

SEE THE
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Federal Reserve Bank of
Chicago:
Agricultural Conference

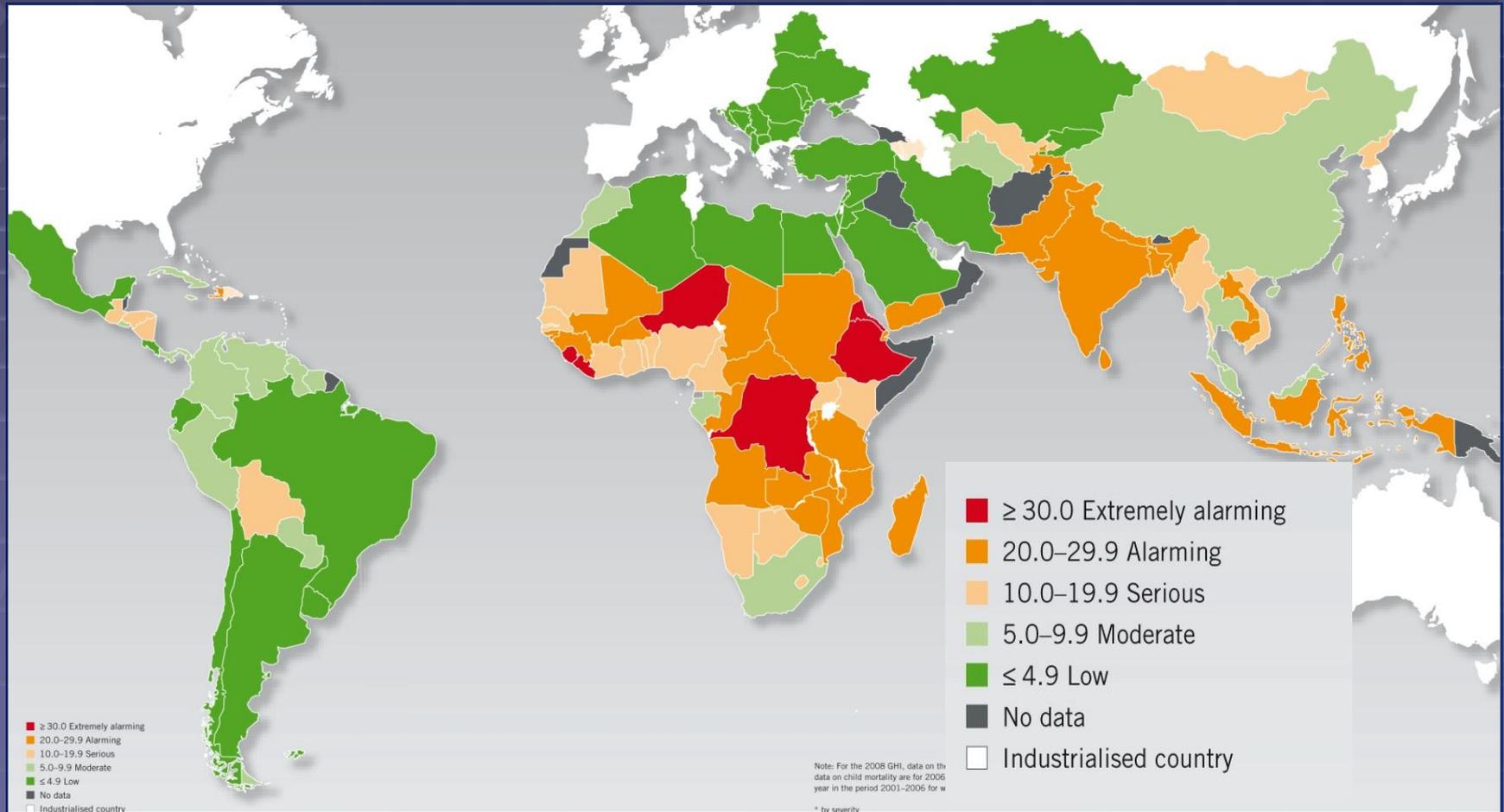
M. Ann Tutwiler

December 1, 2009

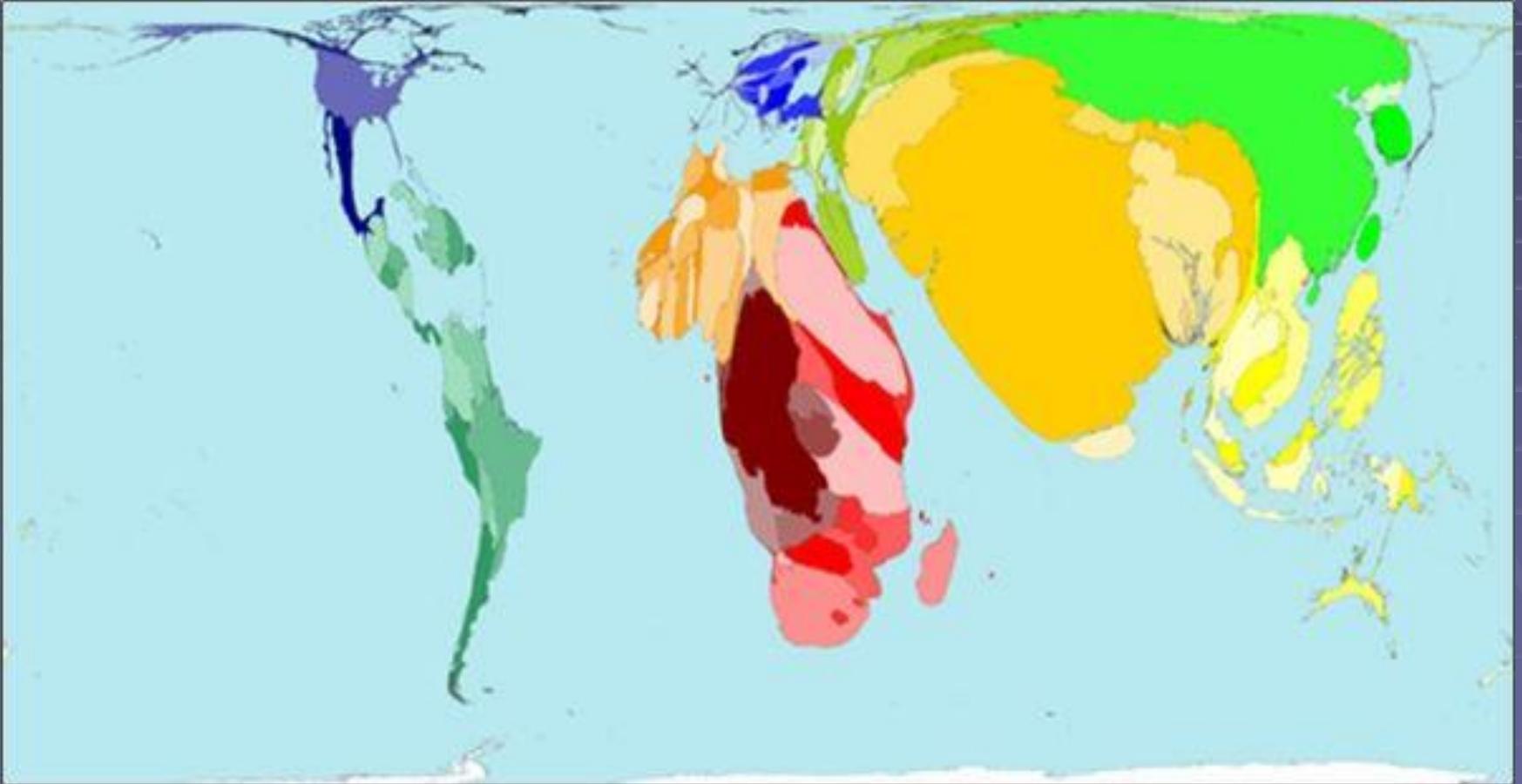
The Global Challenge

