

**AFFORDABLE FOOD FOR ALL  
USAID'S FIVE YEAR VISION  
DRAFT CONCEPT PAPER**

## **I. THE GLOBAL CHALLENGE**

One billion people live with chronic hunger. Over half of all child deaths in developing countries are related to malnutrition. Three out of five of those suffering from hunger are rural small-scale food producing families. Farmers with a hectare of land or less that they tend through back breaking work, much of it done by women. One person out of five is a rural land-less laborer. The other fifth are the urban poor. The majority of the world's poor depends on agriculture to feed them and yet cannot produce enough food to meet their needs.

**We can directly improve the lives of four out of the five hungry by stimulating rural economies through broad-based agricultural growth. Doing so will decrease the price of food in the local market, making food affordable for all.**

The global food crisis was a wake up call. Global food supplies continue to be at historical low levels. While the high food prices of last spring stimulated a supply response in some countries, subsequent volatility of commodity prices threatens the consistent investment in agriculture necessary to reduce global food prices. Without the cushion of surpluses, the global food supply is at greater risk today from climate change and economic shocks. Absent a substantial and sustained commitment of both public and private investment to modernize agriculture of small producers, global malnutrition, hunger, and poverty will continue to rise.

## **II. GLOBAL PARTNERSHIPS AND PRINCIPLES**

Constructive and strategic partnerships can meet the challenge of making food affordable for all. USAID will work with developing country governments, the private sector, multilateral development organizations, universities, non-governmental organizations and other U.S. government agencies to mobilize the level of investment and assistance necessary to create the economic and social conditions that will pull millions of people out of poverty and hunger. By working in partnership, we will:

- Develop country compacts that define a strategic alignment of tools and resources to target the causes of vulnerability and drivers of rural economic growth.
- Invest in the analysis to identify the tools and approaches work under specific conditions rather than assuming one-size-fits all.
- Ensure needed progress towards good governance – from the alignment of donor resources behind country food security priorities to the inclusion of milestones for progress in country compacts.

- Unlike the first Green Revolution, we must harness the private sector by working in partnership and creating the enabling environment that attracts private investment to the agriculture sector.

The U.S. will continue its commitment as the leading donor in responding to urgent food needs when crises arise. We will now lead the global effort to tackle the challenge of closing the development gap for the ultra-poor living in rural areas, drawing them into the process of economic growth. To do this, we must change the way we do business, shifting from decades of perceiving hunger as an emergency humanitarian situation when it is too often chronic and growing. We must now make the longer-term investments necessary to address the chronically hungry and vulnerable at the scale proportionate to the problem.

### **III. OUR VISION**

The global community must redouble its efforts to cut the number of hungry people in half. The food crisis increased the ranks of the already billion people who suffer daily.

- ❖ USAID will work with partners to reach that goal in the 25 to 30 countries with some of the highest prevalence of hungry people. In five years, in these focus countries, we will:
- ❖ Cut the number of hungry in half, ensuring food security for an additional 300 million people.
- ❖ Double the incomes of an estimated 60 million households.
- ❖ Improve the nutritional status of 50 percent of the children under five.
- ❖ Reduce reliance on international food aid for chronic food insecurity by 75 percent.

### **IV. ACTION PLAN**

**A. Save lives and halt the slide into hunger and absolute poverty.** Rising food prices reduce access to more than food. The poor are faced with difficult choices: food or medicine; food or clean water; food or farm tools; food or school fees? These all represent set backs in social and economic growth. Emergency assistance is the most rapid and visible tool we have to help stabilize and mitigate these impacts. While development efforts will target a set of focus countries, our emergency response will be global. In focus countries with ongoing or new emergency requirements, food and emergency resources will provide the foundation for both longer-term investments in agricultural productivity as well as the social protection measures required to protect and maximize these investments.

#### **Our five-year targets in focus countries are:**

- ❖ 100 percent of those targeted for assistance receive aid.
- ❖ 75 percent of targeted households retain, regain, or obtain productive assets.
- ❖ 0 percent of targeted communities experience nutritional deterioration in children under five years of age.

**To achieve these targets we will:**

- Expand our monitoring, forecasting and targeting capacities.
- Utilize local and regional procurement mechanisms when appropriate.
- Build local and regional capacity to anticipate and respond to food security threats.
- Increase our capacity to pre-position commodities.
- Improve the nutritional value of food aid commodities.
- Develop new tools to assist critically affected urban households.

**B. Reduce Hunger Through Sustainable Broad-based Agricultural Growth.** Very few countries throughout history have experienced broad economic development without agricultural growth as the foundation. Generally, compared to other economic sectors, agriculture is twice as effective at promoting GDP growth. More importantly, agriculture provides incomes and livelihoods for three-quarters of low-income families in the most food insecure countries. Modernizing the agriculture of small-scale producers will stimulate the rural economy, increasing the incomes of poor families both on-farm and by creating off-farm business to serve the growing wealth in rural areas.

**Our five year targets in focus countries are:**

- ❖ Sustainably increase yields and net incomes per hectare by 40 to 100 percent depending upon the region.
- ❖ Double the area under conservation agriculture in Asia.
- ❖ Expand trade of targeted commodities by 50 to 100 percent, depending the region.

**To achieve these targets, we will:**

- Expand development and use of modern technology.
- Expand access to quality seeds and fertilizer. Link small-scale producers to markets. Strengthen agricultural value chains to increase incomes and create rural jobs.
- Strengthen regional agricultural trade and transport corridors. Expand access to rural credit. Sustainably manage natural resources. Improved governance to ensure equity of opportunity, encourage private investment, and promote regional agricultural trade.

**C. Making Rural Growth Work for the Poorest.** Approximately one in five of the households in our focus countries are extremely poor. Many are either landless or land-poor, or face other constraints that prevent them from becoming commercially viable agricultural producers. Excluding these households from economic growth strategies is costly, in terms of foregone human capital and economic gains. In Ethiopia alone, over the past five years USAID has spent an average of \$300 million per year to feed millions of people excluded from the national growth process.

The poorest households are often least prepared to take advantage of the opportunities created in a growing rural economy. Identifying economic entry points, and enabling

people to take advantage of the opportunities they present, will require well targeted social and economic investments—“productive safety nets.” These programs range from vocational and skills training, to public works, to income generation and programs providing temporary financial and food assistance. Productive agricultural safety nets have the potential to protect human capital while contributing to efforts aimed at higher agriculture productivity and stimulating rural growth. These combined investments will both accelerate the achievement of our agricultural growth agenda and broaden the impact on poverty reduction. This component will benefit an estimated 60 million extremely poor people.

**Our 5-year targets in focus countries are:**

- ❖ 200 percent increase in income in 25 percent of targeted ultra-poor households.
- ❖ 100 percent increase in income in an additional 50 percent of targeted ultra-poor households.
- ❖ Sustainable “pathways” to connect the ultra-poor to rural economic growth established in 100 percent of focus countries.

**To achieve these targets we will:**

- Address policy and governance issues (e.g. land tenure and labor mobility) which limit the ability of the poor to participate in rural growth.
- Assist governments to implement social and productive safety nets to prevent increases in destitution and provide a platform for economic recovery.
- Identify best practices in asset protection and income diversification, and link these to value chain development efforts.
- Work with the development community and financial institutions to pilot and then bring to scale sustainable risk management tools.

With this investment mix in emergency aid and social and agricultural development programs, we can eliminate the most dire suffering and ensure affordable food for all.