



Feeding the World Safely and Sustainably

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Presentation to:
Fourth US-New Zealand Partnership Forum
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- “Global food prices have reached dangerous levels that could complicate fragile political and social conditions in the Middle East”
- “There is no room for complacency”
- Robert Zoellick – World Bank Chief

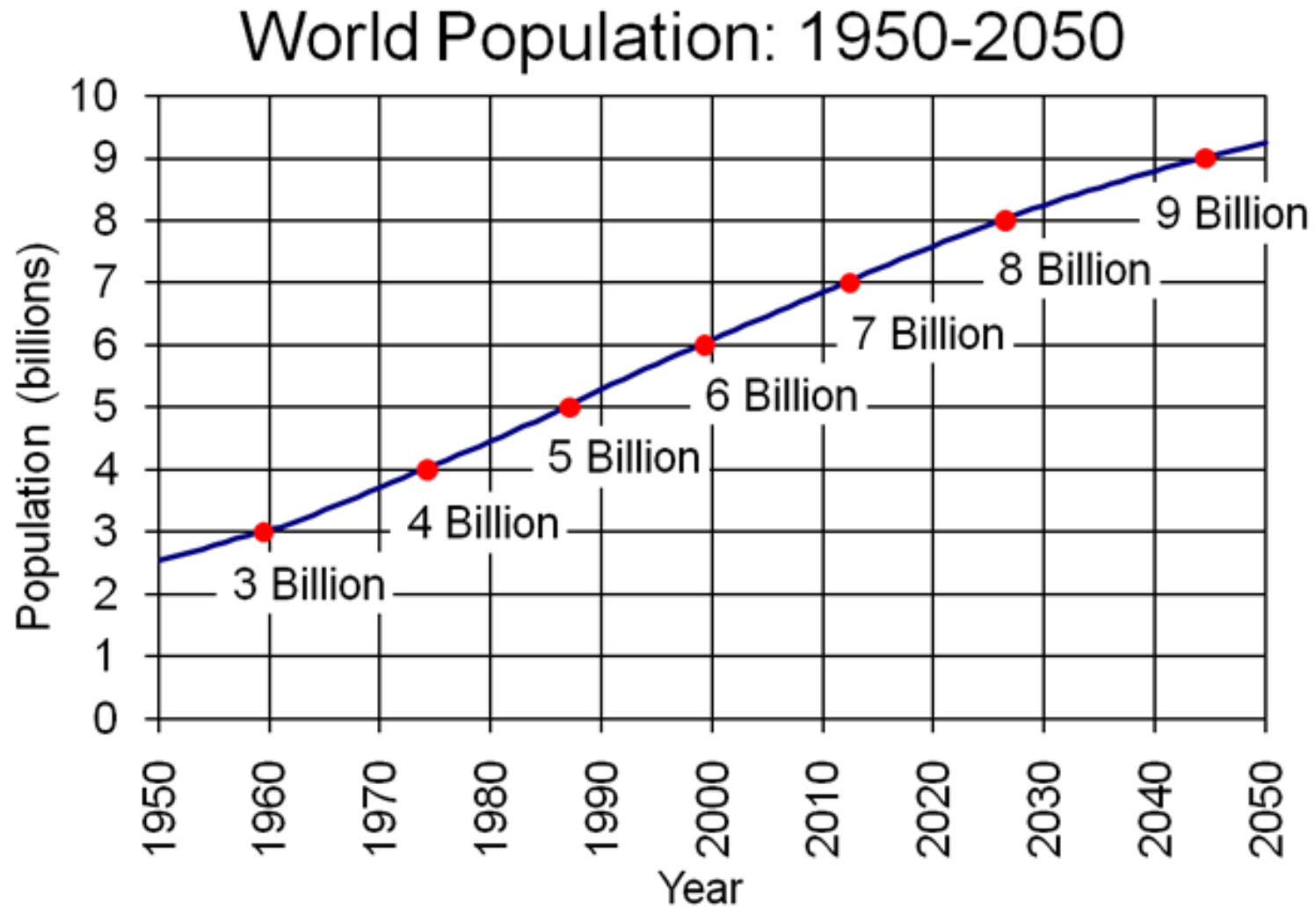
- In early January, the U.N. Food and Agriculture Organization (FAO) reported that its Food Price Index had reached an all-time high in December, exceeding the previous record set during the 2007-08 price surge.
- On February 3rd, the FAO announced that the December record had been broken in January as prices climbed an additional 3 percent...

- **Lee proposes food – crisis task force in Korea**
- South Korean President Lee Myung-bak on Monday called for a task force to help secure a stable supply of food amid growing concerns about global shortages and rising prices.

The big picture...