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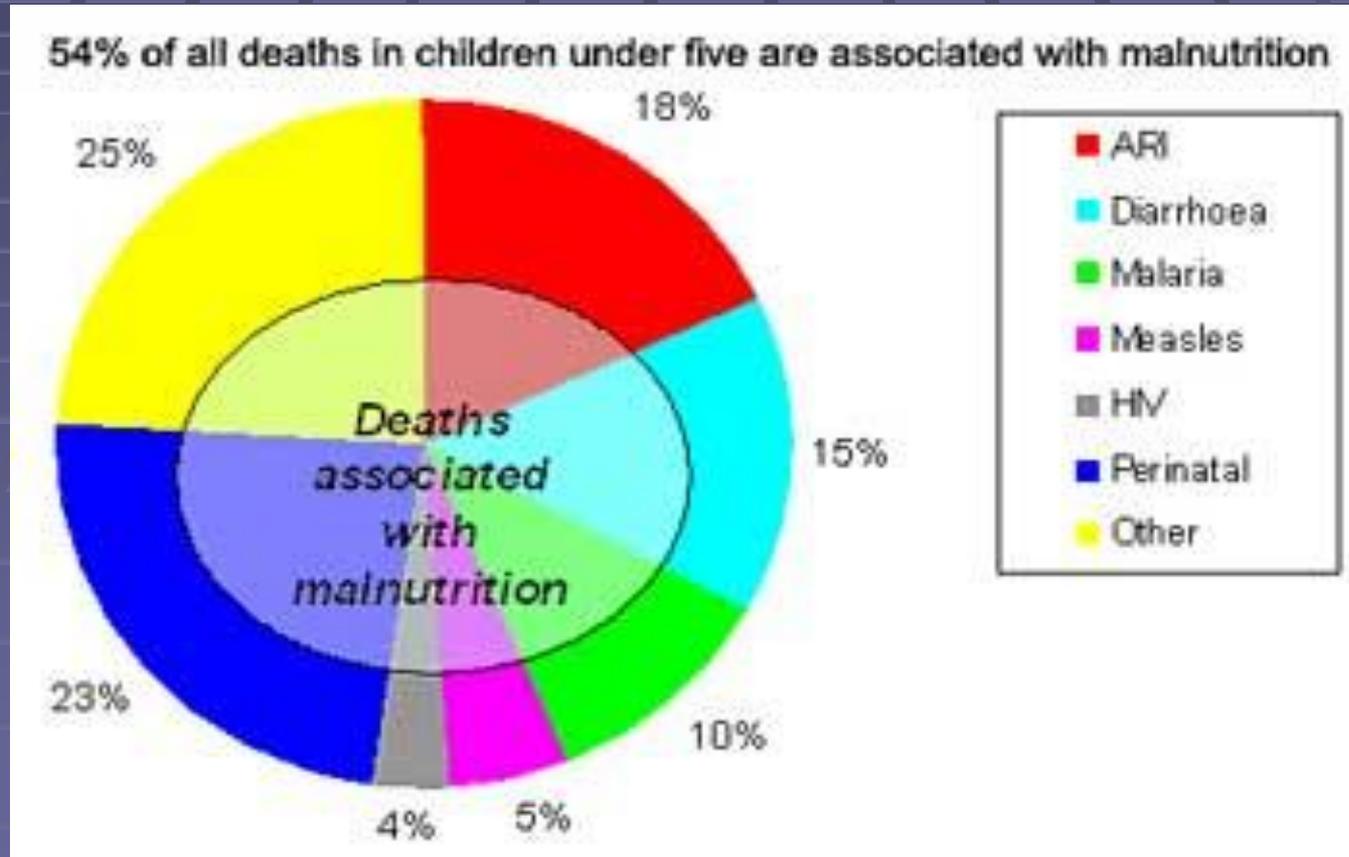
One Billion People Suffer Chronic Hunger



More Hungry People Live in Asia; The Hungriest Live in Africa

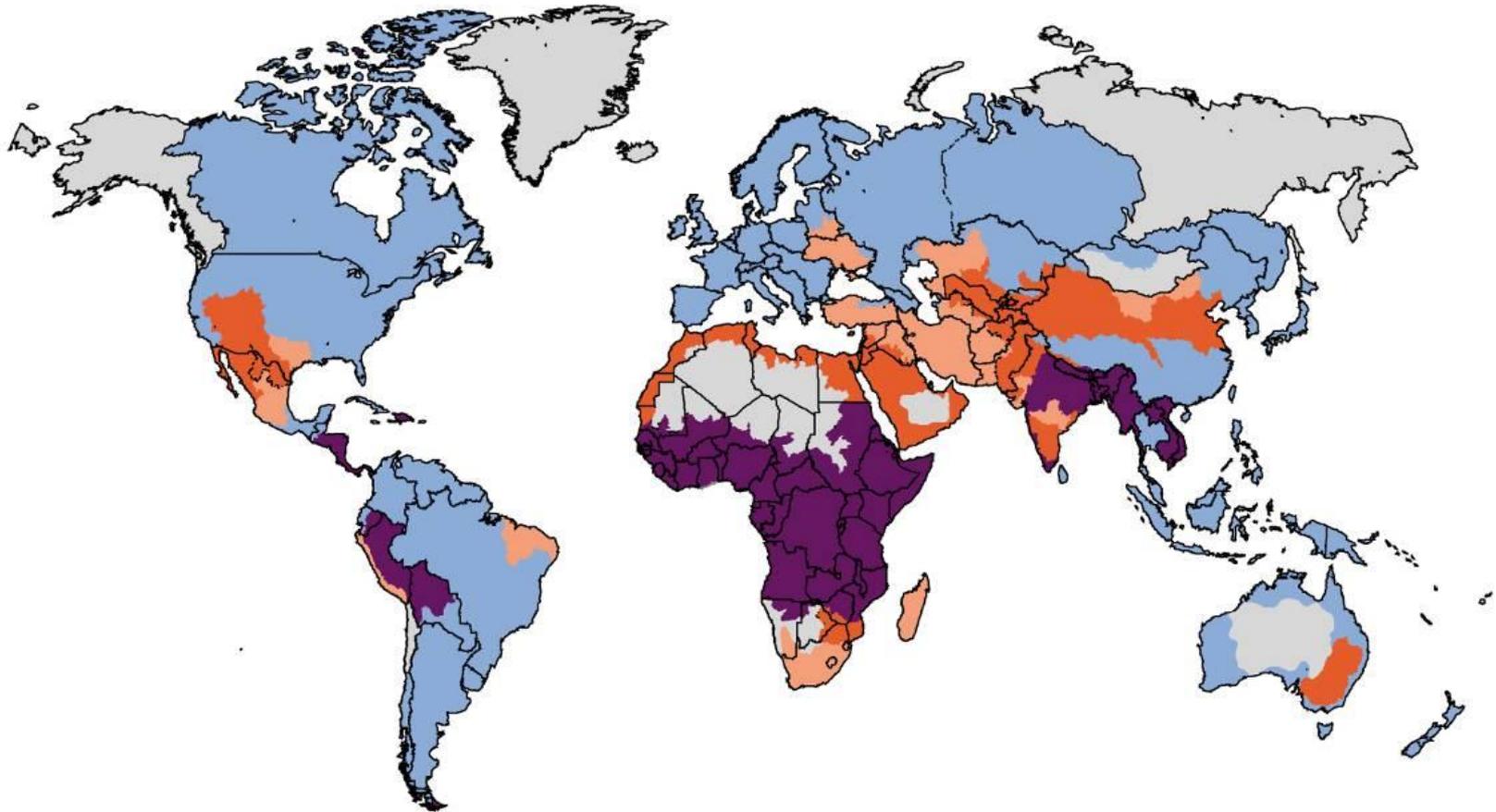
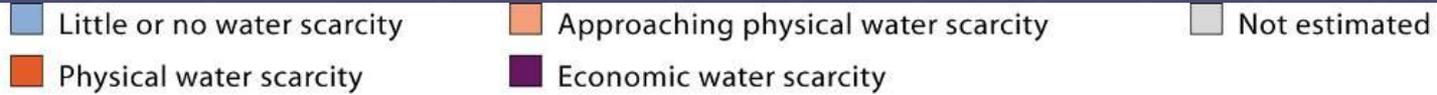


