

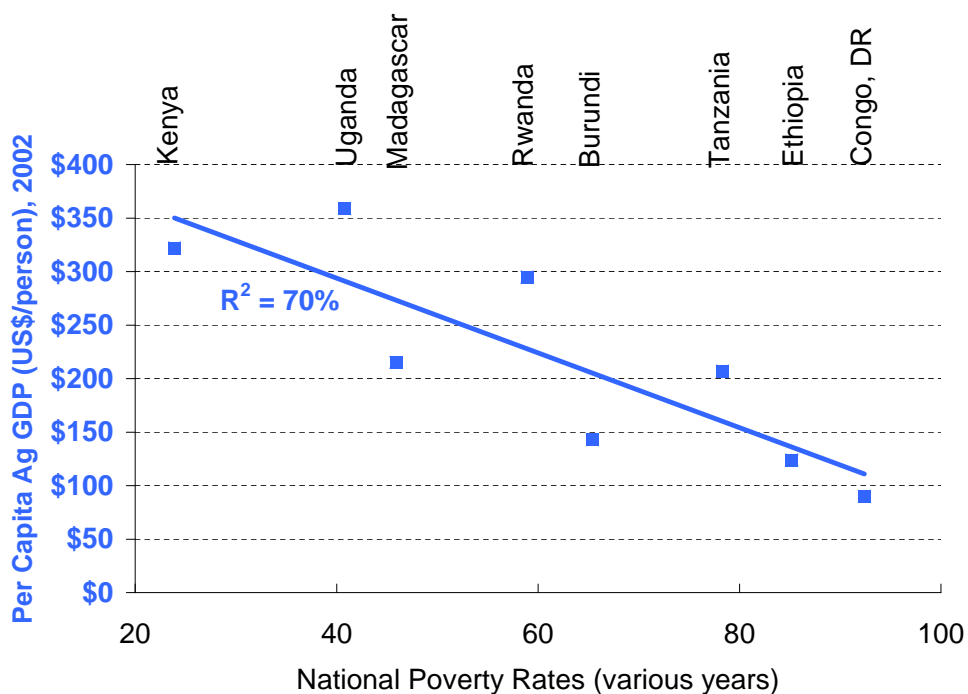
Discussion of session on:

How, Where and When Agriculture Can Be Used to Address Chronic Poverty

Thom Jayne

Michigan State University
Conference on *Escaping Poverty Traps*
Washington, DC
February 26-27, 2009

