

## Fact Sheet: Agriculture in Latin America and the Caribbean (LAC)

Latin America and the Caribbean is the largest food exporting region on the planet.

- LAC contributes 11% of world food production on 24% of its arable land.
- In 2011, the region produced **60% of world's soybean exports**, and from 2006 to 2009 it produced **45% of coffee and sugar, 44% of beef, 42% of poultry, 70% of bananas, 12% of citrus, 13% of cocoa, and 33% of maize.**

With projected growth, **LAC agriculture is on track to vastly exceed the region's own food demand in the next 15 years**, putting it in position to contribute substantially to meeting food requirements in other regions.

- The Global Harvest Initiative estimates that if the LAC region maintains its current Total Factor Productivity (TFP)<sup>1</sup> growth rate of 2.67 percent per year, food demand within the region can be met and exceeded (166%) by 2030, enabling the region as a whole to vastly increase its contributions to global agricultural markets and thereby increase its share of food and agriculture exports.
- This is critically important given that other key regions are expected to fall short in meeting their growing food demand through productivity-led growth. For example, if East Asia stays on its current TFP growth rate, the region will be able to meet only 79 percent of its food demand, while Sub-Saharan Africa is on track to meet only 25 percent.

LAC has about **one-third of the world's fresh water** resources and more than **one-quarter of the world's medium to high potential farmland**.

More than a third of LAC's agricultural land is within six hours travel time to a market.

Over **half of the food produced** in LAC comes from the region's **14 million smallholders**.

- Small farms account for 80% of all farms in the LAC region and 64% of its agricultural employment.

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<sup>1</sup> Total factor productivity (TFP) is the ratio of the change in agricultural outputs (gross crop and livestock output measured in constant 2005 international dollars) per inputs (land, labor, livestock, fertilizer and machinery) used and is an indicator of higher productivity and efficiency in agricultural production. TFP measures the efficiency with which all the components of production are used, rather than relying on land expansion or increased use of irrigation, fertilizer, pesticides, and machinery.

Despite the promise, LAC agriculture has met only a small fraction of its potential to produce food, fiber and fuel for the world.

- The region's agricultural productivity and biological diversity faces a number of threats from climate change.
- Post-harvest losses account for up to 30% of the grain harvest and 15% to 20% of the maize and bean harvest in Nicaragua and from 10 to 40% of the grain and cereal harvest in Guatemala, while in Ecuador fruits and vegetables are lost at rates of about 25%.
- In the region, for every **\$100 in goods produced** by the agricultural sector there is **only \$1.10 invested in agricultural research**. In more developed economies this investment tends to be more **than three times** that amount.
- A quarter of the region's rural people still live on less than US\$2/day, with extreme **poverty** (US\$1.25/day) in rural areas among **landless farmers**, indigenous peoples, women and children.