

Growth Harvest: Unveiling Competitive Dynamics and Strategic Opportunities in Latin America and the Caribbean Agriculture Industry

Prepared by:
BobÉ E. Stephabe

SOVEREIGNPIALPHA FRANCE Ltd

RCS Paris 948431838
36, rue Scheffer 75016 Paris France
Telephone: +33751053066 Email: sovereignpialpha@startmail.com

GLOBAL QHSE © is a brand exploited by Sovereignpialpha France Ltd.
All rights reserved

This work is a product of researchers of Sovereignpialpha France Ltd with external contributions. The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the views of Sovereignpialpha France Ltd. Sovereignpialpha France Ltd does not guarantee the accuracy, completeness, or currency of the data included. It does not assume responsibility for any errors, omissions, or discrepancies in the information or liability concerning the use of or failure to use the information, methods, processes, or conclusions set forth.

Attribution—Please cite the work as follows: Bobé Engueleguele, Stephane, Growth Harvest: Unveiling Competitive Dynamics and Strategic Opportunities in Latin America and the Caribbean Agriculture Industry, Sovereignpialpha France Ltd Report, Paris, June 2023.

All queries on rights and licenses should be addressed to SOVEREIGNPIALPHA FRANCE Ltd.

Leadership Message: Beyond Boundaries. Pioneering a Future of Sustainable Prosperity

When evaluating the performance of agriculture, it's essential to consider specific documented facts. Firstly, food production is responsible for one-fourth of greenhouse gas emissions (Poore and Nemecek, 2018; Ritchie, 2019). Secondly, agriculture uses up half of the world's habitable land and 70% of freshwater withdrawals. Nutrient-related pollution accounts for 78% of ocean and freshwater eutrophication (Poore and Nemecek, 2018). Shockingly, 94% of the total weight of non-human mammals is made up of livestock, with domesticated animals outweighing wild mammals by a ratio of 15-to-1 (Bar-On, Philips and Milo, 2018).

Moreover, according to Bar-On and Milo, poultry livestock accounts for 71% of the total avian biomass, exceeding the biomass of wild bird species by over 3-to-1 (Bar-On, Philips and Milo 2018). Agriculture is, therefore, crucial for human sustenance, but its environmental impact must be taken seriously. Leaders and stakeholders must focus on the systemic interconnectedness between feeding the world, preserving our inherited natural capital, and adapting to climate change while drawing closer to decarbonated agriculture.



We must envision a future where agriculture thrives without carbon, contributing to the planet's health rather than its decay. This is our call to action - transforming isolated measures into systemic change, nurturing sustainable systems rather than merely managing resources.

From the dawn of time, we have been gifted an intricate and harmonious web of life, a precious inheritance bequeathed to us by the universe itself. Yet, in our relentless pursuit of progress, we've severed the sacred ties that bind us to Mother Earth, unsettling her delicate equilibrium and disrupting the natural cycles that sustain all existence. More than mere exploitation, our actions amount to the desecration of nature, closing our eyes to the "profound symbiosis between human-made capital and the preservation and replenishment of natural capital." (Hawken & Lovins, 2010, pp. 3-4) We stand at the precipice of a new era of natural capitalism. This paradigm shift calls into question the essence of wealth creation and how much we have taken from the natural world. Viewed through the traditional capitalist lens, this may seem daunting, but the urgency to recognise and respect the intrinsic value of nature is now critical. Firstly, it is essential to acknowledge that nature is irreplaceable. The "services provided by living ecosystems are beyond replication, at any cost." (Hawken & Lovins, 2010, p. 5).

Furthermore, no established methods can accurately measure the true worth of nature, as no entity can fill its role nor match the vital functions performed by our ecosystems in the grand tapestry of life. To continue our dance of production and consumption with nature, we must embrace a transformative shift in our perspective. We are tasked with building a revitalised "industrial system" rooted in a reimagined relationship between businesses and nature. This new philosophy, a counterpoint to traditional thinking, must position nature as the "principal" actor in the production, the critical element around which all other processes orbit. Recognising the finite nature of our planet, we must accept it as a "limiting factor to our future," regardless of its perceived "market value" (Hawken & Lovins, 2010, p. 9). A shift in business mentality also entails acknowledging our human activities as the primary perpetrators of the "erosion of natural capital" when mismanaged. Proper sustainability policy hinge on an enlightened natural capital valuation seamlessly integrated into our human and economic activities. This would require a relentless pursuit of "resource productivity," the refinement of desired flows, and a deep commitment to sustainability. Above all, we must place the service of people and humanity at the apex of our economic and political priorities rather than producing solely for the whims of the market (Hawken & Lovins, 2010). This is the path to an enlightened future, a world where human ambition and ecological preservation coexist harmoniously.



This is to say that, as we chart our course through the corridors of history, we find ourselves in a transformative shift – a metamorphosis of our world's systemic constitution. This monumental transition, aptly christened the "Global Epoch" – a term inspired by the thoughts of Raskin and his colleagues (Raskin et al. 2002, 2) – is earmarked by the rise of global stewardship supplanting traditional nation-states, the ascendency of a globally integrated economy, and the digital revolution becoming the main artery for international communication. In this new era, the complexity of our societal structures mirrors the enormity of the planet itself, signifying an acceleration in our historical narrative (Raskin et al. 2002, 6). Earth's delicate balance is now influenced by physical dynamics, with climate change inducing significant alterations to our ecosystems, air, and water. Meanwhile, a technological revolution in communication continually reshapes our global cultures.

