

Agricultural Growth is Typically Pro-Poor

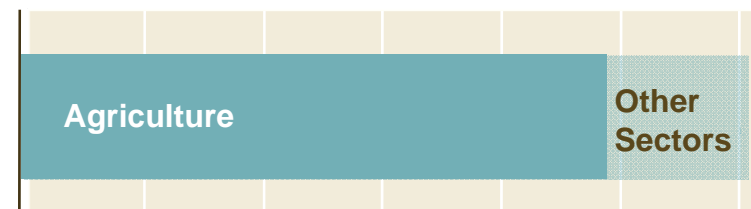
Agricultural development directs the benefits of economic growth to the poor.

- 75% of world's poor live in rural areas
- Developing countries will remain predominantly rural until 2020
- The majority of poor will live rurally until 2040
- 86% of rural dwellers rely on agriculture for their livelihood
- 81% of worldwide poverty reduction from 1993-2002 can be attributed to improved conditions in rural areas
- 2.3 billion people worldwide live in households involved in agriculture

Location of World's Poor



Rural Livelihood



Agriculture as an Engine for Growth

In Sub-Saharan Africa, agriculture accounted for one-third of GDP growth from 1993-2005

- 82% of people in rural Sub-Saharan Africa live in countries with agriculture-based economies
- Relatively resource-rich, skills-poor countries have a competitive advantage in agriculture
- In agriculture-based economies, growth in agriculture benefits the entire economy

Labor in Sub-Saharan Africa



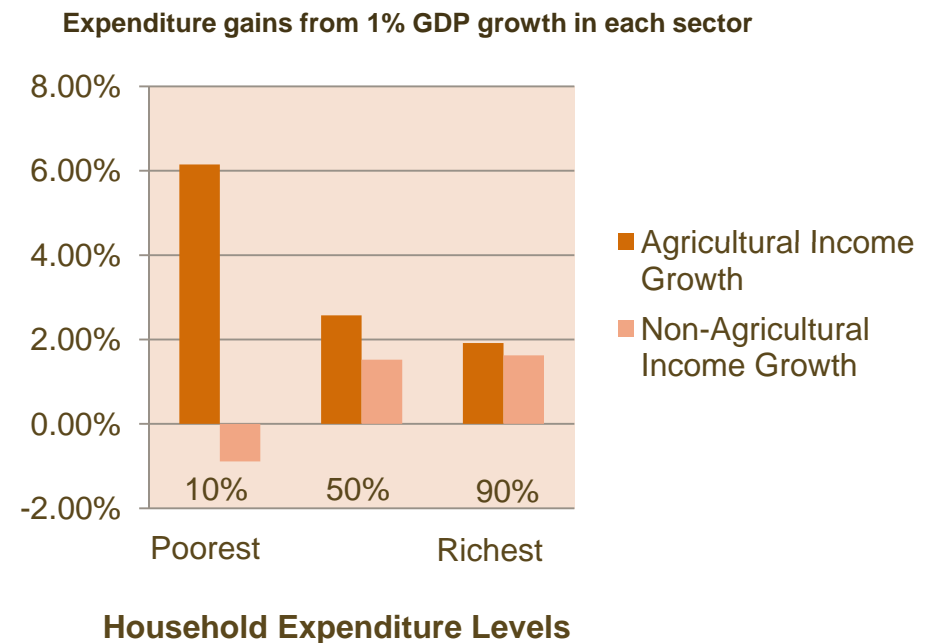
Gross domestic product ratios in Sub-Saharan Africa



Agricultural Development Tends to Benefit the Poor More Than the Rich

- Agricultural growth is two to four times more effective in increasing expenditures for the poor than non-agricultural growth
- Agricultural growth is nearly three times more effective than non-agricultural growth in reducing the number living on \$1 a day in the poorest countries

Agriculture growth has a larger impact on household expenditures of the poor than non agricultural growth.

