



FIERAGRICOLA
111th International Agricultural Technologies Show

Veronafiere recently hosted the Best Seller Award as part of the run-up to Fieragricola (6-9 February 2014)

AFTER THE CRISIS: RISING DEMAND ON UNSTABLE MARKETS CASATI: "MULTIPLE CHOICE MECHANIZATION IS COMING"

The podium for the best sales performance in Italy in 2012 was taken by New Holland, Same, Antonio Carraro, Landini. Bcs, Claas, Krone and Merlo in turn took innovation awards. Agricultural economist Dario Casati (University of Milan) outlines scenarios for the future: "By 2050, world population will be 9.1 billion people and agricultural production will have to expand on average by 60%; agricultural mechanisation will play a central role in the context of sustainability." President of Veronafiere, Ettore Riello: "Mechanisation is a key factor for growth and Fieragricola will identify strategies together with exhibitors: in coming weeks, we will call a Steering Committee for the event scheduled in Verona 6-9 February 2014. Deputy Director General, Mario Rossini: "Transversality and internationalization are Fieragricola strong-points."

Verona, 13 February 2013. The first edition of the Best Seller Award 2012 - a tribute organised by Fieragricola to highlight commercial performance in Italy - rewarded New Holland, Same, Antonio Carraro and Landini. Bcs, Claas, Krone and Merlo in turn took the 2012 innovation award.

At one year from the 111th edition of Fieragricola (6-9 February 2014), the international agriculture event, "the Best Seller Award 2012 was an occasion to bring together the entire agricultural engineering sector," said the President of Veronafiere, Ettore Riello. In coming weeks, we will call a Steering Committee to identify strategies and target countries in order to support exports worth around 7.5 billion euros."

What will agricultural engineering look like in the future?

"Mechanisation," explained Dario Casati, Professor of Agricultural Economics (and former Deputy Rector of Milan University), "will be *multiple choice* in style. All manufacturers will adopt the approach that best responds to their business strategies. This solution will allow companies to decide whether to specialise or offer a complete range; whether to produce only tractors or also equipment, whether to strengthen the role of software or not; whether to look at exports in together with other partners or go it alone."

Europe, North America, Africa and Cindia: different needs

The watchword will be flexibility, based on economic contingencies, degree of specialisation of agriculture and its operators, individual markets. "This means sophisticated software in areas with the most developed agriculture, from Europe to North America," said Casati, "while other countries, such as India or Africa, alongside high power vehicles in the future will also require need specialist systems. Yet ease of use will be a priority encouraging mechanisation."

One of the variables affecting this strategic re-modernisation process, which in some countries resembles a full-scale industrial revolution, will be the need to increase agricultural output. "In 2050, the population will come to 9.11 billion and yields in tonnes/hectare will have to improve," Casati calculated, "from the current average of 2.8 for wheat to 3.8, from 4.1 for rice to 5.3, from 4.7 for maize to 6.1. Food intake requirements on average will be 3,070 calories and agricultural production

will have to increase on average of by 60%: compared to today, by 77% in developing countries and by 24% in developed countries."

Other growth indicators suggest that the cereal requirement will increase from 2.1 billion tonnes today to 3 billions, while the meat requirement will expand from 258 million tons now to 455 millions. "A worldwide effort required of agriculture that demands a new approach in terms of investments, technologies and productivity."

The other factor involved in the recovery will be the need to achieve sustainability, based on four points: "Meet the food needs of humans and animals, fibre and bio-fuels; improve the quality of the environment and the availability of resources; support the economic vitality of agriculture; improve the quality of life for agriculturists, agricultural workers and society as a whole."

The role of agricultural mechanisation thereby represents an added value capable of supporting improvements in production as an antidote to the variables within agriculture as such, while limiting the effects of external variables has proven to be more complex. Such factors include speculation and consequent market volatility.

There has been an abnormal crisis in agriculture since 2007-2008

Over the past five years, we have seen three consecutive crises triggered by prices: in 2007-2008, 2010-2011 and the latest in 2012. "These price crises are different from previous ones," Casati pointed out. They have different intensities and modes: wheat and maize are moving together, soy is driving the third crisis and rice is stable." There is increasing volatility and depressive peaks are more frequent: the causes are market factors, where financial speculation comes into play and protectionism returns as a reaction to the crisis. "The third crisis in 2012 saw speculation slows down," Casati remarked. Perhaps we are returning you the old logic of agricultural markets."

Everything revolves around cereals: 2.3 billion tons worldwide

In the agricultural context, cereals play a role of primary importance. "They account for 16% of the value of output," Casati explained, "but are also tools for foreign policy and played a key role in many speculative operations during the crisis." Statistics indicate production of cereals worldwide at of 2.3 billion tonnes, trade involves about 300 million tonnes and stocks stand at 500-520 million tonnes (about 21% of output). Crop growing land totals 700 million hectares, out of a total of 1.45 billion hectares. Such figures mean that it is by no means wrong to consider cereals as the paradigm of world agriculture.

And after the crisis? Rising demand and unstable markets

It is expected that demand for commodities after the crisis will increase for both human consumption and breeding. And faced by expected growth in consumption as a result of an expanding population and rising incomes, the markets will react in an unstable manner. At that point, the offering will be stronger, in line with production resources. How? "By investing in research, technological innovation and means of production. Far-sighted agricultural policies are needed because a global food crisis would be much more serious than the current economic recession."

The internationalisation role of Fieragricola

Veronafiore, with the Best Seller Award, highlights its attention to the agricultural engineering industry and internationalisation. "We will intensify efforts to promote globalisation and support company exports even further," said the Deputy Director General of Veronafiore, Mario Rossini. Target Countries will be identified in relation to indications provided by exhibitors, with a focus on Central-Eastern Europe and Africa."

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