



**Remarks by Patricia A. Woertz, Chairman and CEO  
Archer Daniels Midland Company**

**World Food Prize Borlaug Dialogue Opening Session  
October 14, 2009**

Thank you, Ambassador Quinn, both for that kind introduction, and for the invitation to participate in the opening session of the 2009 Borlaug Dialogue.

This year's symposium is, of course, a bittersweet occasion.

With Dr. Borlaug's passing, we've lost one of our most compelling voices. A voice of reason and compassion that, for decades, had called upon nations, organizations and individuals to look beyond their differences to a vision of a world free from hunger.

This week, as we celebrate his extraordinary achievements, we also honor the men and women who continue to share—and advance—his vision.

Chief among them: Dr. Gebisa Ejeta, this year's World Food Prize Laureate. Dr. Ejeta's success at developing hardier strains of African sorghum is a testament both to his scientific ingenuity and to his abiding compassion.

On behalf of the 28,000 employees of Archer Daniels Midland Company, may I extend to Dr. Ejeta our sincere congratulations as well as our admiration for his life-sustaining work.

We gather at this session to listen, to learn, and to promote meaningful, ongoing dialogue among all those with a stake in the future of food, agriculture and national security.

While we may approach this future from different perspectives—and with different points of view, as Dr. Borlaug has shown us, a willingness to listen—indeed, an eagerness to listen—to those on every side of a complex issue is a first step toward solving it.

So, this afternoon, I join you, both to listen, and to share some perspective on the future of agriculture.

At ADM, our perspective comes from our position as a diversified agricultural processor.

We are not farmers or retail food manufacturers. Rather we connect the harvest to the home—transforming crops into products that serve vital needs for food and energy.

We operate one of the world’s largest agricultural networks: purchasing, trading, storing and transporting crops on every continent.

Each day, at more than 200 facilities around the world, we process 3.5 million bushels of soybeans, canola, sunflower and other oilseeds. We process two million bushels of corn and one million bushels of wheat. We also grind about 15 percent of the global cocoa crop.

And we transform these crops into hundreds of food and feed ingredients, fuels and industrial products that are consumed and used by billions of people every day.

It is from this diverse, global position that we see both the growing demand for agricultural products and agriculture’s enormous potential to sustainably grow to meet that demand.

Certainly, this is a time when Agriculture is a focus of so much interest and progress—such pressures, and, yet indeed, so much hope.

While millions of people in the world still lack sufficient nutrition, rising prosperity has allowed millions more to enjoy better diets than ever before, thanks to advances in agricultural productivity.

And, today, the world is looking for agriculture to do even more.

We all know that, because of growing global population and rising incomes, world food demand will as much as double by mid-century.

We also know that, by the same time, energy from traditional sources will be insufficient to meet global demand. And many look to Agriculture to help fill this gap, as well.

All against a backdrop of constrained natural resources and growing environmental challenges.

So, this afternoon, I would like to share with you some thoughts about how agriculture can sustainably grow to meet rising demand. I will outline some ideas about the innovation, the investment, and the partnership that will be needed to fulfill agriculture’s potential—to serve vital global needs.

Just as with the first “green revolution” that Dr. Borlaug was so instrumental in fostering, our efforts to meet the agricultural challenges of this century will begin with Innovation. Innovation to continue the advances in seed technology and in farming practices that have dramatically increased the productivity of global farmlands.

Indeed, the productivity advances we have witnessed in the past few decades are among the strongest reasons to be optimistic about agriculture's future:

- Between 1981 and 2007, world corn production grew 56 percent, while acreage dedicated to that corn production grew less than 10 percent. That's the equivalent of creating 153 million "virtual acres" of arable land.
- What's more, in the past 10 years, farmers were able to meet sharp increases in demand for corn, meat and soybeans with just 4 percent growth in crop area.

These gains came despite the fact that most of the developing world has not yet begun to approach the yields we've seen in developed countries.

At ADM, we have looked at the productivity gains that might be realized if we can close that gap. And the results are illuminating.

We conducted a survey of all land currently in production.

We took into account the fact that growing conditions are more or less ideal and vary greatly from place to place.

And then we asked: What if, last year, all 15 of the top producing nations or regions had been able to achieve somewhere between 70 and 80 percent of the best yields on record? What if we could get that level of productivity out of currently farmed land?

Without bringing a single additional acre of land into production, we would see:

- an increase of up to 50 percent in global maize production;
- growth of up to 52 percent in world wheat production;
- and, an increase of as much as 41 percent in rapeseed production.

These yields alone would dramatically enhance the availability of key crops for food, feed, fiber and fuel uses. And when you combine them with new efficiencies in crop processing, in feed utilization, and in biofuel production, the prospects for achieving benefits that would extend to all humankind are even more pronounced.

Along with these innovations, we will need to continue developing regionally appropriate, best agronomic practices to improve water utilization.

And we will need innovation in crop nutrients and pest control to achieve desired gains while minimizing environmental impacts.

*—And I know that my fellow panelists will have more to say on each of these important topics.*

Innovation on the farm—and improved yields alone—won't be sufficient to meet our global demands. They must be accompanied by increased investment.