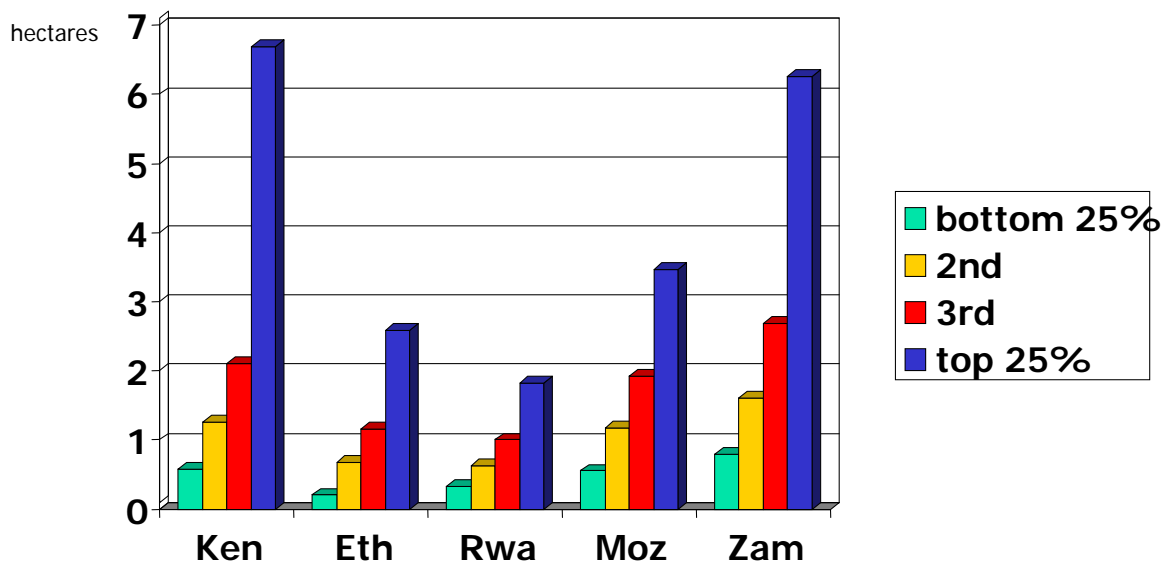
LOW AGRICULTURAL INCOMES ARE GENERALLY
CORRELATED WITH HIGH POVERTY RATES



Lewis presentation

- Laudable and ambitious in its goals
- Identifies the crucial policies and programs
- Presented as if donor resolve, funding, and a good strategy will be successful in slashing poverty rates
- Even with significant rise in funding for donor programs, their effects will be overshadowed by government programs and policies.
- The most important determinant of poverty rates in the future will be public policies and programs (lessons from structural transformation in Asia)

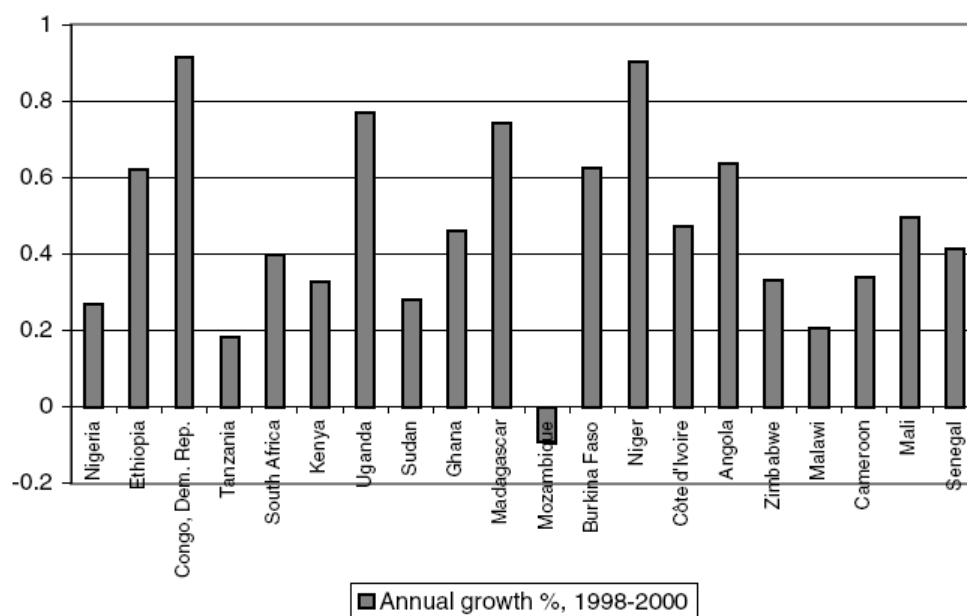
Farm size distribution: Small farm sector