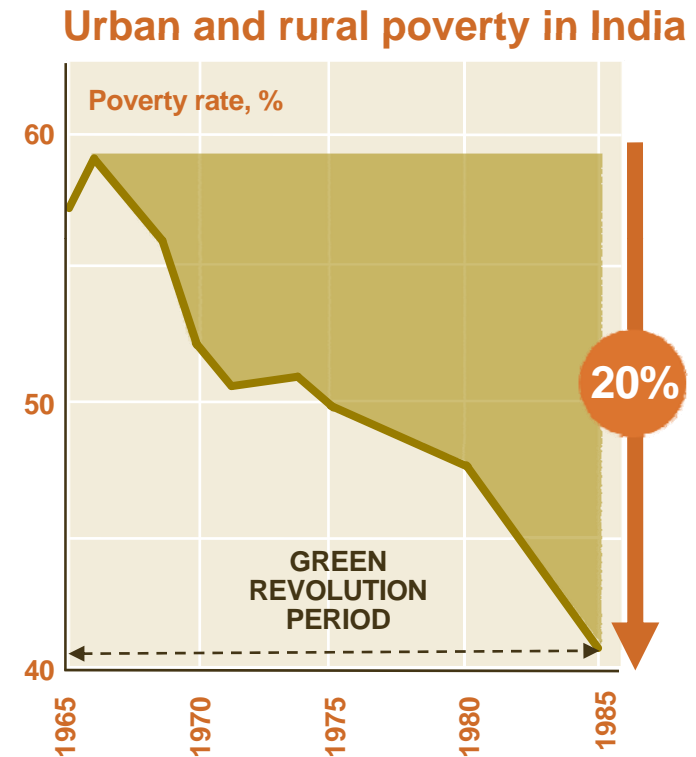


The Green Revolution

Progress is possible.

From the 1960s to the 1980s, improvements in agricultural productivity in Asia and Latin America helped:

- Double food production
- Reduce poverty rates
- Save hundreds of millions of lives
- Lay a foundation for economic growth in countries like India and China

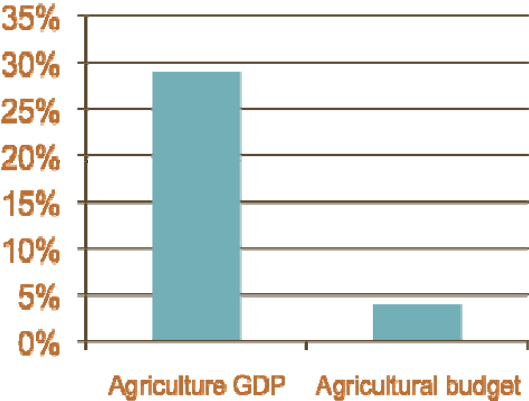


Nearly 20% reduction in poverty in just two decades.

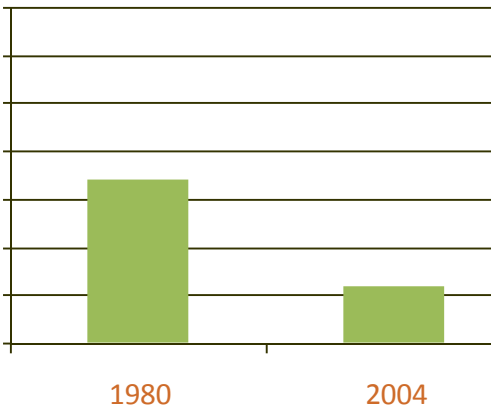
Policy can Undermine Agriculture's Impact

- The share of public spending on agriculture in Sub-Saharan Africa is relatively low
- Agriculture spending by donors has sharply decreased in the last 20 years
- Macro and trade policy has until recently undermined agricultural growth in many countries
- Where agriculture has been overlooked by both governments and donors, as in much of Africa, agricultural yields have lagged behind other regions

Government Spending on Agriculture in Africa



Share of Agriculture in Official Development Assistance



Average yield for a farmer in:

