Views on the world of shoppers, retailers and brands

The Age of Plenty

***by* Dr. Benny Peiser, Director**
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This issue of the *Views* is to help you meet the challenge of remaining an optimist, without being a Pollyanna. Given the great trends around the world, considering the objective facts, rather than the evening news, is a good strategy. There are of course, many global trends. But the global rise of the middle class around the developing world—including Africa—will be HUGE for both the retailer and the supplier industries.

And now for the data from the latest newsletter from Dr. Benny Peiser. This issue is an excellent complement to my earlier, Retailing: the Trojan Horse of Global Freedom and Prosperity.

The Age of Plenty is essentially a brief selection from 8 articles in the current press. Here is an even briefer abstract of Dr. Peiser's selections. Linkage to his selections are noted below, but you can read the whole GWPF document by clicking on: The Age of Plenty

Here's to GREAT *"Shopping"* for YOU!!!
Your friend, Herb Sorensen

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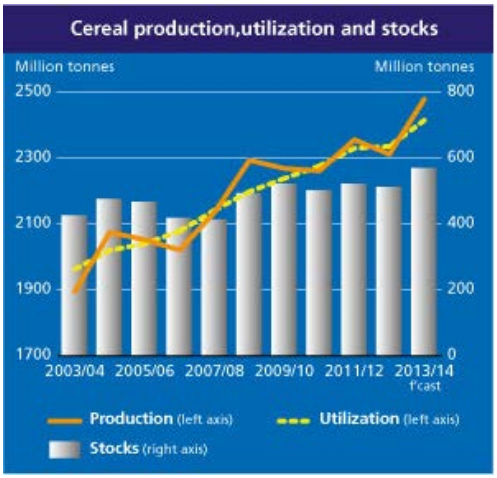
The Age Of Plenty

World Cereal Production Set To Reach Historic High

There's a surging current of alarm that we're headed for a food doomsday by 2050—that the world's food-producing capacity will crash before population peaks at 10 billion. Don't you believe it! Smart technology and better management policies will let us feed the hungry hordes to midcentury and beyond. —IEEE Spectrum, Summer 2013

World total cereal production is forecast to increase by about 7 percent in 2013 compared to last year, helping to replenish global inventories and raise expectations for more stable markets in 2013/14, according to the latest issue of the UN Food and Agriculture Organization's quarterly Crop Prospects and Food Situation report. —Food and Agriculture Organization of the United Nations, 11 July 2013



Africa's economy is growing faster than any other continent, according to the African Development Bank (AfDB). A new report from the AfDB said one-third of Africa's countries have GDP growth rates of more than 6%. The continent's middle class is growing rapidly - around 350 million Africans now earn between $2 and $20 a day. The AfDB's Annual Development Effectiveness Report said the growth was largely driven by the private sector, thanks to improved economic governance and a better business climate on the continent. —BBC News, 11 July 2013

After nearly a decade of drought, Israel has decided to make its freshwater rather than wait in vain for enough of it to fall from the sky. The Sorek desalination plant opening next month will be the largest facility of its kind in the world. Once it's operational, Israel's four desalination plants will be capable of producing 60 percent of the country's freshwater. There's speculation that the country will soon see a water surplus, something that was almost unthinkable during the arid 2000s. —Walter Russell Mead, Via Meadia, 30 May 2013

Humans may never have to worry about the supply of fresh water again. The University of Texas at Austin reports that some of the university's scientists have found a new way to desalinate sea water, potentially easing concerns over one of the crises facing human civilization we've been told is just around the bend. —Walter Russell Mead, Via Meadia, 13 July 2013

Every time I write an article about population growth or poverty, I receive at least one e-mail insisting that there are too many humans on the planet. That erroneous statement is usually followed up with a not-so-subtle suggestion that letting a few people starve to death wouldn't be a terrible thing, but instead would actually make the planet a safer, richer and more sustainable place. Not many things shock me anymore. But the arrogance and callousness of a well-fed society toward those who are less fortunate always leaves me stunned. —Alex Berezow, Real Clear Science, 22 July 2013