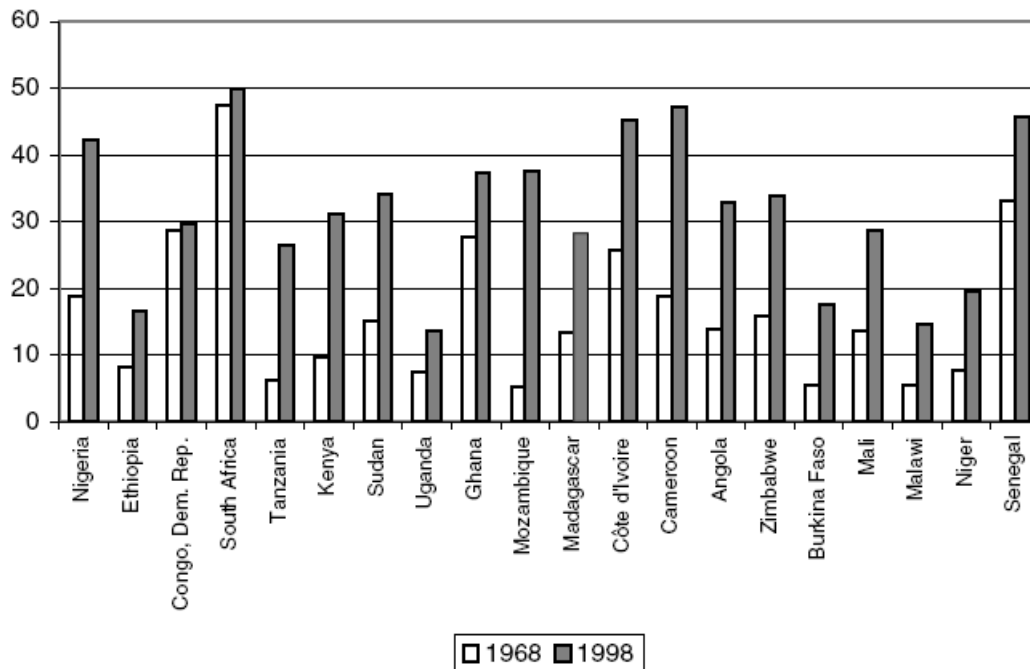
Characteristics of smallholder farmers, Zambia 2003/04

	N=	Farm size (ha)	Asset values (US\$)	Gr. Rev., maize sales (US\$)	Gr. Rev., crop sales (US\$)	Total hh income (US\$)
Top 50% of maize sales	23,680 (2%)	6.0	1,558	690	823	2,282
Rest of maize sellers	234,988 (23%)	3.9	541	74	135	514
Households not selling maize	762,566 (75%)	2.2	373	0	61	257

