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**REPORT ON THE AGRI-ENERGY
ROUNDTABLE ANNUAL MEETINGS
IN VIENNA, AUSTRIA
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The Tenth Annual International Agricultural Forum, held in Vienna, Austria, October 9-11, 1989, provided a global platform for dialogue on a variety of interrelated agricultural topics. The Agri-Energy Roundtable is the only specialized international agribusiness organization that annually brings together a universal group of agribusiness participants and offers them the opportunity to leave their home country and collaborate with others in neutral territory on a variety of critical world agribusiness issues.

This year's participants represented an impressive group of agribusiness developers, marketing and finance executives, agro-industry planners, and government policy makers. The format of the Agri-Energy Roundtable (AER) was conducive to effective rapport between attendees, and a number of social events, which were designed to develop business contacts on a more personal level, further enhanced the Forum.

There was a sincere effort on the part of the participants to express ideas and make business contacts. Those involved seemed genuinely interested in the current status and future direction of agribusiness on a global scale. This interest, combined with the enthusiasm of the attendees, added a productive energy of its own to the conference.

The opening plenary session introduced the conference theme "The Agro-Industrial Revolution: New Partners and Strategies for 1992 and Beyond," and briefly expressed the current interests of AER:

- (1) The rise of regional trading blocks and increasing agribusiness competition from sectors likely to be affected by EC92;
- (2) The rapid changes in Eastern Europe and market opportunities for East-West agribusiness/trade development, investment, and joint ventures;

- (3) The new high-tech developments in the agro-industrial revolution - particularly in non-feed uses for ag commodities and opportunities for ag diversification and commercializing new industrial crops/crop users;
- (4) The new strategies/systems in food processing and ag distribution available to Third World regions for more effective post-harvest loss reduction and agro-food movement;
- (5) The non-conventional financing methods available for project-related trade investment ventures with debt-burdened nations.

In addition to the opening plenary session discussions of the conference theme and related interests, the AER addressed specific topics in the following workshop sessions:

- (1) Country Workshops: Trade and Agricultural Development Priorities. Discussion on strategies with specific attention to trade/development, privatization and food security, focusing on Poland, Kenya, Nigeria, Yemeh, Indonesia, Sri Lanka, and Hungary.
- (2) Post Harvest Loss Reduction/Food Processing and Transportation: Continuing discussions on solutions to more effective agro-food movement in Third World areas.
- (3) Non-Conventional Project Finance: Discussions on debt-equity/structural adjustment and exploration of new project financing methods for debt-burdened nations.
- (4) Ag Privatization: Discussions on developments in Eastern Europe (Poland and Hungary) and the role of private sector agriculture for development in the Eastern Bloc and Sub-Saharan Africa.
- (5) Commercial and New Non-Feed/Non-Food Uses for AG Commodities: Discussions on diversification and new uses for

ag products, industrial crop uses and market potential. During the conference, it became apparent that there were three outstanding issues of immediate concern to the participants. Mainly the approaching EC92, but also the shifting political situation in Eastern Europe, and the current threatening environmental problem. There was an underlying theme to all the meetings centering on the various aspects of global change and the pending affects on agro-industry.

EC 92

1992 is being viewed as the year of the "Agricultural Revolution". December 31, 1992 is the proposed date when twelve European countries: France, Italy, Spain, Portugal, Belgium, the United Kingdom, Greece, Denmark, Holland, West Germany, Ireland, and Luxembourg, will unite to form the European Economic Community (EEC). A firm political commitment has been made by all governments involved that goods, capital, people and services will be allowed to move freely across once controlled borders. To the food industry, this means reducing barriers and removing government restrictions that often complicate or forbid import/export.

Questions abound as to how new trading partners will be created by EC 92, and what strategies will be productive in maximizing the ultimate advantage in trade and development. The plan for European unification is evident, and the world community anxiously awaits the revolutionary economic merge. However, no one is quite certain what direct affects EC 92 will have, especially on the agribusiness sector.

During the seminar, everyone had their own various ideas on the future implications of the EEC on the world. The most realistic fear was the probability of a "fortress Europe" emerging. Sir Michael Frankin, who represented the Royal Institute of International Affairs/London, is a strong advocate for EC 92. He assured the group that the idea of a distanced homogenous Europe was misleading. "Basically, the result will be an increase in trading of goods between all countries since the boarder patrols and tariffs will not be enforced." Singular tastes will always exist, and cultural diversity will remain. He used the example of France always having its baguette, Germany its sausage, and England its marmalade.

