

06 November 2007

Supply of agricultural products

We suggest the supply of food and biofuel feedstock can be looked at under two headings:

- Firstly, there is a simple measure of the acreage under cultivation and how that might change.
- Secondly, there are productivity issues, be they yield per hectare or livestock genetics.

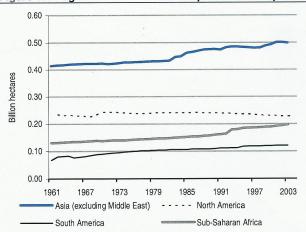
1: Acreage expansion?

Cultivated acreage has expanded by 13% globally since 1961, according to the FAO. Most of this increase can be attributed to South America (Brazilian cropland has increased by 135% since 1961 and now accounts for 4.3% of the world's agricultural land).

Figure 16: World total: arable and permanent cropland



Figure 17: Regional totals: arable and permanent cropland



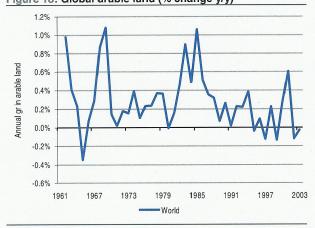
Source: FAO

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More recently, the rate of growth in arable land has slowed to close to zero on aggregate.

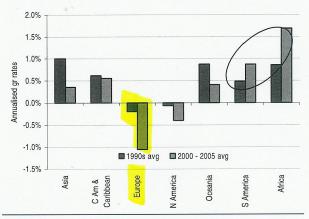
Negative growth rates in Europe and North America have been offset by expansion in Africa and South America.

Figure 18: Global arable land (% change y/y)



Source: FAO

Figure 19: Regional growth rates in arable land



Source: FAO

Higher agricultural prices: Opportunities and risks

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