

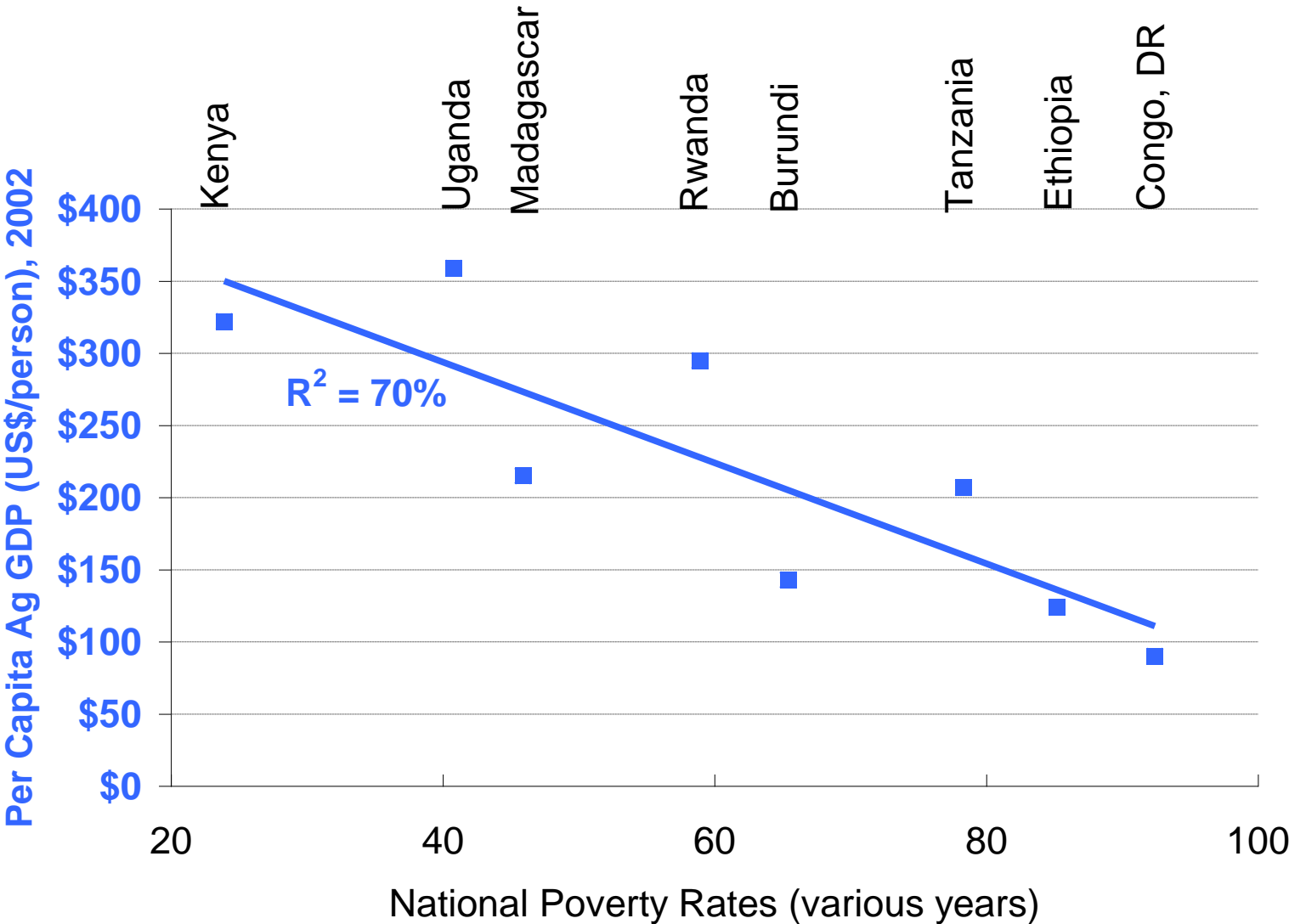
Discussion of session on:

