

# 10. Agriculture Management and Rural Development

## ➤ MANDATE

The Heads of State and Government recognized the strategic importance of agriculture in promoting the integrated development of countries, and in providing a living for millions of rural families. Accordingly, they decided to play a pro-active role in improving agriculture as a way to achieve prosperity, increase economic opportunities, promote social justice and develop human potential.

Accordingly, the leaders at the Quebec City Summit of the Americas adopted two over-arching mandates. The first mandate had the objective of promoting medium and long-term national strategies toward sustainable improvement in agriculture and rural life. This would be accomplished by encouraging dialogue among government ministers, parliamentarians and civil society, particularly organizations linked to rural areas, as well as members of the scientific and academic communities. The second mandate, whose scope covers the entire Hemisphere, instructed the Ministers of Agriculture—in cooperation with the Inter-American Institute for Cooperation on Agriculture (IICA)—to promote joint action by all stakeholders in the agricultural sector to improve agriculture and rural life, and to facilitate the implementation of the Plans of Action of the Summits of the Americas.

In this way, leaders stressed the importance of promoting dialogue and joint action among members of the agriculture and rural life community, at both the national and hemispheric levels. In addition, they highlighted the role of Ministers of Agriculture

and of ministerial meetings on agriculture and rural life as promoters and protagonists of this dialogue and joint action, in a spirit of broad participation by all sectors involved.

## PROGRESS ACHIEVED

*The status of agriculture and rural life.* An overview of the current status of agriculture and rural life reveals noteworthy successes, but the pace and scope of progress are inadequate in relation to the long-term proposals made by the Heads of State and Government. Several pertinent aspects of the situation are detailed below.

Total agricultural production in the Latin America and Caribbean (LAC) region grew in a sustained fashion between 1993 and 2001, in step with growth in the GDP, although at lower rates. In the 2000-2001 period, average growth was 2.6%, with significant differences among countries: in 18 countries, growth stalled or declined, with growth rates under 2%, while only 13 countries recorded growth rates in excess of 2%. Although production in the northern sub-region grew at rates similar to the average for Latin America and the

The increasing deterioration of the natural resource base represents a serious threat to current and future agricultural production. It is undermining the productive potential of rural areas—particularly the poorest regions—and endangering the food security of rural inhabitants.



Rural areas have twice as many poor people as urban areas, and extreme poverty is three times as high.

Caribbean as a whole, it declined slightly in comparison to the previous decade. Regarding international trade, although the volume of agricultural trade in the LAC region has increased since the middle of the 1980s, the rate of growth has been lower than that achieved by other sectors. It should be pointed out that the ratio of exports of processed products compared to raw materials or commodities has not changed markedly. In contrast, the export of processed products has been gaining ground in world markets. This has significant implications for the future of LAC exports, which continue to depend mainly on commodities, while trends in the world market are heading in the opposite direction.

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In addition, the availability and quality of agricultural trade services—in areas such as technology, information and communications, financing and agricultural sanitation, among others—are seriously deficient in the LAC region when compared to the more developed countries in North America.

***Implementation and follow-up of mandates: efforts made by countries.*** Countries are taking action, and achieving progress, in improving agriculture and rural life. Agricultural and rural development issues are playing a more central role in national development plans, and States are beginning to develop policies to improve agriculture and encourage rural development. As countries pay increasing attention to these issues, they are adopting measures designed to take into account the economic, social and environmental dimensions of decisions related to agriculture and rural development.

***Ministers of Agriculture to lead hemispheric process between now and 2015.*** As a follow-up

to the mandates adopted at the Third Summit, Ministers of Agriculture conducted dialogue and consultations during 2001 at the national, regional and hemispheric levels. This culminated in the First Ministerial Meeting on Agriculture and Rural Life in the Summit of the Americas process. At the meeting, which was held in the Dominican Republic in November 2001, the Ministers of Agriculture adopted the “Declaration of Bávaro for the Improvement of Agriculture and Rural Life in the Americas.” In the declaration, ministers noted the critical issues that need to be addressed urgently in order to improve agriculture and rural life, and expressed their conviction and desire to promote a shared agenda with countries in this regard.

Continuing the dialogue initiated in 2001, the Ministers of Agriculture and their ministerial staffs, with the support of IICA, moved the process forward at the Second Ministerial Meeting on Agriculture and Rural Life, held in the Republic of Panama on November 11 and 12, 2003. The outcomes of the Second Meeting that help consolidate the ministerial meetings and the Summits of the Americas process include: the adoption of the “AGRO 2003-2015” Plan of Action for the implementation of presidential mandates and the agreements contained in the Declaration of Bávaro, the sharing of national and regional experiences concerning implementation and follow-up, ministerial dialogue on the strategic issues contained in the Plan of Action, and the drafting of a ministerial proposal on agriculture and rural life for the next Extraordinary Session of the Summit of the Americas.

## SUCCESS STORIES

***The adoption of state policies and the establishment of national follow-up mechanisms.*** Given their relevance to the promotion of national dialogue designed to implement long-term strategies, it is important to mention the efforts made by Honduras, Chile, Canada, Peru and Mexico to coordinate State policies for the sustainable

improvement of agriculture and rural life. These policies are designed to: cover a broad time frame, promote dialogue among various state agencies and civil society organizations, and establish follow-up mechanisms such as Agricultural Round Tables.

