

Remarks by Cochairs of The Chicago Council on Global Affairs' Global Agricultural Development Project – Dan Glickman, former U.S. Secretary of Agriculture and Catherine Bertini, former Executive Director of the UN World Food Programme

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Chairman Kerry, Senator Lugar, and members of the committee, thank you for giving us the opportunity to appear before you to discuss our recent work to identify opportunities for the U.S. to reassert its leadership the fight against global hunger and poverty.

The Chicago Council on Global Affairs convened the Global Agricultural Development Leaders Group in fall 2008 to examine the risks posed by rural poverty and food insecurity in Sub-Saharan Africa and South Asia, the role of women in farm families in bring about change, and the opportunities for the United States to better address the challenges of global hunger and poverty through agricultural development. This Leaders Group, which we cochaired, brought together individuals with expertise in food and agriculture, foreign policy, development U.S. public policy, and international organizations. The work of this group was supported by a committee of experts with strong knowledge of agricultural research, infrastructure and agricultural development, trade, regional affairs in Sub-Saharan Africa and South Asia, and international economics. The conclusions and recommendations of the Global Agricultural Development Leaders Group are put forth in the recent report, *Renewing American Leadership in the Fight Against Global Hunger and Poverty*.

Our study concludes that the Obama administration and 111th Congress have a unique opportunity to restore America's global leadership in the fight against global hunger and poverty. Over 700 million people live in rural areas of Sub-Saharan Africa and South Asia, and struggle to provide food and income for their families through farming. The United States has the agricultural expertise, institutions, and experience to provide critically needed support to increase the productivity and incomes of small-holder farmers in these regions. What is required is the vision and commitment of American governmental and private sector leaders, working alongside their African and South Asian counterparts, in the years to come.

The 2008 global food crisis renewed attention to the persistent problems of hunger and poverty in the developing world and aroused concern about global food security over the long-term. Sub-Saharan Africa and South Asia are home to the largest numbers of poor, hungry, people in the world, most of whom are female, small-holder farmers. Rural poverty is projected to worsen in the years ahead due to continued population growth, growing pressures on limited land and water supplies, and climate change. In Africa, food production has fallen behind population growth for most of the past two decades, and the number of undernourished people is expected to increase another 30 percent over the next ten years to reach 645 million. Under a "business-as-usual" scenario, with climate change taken into account, the number of undernourished people in Sub-Saharan Africa could trip between 1990 and 2080.

The source of these problems is not solely fluctuating food prices on the world market, but low productivity on the farm. The production growth needed will have to come from improved farm policies, technologies, and techniques, including those that address the effects of climate change.

Rural hunger and poverty decline dramatically when education, investment, and new technologies give farmers better ways to be productive. This happened in Europe and North America in the middle decades of the twentieth century, then in Japan, and then on the irrigated lands of East and South Asia during the Green Revolution in the final decades of the twentieth century. The problem for Sub-Saharan Africa and poorest areas of South Asia is that these original Green Revolution improvements had only limited reach.

The early achievements of the Green Revolution were nonetheless dramatic enough to create a false impression that the world's food and farming problems had mostly been solved. As a consequence, the international donors who had provided strong support for agricultural innovation and investment in the 1960s and 1970s began pulling money and support away. America's official development assistance to agriculture in Africa declined approximately 85 percent from the mid-1980s to 2006. In FY08, the United States spent twenty times as much on food aid in Africa as it spent to help African farmers grow their own food.

America must reassert its leadership in helping stimulate higher agricultural productivity in Sub-Saharan Africa and South Asia – through agricultural education and extension, local agricultural research, and rural infrastructure – so the rural poor and hungry can feed themselves and help support growing population under increasingly challenging climate conditions. Without American leadership, little will happen.

While the United States can and must take the lead, its leadership must base its actions on new approaches suited to new realities on engaging partners across the spectrum of government and institutions that can and should be playing a much stronger role. A strong American initiative will encourage America's partners to bring their own resources to the table. Governments in Sub-Saharan Africa and South Asia will also be asked to fulfill their pledges to restore the priority of rural poverty reduction. Finally, the United States must listen and respond to the needs of women in these poor rural areas, who make up the vast majority of farmers in Sub-Saharan Africa and South Asia.

