms elsewhere. How should we face the impact that this process has in crops, the need for new varieties and technologies, the possible changes and difficulties in supplying the world markets? This makes evident the necessity to enhance the exchange of meteorological and climate information in a local, regional and global scale, as well as the development of new technologies, especially those related to irrigation, in order to use more efficiently the water resource.

The tasks must be performed without delay, and to do so it is essential, first of all, to be innovative regarding adaptation and creative regarding mitigation and reversal of these trends. This responsibility is shared at a global and local level and between public and private sectors.

One of the specific policies that we implement today in Chile is to share information with productive agents from the private sector, in order to promote the development of a more informed agriculture system, where the climatic risks are understood as one of the variables of the sector's activity. A measure of innovation that we have developed these last years is an insurance for climatic events that put at risk the agricultural production. Following this trend will, of course, relieve the pressure on public resources that are used regularly to treat damages caused by frosts, droughts and floods.

We need to underline the relevance that imply for developing countries to incorporate all the actors involved in agriculture, forestry and fishing production to the benefits drawn by the sectoral growth. Our policies must be inclusive. The high contrasts that we have in the use of information, technology and productivity between farmers and agricultural entrepreneurs within the same rural areas, force us to pay particular attention to the most vulnerable social groups, which do not always participate and compete over egalitarian basis on these economic processes of growth.

Our ethical perspective on development compels us to seek for social and institutional mechanisms that ensure to all agents that participate in our sector the same opportunities of progress. The holistic approach of our sector requires us to address comprehensively each activity, focusing our attention to the whole production and services chain, with the aim of seeking consensus among all participants.

3. – Chile’s main policy guidelines. -

Largely defined by the configuration of our territory, the Chilean agriculture develops in a very heterogeneous social and geographic framework. The variety of climate present in Chile becomes a benefit with regards to the rich array of products and plants feasible to be produced. Nevertheless, this also brings constraints, due to extreme weather conditions that affect a number of regions.

As a consequence, the country presents different production environments, either for export or for domestic consumption. If we also take into consideration the unequal distribution of businessmen, farmers and indigenous groups all along the country, we face a diverse and complex scope of management in both social and territorial basis.

In Chile we are aware of these challenges, thus we decided to develop agriculture as a strategic sector in order to achieve the status of a food and forestry powerhouse. In this way we expect to contribute to the world agriculture within a sustainable scope of development being responsible in the use of our renewable resources. Our growing involvement in the export markets of fruit, forestry and food shows us a path that we must continue to explore and deepen.

We have adopted a strategy of openness towards trade because we agree with the stand that free trade increases welfare and benefits. However, we advocate that trade has to be developed over well known, fair and equal rules amongst countries. That is the reason of why we advocate for substantive agreements on agriculture policies within the WTO that lead us to the reduction of subsidies and the dismantling of all kinds of existing barriers.

With the aim of achieving this competitive insertion, our ministerial agenda includes the incorporation of more and better innovation in agriculture, livestock and forestry. We consider that carrying forward plant and animal genetics and reaching the highest phyto and zoosanitarian standards worldwide is a key requisite to increase the competitiveness of this increasingly demanding sector.

We are also incorporating the advances brought by modernization that lead to improve our interconnected agricultural system.

Forest plantation and exploitation, either of native or exotic species, are of our special interest because we are aware that in this way we contribute to mitigate climate change effects, and at the same time we are able to generate employment and productive articulation within the sector. Chile has had a Neutral Carbon Agriculture over the last 10 years, thanks to a strong reforestation program implemented during more than three decades.

We understand that producers, workers or consuming families are the key actors of these processes. Hence, we insist on the relevance all actions that involve social justice, income improvement and access to services for all producers in a way that ensure them a better life quality over long term basis. Our main concerns are small farmers, women, indigenous peoples and youth.

Governance it is also a very important framework for our sector. We value all the public and private agreements that we have reached over the last years. The confidence of agricultural producers on the stability of the economic and social policies that have been applied by our current and former governments has become a key factor that gives guarantees to workers, producers and domestic and foreign investors.

In a global level, the world's country leaders and multilateral organizations are the ones required to give guarantees of a good institutional performance. We are the next country to become a full member of this prestigious Organization. We are also a country that has undergone a successful process of economic and social development. However, we still have challenges to face and goals to reach which have been already addressed by most of the countries at this Organization. Our commitment to OECD, and to agriculture and food worldwide, is to collaborate and contribute with modesty, in order to benefit from debates, analysis, exchanges and access to information provided by OECD, regarding the progress and developments of the world's agriculture.

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