Rural population growth rates

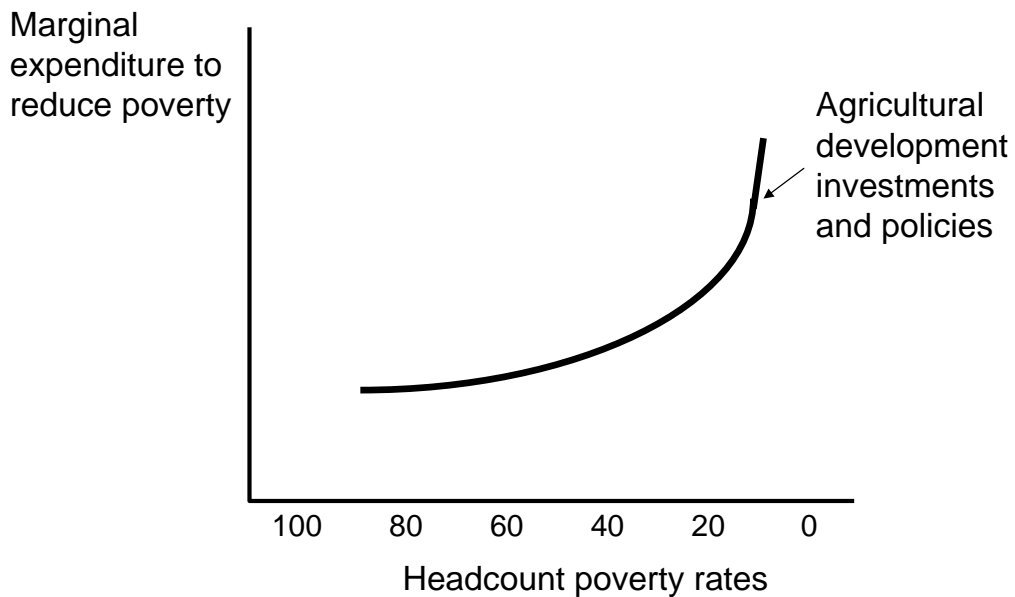
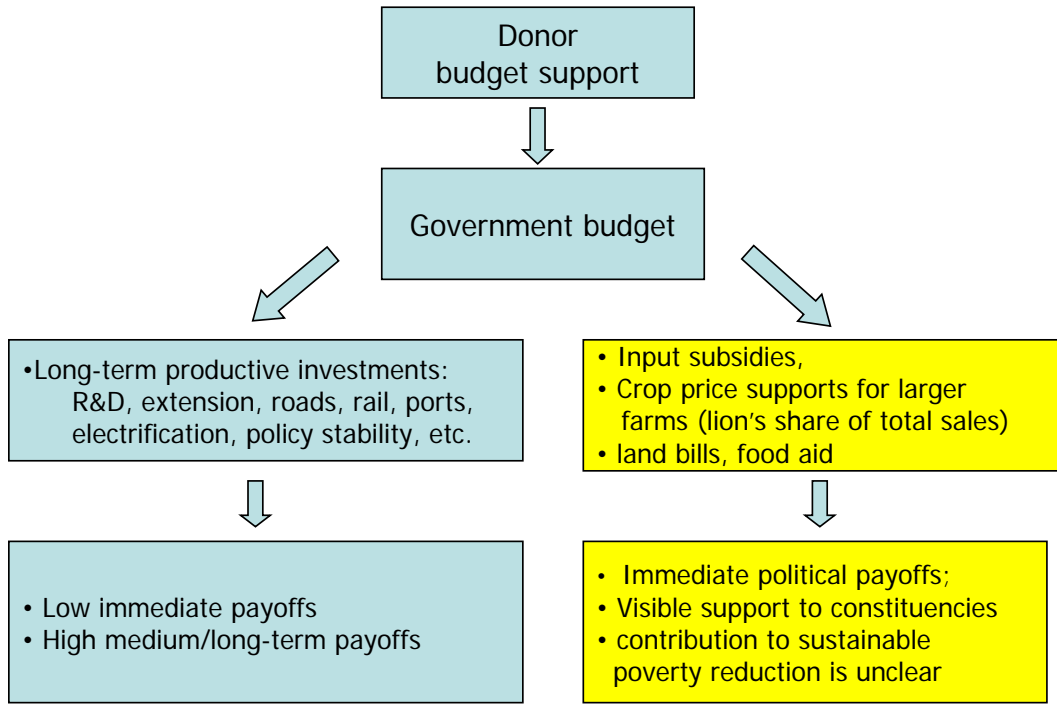


Share of Urban population in total population, 1968 and 2000

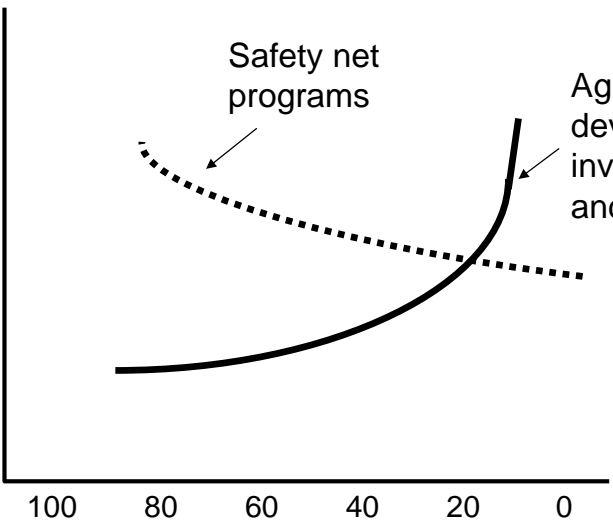


- ▣ More than 50% of Africa's population will be urban by 2015.
- ▣ Driven largely by
 - ▣ land pressures
 - ▣ lack of investments in rural areas to boost productivity
- ▣ Majority of African populations are soon to be consumers of food, not producers
- ▣ Demand for marketed food is rising rapidly
- ▣ Future priorities to tackle: urban poverty, underemployment, rise of slums, poor sanitation, disease

Political economy of public resource allocation



Marginal expenditure to reduce poverty



Safety net programs

Agricultural development investments and policies

100 80 60 40 20 0

Headcount poverty rates