- ... a process of rapid change
 - volatility set to remain
 - potential for serious conflict
- Biggest issue facing the world today is availability of **safe food produced by sustainable and efficient systems.**
- Food production has to double by 2050
 - NZ can only feed 20 million people
 - ...or 60 million meat meals...
- **Sophisticated food producers need to work together to resolve these issues**

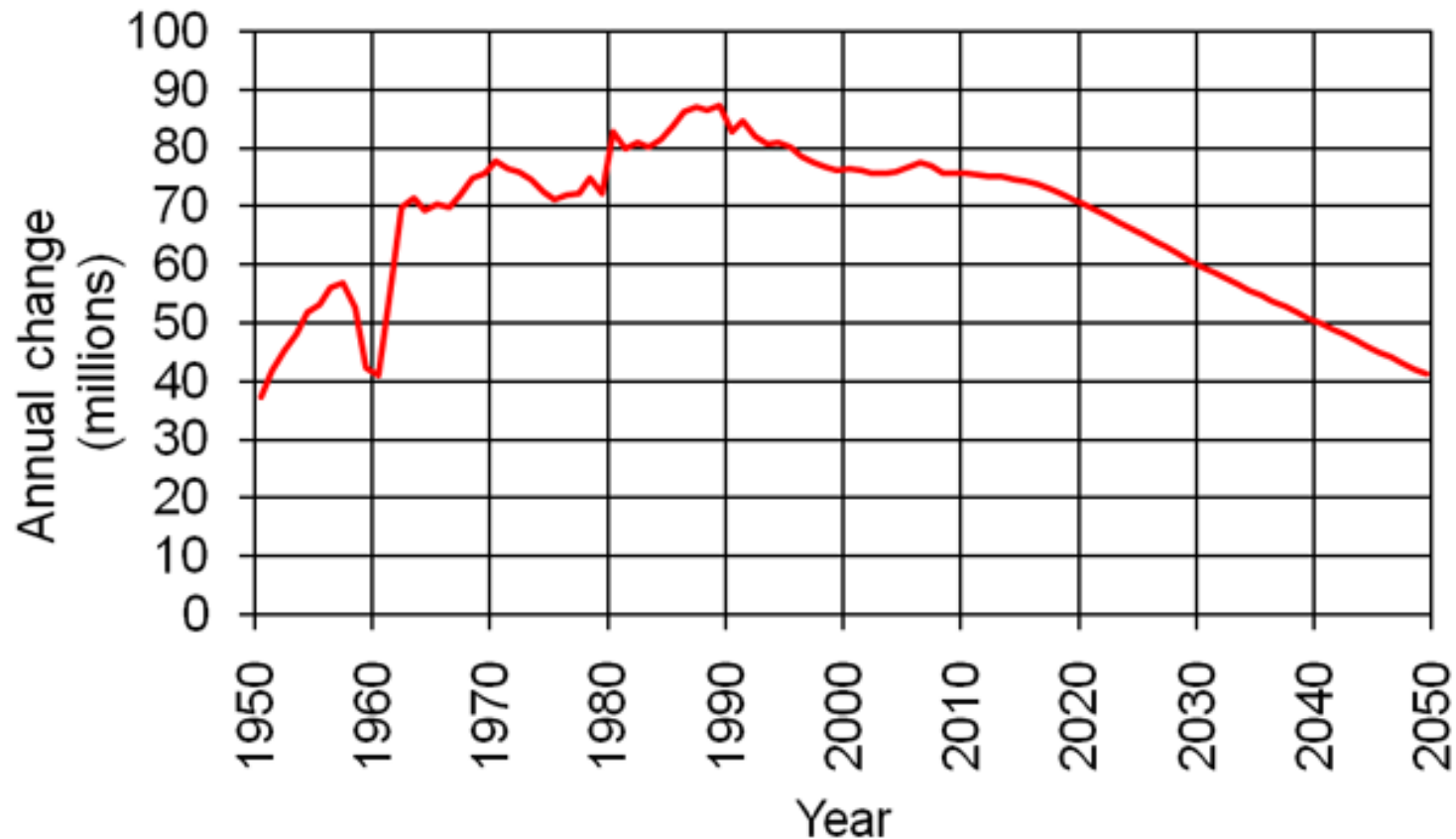
Population Growth



Source: U.S. Census Bureau, International Data Base, December 2010 Update.

