



Archer Daniels Midland Company
Chairman, CEO and President Patricia A. Woertz
is a co-chair of World Economic Forum's
2010 Annual Meeting.



Following are her comments on the role of agricultural investment in the recovery and vitality of the global economy.

It is a pleasure and an honor to serve as a co-chair of the 2010 Annual Meeting. This is a time when so many are looking to leaders in the private sector to deliver on the promise of the World Economic Forum to "Improve the State of the World." Each of us brings unique perspective to this challenge. My perspective comes from the agricultural sector—where we are keenly aware of the link between agriculture and economic recovery—particularly since agricultural growth is especially effective in reducing poverty. In fact, it is twice as effective in benefitting the poorest half of a country's population as growth generated in nonagricultural sectors. So, I am looking forward to the discussions we will have, and the partnerships we will advance, as we consider how we can foster agricultural growth and ensure that—in this recovery—agriculture is not overlooked or left behind.

We know that, today, roughly a billion people lack sufficient food. We also know that, through advances in agricultural productivity, billions more are eating better diets than ever before. As we look ahead to the middle of this century, global population is expected to reach more than 9 billion people, and demand for agricultural products is expected to as much as double. So the world is looking to agriculture to do more to meet growing needs for food, feed, fiber and industrial products, and to do so sustainably—all against a backdrop of constrained natural resources and growing environmental challenges.

Like many in the agricultural sector, we at ADM believe that agriculture can sustainably grow to meet rising demand. To ensure agriculture achieves its promise, we think it's going to take innovation—on the farm and throughout the agricultural chain—investment—particularly in infrastructure—and partnerships—with all who have a stake in the sustainable development of agriculture to meet our global needs.

This vision is why, a year ago, I and other leaders encouraged the World Economic Forum community to take up a new project to define a *New Vision for Agriculture*. As

we discuss the project this year, we at ADM are sharing what we see as a framework for growth.

We think there are four approaches to meeting growing global demand:

- First—preventing the post-harvest loss of what is already grown;
- Then—making the most efficient use of these crops;
- Next—improving productivity on existing land; and
- Last, where possible—sustainably bringing some additional land into production.

I think it is illuminating to look at what we can achieve if we reduce loss and waste. The FAO has estimated that, 10 to 20 percent of the global grain harvest is lost to mishandling and post-harvest operations. This loss amounts to as much as 480 million metric tonnes. To put that in context, the entire EU-27 annual grain harvest is about 300 million metric tonnes. In southern and Eastern Africa, the post-harvest losses of cereal grains are at the high end of that estimate, at about 17.4 percent of the total crop. In light of growing demand, we must do better.

Yet, relatively little is being done to address this issue. Last fall, at a symposium in Washington, D.C., Professor Adel Kader of the University of California at Davis pointed out that fully 95 percent of research dollars directed at agriculture are focused on production, while just 5 percent go to the study of postharvest handling and infrastructure. We think this is an area ripe for public/private partnerships and we are working to identify promising research and education opportunities.

Clearly, preserving what is already grown is critical to reaching those who need crops most, and to making the most of the land, water, energy and other inputs already used to grow crops.

Beyond working to "waste not, want not," we think that our sector can make more from the crops we grow today, by improving processing efficiency and finding new uses for crops and crop waste.

Through innovation, ADM is finding ways to transform crop waste and processing co-products into food supplements, animal feeds, industrial products and biomass for energy.

Of course, the biggest key to meeting growing demand is probably through greater agricultural productivity, including ever higher crop yields. The contribution of ever-improving seed technology; better and more widespread use of crop nutrients, and better and more widespread access to farmer financing, has allowed many farmers to maximize the output of every acre they farm. Indeed, the productivity advances we have witnessed in the past few decades are among the strongest reasons to be optimistic about agriculture's future. One example: between 1981 and 2007, world corn production grew 79 percent, while acreage dedicated to that corn production grew by just 20 percent. That's the equivalent of creating more than 45 million virtual hectares.

And with more investment, agriculture could do even more. An IFPRI study shows that if global investments in public agricultural research were to double from US\$5 billion to US\$10 billion by 2013, and be targeted at the poor regions of the world, overall agricultural productivity would increase by 1.1 percentage points a year. This modest step alone could lift about 282 million people out of poverty by 2020.

Productivity improvements are projected to accomplish fully 90 percent of the increased crops the world will need. For the remaining 10 percent many, including the FAO, believe the increases can be made on rainfed land, outside of forested, urban or protected areas.

We do not underestimate the size of the challenge. But we believe that, through strong and mutually beneficial partnerships up and down the supply chain: from farmer to consumer, and with government, communities and civil society as well, it is achievable.

At ADM, we work to see that those partnerships build not only our own "capacity," but that of growers and cooperatives around the world as well.

In Brazil, we are collaborating with the sustainable farming group Aliança da Terra to help soybean growers in the state of Mato Grosso implement more environmentally sound growing practices and improve their yields without expanding into ecologically sensitive areas.

In India, we are partners in a program that provides guidance to farmers on soil testing, land preparation, seed selection, fertilizer application, pest management and good

cultivation practices. We're also helping local growers in the state of Maharashtra profitably cultivate a variety of oilseeds—particularly soybeans—that had never been grown in the area before. And in the process, we're providing our crushing operations with a locally sourced feedstock.

In Cote d'Ivoire, we have developed several initiatives designed to help cocoa farmers grow higher quality beans under environmentally and socially responsible conditions.

Such positive, productive collaborations as these represent the kind of multi-stakeholder partnerships that are critical to the *New Vision of Agriculture*—and are the hallmark of the World Economic Forum.

So I am very pleased to support the World Economic Forum's work on a *New Vision for Agriculture*—and to use my role as Co-Chair of this Annual Meeting to spotlight the vital role of agriculture in the recovery of the global world economy. I would like to see us all walk away from this meeting with greater alignment around our shared goals and with a strong commitment to working together to achieve them.

About ADM

Every day, the 28,000 people of Archer Daniels Midland Company (NYSE: ADM) turn crops into renewable products that meet the demands of a growing world. At more than 230 processing plants, we convert corn, oilseeds, wheat and cocoa into products for food, animal feed, chemical and energy uses. We operate the world's premier crop origination and transportation network, connecting crops and markets in more than 60 countries. Our global headquarters is in Decatur, Illinois, and our net sales for the fiscal year ended June 30, 2009, were \$69 billion. For more information about our Company and our products, visit www.adm.com.