A number of statistics demonstrate what the result of investments in agricultural development can be. Economists project with some confidence that every 1 percent increase in per capita agricultural output tends to lead to a 1.6 per cent increase in the incomes of the poorest 20 percent of the population. According to a recent study by the International Food Policy Research Institute in Washington, D.C., if total investments in agricultural research and development in Sub-Saharan Africa were increased to \$2.9 billion annually by the year 2013, the number of poor people living on less than \$1 per day in the region would decline by an additional 144 million by 2020. If annual agricultural research and investments in South Asia were increased by \$3.1 billion by 2013, a total of 125 million more citizens in this region would escape poverty by 2020, and the poverty ratio in the region would decrease from 35 percent to 26 percent.

The United States has a vital interest in playing a leadership role in the fight against global hunger and poverty. America's diplomatic, economic, cultural, and security interests will be increasingly compromised if our government does not immediately begin to change its policy posture toward the rural agricultural crisis currently building in Sub-Saharan Africa and South Asia. Through renewed leadership on these issues, America can strengthen its moral standing, renew ties and relationships in regions of heightened strategic concern, increase its political influence and improve its competitive position, hedge against the serious future danger of failed states, open the door to increased trade and cultural exchange, and strengthen American institutions.

First, strong American involvement in the fight against global poverty is consistent with our nation's highest values and aspirations. Americans are deeply uncomfortable with hunger, whether they see it face to face in their own neighborhoods or broadcast from Asia and Africa on a television screen. A public opinion survey commissioned by The Chicago Council found that 42 percent of the America people believe that it is not just "important" but "very important" that the United States make combating world hunger a priority in the conduct of foreign policy.

Diplomatically, both Africa and South Asia are already regions of heightened concern for the United States. Finding a constructive new way to engage governments in these two regions can help restore America's policy influence. An initiative that mobilizes the talent and influence of America's best institutions – especially its universities – to address rural poverty and hunger in these regions is a wise and efficient deployment of America's "soft power."

In Africa, more than 800 state-owned Chinese enterprises are currently active, many working in infrastructure projects greatly appreciated by the Africans, even though they are linked heavily to petroleum and mineral extraction. The United States has recently invested a great deal in Africa's health needs and in the provision of humanitarian relief. But the United States would have far more political influence in Africa if it also provided a stronger support for the fundamental investments needed to stimulate economic growth.

In South Asia, an agricultural development initiative would help the United States strengthen its relations with the governments of this region beyond geostrategic or security issues. In Pakistan, for example, the United States urgently needs to find a way to stabilize and gain influence in a nation beset by economic distress, social fragmentation, political instability, and now insurgency. Out of the \$1.9 billion in overt U.S. aid to Pakistan in fiscal year 2008, only \$30 million was development assistance. A new initiative to support agricultural research and education in Pakistan would be one way to implement the valuable 2008 Biden-Lugar vision for increasing nonmilitary aid to Pakistan. Agriculture accounts for 25 percent of the gross domestic product in Pakistan and employs more than half of the total population. Currently, only half of Pakistan's population enjoys adequate nutrition.

National leaders in Africa and South Asia are fully aware of the peril they now face from growing rural hunger and poverty, and they have repeatedly stated they would welcome a bold new American initiative in support of increased local food production. Since the 2003 meeting of African Union governments, where the heads of nations pledged to increase investments in agricultural productivity, the New Partnership for Africa's Development (NEPAD) established the Comprehensive Africa Agriculture Development Program (CAADP) to provide an operation framework to coordinate donor investments in agricultural development. If the United States were to become a leader in support of these efforts, stronger political ties would be established with dozens of African states.

An initiative to address rural hunger and poverty will also bring long-term economic and cultural benefits to the United States in a time when our nation is steadily developing deeper ties with Africa and South Asia. Americans and Africans are becoming far more closely connected every year in areas such as trade, investment, health, and the arts. In 2007, U.S. total exports to Sub-Saharan Africa totaled \$14.4 billion, more than double the amount in 2001.

