Is urbanization a grand opportunity for rural economic growth in developing countries?

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U.S. Government’s Feed the Future Initiative
Initiated in 2010

- Launched in response to 2008 price spike in food and energy commodities.
- Designed to accelerate agriculture-sector growth and improve nutrition outcomes.
- Focus on Value Chains
Per Capita GDP (Current US$) in Lower Income Countries

$0 $100 $200 $300 $400 $500 $600 $700

1991 1993 1995 1997 1999 2001 2003 2005 2007 2009 2011 2013 2015
% Living in Poverty in Lower Income Countries


Percentage: 90, 85, 80, 75
Rural and Urban Population Growth
Lower Income Countries & Sub-Saharan Africa

- Rural Population Growth
- Urban Population Growth

Low-income countries
Sub-Saharan Africa
Trends in Global Food Consumption

Growth is primarily in High Value Perishables

Most of Cereal Growth Tied to Feed Crops
Trends Vary By Country
Trends in Food Consumption in Feed the Future Countries

Malawi

Percent Change in Consumption
Trends in Food Consumption in Feed the Future Countries

Ghana

Strong Growth in Poultry
Trends in Food Consumption in Feed the Future Countries

Haiti

- **Major Growth in Poultry**
- **Significant Increases in Dairy**

Graph showing trends in food consumption from 2000 to 2013 for Haiti, with lines representing GDP, cereals, poultry, vegetables, milk, and fruits.
Trends in Food Consumption in Feed the Future Countries

**Ethiopia**

*Dairy Consumption increases by 200%*

*Vegetable Consumption Doubles*
Trends in Food Consumption in Feed the Future Countries

Mali

Dairy Consumption increases by 150%
Trends in Food Consumption in Feed the Future Countries

Guatemala

Significant Increases in Poultry and Vegetable Consumption
Bangladesh

Vegetables and Fruits Consumption Doubled!
Next Steps for US Efforts on Food Security
Global Food Security Act (GFSA)

July 2016

• Global Food Security Act (GFSA) passes with bipartisan support.
• GFSA reaffirms US commitment to end global hunger, poverty and child malnutrition.

October 2016

• GFSS charts the course for achieving global food security and contributing to the Sustainable Development Goals (SDGs).
• Urbanization is highlighted as an emerging issue of strategic importance to global food security.
Urbanization as an Opportunity for Agricultural Led-Growth

1. Agriculture has new potential for driving economic growth.
Urbanization as an Opportunity for Agricultural Led-Growth

2. (a) Urban markets in developing countries are bigger than ever before, and growing fast.
2. (b) New food demand is leading to new opportunities for food-system led economic growth.
Urbanization as an Opportunity for Agricultural Led-Growth

2.(c) Demand is growing particularly fast for higher-value perishables and processable foods.
Seven-fold increase in onion consumption!
Bangladesh - Onion Production

Production Quadrupled
Bangladesh - Average Value (US$) Generated Per Hectare

- **Rice**
- **Onion**
Urbanization as an Opportunity for Agricultural Led-Growth

3.(a) Post-farm sections in the food system are increasingly critical.
3.(b) Improving physical and legal infrastructure will be essential for inclusive food system-led growth.
Challenges going forward
Challenges going forward

1. No guarantee that future growth will include small scale producers.
Challenges going forward

2. Diversity in product quality, consistency, and traceability limits market access for small-farms.
3. Returns to scale are increasingly important in post farm elements in food production.
Thank you