Two decades of green policies haven't just failed to stop global warming. Old age pensioners in Britain and in other developed countries have been forced to bear electricity bills inflated by renewable subsidies. Blue-collar workers have lost their jobs as energy-intensive manufacturing companies have relocated overseas. Beautiful landscapes have been ruined by bird-chopping wind turbines. Many of Britain's politicians — notably the Chancellor, George Osborne — know all of this. But outside of last week's welcome but overdue encouragement of fracking, Britain's statute book is still creaking under the weight of yesteryear's laws and their commitments to invest in expensive green energies. —Tim Montgomerie, The Times, 22 July 2013

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Expanded Summaries

1) The Age Of Plenty: Forget The Doom-Mongers

—IEEE Spectrum, Summer 2013

There's a surging current of alarm that we're headed for a food doomsday by 2050—that the world's food-producing capacity will crash before population peaks at 10 billion. Don't you believe it! Smart technology and better management policies will let us feed the hungry hordes to midcentury and beyond.

Scroll down to browse more than 20 stories that examine the link between technology and food, including views from experts like Keith Fuglie, Nathan Myhrvold and Pablos Holman, and Jeffrey Lipton and Hod Lipson.

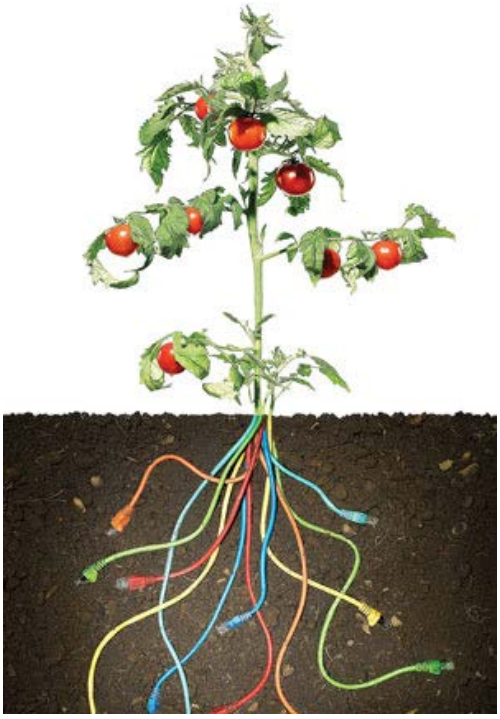
Introduction

We think of things like nuclear submarines and luxury cars as emblems of technological sophistication. But turn your attention now to an ordinary local supermarket in any developed country. It probably stocks 15 000 to 50 000 different products, including items like organic red quinoa and Tahitian vanilla beans.

In the produce section are about 100 different kinds of fruits and a like number of vegetables. The packaged food section has snacks that are scientifically formulated to trigger addictive responses while retaining their freshness for months, if not years. And it's all ridiculously cheap: A typical family in a developed country spends less than 15 percent of its disposable income on food.

We are rich in food beyond all prior dreams, and yet there's a swelling chorus of worry that we are headed for catastrophe, as population growth and climate change threaten food security.

That anxiety is misplaced. It's true that we need new technologies to grow more and better food using fewer chemicals and less land, water, energy, labor, and capital, while causing less damage to the environment. But as we show in this issue, it's also a fact that those technologies are now being developed, tested, or applied all over the world.