Faster economic growth in Africa and South Asia will create new trade and investment opportunities for American business. Already in South Asia, where GDP growth averaged above 8 percent between 2005 and 2008, American investors and exporters are making important gains. A renewed American focus on alleviating poverty reduction in rural areas will pay significant economic dividends in the long-run.

National security interests are also impacted. Hunger and poverty are humanitarian flash points. We saw during the 2007-08 interlude of extremely high world food prices that human distress in this area can lead to violent political confrontation. When international rice and wheat prices spiked in April 2008, violent protests broke out in a dozen countries, resulting in nearly 200 deaths and helping unseat governments in Haiti and Mauritania. In Cameroon in February 2008, riots left twenty-four dead. In India, at least six died in a mob attack on West Bengali rice sellers in rationing protests. In Bangladesh in April 2008, 20,000 textile workers rioted over wages and food prices.

Supporting rural development and poverty alleviation provide a valuable hedge against future political confrontations and the serious future danger of more failed states – more Somalias, Zimbabwes, Sudans, and Afghanistans.

Finally, a renewed U.S. effort to support global poverty alleviation provide opportunities and benefits to key institutions in the United States including American NGOs working in agriculture and development, land-grant universities, and America's private philanthropic foundation. University leaders in the U.S. will especially welcome revitalized support for educational exchanges and research ties to Sub-Saharan Africa and South Asia. The U.S. land-grant university system is world renowned and deepening these universities' partnerships with counterparts in the developing world will improve American understanding of contemporary social realities in both South Asia and Sub-Saharan Africa.

Although there are urgent priorities confronting the new U.S. administration and Congress, the time is still ripe for a new initiative to combat global hunger and poverty. Renewed American engagement would signal a dramatic shift in America's relations with the developing world. It would be a first, yet transformative step, with the promise of lasting impact. Moreover, global food shortages triggered by much higher prices have focused greater political attention on food and hunger issues. This creates a unique opportunity for action. Finally, the rural poverty and hunger crisis will only grow larger with every year of inaction. Postponing action on this Initiative beyond 2009 could mean, in the reality of American politics, a delay until 2013 or even 2017, allowing an already desperate situation to deteriorate even more.

The Global Agricultural Development Leaders Group developed five recommendations for how the United States government can better address the challenge of global hunger and poverty, and achieve the benefits discussed. These recommendations, and supporting action points, make up The Chicago Initiative on Global Agricultural Development. The suggested actions focus on Sub-Saharan Africa and South Asia, the two regions where hunger and poverty are the furthest from being solved and where they will continue to worsen in the years and decades ahead under a "business-as-usual" scenario. They are targeted at smallholder agriculture, as the majority of the rural poor rely on agriculture for their livelihoods, and the history of economic development tells us that broad-based agricultural change is an essential and early step that must be taken across societies. They also acknowledge that women play a particularly critical role in the agricultural sector, and must be central to any new U.S. approach. The actions suggested recognize that strong U.S. leadership is needed, but it should listen to the needs and aspiration of those in Africa and

South Asia, and respect and nurture local initiatives and leadership. Finally, these recommendations represent only an initial, small, but potentially transformative step toward reducing hunger and poverty in Sub-Saharan Africa and South Asia.

Recommendation 1 – Increase support for agricultural education and extension at all levels in Sub-Saharan Africa and South Asia.

Education and training are essential to successful agricultural development. In the United States, farming did not become highly productive until average rates of public high school completion in rural America began approaching the urban level. These better-educated American farmers prospered by leading the world in the uptake of improved farming technologies, many of which were developed by agricultural researchers at America's publicly funded land-grant universities. Between 1959 and 2000 the percentage of farm-dwelling Americans living below the official poverty line dropped from more than 50 percent to 10 percent, a lower poverty rate than nonfarming Americans. Public investments in agricultural research, education, and extension have also increased farm productivity and reduced rural poverty in other countries and regions. Yet in the impoverished communities of South Asia and Sub-Saharan Africa, this important tool has hardly been put to use.

