Why investing in research is necessary to feed the growing world

Presentation to the Philadelphia Society for the Promotion of Agriculture January 8, 2015

Keith Fuglie Economic Research Service, USDA

USDA United States Department of Agriculture, Economic Research Service The views expressed are those of the author(s) and should not be attributed to the Economic Research Service or USDA.

Can the world feed an ever-growing population?



An Essay on the Principle of Population (1798)

1. Population growth is unbounded.

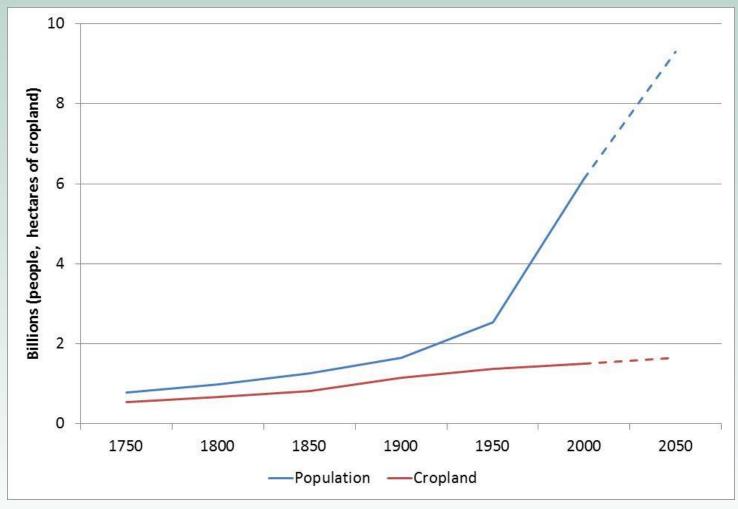
2. Agricultural land is limited.

3. Eventually, the size of the population must be checked by famine, war or epidemics

Rev. Thomas Robert MALTHUS (1766-1834)

USDA United States Department of Agriculture, Economic Research Service The views expressed are those of the author(s) and should not be attributed to the Economic Research Service or USDA.

Is Malthus Right? World population and cropland, 1750-2050



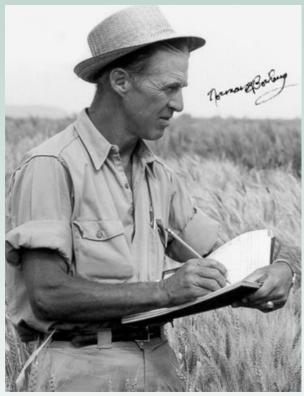
Source: United Nations

United States Department of Agriculture, Economic Research Service

The views expressed are those of the author(s) and should not be attributed to the Economic Research Service or USDA.

USDA

Counterweight to Malthus: Can new technology feed the world?



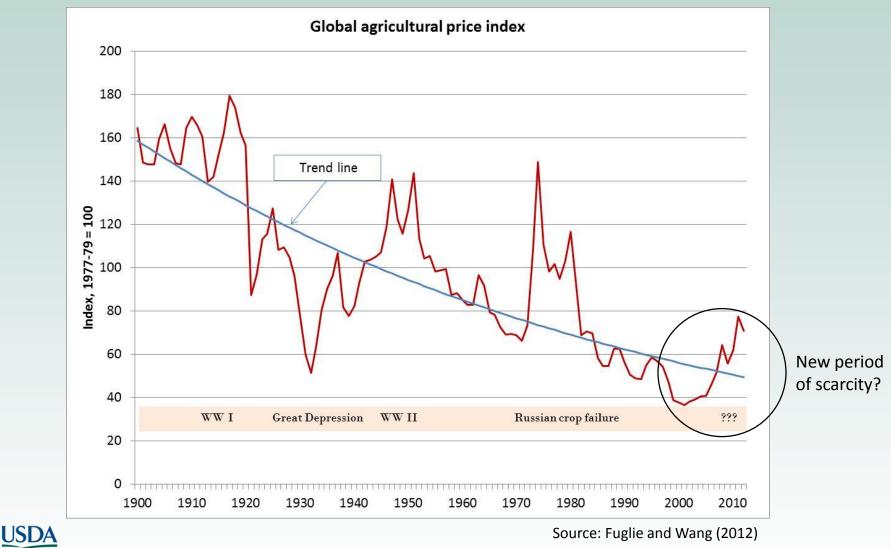
Dr. Norman BORLAUG (1914-2009)