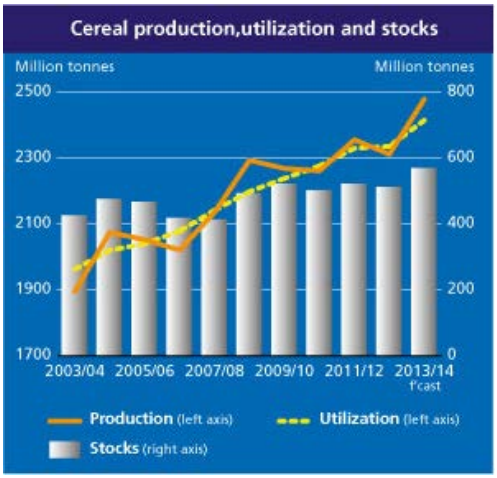


Full story

2) Reality Check: World Cereal Production Set To Reach Historic High In 2013

—Food and Agriculture Organization of the United Nations, 11 July 2013

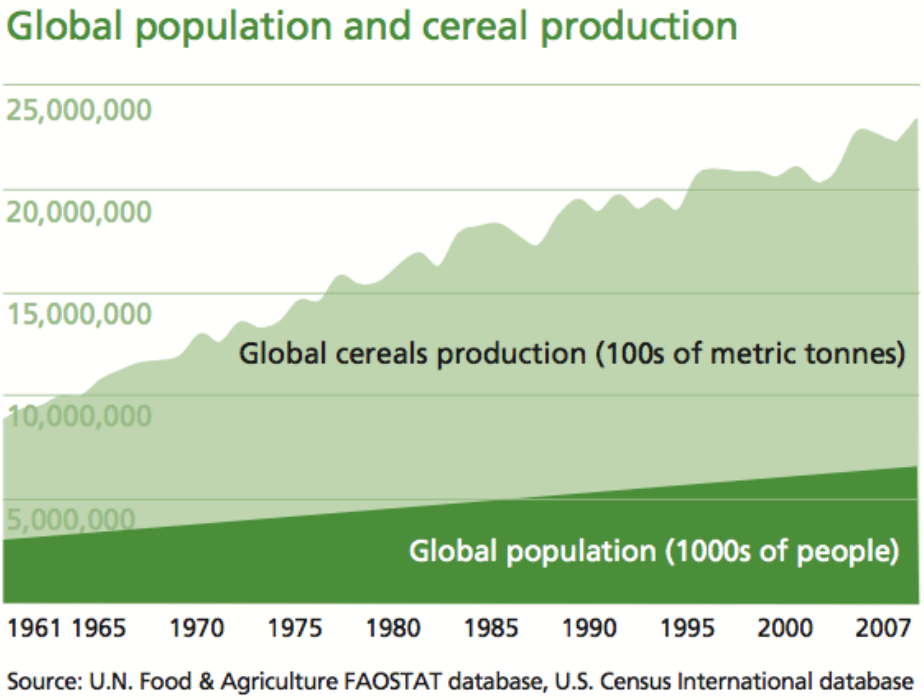
World total cereal production is forecast to increase by about 7 percent in 2013 compared to last year, helping to replenish global inventories and raise expectations for more stable markets in 2013/14, according to the latest issue of the UN Food and Agriculture Organization's quarterly Crop Prospects and Food Situation report.



The increase would bring world cereal production to 2 479 million tonnes, a new record level.

FAO now puts world wheat output in 2013 at 704 million tonnes, an increase of 6.8 percent, which more than recoups the previous year's reduction and represents the highest level in history.

World production of coarse grains in 2013 is now forecast by FAO at about 1 275 million tonnes, up sharply (9.7 percent) from 2012.



World rice production in 2013 is forecast to expand by 1.9 percent to 500 million tonnes (milled equivalent) although prospects are still very provisional.

Full story

3) Africa's Economy 'Seeing World's Fastest Growth'

—BBC News, 11 July 2013

Africa's economy is growing faster than any other continent, according to the African Development Bank (AfDB).

A new report from the AfDB said one-third of Africa's countries have GDP growth rates of more than 6%.

The costs of starting a business have fallen by more than two-thirds over the past seven years, while delays for starting a business have been halved.

The continent's middle class is growing rapidly - around 350 million Africans now earn between $2 and $20 a day.

Middle income countries now account for nearly half of African states

The share of the population living below the poverty line in Africa has fallen from 51% in 2005 to 39% in 2012.