Building on its own institutional experience in this area, the United States should now play a central role in helping Sub-Saharan Africa and South Asia improve agricultural education and extension to benefit the rural poor. First, USAID can increase its support for students, teachers, researchers, and policymakers in Sub-Saharan Africa and South Asia seeking to study agriculture at U.S. universities. In the past, the U.S. has been generous in its support for international agricultural students, with a successful result. In support of the original Green Revolution in the 1960s and 1970s, roughly 800 Indian agricultural scientists were supported in the United States for advanced training in agriculture and natural resource protection. However, U.S. support for such programs has waned in recent years. In 1990, USAID was funding 310 agricultural-focused students annually from developing countries; today only 82 are supported. USAID-sponsored scholarships to Africans for overseas post-graduate training in agriculture fell from 250 in 1985 to just 42 by 2008. We can trace much of the strong performance of Indian, Brazilian, and East Asian agriculture directly to the trained cadres of national agricultural educators and scientists who spent time at universities in the United States; increasing the number of students trained at U.S. universities is critical to supporting overall development of Africa and South Asia's agricultural sectors.

The United States must also increase the number and extent of American agricultural university partnerships with universities in Sub-Saharan Africa and South Asia, so these regions can take over agricultural leadership training in the long-run. In Africa currently, enrollment rates for higher education are by far the lowest in the world. The gross enrollment ration in the region for 18- to 23-year-olds stands at only 5 percent, compared to the 19 percent for East Asia. Institutions are typically short of trained faculty, with often only 30 to 70 percent of required faculty postings unfilled. The enrollment in South Asia is only slightly better at 10 percent. Economists have recently calculated that higher education is a good investment. A one-year increase in tertiary education stock can boost per capita income by a potential 3 percent after five years, and eventually by 12 percent. To better support universities in Sub-Saharan Africa and South Asia, the United States should provide funding to create and deepen partnerships between U.S. land-grant universities and counterparts in developing countries.

In addition to supporting universities and their students, the U.S. should provide direct support for agricultural education, research and extension for young women and men through rural organizations, universities, and training facilities. Small-holder farmers yearn for education and training, both inside and outside a university setting, but many institutions have difficulty providing this training due to minimal operating resources. USAID should do more to help provide such resources and support training institutions, farmer-to-farmer volunteer programs, and training tools similar to 4-H, and Future Farmers of America.

The U.S. government can also support education and training through building a special Peace Corps cadre of agriculture training and extension volunteers to work with African and South Asian institutions to provide on-the ground, practical training, especially with and for women farmers; and supporting primary education for rural girls and boys through school feeding programs based on local or regional food purchase.

Recommendation 2- Increase support for agricultural research in Sub-Saharan Africa and South Asia.

Basic and adaptive agricultural research must be at the foundation of any serious effort to increase agricultural productivity. Studies that calculate annual rates of return on alternative investments for increasing growth and reducing poverty in poor countries find that investments in agricultural research have either the highest or second highest rates of return. The International Food Policy Research Institute estimates that if public investments in agricultural research are doubled during the next five years, and those levels are then sustained, and if the increased investments are allocated to meet needs in Sub-Saharan Africa and South Asia, the resulting improvements in agricultural output would lift 282 million people out of poverty by 2020.

In spite of its proven success, U.S. investments in agricultural research have dramatically declined in recent years. U.S. funding of national agricultural research institutions has declined by 75 percent since the 1980s. Its support for the Consultative Group on International Agricultural Research, the leading network of international research centers responsible for developing innovations in agricultural science useful to poor farmers in the developing world, has been cut by 47 percent. And its funding for collaborative research projects between American and developing country scientists dropped 55 percent.

New research for many of Africa and South Asia's local crops such as millet, cassava, and cowpea, will be needed to enhance productivity depending on the region's climate and agroecology. The need for research will only increase as the effects of climate change begin to impact these regions.

The Chicago Initiative on Global Agricultural Development suggests the United States better support agricultural research through increasing funding for National Agricultural Research Systems in Sub-Saharan Africa and South Asia, the Consultative Group on International Agricultural Research, and collaborative research between scientists in the U.S. and developing countries.