Both industry and government must continue investing, in infrastructure, and in research, to ensure—first—that nothing we harvest goes to waste.

The FAO has estimated that 10 percent of the world’s grain production—or about 220 million tons—is lost to mishandling and post-harvest operations. And estimates put that percentage in Africa even higher—at more than 17 percent.

The FAO has also pointed out that the world wasted 48 million tons of rice in 2008—enough to feed 184 million people, or approximately one-fifth of those who are undernourished.<sup>1</sup>

Yet, relatively little is being done to address this issue. Last month, at a symposium in Washington, D.C., Professor Adel Kader of the Postharvest Technology Center at UC Davis pointed out that fully 95 percent of research dollars directed at agriculture are focused on production, while just five percent go to the study of postharvest handling and infrastructure.

Clearly, protecting the crops we already harvest—through investment in research and infrastructure—is critical to reaching those who need them most. And it can ensure we make the most of the land, water, energy and other inputs we already use.

Beyond investing to “waste not, want not,” we will also need to invest in critical transportation, processing and storage infrastructure to ensure we’re able to:

- handle tomorrow’s larger crop yields;
- to collect and store food crops and biomass;
- and, to continue delivering crops from surplus to deficit regions in a timely and efficient way.

So what level of investment is required to shore up ailing or absent infrastructure?

The International Food Policy Research Institute noted last year that reducing the number of people worldwide living in poverty by 50 percent would require an annual investment of between \$14 and \$28 billion in agricultural research and infrastructure—specifically, in irrigation and rural roads.<sup>2</sup>

This week, the FAO estimated that the investment required in developing countries to support needed expansion in agricultural output would amount to about \$83 billion a year—which would include necessary downstream services such as storage and processing facilities.

While investment in basic infrastructure is the responsibility of government, clearly we in the private sector can play an important role as well, by making infrastructure investments that help build global markets and create economic opportunity.

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<sup>1</sup> “Wasting Enough Rice to Feed 184 Million Is Habit Only Rats Love,” Bloomberg News, Dec. 11, 2008

<sup>2</sup> “Investing in Agriculture to Overcome the World Food Crisis and Reduce Poverty and Hunger,” IFPRI Policy Brief, June 2008

At ADM, we are investing to expand our global sourcing, storage, transportation and processing capabilities.

- We are completing the largest portfolio of capital projects ever undertaken in our 107-year history—investments that together represent \$ 2.5 billion in spending, and that are substantially increasing our capacity to process crops.
- In both North and South America, we have expanded our origination storage and transportation capacity.
- Meanwhile, as we look forward to tomorrow’s larger crop yields, we also know those yields will produce greater biomass. So we are working with companies like John Deere and Monsanto to explore ways to sustainably harvest crop waste for use as animal feed, biofuel feedstock, and to be burned to generate process steam and electricity.

Of course, investment in agricultural infrastructure also creates jobs—here in the U.S. and in places like Kumasi, Ghana, where we’ve built a cocoa processing plant that will provide jobs in the country, rather than only exporting raw materials.

If Agriculture is going to fulfill the potential so many see in it, we will also need strong and mutually beneficial partnerships—up and down the supply chain—from farmer to consumer, and with government, communities and civil society as well.

Our partnerships are intended to build not only our own “capacity,” but that of growers and cooperatives around the world as well.

In Brazil, for instance, we are collaborating with the sustainable farming group Alianca 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, Africa we have developed several initiatives designed to help cocoa farmers grow higher quality beans under environmentally and socially responsible conditions.

We are also a founding partner of The Global Harvest Initiative, an alliance of leading global agribusinesses—including *DuPont*—which has as its goals:

- To increase supply and improve distribution to eliminate the agricultural productivity gap, and help achieve food security;
- To prevent deforestation and the use of fragile lands for production; and

- To protect fresh water resources through improved plant technology and irrigation efficiency.

Such positive, productive collaborations as these represent the kind of multi-stakeholder partnerships that are critical to agriculture's continued development in the 21st century.

As we pursue the Innovation, Investment and Partnership that will help ensure agriculture can meet the world's growing need for food, fiber and energy in a sustainable way, we will need to address—frankly and thoroughly—the concerns that can arise with visions as ambitious as these.

We will need to listen to many diverse stakeholders as we work to implement workable ideas and solutions.

And we will need to continue to respond—quickly and generously—when temporary natural, political or market disruptions pose threats to the wellbeing of individuals, and to peace, order and civil security.

But with continued innovation, investment and partnership, we are confident that agriculture can create viable, sustainable solutions to some of the world's most pressing needs.

As Dr. Borlaug wrote, in one of his last published pieces, “Given the right tools, farmers have shown an uncanny ability to feed themselves and others, and to ignite the economic engine that will reverse the cycle of chronic poverty.”

And as Dr. Borlaug showed, the task before us is monumental, but it is not impossible.

Dr. Borlaug set the future in motion. Now, it is up to each of us to see his work through.

I look forward to working with all of you to help realize his vision.

Thank you.