Malnutrition Contributes to Over Half of All Childhood Deaths



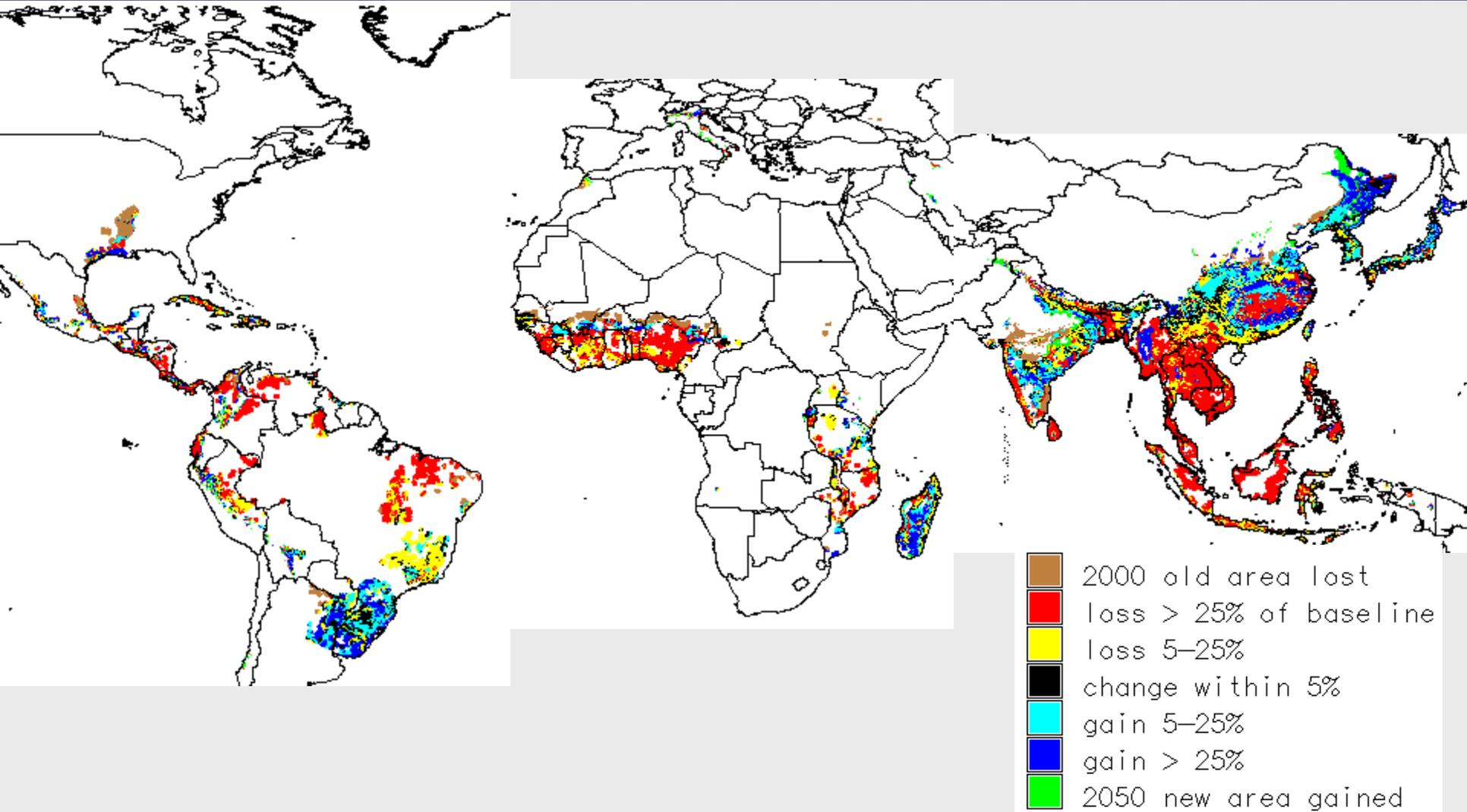
Source: WHO. Note: ARI = acute respiratory infections.

Land and Water Resources are Limited



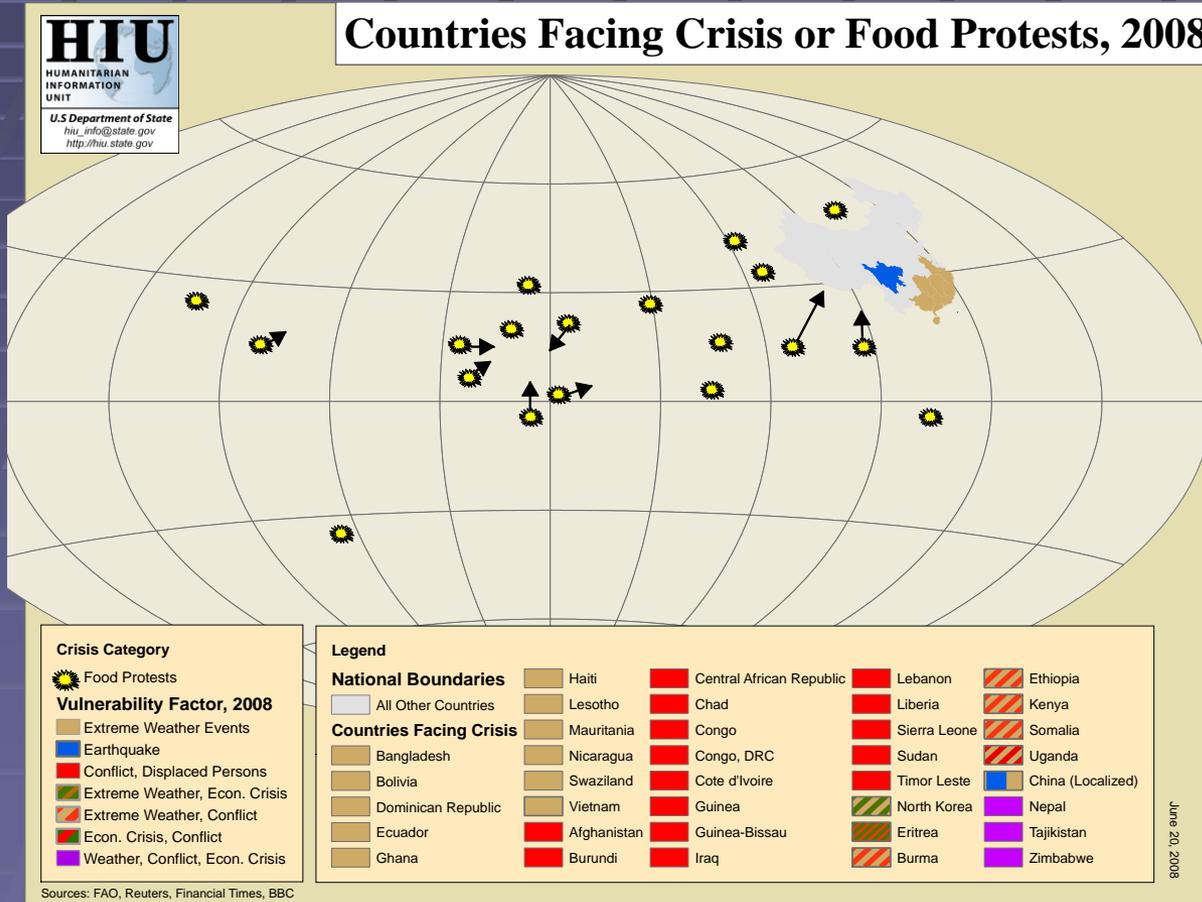
Source: Comprehensive Assessment of Water Management in Agriculture, 2007.