Africa's collective gross domestic product (GDP) per capita reached $953 last year, while the number of middle income countries on the continent rose to 26, out of a total of 54.

The AfDB's Annual Development Effectiveness Report said the growth was largely driven by the private sector, thanks to improved economic governance and a better business climate on the continent.

"This progress has brought increased levels of trade and investment, with the annual rate of foreign investment increasing fivefold since 2000. For the future, improvements in such areas as access to finance and quality of infrastructure should help improve Africa's global competitiveness," the report said.

Full story

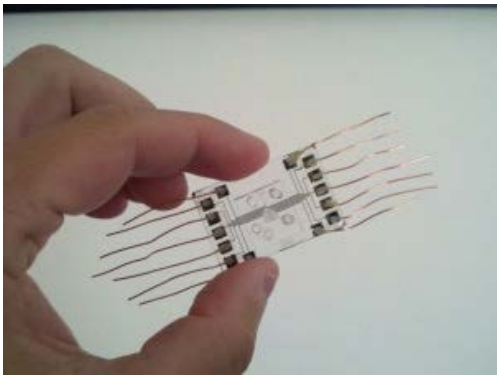
4) Human Ingenuity Set To Conquer Water Crisis
—Via Meadia, 13 July 2013

Walter Russell Mead

Humans may never have to worry about the supply of fresh water again. The University of Texas at Austin reports that some of the university's scientists have found a new way to desalinate sea water, potentially easing concerns over one of the crises facing human civilization we've been told is just around the bend:

The new method requires so little energy that it can run on a store-bought battery. The process evades the problems confronting current desalination methods by eliminating the need for a membrane and by separating salt from water at a microscale [...]

To achieve desalination, the researchers apply a small voltage (3.0 volts) to a plastic chip filled with seawater. The chip contains a microchannel with two branches. At the junction of the channel an embedded electrode neutralizes some of the chloride ions in seawater to create an "ion depletion zone" that increases the local electric field compared with the rest of the channel. This change in the electric field is sufficient to redirect salts into one branch, allowing desalinated water to pass through the other branch.



A prototype “water chip” developed by researchers at The University of Texas at Austin in collaboration with a startup company.

This new method isn’t fully proven yet: so far, the scientists involved have used the tech to reach 25 percent desalination and they need to reach 99 percent for it to become usable. And there are some questions about the amount of energy this process would take. But even if this particular tech peters out, sooner or later someone will invent a comparable technology that succeeds at the same goal. Indeed, other companies are already at work on desalination products of their own.

One of the biggest feeders of Malthusian fears in recent years has been the body of literature predicting the threat to our fresh water supply. Book after book after book has described the water crisis facing the planet. History has shown that human ingenuity has allowed us to overcome challenges thrown at us by geography, the elements, and alleged overpopulation. Could it be that this time it may be no different?

5) More Deserts To Bloom, This Time In Israel
—Via Meadia, 30 May 2013

Walter Russell Mead

After nearly a decade of drought, Israel has decided to make its freshwater rather than wait in vain for enough of it to fall from the sky. The Sorek desalination plant opening next month will be the largest facility of its kind in the world. Once it’s operational, Israel’s four desalination plants will be capable of producing 60 percent of the country’s freshwater. There’s speculation that the country will soon see a water surplus, something that was almost unthinkable during the arid 2000s. The *Times of Israel* reports:

Like Israel’s other plants, Sorek will work through a process called Seawater Reverse Osmosis that removes salt and waste from the Mediterranean’s water. A prefiltration cleansing process clears waste out of the flow before the water enters a series of smaller filters to remove virtually all the salt. After moving through another set of filters that remove boron, the water passes through a limestone filter that adds in minerals. Then, it enters Israel’s water pipes.

[Raphael Semiat, a member of the Israel Desalination Society and professor at Israel’s Technion-Israel Institute of Technology] says desalination is a virtually harmless process that can help address the water needs prompted by the world’s growing population and rising standard of living.