By the end of the meeting, there was general agreement that a unified food market created by EC 92 would not pose a threat to the rest of the world. On the contrary, everyone should benefit since reducing trade barriers would stimulate competition and spur economic growth.

Eastern Europe

Currently, there is movement in Eastern Europe from centrally controlled economies towards more free enterprise. The Eastern Bloc, Warsaw Pact countries are undergoing dramatic political, economic, and social changes which could lead to a new ideology and agribusiness structure. As these countries continue to strive towards establishing a free market economy, we will hopefully witness an increase in East-West relations. This area of the world is being watched closely by agribusiness experts in hope that the grand political metamorphosis will create new market opportunities for East-West joint ventures.

Environment

The issue of the environment was presented in most of the discussion groups. It was expressed by one member of the AER that the environmental problem is a global concern, and Europe will no longer be permitted to ignore the issue. The new European community will be forced to make changes in environmental conservation guidelines. The consequences of the current state of the environment extend to the agribusiness sector and have a direct affect on agro-industry. Dr. Heinrich Wohlmeyer, with the Austrian Association for Agricultural Research, listed the environmental issues that he feels will take precedence in future global agricultural policy: (1) atomic energy, (2) soil conservation, (3) use of non-chemical pesticides, (4) biodegradable products, and (5) renewable resources.

Biomass Energy

Betsy Amin Ausala, representing Winrock International/U.S.A., stressed the importance of renewable resources through the use of biomass energy. Globally, a wealth of potential biomass material exists, but is not being used efficiently. Every country has a resource base, either natural or man-made, and with the growing depletion of these resources, no country can afford to use nonrenewable sources.

It is imperative that countries begin thinking about agriculture in a new way, and adopt better means of natural resource management. Money in the past has been used for agricultural production without considering the biomass potential of a product. For example, food waste discards from various natural resource production, and chemical feed stock can be used in Ethanol production as a fuel additive, or as shrimp and prawn feed. Many countries are wasting a gross proportion of their natural resource base that could be grown and managed to act as a sustainable source for new materials.

The impact on the farm sector using a renewable resource base is beneficial. By directing agricultural funds into new areas of

agri-energy, a country simultaneously invites the private sector to participate. This is helpful to developing countries that are interested in attracting business investors.

Currently, the knowledge and use of biomass energy is in a primitive stage, but hopefully will develop into a much more efficient system for long term use.

Agricultural Research

During the Non-Feed/Non-Food seminar, the need for an increase in agricultural research and development was discussed. The population growth is expected to rise rapidly until the mid-point of the next century, when hopefully it will level off somewhat. Currently, the world income is rising, and in relation, we are experiencing rapid global urbanization. As a result of these steady changes, we can be certain of a parallel increase in the use of energy fuels and a decrease in air quality.

The need for an increase in agricultural research is being supported by the previously mentioned factors. The agribusiness research and development sector is not only being urged to expand exploratory research, but to let go of conservative restraints and investigate some of the more unique, unexplored means of agricultural production. It is being advised to acknowledge and fund research that in the past may have been considered too bizarre and risky to support.

There are many new ideas branching into the agricultural sector that have never before been explored, but what many people fail to realize is that once a discovery of an alternative, perhaps more advantageous way of production is made, it takes approximately thirty years for the idea to be applied to the system. On the average, it takes more than ten years to commercialize an idea, and double the amount of time for an idea to infiltrate the market. Therefore, the time to begin investing and applying new ideas is now. There are new researched techniques attempting to break into

the market, and the agri-business sector is urged to listen to these new ideas and support them for the benefit of the future.

Dr. William Furtik, with the Bureau of Science and Technology/ U.S.A., concluded the seminar by expressing his personal faith in the creative relationship between universities and Agro-Industry. Dr. Furtik believes that universities should be the vehicle to connect research to the national public level. He sees a strong need to reform, educate, and gain public trust in Agro-Industry through aid and support of university institutions.

Oil Seeds

During the conference, specific topics of concern of the AER were addressed in the larger forum. However, the workshop sessions offered a supportive audience for the individual participants to relate their recent advancements and past endeavors made to the group in a smaller more personal setting. The current concern in the state of environment as well as the urging of the chairman to explore alternative means of agro-industry production, presented a perfect foundation for me to introduce the current interest of USAID/AFR/MDI.

Presently, Dr. Kenneth Swanberg is involved in several projects in connection with two African oil seeds, Vernonia Galamensis and Jatropha Curcas. I presented a speech on these two members of the johoba family that was prepared for the conference, (as well as the paper that I wrote on the subject this summer) and xeroxed copies to distribute to all interested participants. Basically, I explained AFR/MDI's involvement with the two oil seeds and expressed the future aims in reducing air pollution while generating income and creating jobs in Africa.

