

**Remarks by Dr. Raj Shah,
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The True Yields of Food Security

**Chicago Council on Global Affairs' Symposium on Global Agriculture and Food Security
Washington, D.C.
May 24, 2011**

[Remarks As Prepared]

ACKNOWLEDGEMENTS

I'd like to thank Secretary Vilsack and Bill Gates who will both be speaking today, each of them showing their strong commitment to ending hunger and poverty both at home and abroad.

I'd also like to thank our strong champions in Congress, in particular Senators Casey and Lugar and Representatives McGovern, Emerson and McCollum who understand the close links global food security has to our own economic and national security.

Thanks are also due to Senators Leahy, Graham and Kerry and to Representatives Granger and Lowey and Berman for their close partnership and support of our food security efforts.

Finally, I'd like to thank the Chicago Council for inviting me to speak, as well as their long history of support for this cause.

Though I am little upset you've just given my kids a great excuse if they ever come home with a B- on their report card.

INTRODUCTION-OPTIMISM IN SHORT SUPPLY

You know, I joke about the report card, but I do appreciate the critical focus the Council has long given to the US's food security agenda. They have been strong advocates not just for USAID's work and our leadership of President Obama's Feed the Future Initiative, but also for the cause of ending global hunger.

That advocacy is more important than ever.

Around the world, we're seeing food prices hit all-time highs. As of March, the UN Food Price Index had climbed for eight consecutive months, setting new records along the way. In India, wheat prices have soared even as wheat has seen bumper harvests in the country. And in Indonesia, rising rice costs have doubled the cost of a daily staple.

We know exactly where stories like these lead.

In 2008, the last time world food prices spike, the ranks of the world's poor swelled by 100 million-the first increase in decades. That means that today, one billion people go to bed hungry every night-and 3.5 M children will die of malnutrition-and those numbers are growing.

Already this year, the World Bank estimates 44 million people who had escaped a life of dire poverty and hunger have been thrust back into that terrible state. The threat of famine has once again begun to rear its head. And food riots have rocked countries, combining with protest movements that have disrupted entire regions.

From the Sahel to East Africa to the Arabian Peninsula, the skyrocketing cost of food is inflaming people's passions and undermining our own national security. Shortsighted policy responses like export controls and land grabs have the potential to hurt trade and slow economic growth, making the situation worse.

Rising oil prices, shrinking water tables, richer diets, a warming climate, a growing population... all trends that suggest optimism about ending hunger is misplaced.

MORE REASON FOR HOPE THAN EVER

But the reality is we know how to change this devastating narrative. As Secretary Clinton said "The question is not whether we can end hunger, but whether we will."

In 2006, just prior to the last food crisis, less than 3% of American foreign assistance was directed toward agriculture, barely above an all-time low in 2003. In total, we spent \$270 M on agriculture and \$35 M for nutrition programming. Those numbers followed more than two decades of declining American investment in global agriculture.

America had abandoned its historical leadership on food security, convinced-as was the rest of the world-that free markets will fill the vacuum. Lost in this retreat were decades of knowledge about the important role governments had to play in improving nutrition, strengthening the role of women and girls and engaging with the private sector.

In 2009, the Obama Administration-with strong bipartisan support from Congress-committed to reversing that trend, building on the Bush Administration's increased financial and developmental commitment to food security.

With the strong support of Secretary Clinton and the intellectual leadership of our friends in Congress and those here today, the President launched Feed the Future: an international effort aimed to break the cycle of food aid, famine and failed states in a select number of target countries.

Thanks to strong bipartisan support from Congress, I'm proud to announce today, that in fiscal year 2011 our Administration intends to devote over \$1.15 B on food security. The majority of that money-\$950 M will be spent across all Feed the Future countries. An additional \$90 M will be spent on strengthening our nutrition programming.

And \$100 M has been allocated to Treasury to commit to the Global Agriculture and Food Security Program, a multilateral trust fund we established in partnership with the World Bank. That fund has already attracted nearly \$1 B in commitments from new donors, and already allocated \$337 M to eight countries, including Haiti.

These commitments are of course subject to congressional consultation, but they represent yet another demonstration of the remarkable reset we're driving in the world's approach to improving food security.

The World Bank, for instance, has increased its own agricultural development assistance from \$2.1 B in the year 2000, to \$4 B in 2008 and most recently to \$6.1 B in 2010.

I'm pleased that sea change has been detailed in the various reports the Council has released today.

Each of the investments that we and partner countries make help put the world in a better position than we have ever been to final end global hunger and malnutrition.

In just two years, we've made a remarkable amount progress in both our commitments and our programs. While we all know that addressing this problem will take long-term commitment and focus, this Administration remains dedicated to building the kind of global political and economic support necessary.

Despite the projections and the rhetoric and the valid fears of academics and development professionals alike, today, we have more reason than ever to be hopeful.

LEARNING FROM EXPERIENCE

Part of the reason for hope springs from recognizing what hasn't worked in the past, learning from those experiences, and optimizing our programmatic activity to correct for it.

For years, a commodity-based approach to food aid did not do enough to improve nutrition outcomes or build sustainable growth. While food aid remains important to save lives and end emergencies, bringing its benefits to scale or making them sustainable has been elusive.

Without a simultaneous long-term commitment to build local agricultural capacity, gains were short-lived and failed to get at the root causes of food insecurity.

In concert with Feed the Future, we're making a number of improvements in the quality and impact of our food assistance.

By smartly pre-positioning food supplies and working more closely with interagency colleagues, we've become the world's fastest responder to food emergency. In Pakistan, the speed of our response to that country's epic floods last year helped save its winter wheat harvest, protecting the health and welfare of millions. We're increasing the flexibility of our emergency response by increasing our procurement of locally grown food, expanding the use of community development funds and creating new cash voucher programs.

Through the World Food Program's Purchase for Progress Initiative, we're sourcing more of our food aid from small holders, creating stable markets and strong incentives for these farmers-mostly women-to invest in increasing their food production.

We recently released an important new study designed to look at our food aid programs and ensure they consider the nutritional needs of our beneficiaries. In partnership with Tufts University, this Food Aid Quality Review is changing the way we and others think about food aid and nutrition, tightly linking two long-separate priorities.

And we're primarily targeting all of our nutrition programming-including our food aid-toward pregnant mothers and infants, focusing on the critical 1,000 days that mark conception to a child's second birthday that are crucial to their development and potential.

THE END OF THE PRIVATE SECTOR DEBATE

Another area we've learned from past experience is our expansion of partnership with the private sector to strengthen food security. For decades, debates raged on what the appropriate role of the private sector in agriculture should be.

Those debates weren't just academic-they had real consequences for the policy and engagement of donor countries and multilateral institutions. When many countries stepped away from agricultural investment, it was due to a belief that the private sector would step in.

What is now clear-what USAID has worked to make clear-is that agriculture depends on the strength of public and private institutions working and investing together, building new markets and supply chains, sustainably taking new initiatives to scale and improving global economic potential.

The debate is now over. In the last year, we've worked hard to implement its lessons.

In Central America, we partnered with Wal-Mart to source fruits and vegetables from small and medium-sized independent farmers to sell in regional markets. These links will eventually connect farmers to Wal-Mart's national, regional and global supply chains, creating previously unimaginable sources of demand for their crops and opportunities to scale-up smallholder plots.

We partnered with General Mills to transform food processing in African countries and bring local food production up the value chain. General Mills is helping producers improve the quality of processed food and increasing opportunities for investment and employment.

And most recently, we partnered with PepsiCo to improve yields, production and availability of nutritious food in East Africa. Our pilot program in Ethiopia focuses on improving the production of chickpeas by building the capacity of local farmers, establishing drip irrigation systems and supporting local millers, processors and packers.

The potential exists to turn this strengthened value chain into a source for future high-energy products for distribution in future food emergencies.

But our engagement extends beyond American-businesses. In Rwanda, we partnered with Inyange (IN-YANG-EE)-a local dairy-to buy milk from local farmers, paying a premium for quality milk. By establishing this market, the effort has

jump-started milk production amongst smallholders, increasing the availability of local quality dairy. The company currently buys 20,000 liters a week. They plan to buy 16,000 liters a day and begin exporting the milk abroad.

All told, last year, we provided assistance to over 26,000 agricultural firms and nearly 45,000 producer organizations—a two-fold increase in partnership compared to 2008.