Father of the *Green Revolution* Nobel Peace Prize 1970

- Developed high-yielding wheat for developing countries
- 2. Doubled wheat yields in India and Pakistan, averting famine
- 3. Methods also raised yields of rice and other crops

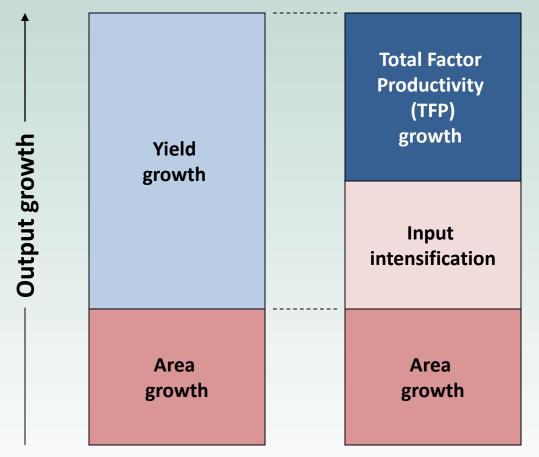


In fact, food has become *less scarce* (cheaper) over the last 100 years



United States Department of Agriculture, Economic Research Service

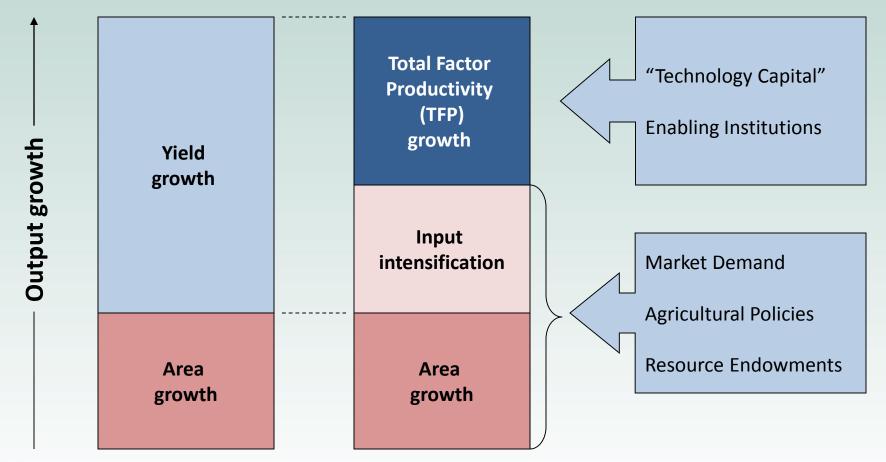
Understanding contribution of technological change (total factor productivity) to agricultural growth





United States Department of Agriculture, Economic Research Service

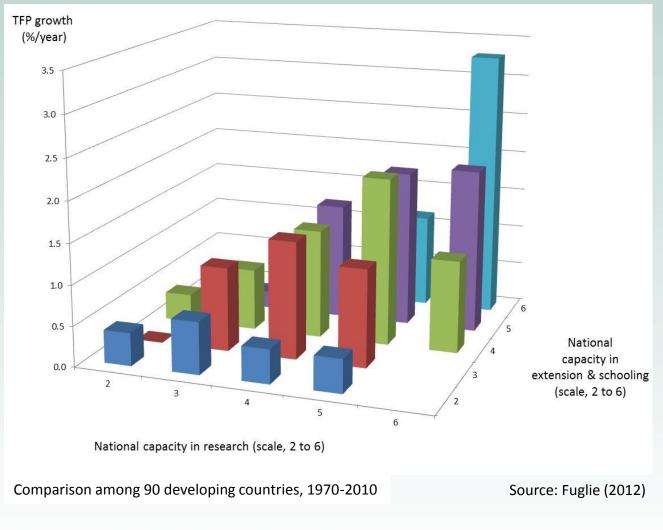
Raising TFP depends on long-term investments in "technology capital" and enabling institutions