Climate Change May Reduce Yields: Rice Yields Down 20% in 2050

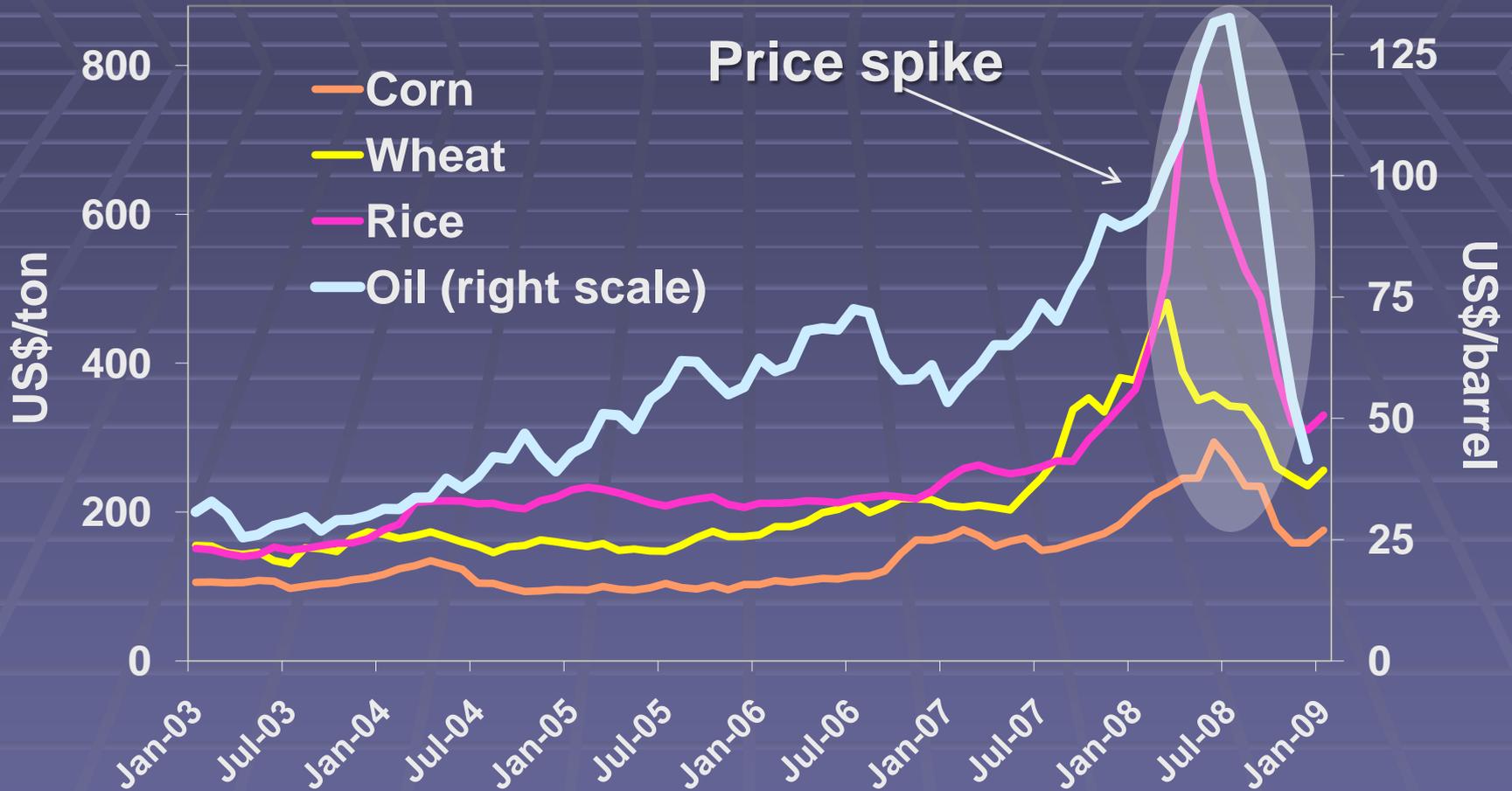


Source: Nelson 2009, IRRI, preliminary results.