In Honduras, President Ricardo Maduro said: "Let us develop a long-term national strategic plan, validated by civil society, for the transformation of agriculture, the environment, protected areas and land-use planning." With this in mind, in October 2002 President Maduro initiated a process of dialogue that led to an Agricultural Round Table. After an extensive consultation process, the Round Table performed valuable work in reviewing and defining the short, medium, and long term policies required in the agricultural sector. A document entitled "Draft State Policy for Agriculture in Honduras – 2003-2015"—prepared by the Technical Secretariat of the Honduran Agricultural Round Table at the request of the Secretariat of Agriculture and Cattle Raising—is aimed at providing a comprehensive response to issues raised by each of the stakeholders who participated in the dialogue process.

In Chile, President Ricardo Lagos convened an Agricultural Round Table composed of Ministers from various government departments, representatives of the Legislative Branch, agri-business and agriculture-related professional associations, farm worker organizations and agronomy faculties. The result was an agreement on the basic framework for sectoral policies, as contained in the document entitled "State Policy for Chilean Agriculture – 2000-2010." Moreover, important agreements were concluded with the private sector that were conducive to the implementation of the agreed measures.

The Government of Canada places a high priority on agriculture and rural development. Accordingly, the Canadian Federal Government brought together the provincial and territorial governments, along with repre-

sentatives of the agricultural sector, agribusiness, and civil society to help develop a national agricultural policy. The resulting long-term strategy is outlined in a document entitled: "Putting Canada First: An Architecture for Agricultural Policy in the 21st Century." This method of work ensured that the strategy – whose objective is to position Canada as the world leader in food safety, innovation and production, and environmental protection—was discussed at the national level.

Mexico places a high priority on improving agriculture and rural life. Accordingly, the Federal Government initiated and promoted a national dialogue that culminated in the signing in April 2003 of the "National Agreement for the Countryside: For the Development of Rural Society and Food Safety and Sovereignty". The Federal Executive Branch, farm worker organizations and Mexican producers endorsed the agreement. It acknowledges the need for true structural changes, as raised by these organizations at the different round tables within the "Dialogue for a State Policy for the Countryside".



In Peru, the government of President Alejandro Toledo decided to join forces with representatives of political, civil society, and religious organizations to establish a National Agreement. The Agreement, signed in July 2002, included 29 State policies designed to form the basis for a transition to democracy and its consolidation, the affirmation of the national identity, and the development of a shared vision of the country's future. State Policy No. 23, entitled "Agricultural and Rural Development Policy," formalizes the commitment to promote agricultural and rural development in Peru—including agriculture, cattle raising, aquaculture, agribusiness and sustainable forest harvesting—in order to boost the economic and social well-being of the sector.

The Agreement establishes conditions under which food safety and sovereignty, and the development of rural society, can be achieved through state policy. It also acknowledges the broad-based social process and the clear position adopted by the farm worker and producer organizations that participated in the dialogue. They maintained that because of the long-standing neglect of the rural sector, and the impact of trade liberalization and structural adjustments over the past two decades, the only way to re-energize the countryside was to implement far-reaching structural reforms as part of a long-term national strategy.

*Establishing regional mechanisms.* Dialogue and commitments to action on agriculture and rural life contained in the mandates stemming from the Third Summit have led to a number of valuable initiatives in the Caribbean, Central American, and Southern regions.

For example, 2001 saw the formation of the "Caribbean Alliance for the Sustainable Development of Agriculture and the Rural Milieu," a participatory mechanism involving Ministers of Agriculture and regional organizations working in the fields of research, trade and higher education, as well as agricultural entrepreneurs, rural women,

and the Wives of the Heads of State and Government from the Caribbean. At its Third Regular Meeting (October 2001), Ministers of Agriculture from 14 Caribbean countries adopted a Ministerial Declaration and a Plan of Action, reaffirming their commitment to joint action with all the members of the Community of Agriculture and Rural Life of the Caribbean, and as part of the Hemispheric Community. Other regional mechanisms—such as the Regional Council for Agricultural Cooperation (CORECA—Central America, Mexico and the Dominican Republic), the Central American Agricultural Council (CAC) and the Southern Agricultural Council (CAS—Argentina, Bolivia, Brazil, Chile and Paraguay)—participated in a range of activities and discussions leading to the preparation of the "AGRO 2003-2015 Plan of Action for Agriculture and Rural Life in the Americas."

## CHALLENGES

The national and international environment, and the outlook for agriculture and rural life, make it necessary to take strategic actions designed to confront four major challenges. The first challenge is to balance the objectives of an export-based development model with those of sustainable development, rural prosperity, and food security. The second is to help build a set of institutions favourable to the development of agriculture and the improvement of rural life. The third involves improving the public and private management of agriculture and rural development. Finally, the fourth challenge is to develop the necessary public and private capacity to meet the first three in a timely and successful manner.

The main obstacles to the improvement of agriculture and rural life have to do with access to markets, financing and investment, technology and the national capacity to manage agriculture, rural life, and the mandates and agreements adopted in this area.