Population Change

Annual World Population Change: 1950-2050



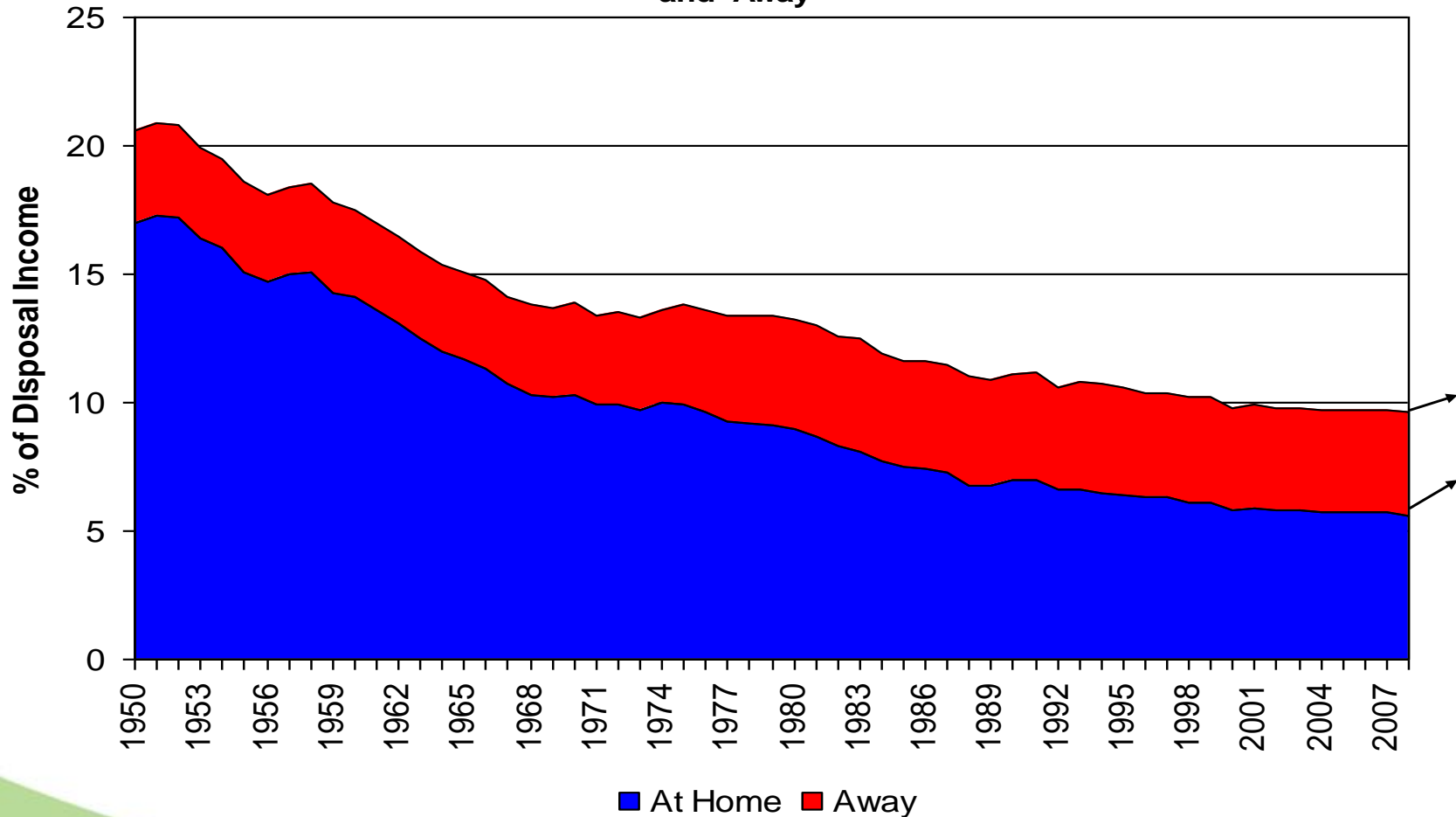
Source: U.S. Census Bureau, International Data Base, December 2010 Update.

Food pricing...

- With hindsight the global financial crisis interrupted the path to the “new normal” for pricing
- The issue today is price
- The future issue may be availability

Disposable Income on Food

US % of Disposable Income Spent on Food at Home
and Away



- **Impact of financial crisis remains**
 - Pressure in developed economies
 - Growth in the emerging economies
 - Upwards correction in food pricing
- **Consumers and governments seeking greater transparency in food chains**
 - Stability of pricing for consumers, transparency in the supply chain and fairness in pricing to producers

- **Water**

- Rarely in the right place in the right amount at the right time
- Availability for agricultural use is being challenged
- New technologies needed for irrigation efficiency

- **Land availability and use**

- Biofuels, cropping, feed **and** livestock
- Competing land use options
- Urbanisation

- **Climate Change and the global response**
 - Real conflict with food production
 - Mitigation challenging, adaptation more likely
 - Food security may win out in the end
- **Political instability as a result of food pricing and availability, and water use**

- **Increased consumer demands**
 - Population and income growth
 - More discerning and demanding consumers
- **Lower inventory levels – 350 → 60 days**
- **Fresh versus frozen**
- **Just-in-time delivery**
- **Climatic extremes that exacerbate all of the above**

- The consumer is King, Queen and Jack and probably has the Joker in every hand but ...
- Food safety and sustainability measures based on risk assessments and sound science
- Promote policies that reflect today's fast-moving business model

- Break down protectionism and trade barriers and distortions
 - DOHA, TPP, and other regional and bilateral trade pacts
 - One-off interventions
 - Biofuel subsidies
- International standards and forums
 - WTO, WHO, OIE, Codex, UN FAO...

- Research and Development
 - Ongoing Innovation
 - Sustainability and environment
 - Water harvesting/use
 - Increased productivity
 - Greenhouse gases – Global Research Alliance



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