Laying the Groundwork for Agriculture-Led Economic Growth

Feed the Future's value chain approach (depicted below) provides ample opportunity for synergies between public & private sector investments. Where do you see your business fitting in? Working together, we can transform agricultural economies into healthy ones that benefit us all.

FEED THE FUTURE
The U.S. Government's Global Hunger & Food Security Initiative

Investing in People & Productivity

The two greatest potential resources in most poor, food insecure countries are people & productivity, including land & water (FAO).

Science & Technology
Investments, such as better seeds & fertilizer & innovate technologies , can improve agricultural productivity. Once available, farmers need access to these improved inputs.

Capacity Building
Investments, such as higher education & training, help strengthen organizations, human resources & commerce for lasting progress.

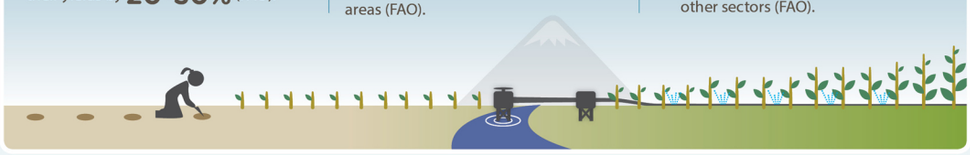
Research & Extension
Farmers benefit when they learn from each other about what techniques & tools work best. Investments, such as technical assistance, provide them with adaptable knowledge.

Environment
Natural resources are finite & require stewardship to ensure balanced demand. Investments like irrigation help preserve natural resources.

With the same access to productive resources like **seeds** & **fertilizers** as men, women could increase their yields by **20-30%** (FAO).

Irrigation increases yields of most crops by **100-400%**. More than 40% of the increase in food production over the past 50 years came from irrigated areas (FAO).

According to the World Bank, growth in agriculture can be up to **3.2 times** more effective at **reducing poverty** than growth in other sectors (FAO).



Transforming Development by Incentivizing Investment

Farmers often lack access to money for improving productivity. In Sub-Saharan Africa, commercial bank lending to agriculture is less than 10 percent (FAO). Farmers also face risk.

Financial Services
Investments in financing, such as broader access to credit, provide farmers with capital to upgrade their agriculture activities, like purchasing or leasing equipment.

Risk Mitigation
Farmers need insurance to mitigate agriculture's inherent risks, such as rain variability and climate change. Smallholder farmers, particularly women, are often the most vulnerable.

Policy Reform
People need incentives to invest in agriculture. Investments in policy reform, such as better access and control of land, help encourage entrepreneurship, innovation and investment.

By **sharing risk**, USAID's Development Credit Authority has unlocked more than **$2.3 billion** in private investment. For every $28 that gets to entrepreneurs & small businesses, USAID spends $1 (USAID).

Improvements in **governance** are positively associated with higher investment & growth rates, including **increased economic performance** (FAO).

Countries that performed best in terms of **reducing poverty** & hunger are also those that achieved **higher net investment rates** per agricultural worker (FAO).

Improving Market Function

Farmers can produce more food, but if it doesn't meet market demand or if it spoils in transit to the market, they risk losing money & profit.

Pre-Harvest Market Efficiency
Investments, such as good seeds available for sale & information on what markets want, help facilitate farmers' access to local, regional & international markets. Smallholder farmers benefit when companies choose to buy & source from them.

Post-Harvest Market Efficiency
Investments provide farmers with better storage options to prevent spoilage, modern food processing to ensure quality, & better & quicker access to customers. Improved storage & transportation can help bring more nutritious foods to local populations.

25-40% of agricultural production is lost post-harvest in developing countries. **Infrastructure must be improved** for agriculture to thrive (FAO).

Roads & **transportation** link farmers to local & international **markets** and reduce transactions costs, **helping farmers** earn more and consumers pay less (FAO).

According to the FAO, "improvements to **basic rural infrastructure,** particularly **roads**, **electrification** & **storage** are a prerequisite for agricultural sectors to thrive."

Increasing Access to Nutritious Foods

Nutrition Services
Better storage & food processing, like biofortification, help improve the nutritional value of food. People also need nutritious foods to be affordable & available on the local market. Micronutrient supplements help provide nutrients when nutritious food is unavailable or inaccessible.

Nutrition Education
Nutrition education helps families make smart choices about what foods they buy & how to safely prepare, preserve & consume them.

Happy, healthy farmers & families with more money, more food, more education & more opportunities.

PARTNERSHIP SNAPSHOT

Overcoming the Productivity Gap

The African Cocoa Initiative is a public-private partnership between the U.S. Agency for International Development (USAID), the World Cocoa Foundation (WCF) & the Dutch Sustainable Trade Initiative.

The partnership aims to overcome the productivity gap between the world's cocoa demand & supply by fostering investment across sectors in people and productivity. Funding comes from WCF member companies.

Specifically, the partnership:

- Improves the genetic quality & productivity of cocoa varieties
- Trains & educates 100,000 cocoa farmers
- Improves their input supply chains

PARTNERSHIP SNAPSHOT

Buffering Against Extreme Weather

This public-private partnership combines the expertise of the global insurance company Swiss Re with Feed the Future & USAID's Global Climate Change initiatives.

The partnership aims to provide poor farmers with affordable access to customized, market-based instruments to manage risk, helping them cope with the impacts of droughts, floods & other severe weather-related events.

Better insurance products also help farmers more easily obtain loans to improve their productivity & incentivize such investments.

PARTNERSHIP SNAPSHOT

Promoting Food Safety & Nutrition

The Solutions for African Food Enterprises is a Global Development Alliance between USAID & Partners in Food Solutions (General Mills, Cargill & DSM).

This public-private partnership offers technical support & training to African food processing companies to help them improve their business practices & meet food safety & quality standards.

The partnership helps:

- Increase availability of high quality nutritious & safe foods for local populations through targeted foods like ready to use therapeutic food
- Expand market access for farmers, traders & other agribusinesses through engagement with local food processors