USDA

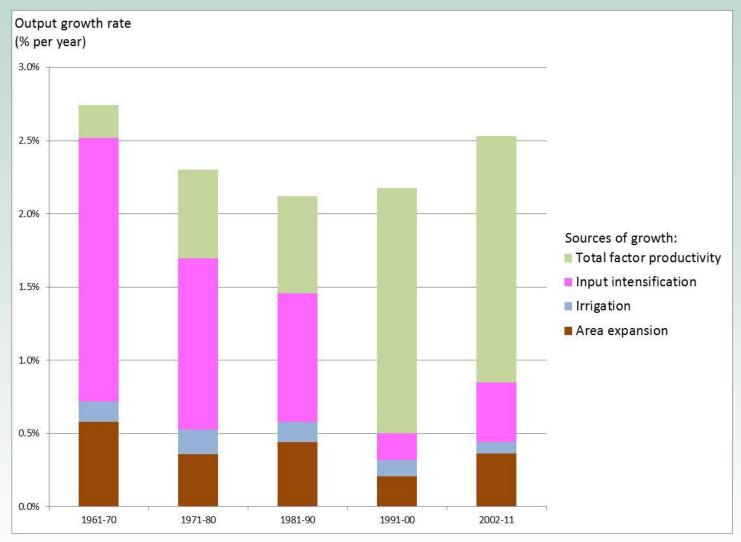
United States Department of Agriculture, Economic Research Service

National capacities in research, extension and education strongly associated with rate of agricultural TFP growth



United States Department of Agriculture, Economic Research Service

Improvements in TFP accounts for a rising share of global agricultural growth



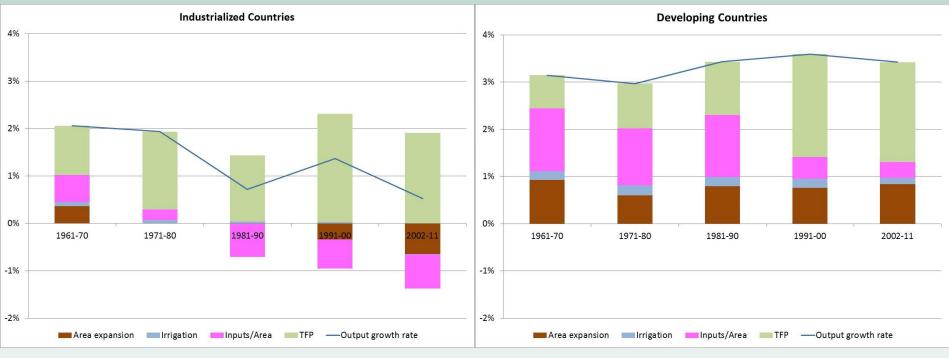
United States Department of Agriculture, Economic Research Service

The views expressed are those of the author(s) and should not be attributed to the Economic Research Service or USDA.

ISDA

Source: Economic Research Service

Patterns of agricultural growth vary widely across the global economy



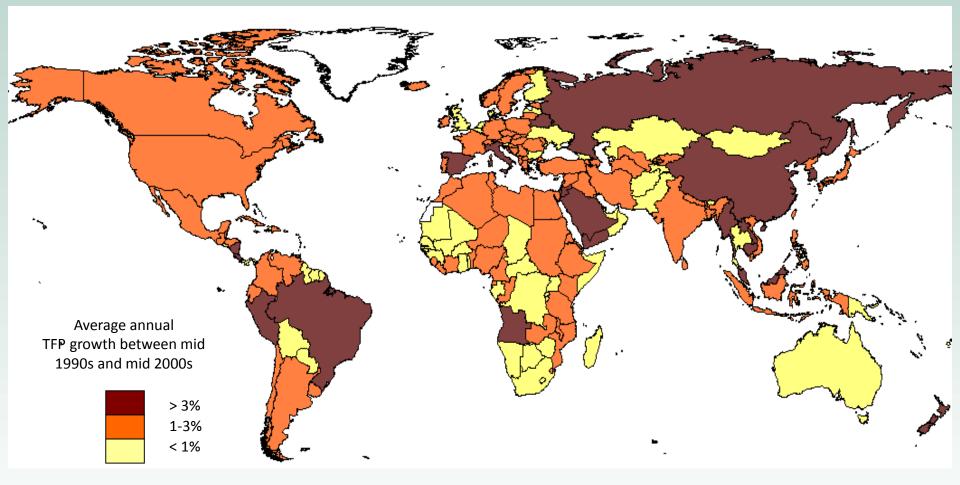
TFP enables output to grow even as resources leave sector