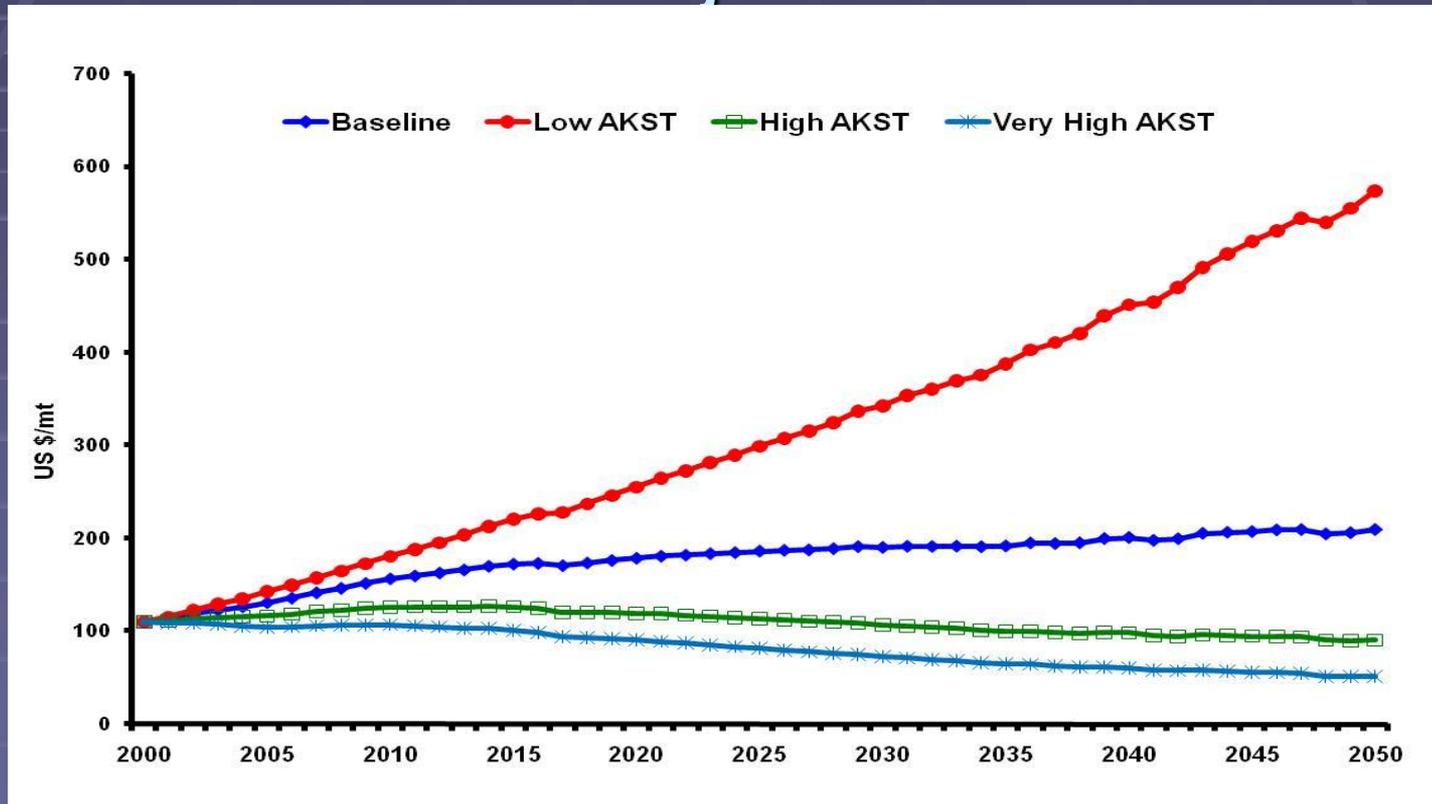
Food Price Spike Caused Protests



Food Price Spike: Could Return



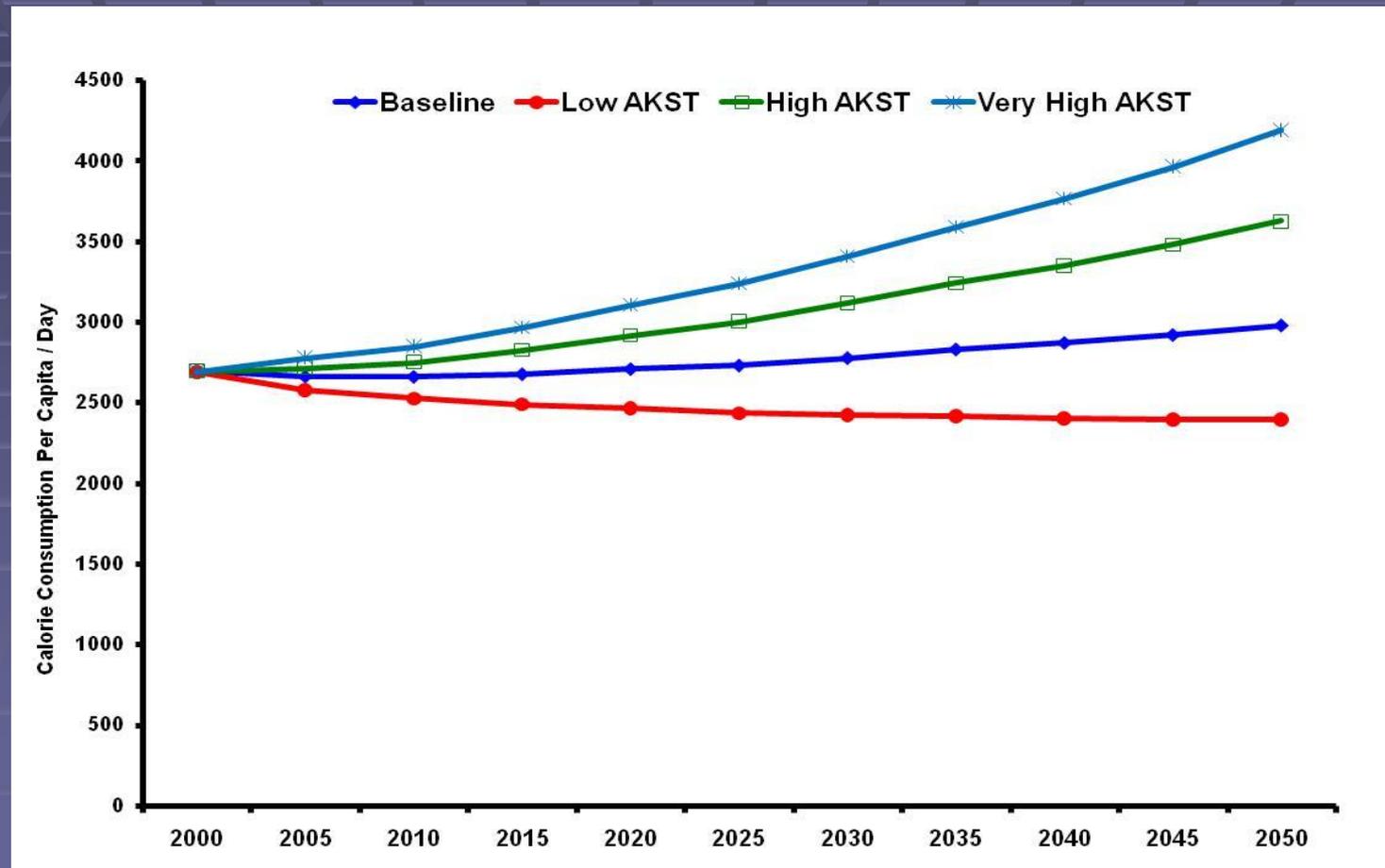
The Future Depends on Agricultural Investment: Wheat Price Projections



Wheat Prices 2000-2050 with **Low**, **High** and **Very High** Investments in capital, science and technology

IFPRI IMPACT simulations, April 2008

The Future Depends on Agricultural Investment: Consumption Projections



Consumption 2000-2050, with **low**, **high** and **very high** investments in agriculture capital, science and technology