Recommendation 3 – Increase support for rural and agricultural infrastructure, especially in Sub-Saharan Africa

Improved infrastructure must be an essential component of any serious effort to increase the productivity and income of poor farmers. The rural poor in Africa and South Asia need improved access to low-cost irrigation, transportation, electrical power, storage, and marketing systems for

their crops. Rural infrastructure in Africa is seriously underdeveloped. Roughly 70 percent of all rural dwellers live more than a thirty-minute walk from the nearest all-weather road. Only 10 percent of the land is irrigated. Without roads, safe water, electrical power, and communications, poor farmers will be held back because they lack affordable access to innovative new technologies, essential inputs, and market for their output. Unfortunately, profit-making private companies have little incentive to invest in infrastructure.

However, public investments in rural infrastructure are a proven key to poverty reduction. In India, according to calculations done by the International Food Policy Research Institute, investments in rural roads were even more powerful than investments in agricultural research and development for the purpose of lifting people out of poverty. Similar impacts have been measured in Uganda and Ethiopia. The World Health Organization has calculated that if all Africans were simply provided with improved water and sanitation services, along with household water treatment at point of use, the annual health, financial, and productivity benefits would exceed the annual costs by a ration of about 14 to 1.

Africa's total rural infrastructure needs are substantial, far more than the United States can or should attempt to finance on its own. Instead, the U.S. should also use its considerable funding commitments in the area of infrastructure, recently made through the Millennium Challenge Corporation, to leverage larger, and better-focused rural infrastructure efforts by others.

First, the U.S. should encourage a revival of World Bank lending for agricultural infrastructure in Sub-Saharan Africa and South Asia, including lending for transport corridors, rural energy, clean water, irrigation, and farm-to-market roads. In recent years the World Bank has taken a revived interest in infrastructure, including in Africa. It committed \$2 billion to such projects alone in FY08. Working in consultation with African institutions, and partner donors from the European Union and Japan, the United States should now insist upon a sustained increase in World Bank lending for rural and agricultural infrastructure. The effective delivery of this message will require close and sustained cooperation between the administrator of USAID (including MCC) and the Treasury Department, traditionally the agency responsible for representing U.S. interests with the World Bank. Bipartisan congressional support for this priority will also be essential since World Bank leadership is sensitive to congressional approval.

The U.S. should also accelerate the disbursement of the Millennium Challenge Corporation funds already obligated for rural roads and other agricultural infrastructure projects in Sub-Saharan Africa and South Asia. As of 2008, the MCC had awarded eighteen grants, eleven of which are towards African countries. Although the total dollar commitment of these grants is significant - \$4.5 billion - and the grants' heavy focus on infrastructure correct, the slow pace of progress on the implementation of these commitments has hindered their impact. For example, the MCC signed its compact with Benin in February 2006, but nearly three years later only 8 percent of the funds have been disbursed. Moreover, the MCC compact with Ghana was signed in August 2006, and more than two years later only 6 percent of the funds have been disbursed. Congress must assist in finding a means to shorten the time frame between country selection, compact signing, and fund disbursement.

Recommendation 4 – Improve the national and international institutions that deliver agricultural development assistance.

Successful assistance policies cannot emerge from inadequate institutions or from institutions that do not coordinate with each other and lack strong political leadership. A strong institutional framework is required to turn good ideas into operational policies and ensure that any added budget resources appropriated by Congress will be put to proper and effective use.

The Chicago Initiative recommends several institutional improvements. First, clear lines of authority and command must be established inside the executive branch, emanating first from the White House, then through a single lead agency for international rural and agricultural development and hunger reduction. We believe a revitalized and strengthened USAID should be that lead agency. Its administrator should chair both the MCC and PEPFAR, and the agency should have an independent relationship with the Office of Management and Budget. Second, in order to play this enlarged role in the area of agricultural development, USAID must be given enhanced professional staff resources in addition to an increased budget. The number of agricultural specialists on USAID's staff has dropped from 181 in 1990 to just 22 in 2008. We recommend increasing the number of agricultural specialists on USAID's staff to at least 135; this could include allocating 15 percent of the 2000 new personnel envisioned in Senator Durbin's 2008 legislation be hired in the agricultural sector.

Third, an adequate interagency coordination mechanism must exist to enhance the opportunities for agricultural development and food security, and avoid duplication or conflict with other agencies. We suggest creating a new Interagency Council on Global Agriculture within the Executive Office of the President to provide active leadership and maintain consistent and effective priorities and actions among the many U.S. government agencies engaged in this area. Additionally, the position of White House National Security Council deputy for global agriculture should be created, to assure active interagency coordination on agricultural development policy. The new Interagency Council should be cochaired by this NSC deputy, and the administrator of USAID.

Fourth, institutions must be developed to ensure and maintain a strong congressional focus on agricultural development assistance policy. To accomplish this, we recommend all relevant committees in both the House of Representative and Senate establish clear staff liaison responsibilities in the area of agricultural and rural development.

Finally, the America must exert stronger leadership in multilateral institutions working on food and agriculture, to improve their performance. This means paying strict attention to the setting of strategy and policies, decisions that affect technical capacity, management oversight, and program evaluation.

Recommendation 5 – Improve U.S. policies currently seen as harmful to agricultural development abroad.

A new U.S. approach to reduce global hunger and poverty will not be seen as credible without addressing some of our country's own policies in the area of food and agriculture. Making some of these changes will provide an international signal that the United States is serious about reducing global food insecurity, and will help build support for reducing poverty abroad.

The U.S. should improve the way it delivers food aid. America is the world's largest donor of food aid to hungry people, a matter of justifiable national pride. Hundreds of thousands of lives have been saved through this assistance, and hundreds of millions of lives improved. However, our food aid programs do not go far enough in dealing with long-term, systemic problems, and America does

not get enough payoff from its very large food aid budget because of several long-standing practices in the way it is delivered. To improve this system, America should increase funding for local purchase of food aid and scale down the practice of monetizing American food aid into commercial markets in recipient countries. These actions would grow and better support local markets and farmers in the developing world.

The United States should also repeal current restrictions on agricultural development assistance that might lead to more agricultural production for export in poor countries in possible competition with U.S. exports. Most notably is a piece of legislation passed in 1986, most commonly known as the Bumpers Amendment, that prevents USAID from supporting agricultural development or research in foreign countries of crops that are produced in the United States. The law was passed at a time when U.S. agricultural exports and crop prices were in deep collapse – it is now time to repeal this outdated measure.

Moreover, the U.S. should review its objection to any use of targeted subsidies (such as vouchers) to reduce the cost to poor farmers of key inputs such as improved seeds and fertilizers. We are not saying that such policies should be implemented, but that the provision of targeted vouchers to support technology use by small farmers should be restored as one possible option in the design of USAID agricultural programs in Africa and South Asia, particularly in circumstances where rural credit markets and transport infrastructure remain inadequate.

Fourth, the U.S. should revive international negotiations aimed at reducing trade-distorting policies, including trade-distorting agricultural subsidies. And finally, the U.S. should adopt biofuels policies that place greater emphasis on market forces and on the use of nonfood feedstocks. Research suggests that the recent promotion of corn use for ethanol production were a major factor in the international food price spikes in 2008. The Energy Independence and Security Act of 2007's mandate that 36 billion gallons of renewable fuel be used in the United States by 2022, with up to 15 billion gallons of that to come from corn, is insensitive to market forces and may threaten global food supply. Consideration should now be given to either waiving or reducing these mandates, and increasing the use of non-food feedstocks in the production of biofuels.

The estimated total cost to the U.S. budget of the recommend actions in The Chicago Initiative is \$340 million in the first year, increasing to \$1.03 billion by year five and continuing at that level through year ten. Projected first-year costs are only 1.5 percent of the current annual U.S. official development assistance budget of \$21.8 billion. By year five, costs would still only be a 4.75 percent of current U.S. official development assistance.

These five recommendations are an opportunity for the United States to reestablish its leadership in the fight against global hunger– providing a small but critical step toward lifting millions out of hunger and putting them on the path to self-reliance. While many of these actions are not entirely new, they have been proven effective in the past – through the remarkable earlier achievements of the Green Revolution – when adequately funded. What is new is the effort to improve, modify, refresh, and append these measures for a new age and a new challenge. When taken together, these recommendations will align America with the forces of positive change, to meet the most basic of human needs and lofty of human aspirations.