

## Agriculture needs private investments

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At the end of January, the FAO General Director José Graziano da Silva declared his full support for responsible investments in agriculture. This plea summed up the results of the Global Forum for Food and Agriculture to which members of the Aquila Capital Farm Team were also invited. The discussions between agricultural ministers from all over the world and sector experts focussed on, among other things, the need to tackle the issue of hunger. At the end of the two-day panel, all participants recognised the great need for investments into agriculture to improve productivity and thus the farmers' earning situation. In practice, we consider investments into primary agricultural production, which pursue the goal of raising productivity while at the same time preserving resources, to be the most effective long-term approach towards sustainably improving the global food situation.

The OECD is also in favour of this approach which stresses the importance of private investments in the agricultural sector, given the growing demand for food and increasing shortage of land and water. According to the OECD, agricultural production would have to be raised by at least 60 percent in the next 40 years if the growing demand for food is to be met. Due to the limited availability of farm land, however, it will only be possible to achieve this growth through productivity improvements. According to figures of the FAO, per capita farm area has halved since 1960 and is even expected to halve again by 2020.

Aquila Capital has been offering investments in farm land since 2008. The Aquila Capital Farm Team, which is made up of experienced agronomists, focuses on optimising existing cultivation systems to fully utilise the farms' production potential. Investments ought to start by modernising operations and professionalising management. This increases the efficient use of farm land thus leading to the expansion of food supply. These measures could encompass infrastructure projects such as improving irrigation systems and the transfer of knowledge of, for example, more efficient production methods. All investments should focus on the responsible development of a more productive global agricultural system.

**You can find the results of the panel discussion here:** <http://www.gffa-berlin.de/images/stories/GFFA2013/PDFs/ministers%20communiqu%202013.pdf>



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