TFP is becoming an important source of growth

Source: Economic Research Service

USDA United States Department of Agriculture, Economic Research Service

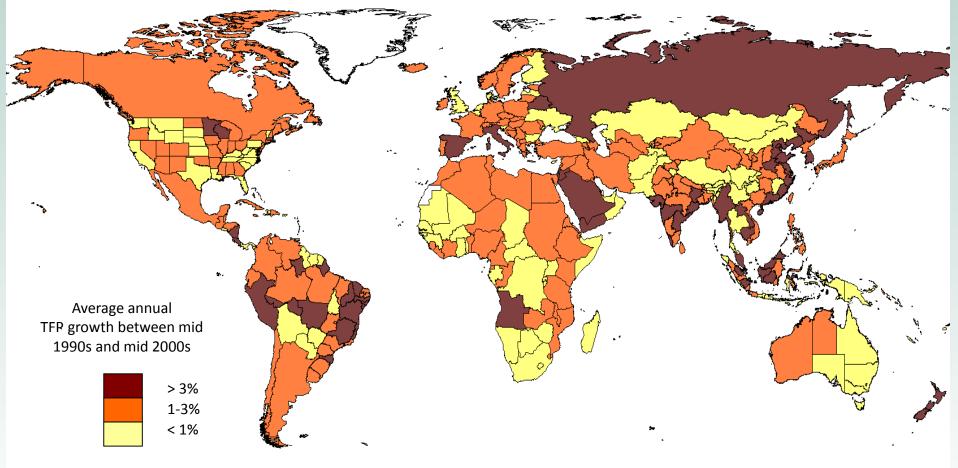
Through robust overall, agricultural TFP growth is uneven across countries



Source: Fuglie and Wang (2012)

United States Department of Agriculture, Economic Research Service

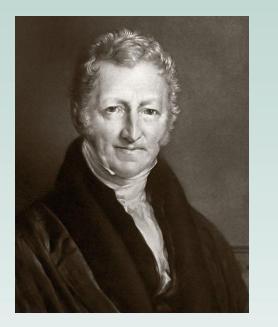
Agricultural TFP growth varies even within countries - Suitability of new technology, connection to markets, resource degradation

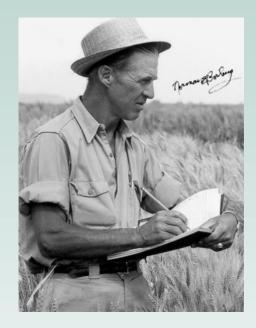


Source: Fuglie and Wang (2012)

United States Department of Agriculture, Economic Research Service

What does the future hold? Malthus v. Borlaug





In the 20th Century: productivity gains outpaced population growth

In the 21st Century: productivity could be reversed by climate change, while food and biofuel demand is projected to continue to grow. National capacities in agricultural research, education and extension will need to be significantly strengthened for Borlaug to stay ahead of Malthus.

United States Department of Agriculture, Economic Research Service The views expressed are those of the author(s) and should not be attributed to the Economic Research Service or USDA.

References and further reading

- Bientema N, Stads G, Fuglie K, Heisey P. 2012. <u>ASTI Global Assessment of</u> <u>Agricultural R&D Spending: Developing Countries Accelerate Investment</u>. International Food Policy Research Institute, Washington, DC.
- 2. Economic Research Service. Data on International Agricultural Total Factor Productivity Growth. <u>http://www.ers.usda.gov/data-products/international-</u> <u>agricultural-productivity.aspx</u>, U.S. Dept. of Agriculture, Washington, DC.
- Fuglie, K. 2012. Productivity growth and technology capital in the global agricultural economy. In, <u>Productivity Growth in Agriculture: An International</u> <u>Perspective</u> (K Fuglie, SL Wang, VE Ball, eds.) Wallingford, UK: CAB International, pp. 335-368.
- 4. Fuglie, K, Heisey P, King J, Pray C, Schimmelpfennig D. 2012. <u>The contribution of private industry to agricultural innovation</u>. *Science* 338 (23 November): 1031-32.
- 5. Fuglie K & Wang SL. 2012. <u>Productivity growth in global agriculture shifting to</u> <u>developing countries</u>. *Choices* 27 (4): 1-7
- 6. Fuglie K, Wang SL, & Ball VE, eds. 2012. <u>Productivity Growth in Agriculture: An</u> <u>International Perspective</u>. Wallingford, UK: CAB International, 450 pages.

United States Department of Agriculture, Economic Research Service The views expressed are those of the author(s) and should not be attributed to the Economic Research Service or USDA.