But we're not done. Because we believe so strongly in effective partnership with the private sector, we've launched a private sector engagement hub designed to lower the transaction costs of private companies who want to work with us. And I'll be honest—those transaction costs are currently too high.

The hub will provide mechanisms for partnership at both the national and global level, providing clear opportunities for companies to develop new supply chains, finance new ventures or invest in new markets. Interested partners should e-mail fffbusinesshub@usaid.gov.

NEW PARTNERSHIPS

Our commitment to effective partnership doesn't end with the private sector. We're deepening our partnerships with researchers, universities and multilateral institutions—groups that have been working on food security since the days of the Green Revolution.

When it comes to research, we're tripling our level of investment compared to 2008, to \$120 M. One of the most exciting projects we're supporting is a Virtual Fertilizer Research Facility, designed to bring universities, research labs and agribusiness together with the International Fertilizer Development Center to deliver the next generation of fertilizers.

We all know that crop yields will have to increase in the future to feed a growing population. And we know that fertilizer must play a role in improving those yields.

What many don't know is that the majority of fertilizers in use around the world have been around since the days of the Tennessee Valley Authority. The field is frankly begging for innovation. In the future, we'll need more effective fertilizers capable of boosting yields, utilizing more of a plant's own nutrients and minimizing the use of fossil fuels and environmental impact.

The Facility will coordinate long-term research products to unlock new products, and reward companies that commit to introducing new fertilizers to developing countries.

That's the kind of innovation that can change the world's crop-yield trajectory while cutting our own reliance on foreign oil and protecting our climate.

Strengthening our commitment to research means strengthening our commitment to universities. American universities are critical partners of Feed the Future. To leverage their deep expertise around capacity building, agricultural research and extension services, we boosted Title XII assistance to \$72.2 M, an increase of two-thirds compared to 2008.

Part of this assistance is focused on long-term partnerships designed to create world-class agricultural universities in developing countries, taking lessons from our own land grant university system.

We've entered into a five-year, \$28 M partnership with Virginia Tech to support tertiary agricultural education in Senegal and south Sudan, and five-year \$18 M partnership with Rutgers, NC State and Michigan—my alma mater—to do the same in Liberia.

I promise I wasn't involved in setting up that last agreement.

But strengthening Africa's agricultural universities is a challenge the US can't meet alone. That's why we've partnered with the World Bank, the African Union and other organizations to develop a multidonor platform for Agricultural Higher Education in Africa.

Our investment will leverage significant funding from the World Bank's Regional International Development Association facility to develop leading agricultural universities in Africa.

Partnering with multilaterals give us a tremendous opportunity to leverage our own investments and dramatically expand our reach. We believe it's critical to have multilateral, transparent mechanisms to support countries committed to good governance and increasing their own agricultural investment.

I already mentioned that we've committed \$100 M to the World Bank's multilateral agricultural trust fund-a vital new way to engage new developing countries and partners who want to contribute to common goals.

Beyond dollar commitments, we've worked with the Food and Agriculture Organization, the World Food Programme and the International Fund for Agricultural Development to exchange expertise, learn from each other and encourage new innovations and reforms.

We've played an active role in the FAO's reform process and it's current search for a new leader. We partnered with the Organization to organize regional conferences on food price volatility-conferences we believe have helped prevent some of the harmful policy choices countries made in the past.

Last month, I travelled to south Sudan where I witnessed firsthand some of the innovative activity the World Food Programme is engaged in, including Purchase for Progress.

I also met with IFAD President Kanayo Nwanze, where we agreed to partner in Latin America, Iraq, Sudan and Afghanistan. We've had a great experience partnering with IFAD on value-chain development in Guatemala and we hope to replicate that success elsewhere.

STRENGTHENING MONITORING AND EVALUATION

One the investments I'm most excited about is the \$15 M we've committed to monitoring and evaluating our food security programmatic activity.

Just yesterday, we hosted the economist Dr. Esther Duflo here at USAID, whose work with randomized control trials has helped changed the way we think about effective development investments.

The movement Dr. Duflo represents-rigorously and quantitatively evaluating effective development work-is one we have embraced here at USAID. Over the last year, we've implemented a top-flight program designed to clearly test and transparently explain which of our development initiatives deliver the greatest results at the lowest cost.

