Time to plant more seeds for success

The Organization for Economic Cooperation and Development has in effect challenged Brazil to vastly expand its food production to meet surging demand. Brazil is already the third largest agricultural exporter in the world, after the U.S. and the countries of the European Union. Throughout the world rising incomes are stimulating demand for every kind of food, from turkey to tofu. But not many places are in as good a position as Brazil to meet the demand.

We have just about everything in place, at least physically, to meet the OECD challenge: plenty of good soil and pasturage, sunlight, and water. We have brilliant researchers who for years have used their deep understanding of soil and climate to triumph over every kind of agricultural challenge.

So what's to stop us from becoming the world's breadbasket?

Just the usual, the things that threaten to cripple so many other areas of the Brazilian economy: expensive credit, high taxes, unresponsive labor laws, and acute difficulty in getting what we produce to market because infrastructure is so bad. In a nutshell, the problem is the lack of political will to do what needs to be done. Instead, there's political willingness to make grand gestures that have no content — like the insanely expensive bullet train that will carry a few passengers between the cities of Rio de Janeiro and São Paulo cities. The same amount of money could construct solid rail freight lines from Brazil's Midwest to the sea that could carry millions and millions of tons of food from our producers to the hungry of the world.

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Fields are old-fashioned. Agriculture is not flashy. Orange juice is not "creative." There's no glamor to demand for beef and soybeans — only much-needed revenue. Agricultural products gave us our largest trade surplus in 2010, US$50 billion. Think of how much more they might bring in if Brazil actually encouraged farmers and made it easier for them to produce more. Instead ….

About 90% of Brazilian farmers have gross sales of less than R$240,000 a year (US$140,000). Yet the environmental regulations being discussed as part of the Forest Code reform would disproportionately punish small farmers when what they really need is to have their contributions recognized and rewarded.

The government is ignoring the problems caused by the vulnerability of Brazilian cattle to foot and mouth disease. It could be trading on the brilliant work of our scientists in genetics and nutrition to ramp up production to the OECD goal. Together the private sector and the government could confront the inefficiencies in the use of land, as Uruguay has done, and open up millions of hectares to more efficient agricultural uses.

Competitiveness is the name of the game in any economic activity. Brazil has so many natural advantages (including those researchers) that so far we've been able to compete with very little effort to bring agriculture into the 21st century. Really we've been coasting to success. But as other countries make deliberate and carefully defined efforts to make their agriculture more competitive, if Brazil does not do the same, it will be left behind. And many people around the world will be left hungry.

It's time to recognize the importance of agriculture to the Brazilian economy and fertilize its growth with good policies. Immediately.