

TRENDS AND CHALLENGES
IN LATIN AMERICAN AND CARIBBEAN
AGRICULTURE, FORESTRY AND FISHERIES

2004

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FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS

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FAO Regional Office for Latin America and the Caribbean



PREFACE

Every two years, the FAO Regional Office for Latin America and the Caribbean (FAO/RLC) prepares a report entitled Trends and Challenges in Latin American and Caribbean Agriculture, Forestry and Fisheries, to support the deliberations of the FAO Regional Conference. This exercise has been done for the last four regional conferences held in 1998, 2000, 2002 and 2004.

In preparing this edition of the report, interaction with member countries has resulted in the fact that the current document addresses two main orientations: firstly, to give a comprehensive account of the variables that affect agricultural development and food security, considering technical, economic and social aspects, and including an analysis of the international setting; and secondly, to evaluate each country in relation to others and within the regional setting, while also examining regional trends.

These two orientations—the broader range of topics to be analysed and the more detailed treatment needed to take account of data at the country and subregional levels—entailed work on a larger scale and required organization and management of information from a wide variety of sources in addition to FAOSTAT, such as UNDP, WTO, IMF, UNCTAD, ECLAC and OECD.

This volume analyses trends and emerging issues in four main areas: (i) international context; (ii) macroeconomic framework; (iii) development of the agricultural sector; and (iv) international trade of agricultural products. A fifth chapter discusses policy orientations, and this is followed by a statistical appendix.

Chapter I outlines the key transformations that have taken place in the international setting, explaining changes in medium- and long-term trends and expectations for the next few years, and comparing development patterns in Latin America and the Caribbean with those of other parts of the world. It also identifies obstacles for the development and international participation of the region—in particular, the protection and support given to agriculture in industrialized countries.

Chapter II analyses the evolution of the macroeconomic framework and social conditions in Latin American and Caribbean countries, characterizing the economic growth of the last few decades and the forces driving it. It explains the behaviour of the main variables influencing the external balance, and identifies structural problems affecting the region's economies. Lastly, it discusses trends in a number of social indicators, particularly those relating to poverty and food security.

Chapter III describes agricultural trends in the region, in terms of regional averages and differences between countries. It explains the trend of sectoral output, its participation in the global economy, and the evolution of sectoral compared to overall productivity. The chapter then goes on to examine the behaviour of agricultural output, making individual analyses of crop-growing, livestock production, fishing, and forestry production. It then examines production trends and attempts to explain the changes identified. It also highlights the differences in trends between the main product groups and changes in their geographic distribution within the region.

Chapter IV analyses international trade of agricultural products, discussing trends in the balance in Latin American and Caribbean countries, and the share of each productive subsector in exports, imports, and the trade balance. It also estimates their share in the overall merchandise trade balance, and analyses changes in the geographic distribution of exports and imports. The chapter makes separate analyses of crops and livestock, fishery, and forestry products.

Chapter V depicts on the trends and challenges analysed in the four preceding chapters, in order to draw lessons and propose policy orientations. It identifies the components of the economic and social development strategy, and the role of agricultural and rural development in the region's development challenges; and it explains the characteristics of the new approach to agricultural and rural development strategy. The chapter highlights the crucial role played in this strategy by institution building—in the broad sense of the term—and the development of social capital. It also gives several examples of new policy instruments in different areas, such as: the construction of a new international framework; the development of markets, and redefinition of property rights; the broad diversity of agricultural development programmes and support for trade through pro-market instruments; the characteristics of new crop-livestock technology systems, and possibilities for direct support. Lastly, it analyses institutional requirements for implementing the new policy instruments.

In preparing this report, a database had to be developed in RLC which provides detailed, comprehensive and consistent information about the 33 countries that comprise the Latin American and Caribbean region. This consolidated database selects variables and cross-references them for analytical purposes; it also specifies consistent conditions for their joint use, and prepares time series or cross-section analyses. A CD containing a statistical appendix developed from this database is included in this volume.

This work is a collective effort, coordinated in the Regional Office by the Policy Assistance Branch under the leadership of Luis Gómez Oliver, with the collaboration of Carolina Lennon, María José Montero and Patricia Morales. The various drafts and updates have been enhanced by contributions from several specialists at the Regional Office as well as from FAO headquarters in Rome. It has also been discussed, by electronic conference, with other experts, academics, government representatives and social organizations of the countries of the region.

We hope this volume will contribute to collective reflection on the policy orientations needed to foster agricultural and rural development in Latin American and Caribbean countries and promote food security among their populations. In the ongoing process of enhancing policy analysis and debate, your comments will be greatly appreciated.

Gustavo Gordillo de Anda
Deputy Director-General of FAO, and
Regional Representative for Latin
America and the Caribbean

Mafa Chipeta
Director
Policy Assistance Division

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INITIALS

AIDS	Acquired immunodeficiency syndrome
ANT	Antigua and Barbuda
ARG	Argentina
BAR	Barbados
BHA	Bahamas
BOL	Bolivia
BRA	Brazil
BZE	Belize
CARICOM	Caribbean Community and Common Market
CHI	Chile
COL	Colombia
COS	Costa Rica
CUB	Cuba
DMI	Dominican Republic
DOM	Dominica
EAP	Economically Active Population
EAP (AGR)	Economically Active Agricultural Population
ECLAC	Economic Commission for Latin America and the Caribbean
ECU	Ecuador
ELS	El Salvador
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FAO/RLC	FAO Regional Office for Latin America and the Caribbean
FAOSTAT	FAO Statistical Databases
FDI	Foreign Direct Investment
FISHSTAT	FAO Fishing Statistical Database
GDP	Gross Domestic Product
GDP (AGR)	Agricultural Gross Domestic Product
GDPN	Nominal Gross Domestic Product
GRN	Grenada
GSSE	General Services Estimate
GUA	Guatemala
GUY	Guyana
HAI	Haiti
HIV	Human immunodeficiency virus