Five essential navigational beacons steer our voyage: an intensifying awareness of our environmental responsibilities, the pervasive impact of technological advancements, the rise of innovative global narratives and players, the momentum towards economic unification, and the emergence of new entities tackling urgent worldwide issues such as terrorism, international commerce, and climate change. As we venture into the unknown, two contrasting foresight emerge the "evolutionists," who envision a future abundant in economic, social, and ecological prosperity, and the "catastrophists," who sound the alarm of a future shrouded in peril and uncertainty. Irrespective of these viewpoints, the outcome will be shaped by humanity's ability to confront and navigate environmental, social, and governance challenges (Raskin et al. 2002, 11). The successful voyage into this Global Epoch – or the "Grand Transition" – demands more than the mere harnessing of market dynamics and technological advancement. Echoing the sentiments of Raskin et al., it requires the inception of an "alternative global vision" (Raskin et al. 2002, 47) - a vision that places a premium on environmental sustainability, advocates for global equity, and addresses the root causes of societal imbalances through cultural and power-led interventions.

Driving this Grand Transition is a collective endeavour. It requires adopting knowledge and values centred around human connectedness, human rights, and holistic well-being. It necessitates a paradigm shift towards cross-disciplinary problem-solving and calls for a new generation of professionals capable of addressing global challenges with an integrated and holistic approach. As we navigate through these transformative tides, several key challenges lie ahead: demographic shifts, urban reinvention, recognition of new rights, poverty eradication and equity, economic and governance reforms, the establishment of new governance structures for the transition, leveraging technology for a sustainable and equitable world, ensuring energy supply during the growth, food and land management, and environmental risk mitigation and sustainable development. Our journey into the Global Epoch demands a strategic and visionary response. It represents a collective call to action, an invitation to collaborate, and an opportunity for innovation. As we grapple with the complexities of this transition, let us keep our shared vision of a global future at the forefront. This shared vision reveals our collective strength, purpose, and path to a shared future (Raskin, et al. 2002, 2).

As visionaries, we face an intricate task - to nourish the world, protect our natural capital, and adapt to climate change. Amid these challenges lies an opportunity to reshape our agricultural practices. We must envision a future where agriculture thrives without carbon, contributing to the planet's health rather than its decay. This is our call to action - transforming isolated measures into systemic change, nurturing sustainable systems rather than merely managing resources. Together, we can journey towards decarbonated agriculture, paving the way for a resilient, interconnected global community.

EXECUTIVE SUMMARY

This report thoroughly analyzes the competitive landscape and strategic opportunities within Latin America and the Caribbean (LAC) agriculture industry. It considers various factors influencing the industry, such as demand and supply trends, governmental policies, trade agreements, technological advancements, and environmental concerns. The study also looks into the feasibility and potential benefits of regional collaboration and integration in the LAC agriculture industry. The report found that LAC countries possess significant agricultural potential and are well-established in the global market for essential farm commodities. However, they face challenges such as limited market integration, infrastructure bottlenecks, and concentration of exports that hinder their competitiveness. The report highlights the importance of optimizing export strategies, utilizing technological advancements, and adopting sustainable agricultural practices to enhance competitiveness and contribute to global sustainability goals. To gain a higher competitive advantage, LAC countries must focus on factors such as skills development, technological modernization, and integration of Fourth Industrial Revolution advancements. Innovation and technological progress are crucial in enhancing the overall competitiveness of the agriculture industry in the region. Additionally, LAC countries must navigate the complexities of intraregional trade, optimize their export strategies, and strike a strategic balance between export concentration and diversification.

The report highlights the transformative effects of global trends, such as evolving consumer preferences, sustainability imperatives, and digitalisation, on the strategic prospects within the LAC agriculture domain. It emphasises the need for LAC countries to embrace these trends proactively, cater to evolving consumer demands, and actively shape the future trajectory of the agricultural industry.

Furthermore, the report emphasises the significance of regional collaboration and integration within the LAC agriculture industry to enhance competitiveness and maximise efficiency. It highlights the potential synergistic opportunities that can arise from such partnerships.

The research methodology employed a robust combination of primary and secondary sources, incorporating quantitative and qualitative analysis methods. The findings are based on original data collected through surveys and data from reputable sources such as international organisations and industry reports. In conclusion, this report comprehensively explains the competitive dynamics and strategic opportunities within the LAC agriculture industry. It offers insights and recommendations to stakeholders and policymakers regarding the significance and implications of the sector within the broader global context. By leveraging their agricultural potential, embracing innovation, and addressing challenges, LAC countries can position themselves as formidable players in the global agricultural landscape, contributing to their own economic growth and global sustainability objectives.

Table of Contents

- 3** Leadership Message
- 7** Executive Summary
- 8** Table of Contents
- 11** Introduction
- 18** Performances of LAC in Agriculture
- 29** A Steady Production to Meet a Rising Demand
- 33** Facing the Challenges of Demand and Supply

- 40** Navigating Prices Volatility
- 41** Coping with agricultural inputs complexities
- 48** LACs Agriculture and GVCs
- 55** Agriculture and Market Integration
- 56** LACs Agriculture and Strategic Trade
Diversification
- 61** The Changing Latin America Farming
- 65** Sustainability and Climate Change
- 70** Conclusion

72 Bibliography

81 Acknowledgements