Before this initiative, our programs weren't required to determine baselines or set evidence-based targets. At best, what our reporting produced were anecdotes. Compelling-in some cases convincing-but lacking the rigor needed to drive better results in our programs and policies. Today, all Feed the Future missions must develop evidence-based targets for their programs, establish baseline data and report their findings openly. By understanding the true costs and benefits of our efforts, we can adjust or pull away from projects we know don't work and double down on those that do.

The broader story is that our targets are tied to a results framework that defines a whole-of-government vision of success in food security. By using a common set of indicators, we can report our performance consistently from country to country.

By having a common framework, we can measure factors that are critical to improving food security but were impossible to previously ascertain. Chief amongst those is the inclusion and empowerment of women.

Our monitoring and evaluation system will now comprehensively track the impact of our work on women and girls, using a newly designed women's empowerment index we formed in collaboration with the International Food Policy and Research Institute and Oxford's Poverty and Human Development Initiative.

This index will allow us to understand how our investments improve women's roles in their household, their access to land and agricultural inputs and their economic leadership in the sector. This index is being piloted in three countries this summer and will be scaled to all countries by 2012.

SNAPSHOTS FROM THE FIELD

What is perhaps most exciting about the food security work we've done over the past year is that despite the new activity I've mentioned-when you get down to our country-level strategies, we are actually narrowing our focus on productive areas and value-chains we think have the greatest potential.

Rather than invest in everything, everywhere, and hope we can still do it well, our missions have worked with partner countries to co-invest in selective, targeted regions we feel are most likely to flourish, and in value chains that have the greatest chance of alleviating poverty and ending malnutrition.

For instance, in Ghana agriculture contributes close to one-third of the nation's GDP and employs more than half of the labor force. Yet the nation still suffers from a deficit of 70% in rice and 15% in maize - its top two staple crops. And consumption is only expected to rise.

Prior to Feed the Future, we had been investing in more than six different value chains in projects that spanned the entire country.

Today, we're focusing most of our assistance on the country's Northern growth corridor-a high-poverty region where growth in rice, maize and soy can improve the livelihood of impoverished communities.

And in the southwest of the country, we're focusing our assistance on marine fisheries. Ghanaians rely on fish for over 60% of their protein, so investment in that sector will go a long way to improve nutrition.

In Tanzania, we went from effectively having no agriculture program to a full portfolio focused on specific geographies and value chains.

The vast majority of our funding there is focused on the country's Southern Agricultural Growth Corridor-a region the government has identified as most likely to boost productivity based on climate and access to existing infrastructure.

Whereas most of our prior programming focused on food crisis response, our Feed the Future strategy is sustainably investing in maize, rice and horticulture in collaboration with public and private sector partners.

CONCLUSION - THE TRUE YIELDS OF FOOD SECURITY

Needless to say, it's been a busy year.

But in all the flurry of activity, it's important to remember what we are actually trying to achieve.

The consequences of food insecurity reach as far across time as they do across borders. Over decades, hunger keeps economies stagnant, consigns and traps people in poverty. Without significant focus, that economic lethargy undermines global growth.

Food riots and the threat of famine upset the stability of cities, countries and regions. The violence we've just witnessed in Uganda should serve as a strong reminder that food scarcity can drive even relatively strong-growing economies toward protest and disorder.

But hunger does more than upset our economic or political security. It upsets our conscience as a people.

Thirty years ago, we thought stunting was simply a symptom of children who weren't getting enough to eat-a physical manifestation of scarcity.

About ten years ago, we started to get economic data that conclusively showed that a population too malnourished to work suffered long-term economic consequences. Individuals suffered a 10% reduction in lifetime earning potential, while countries saw 3% annual reductions in their GDP.

Then, just recently, we began to see MRI scans of the brains of malnourished children, side-by-side with those who had been well fed. Clear in those images is the stark and permanent loss of individual human potential. We could begin to understand that a child suffering from malnutrition at a young age has diminished her lifelong potential before the majority of her life has even begun.

Yes, the world must increase its productive yields over the next decades; that much is clear. But let us remember the true yields of food security. Let us remember the fundamental American value that says everyone should be given the opportunity to fulfill their God-given potential to live a healthy, productive life.

And the next time we debate the necessity of the investments we make in food security, let us remember what is truly lost when we turn away.

Thank you.