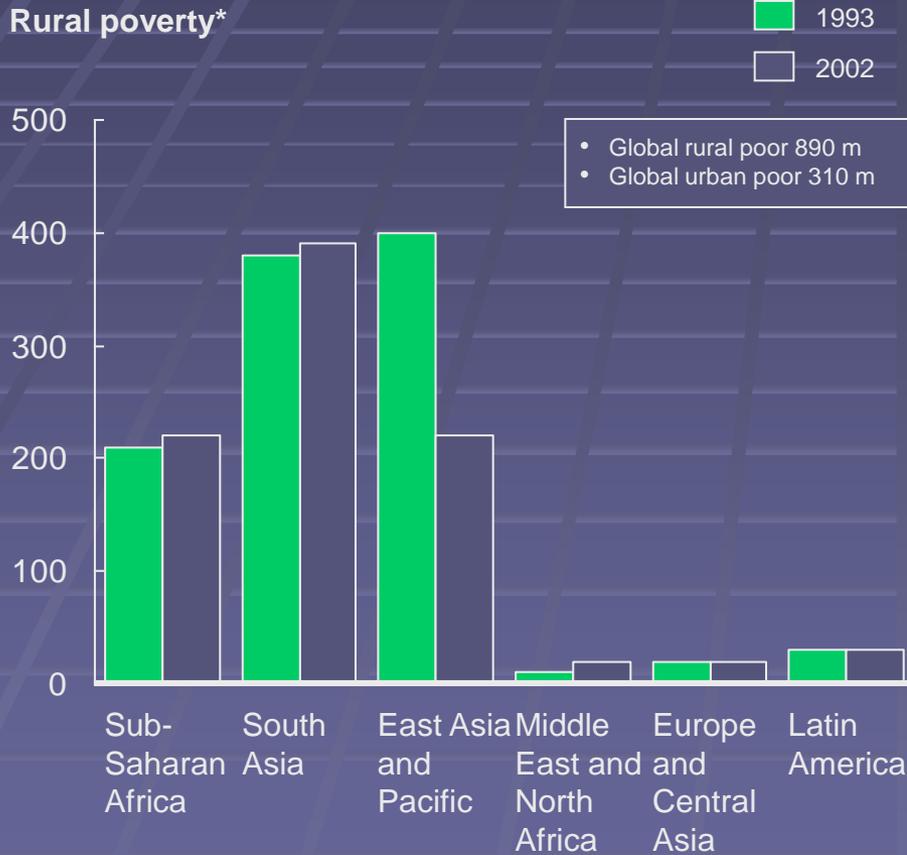
Source: IFPRI IMPACT simulations, April 2008

The Global Opportunity

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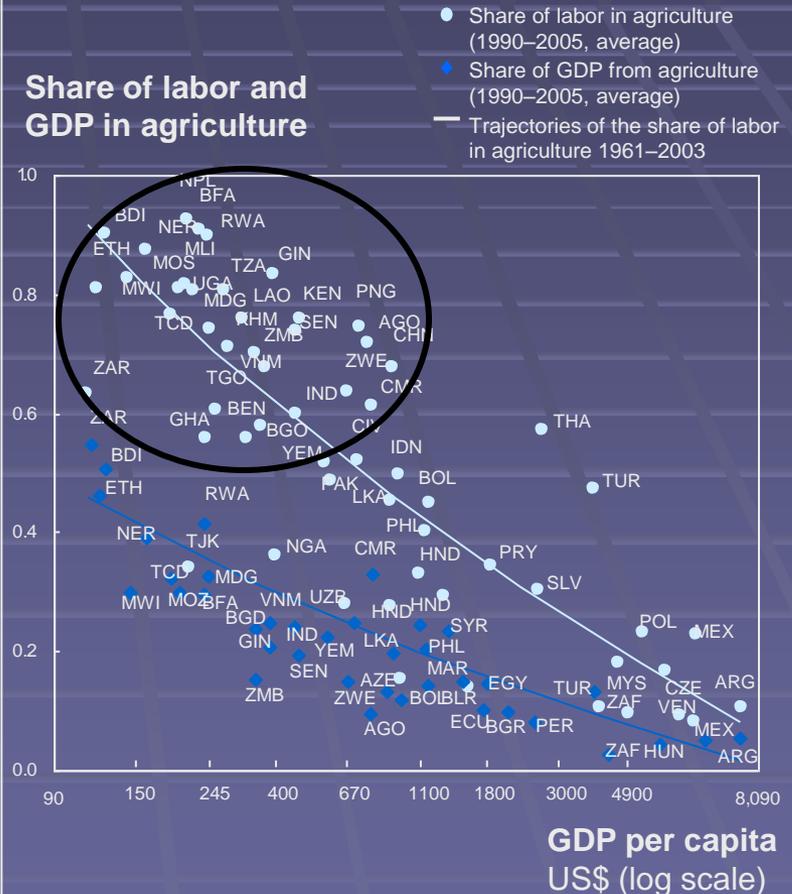
The Poor Live in Rural Areas; Depend on Agriculture

Millions of people in the world live beneath the \$1-a-day poverty line, mostly in rural areas

