

DOUBLING FINANCIAL RESOURCES AVAILABLE FOR AGRICULTURAL DEVELOPMENT

Today, the President called upon Congress to double U.S. financial support for agricultural development in developing countries, to more than \$1 billion in 2010. A permanent solution to food insecurity requires restoration of rapid and sustained economic growth that directly engages the world's poorest populations, many of whom depend on agricultural labor for most or all of their household income and food consumption. We can directly improve the lives of poor populations by growing rural economies through broad-based agriculture growth. Doing so will help the world achieve the goal of halving the proportion of people who suffer from hunger by and decrease the price of food in the local market, making food affordable for and dramatically cutting hunger.

Focus Areas for Agricultural Development Assistance

- Increase productivity and rural incomes by modernizing developing country agriculture through:
 - Expanding development and use of modern technology, working in collaboration with U.S. land-grant universities and strengthened host country research institutions;
 - Boosting access to quality seeds, fertilizers, irrigation, and rural credit;
 - Linking small producers to markets;
 - Strengthening agricultural value chains, including by organizing farmers, establishing warehouse receipt systems, increasing access to loans and connecting goods to local and regional markets;
 - Strengthening national and regional trade and transport corridors; and
 - Encourage private investment in agriculture productivity.
- Reduce the dependency on international food aid and drawing the poorest into the growth process through social safety nets (e.g., jobs, education, healthcare).
- Build multilateral partnerships and leverage the strength of the private sector, NGOs, and our universities.

Target Countries

FY09 base funding (not including Afghanistan and Pakistan) is about \$500 million. In FY10 (not including Afghanistan and Pakistan), we will request from Congress over \$1 billion. In FY10, we will request from Congress additional funding targeted in 25 countries and 8 regional-based programs. These countries include: In Africa, Kenya, Uganda, Zambia, Malawi; in South and East Asia, Bangladesh, Cambodia; in the Western Hemisphere, Guatemala and Honduras; regionally, East Africa, Southern Africa, Asia and the Near East; and from Washington, support for agricultural research. These programs will be managed by State/USAID.