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TASK FORCE REPORT

Major Conclusions

The three paramount goals of USAID Food and Agriculture Programs are:

- **To Increase the Income of the Poor Majority.** Equity dictates that emphasis be placed on the poor majority. Increases of incomes for poor people have the most beneficial impact on food consumption and human welfare generally. The goal of increased income for the poor requires attention to food aid and to agriculture.

Food aid, if appropriately administered, can enhance family income of poor people. It frees money that can be used for seeds, school books, or other essential items.

Agriculture creates real income—farm products for consumption by producers and for sale. The associated incomes generate demands for other products and in turn employment. The cycle expands.

- **To Expand the Availability and Consumption of Food.** Adequate nutrition is essential for physical and mental productivity of men, women, and children. Yet, large numbers of people around the world are hungry.

Wiser use of food aid to low-income populations, changes in government policies to reward food production, more emphasis on agricultural research and education, preservation of soil and water resources, and improved roads to move both food to people and inputs to farmers have important roles in bringing about increased food consumption by poor people.

Food quality, processing, and other consumption-enhancing technologies and industries need attention as well, especially as family incomes increase and minimum caloric needs begin to be met.

It is important to emphasize here that absolute food self-sufficiency for LDCs is not a U.S. objective. The comparative production advantages of most countries do not perfectly parallel the mix of food they demand. LDC and U.S. interests are more likely met by more free trade. U.S. objectives emphasize food self-reliance—assuring food security by utilizing both in-country production and international trade.

- **While Maintaining and Enhancing the Natural Resource Base.** Soil, water, plant and animal species and essential minerals are at risk and being lost in most LDCs. Food aid and improved production systems can make larger food supplies available and thereby diminish the pressure on the natural resources.

The resource base can be maintained with prudent, sustainable food production systems. Fragile soils can sometimes be released from food grain production when technology, policy change and/or investments allow meeting food needs by more intensive production on better soils—without degradation.

In some cases the resource base can be enhanced. For example, imported phosphorus can be added to the soil; organic matter can be increased by alley cropping, minimum tillage and crop rotation.

Program Integration

Every USAID food and agriculture program or project—food aid, rural credit, irrigation, strengthening research institutions or whatever—is expected to make a positive, direct, or indirect contribution to one or more (usually two or three) of the goals; negative contributions to none.

With some programs, impacts are quickly seen, direct, and traceable. With others, demonstrable impact comes over a long time, but progress indicators credibly related to the goals are expected to disclose progress.

Directions

In many LDCs, there has been real growth in family incomes among the poor majority. Per capita food consumption has increased. Diets are more diversified. And people seek and can afford higher quality, more nutritious and increased quantities of processed food. These kinds of changes will become more common or will likely accelerate in the 1990s in many countries.

As these and other advances occur, food and agriculture development efforts must adjust in order to have the largest positive impact—on economic growth, human nutrition, and the natural resource base.

U.S. investment in development in the food and agriculture arena should be, of course, toward sustainable agriculture in all settings.

As countries advance, development programs will need to adjust to give relatively more emphasis to:

- **Animal agriculture, aquaculture and horticulture**, as consumer incomes and demand rise. In the Philippines, Thailand and Bangladesh, for example, shrimp production enterprises have met emerging domestic demand, found good export markets, provided jobs in production, processing and shipping, and created demand for both domestic and imported feed grains and protein sources.
- **Food processing, packaging and distribution** as urbanization proceeds. With urbanization, more people are further from the raw food supply, increasing the need for food preservation, concentration, and packaging. This means more jobs in processing and distribution, as well as in the inputs to these businesses—machinery, paper, plastics, trucks, fuel, etc.
- **Consumption and nutrition enhancement** as the food supplies become more adequate. When people can count on getting enough to eat, they begin to think about food quality. In these circumstances, program emphases can shift from adequate calories to foods with sufficient Vitamin A to prevent blindness and digestive problems or iron to prevent anemia, or more complete proteins.
- **Agricultural businesses** as specialization increases in the agri-

Continued on page 16

TASK FORCE REPORT

Continued from page 15

cultural sector. With specialization and as technology finds acceptance in the rural areas, input, service and marketing agribusinesses are needed. These industries, then, provide more jobs.

- **Private sector research and technology initiatives** as incentives appear. In the U.S. the private sector has found investments in agricultural and food research to be profitable. Much potential exists in developing countries, and output can be marketed across country boundaries. Among smaller developing countries, especially, the ability of government to fund needed research is limited.
- **International trade** as comparative advantages become evident. Few countries' production resources—land, climate, capital, labor—produce the products that perfectly match consumers' desires. Where comparative production advantage exists, opportunities for exporting arise. This provides foreign exchange to buy other goods from other countries, including the United States. It also creates jobs, at the port, to and from the port, and on cargo ships and planes.

The time to shift mission programs in each country depends on many factors, but expected impact toward the goals stated earlier should be primary.

The directions outlined do not automatically call for stopping all other effort, such as cereals improvement. Judgments are best made by those most familiar with the development process in each country, especially local leaders.

But as development proceeds in an advancing LDC, USAID must direct its food and agriculture efforts to help that LDC take the next steps (increased production of animal products, development of agribusinesses and food processing, for example) while that country assumes major responsibility for solidifying achievements and continuing linkages with international research centers in such areas as basic cereals production.

Areas for Investment

Though urbanization is proceeding rapidly, 50 to 80 percent of the working people in many LDCs are farmers. Food and agriculture is a broad sector. There is no end to where money and effort could be invested in agriculture and rural areas to aid development. Choices must be made.

There are four areas in which the U.S. has demonstrated comparative advantage and where its investment will likely have the greatest effect on the three goals of increased income for the poor, expanded food availability and consumption, and enhancement of the natural resource base. They are:

- **Country Policies** that stimulate broad-based economic growth. The correct price, taxation, investment, or other policies stimulate production, private investment, trade, food consumption, and preservation and prudent use of natural resources. USAID emphasizes graduate and continuing education in policy concepts and principles, and also dialogue and negotiation, with food or other aid as an incentive for policy change.
- **Institutions** that lead, educate, and support. These include gov-

ernment data gathering, policymaking, market reporting and other units, farm level and market level organizations, industry organizations, and indigenous private voluntary organizations, as well as education and research institutions that a country can sustain. Graduate and continuing education enhance the knowledge, skills and productivity of the people who staff these institutions. Benefit is long-term, perpetuating, and sustainable.


- **Technology**, both development and transfer to users. The research and education institutions mentioned above are central, but this also includes networking with international centers and other countries' research and education institutions, developing the tradition of investing in technology and rewarding scientists, and developing technology transfer systems that fit the country and its needs.
- **The Private Sector.** Creativity and motivation reside in people, and the private sector most effectively lets people contribute most to economic growth. Beyond government policies that stimulate growth, there is opportunity to strengthen the private sector through both education and mechanisms that relate to credit, contracting, marketing, and management. Joint and cooperative efforts with the U.S. Trade and Development Program, the Overseas Private Investment Corporation, and both LDC and U.S. private sector entities are expected.

It is logical that in each area, investments in people are emphasized. It is largely through advancing human capacity—knowledge, management and leadership capacity, as well as nutrition and health—that countries advance. Education and training also happen to be areas in which the U.S. has a strong comparative advantage.

Resource Limits and Division of Labor

Limited resources dictate USAID adherence to specific goals, directions, and areas of investment, and functioning in areas of comparative advantage in development. Recognizing the importance to both LDCs and the United States of getting done what has been outlined above, several adjustments are recommended. Among these are:

1. More food and agriculture expertise in those investment areas where the USAID efforts are deemed most effective (policy efforts, for example), and in those subject areas to which programs should be shifted (animal agriculture, for example).
2. A larger potential and more development impact from simplified and streamlined food aid programs.
3. A much stronger organizational and leadership structure for food and agriculture within USAID.

Should USAID and related entities be able to make these and other recommended adjustments, with reasonable appropriations and legislative and executive branch support both Third World countries and the United States, indeed, the world, would be significant beneficiaries. 

For copies of the complete report, *Food and Agriculture Goals, Directions, and Operations for the 1990s; U.S. Agency for International Development*, write to Office of Public Inquiries, Room 2884, USAID, 320-21st NW, Washington, DC 20523.