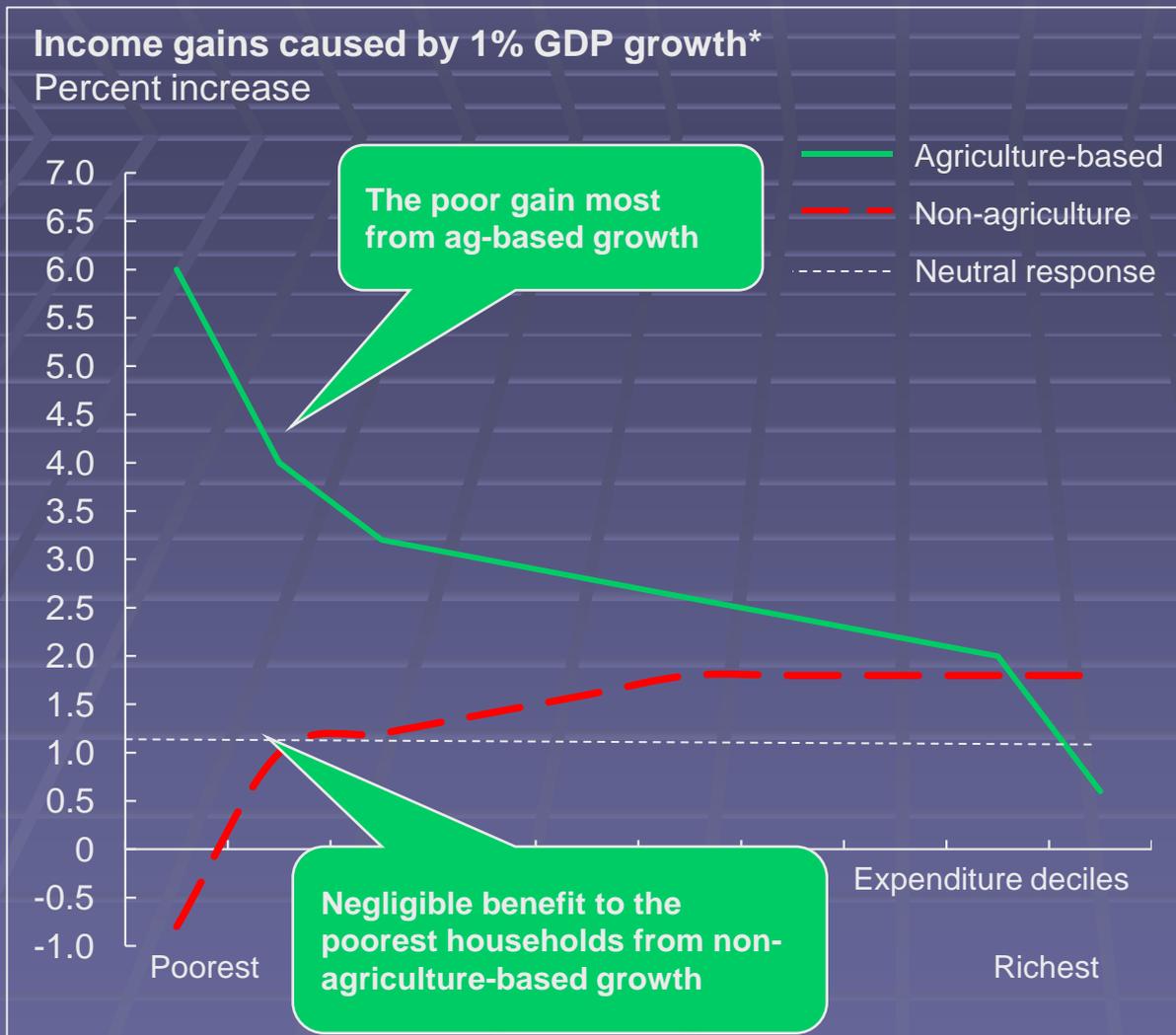


The poorest have a greater reliance on agriculture for income and employment

Share of labor and GDP in agriculture



The Poorest Gain Most from Ag Development



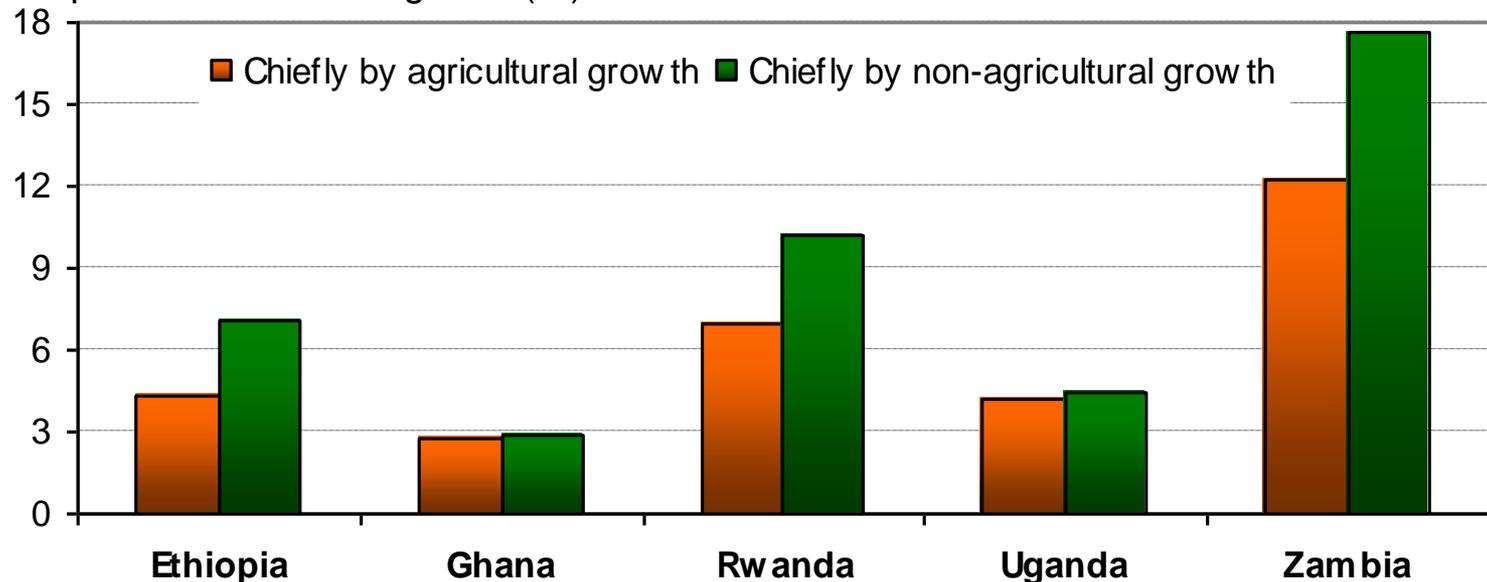
- In Sub-Saharan Africa and South Asia, a 1% increase in agricultural GDP induces a 6% income gain for the poorest 10% of the population
- The large spillover benefits (a 2-4x multiplier) exist because the poorest rely on agriculture for survival

* Based on data from 42 countries during the period 1981–2003; Expenditure is equivalent to income in growth accounting

Agriculture Growth: Most Effective Way to Reduce Poverty

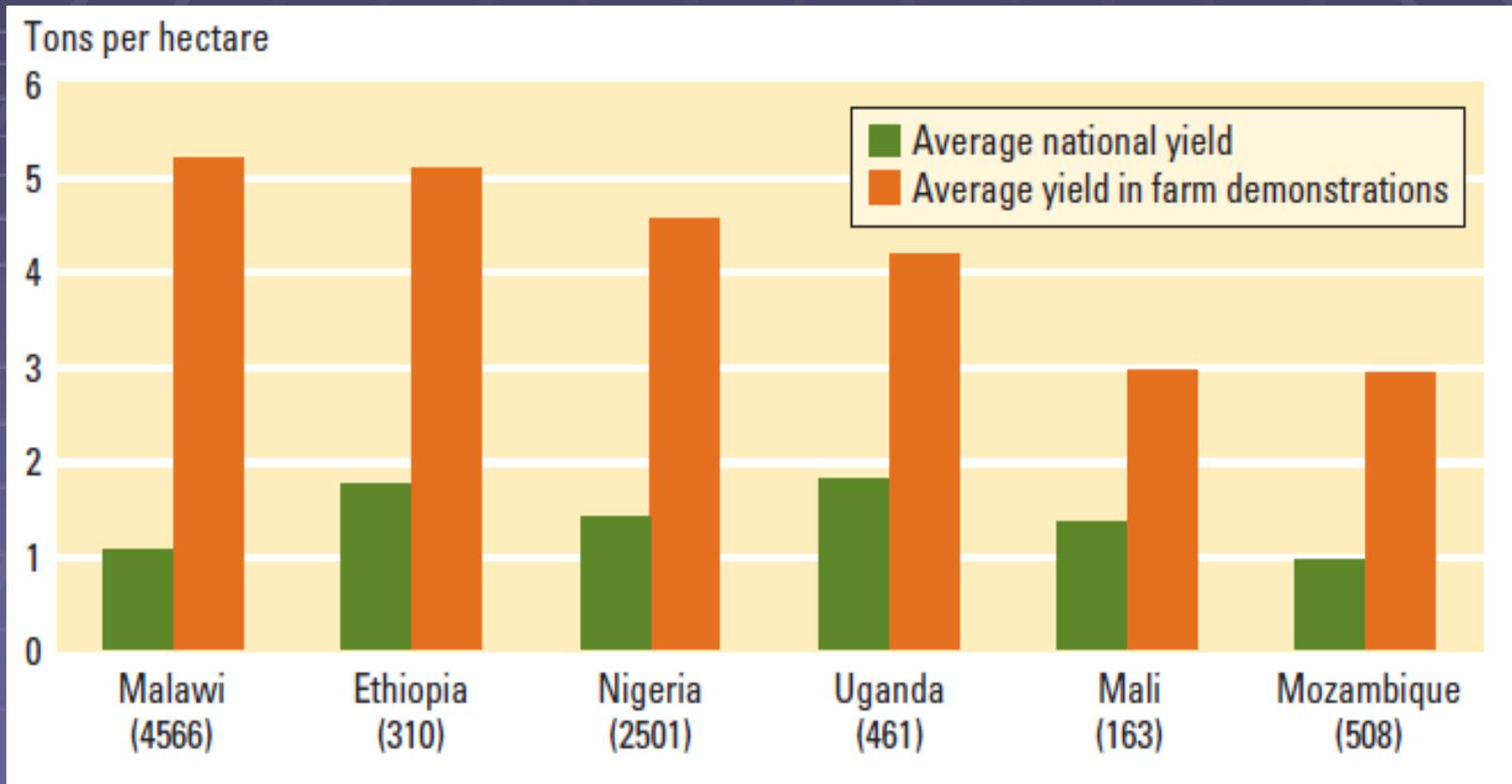
Agricultural-led growth is more feasible to reducing hunger and poverty to MGD1 2015 target levels in developing countries

Required annual GDP growth(%)



Source: International Food Policy Research Institute, 2009.