Water scarcity is going to become an increasingly important strategic interest for countries around the world. It is already figuring into geopolitics in China and spurring innovation in dry places like Saudi Arabia, Australia, and Qatar.

Water from desalinization plants comes at a cost; these plants are quite energy-intensive. But the ability to convert energy into freshwater (which is effectively what desalination plants do) gives countries like Israel more flexibility when dealing with this resource scarcity.

We hear a lot about how our species is doomed, that we’ve overextended ourselves on a planet that can no longer

support us. But today is not nearly as bleak as yesterday's Malthusians predicted. There's still plenty of reason to believe the Malthusians will be wrong about tomorrow as well.

6) Alex Berezow: The Arrogance Of A Well-Fed Society
—Real Clear Science, 22 July 2013

Every time I write an article about population growth or poverty, I receive at least one e-mail insisting that there are too many humans on the planet. That erroneous statement is usually followed up with a not-so-subtle suggestion that letting a few people starve to death wouldn't be a terrible thing, but instead would actually make the planet a safer, richer and more sustainable place.

Not many things shock me anymore. But the arrogance and callousness of a well-fed society toward those who are less fortunate always leaves me stunned.

What is particularly frustrating is that both sides of the political spectrum claim to be the true champions of the poor – while simultaneously endorsing policies that disproportionately harm them.

The Left repeatedly insists that climate change is the world's #1 problem, and this has distracted us from the world's actual #1 problem: Poverty. About 1.3 billion people don't have electricity, meaning they also don't have adequate access to food, healthcare or the Internet. Essentially, such communities are condemned to a life of indefinite poverty.

Providing them with cheap electricity is a compassionate, progressive thing to do. Or at least it was at one time. In an article posted on *New Geography*, Michael Shellenberger and Ted Nordhaus explain how the Tennessee Valley Authority (TVA) "established the progressive principle that cheap energy for all was a public good, not a private enterprise."

Why is it necessary to make cheap electricity a public good? Because it helps end the vicious cycle of poverty. The authors describe the stark reality of life in the American South in the 1930s:

Eighty years ago, the Tennessee Valley region was like many poor rural communities in tropical regions today. The best forests had been cut down to use as fuel for wood stoves. Soils were being rapidly depleted of nutrients, resulting in falling yields and a desperate search for new croplands. Poor farmers were plagued by malaria and had inadequate medical care. Few had indoor plumbing and even fewer had electricity.

The TVA helped change this. Cheap hydroelectric power lifted residents out of poverty and even helped restore the environment.

Therefore, providing cheap electricity to the 1.3 billion people without it should be a top global priority. Solar and wind power should be implemented if possible, but not all locations will be amenable to that technology. And that means it will be necessary to burn more fossil fuels in some locations, even though more people will die as a result of air pollution. But given a choice between a life of poverty (and all the hazards that come with it) versus a chance at a more prosperous life (albeit one with an increased risk of lung cancer), most people in the developing world would probably choose the latter, even if that upsets climate-obsessed progressives in the rich world.

On the Right, conservatives need to give up their ideological opposition to birth control. While the world is not overpopulated as a whole, overpopulation does cause issues at the regional level. (That is why I like to say the world is not overpopulated, but rather "maldistributed.") For instance, only so many people can live in the U.S. Southwest before water shortages become a routine problem.

At the behest of President George W. Bush, the United States implemented a program called PEPFAR (President's Emergency Plan for AIDS Relief) that was rightfully praised for saving millions of Africans from HIV. But the program was criticized for doing little (perhaps even undermining efforts) to provide women with birth control. But, cheap birth control – just like cheap electricity – is an important tool to help end the vicious cycle of poverty.

To truly help developing societies, we need to answer their immediate needs. That is far more compassionate than trying to shape them into the societies we would like them to be.

Dr. Alex B. Berezow is the editor of RealClearScience and co-author of Science Left Behind.

Full story