There were many interested persons with whom I had lengthier private conversations and whose business cards I have enclosed. Many were unfamiliar with the connection between the pollution problem and the approaching government bans on specific products.

Several people were fascinated by the idea of using oil seeds for fuel and paint substitutes and plan to contact Dr. Swanberg to further discuss the possibilities of proposed ventures.

The last day of the conference I was interviewed by an English agricultural journalist, Montague Keen. He also noticed the emphasis placed on the environment during the meetings and felt that the ideas envisioned for Vernonia and Jatropha tied in nicely with the other subjects discussed during the conference. At this time, I am unsure if the article will be published, hopefully Mr. Keen will contact us if any further action is taken.

Kenya

The three chairmen who led the country profile session on Kenya, Ngure Mwaniki, Amb. N. P. Mbogia, and Chris Malairi, expressed an optimistic outlook towards the current state of their country. In fact, they were painting such an unrealistic portrait, that Ambassador David Miller commented that they made Kenya sound "as if it walked on water". Once the participants began questioning the Chairmen on specific country problems, the tone of the meeting changed and a more realistic discussion emerged.

It is true that Kenya has experienced many favorable years of independence and has made great strides in comparison to other African countries. However, some very real problems do exist. The main concerns of the chairmen were food security and population growth, Kenya is currently experiencing a food surplus, but with the high percentage of population growth, there is uncertainty in their future for food security.

One main problem that everyone agreed on was the Kenyan government attempting to become involved in every aspect of the country. This is believed to delay development through "overgoverning". General consensus was that the government is eroding the national economy and has "no business in business".

The hope for Kenya seems to rest in the private sector and currently there is an extreme need to attract private enterprise. One way this is being achieved is through research and development. The Kenya Industrial Research Institute is currently involved in researching Pyramethria, which is a seedling and may be used for non-chemical pesticide. Applied research, as in the above example, is being urged to continue with expectations of benefiting the country.

Finance

In the area of non-traditional finance, many financing projects assisting in the development of trade were introduced by members involved in the workshop. They explained that money is available, but there are strict requirements necessary for proper project creation. Three points were expressed.

- (1) There is a need to have a proper basis on financial requirements.
- (2) Investors need to understand the requirements of the particular countries.
- (3) There is a need for sharing information (which the chairman felt the AER met).

AER Sister Associations

During the conference the topic of the future of the AER was discussed with the attendees several times. I also had the opportunity to learn more about the aspirations of the organization from the Executive Director, Nicholas Hollis, during his recent visit to Paris. The structure of the organization begins with the AER as the "mother umbrella" of the Agribusiness council, which is the U.S. Chapter, and the Agri-Energy Sister Associations which are the independently incorporated branches.

The Sister Association network was created out of a growing need for initial communication of agri-energy information between countries. It is represented today by 35 countries and is the basis of a platform to communicate agribusiness ideas globally. In Africa, the network has expanded to include functioning sister associations in Kenya and Nigeria, with new formation groups in Uganda and Zimbabwe. There is interest in joining by Cameroon, the Gambia, and Zambia, Mr. Hollis is confident that the AER will continue to be the only significant source for global exchange of agribusiness information as more countries continue to join.

USAID's ROLE

Mr. Hollis sees A.I.D. as playing an important pivotal role in helping the AER grow. This in turn will aid in African country development. He would like to see AID continue sponsoring individuals who attend the yearly AER conference. In addition, he would like AID to become a more active sponsor in helping to organize follow-up trips and form new Sister Association chapters. He feels that a mandatory follow-up report should be written by all

attendees sponsored by AID in order to keep abreast of the knowledge and information gained at the conference.

The proposed outlook for USAID involvement was described to me as a complete win situation. The AER benefits by obtaining memberships in the organization. AID is rewarded by getting involved with the development of the international agricultural development network, which should help to develop a stronger dialogue with the private sector and gain more in-country information. Finally, the countries involved see results by becoming more aware of pertinent agri-energy knowledge and by making valuable international connections through the AER organizational network.

Future Conference

The agribusiness council division of the AER will be hosting on Agriculture Forum in Spring 1990 in Washington, D.C. The proposed month is late May, but currently the exact dates are not known. The AER will keep USAID/AAFR/MDI informed.

Nigeria

There was a country profile session originally scheduled for Nigeria. However, the chairmen for that country never arrived, and the Gambia was quickly substituted. Unfortunately, the representatives for the Gambia were given such short notice, that they did not have time to prepare a proper presentation. As a result, the meeting was short and not very informative.

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