Developing Countries Have Ag Potential



A New Approach

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Old vs. Feed The Future Approach

Problems with the Traditional Approach

- Overreliance on emergency humanitarian response.
- Insufficient investment in agriculture and rural development to catalyze agricultural-led growth.
- Exclusion of underserved groups such as women and the very poor (below \$0.50/day).
- Failure to prioritize nutrition and the environment.
- Donor-driven short-term investments; disparate strategies and uneven country ownership of plans.
- Failure to comprehensively address food security due to limited coordination among global stakeholders.
- Failure to mobilize and leverage additional global resources and align them behind a common agenda.
- Poor or limited measurement of results, inadequate governance, transparency, and accountability.

Principles of a Transformative Approach

Address the Underlying Causes of Hunger With a Comprehensive Approach

Invest in Country-led Plans to Ensure Impact and Sustainability

Improve Coordination to Increase Efficiency and Leverage Greater Resources

Leverage the Strengths of Multilateral Institutions to Expand Our Collective Reach

Sustained and Accountable Commitment with Demonstrable Results

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- Increasing the incomes of 165 million people;
- Lifting 50 million of those people out of poverty; and,
- Reducing the under-nutrition of 19 million children

Principles of a Catalytic Approach

Adopt a Comprehensive Approach

Invest in Country-Led Plans

Improve Strategic Coordination

Leverage Benefits of Multilateral Institutions

Make a Sustained and Accountable Commitment

Lab

Farm

Market

Table

- Increase yields with improved seeds and feed
- Fortify foods to enhance nutrition
- Adapt agricultural products to climate change

- Adopt improved and sustainable livestock and fisheries practices
- Focus on small-scale farmers, especially women
- Increase access to credit and finance for inputs

- Build feeder roads to link farmers to markets
- Improve post-harvest storage
- Support financing for agribusinesses
- Increase regional trade flows

- Increase diet quality
- Create community-based nutrition programs for children
- Improve coordination of food assistance and increase local purchase

% yields per hectare
of improved seed varieties

Increase in household income
of months of food security

of rural and urban jobs created
% increase in regional exports

% with adequate nutrition
% of underweight children

A Comprehensive Approach

- Improve Productivity
 - Increase access to inputs
 - Expand access to ag services
 - Improve natural resource management
- Reduce Pre-and Post-Harvest Losses
 - Improve storage and primary processing
 - Modernize value chains
 - Improve market infrastructure

A Comprehensive Approach

- Expand markets and trade
 - Enhance regional integration
 - Facilitate trade
 - Remove formal and informal barriers
- Reduce Under Nutrition
 - Increase fortification
 - Diversify production and diet
 - Improve nutritional value of food aid

A Comprehensive Approach

- Research
 - Increase yields of major crops
 - Reduce threat of disease, pests
 - Reduce post-harvest losses
 - Build national research capacity
- Infrastructure
 - Irrigation
 - Rural roads
 - Development corridors
 - Market information systems

Invest in Country Led Plans

Address the
Underlying Causes of
Hunger

Invest in
Country-Led
Plans

Improve Strategic
Coordination

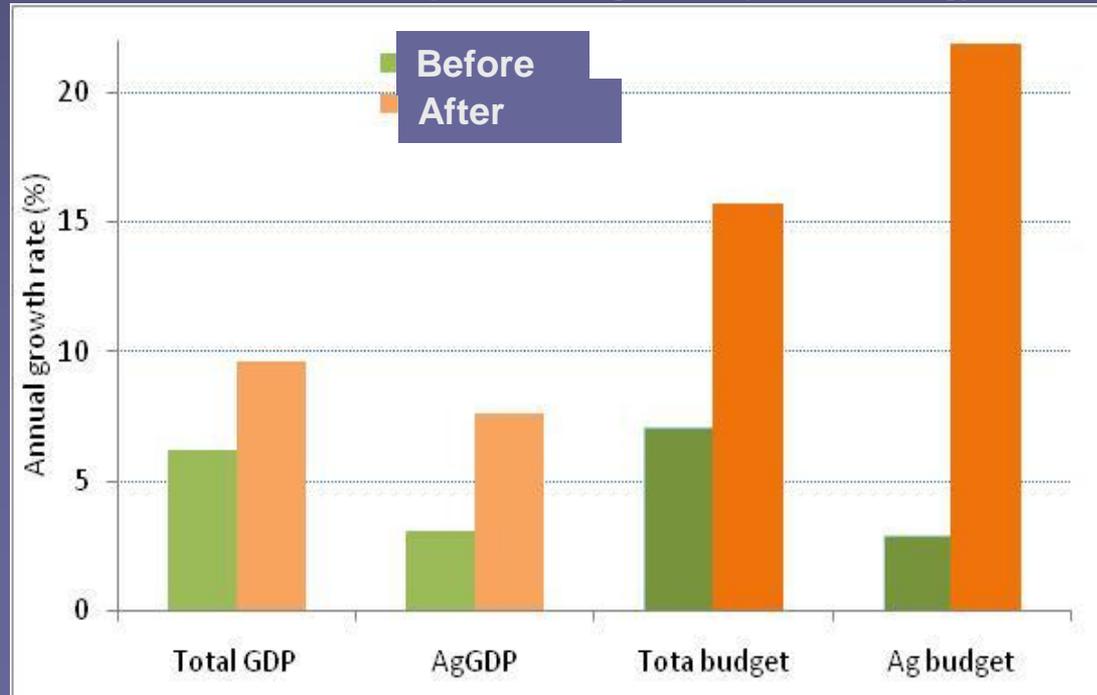
Leverage Benefits of
Multilateral
Institutions

Sustained and
Accountable
Commitment

We will work with countries and other stakeholders to develop and implement their own comprehensive country-led plans.

Country-led plans will be developed through inclusive consultation and represent an integrated investment strategy that sets forth priority areas, defines targets and outlines desired results.

The benefits of a country-led plan: agricultural growth before and after Rwanda completed its Ag Development Strategy



Monitoring and Evaluation

- **Monitor performance and measure progress towards goals with objective targets, intermediate objectives, and public benchmarks.**
- **Promote mutual accountability among all stakeholders that invest in country-led investment plans.**
- **Provide public access to information on country performance and progress through regular reports posted on the internet and through annual reporting to Congress.**
- **Improve coordination by allowing stakeholders to have a better understanding of what each implementer is doing.**

We Welcome Your Input

- Consultation Draft
- Film: See the Future; Feed the Future; Change the Future, Narrated by Matt Damon
- www.state.gov/s/globalfoodsecurity/

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