***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

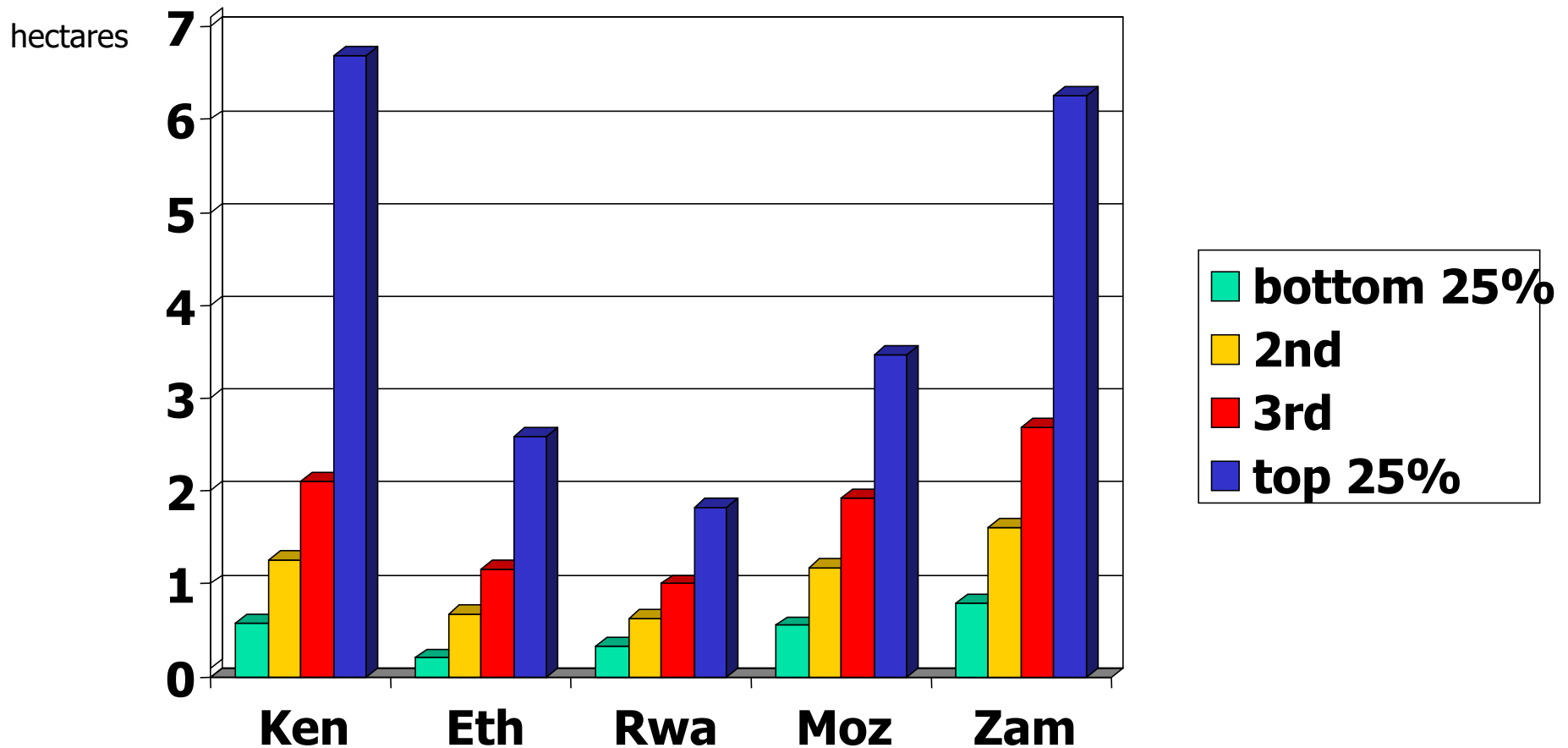
LOW AGRICULTURAL INCOMES ARE GENERALLY CORRELATED WITH HIGH POVERTY RATES



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)

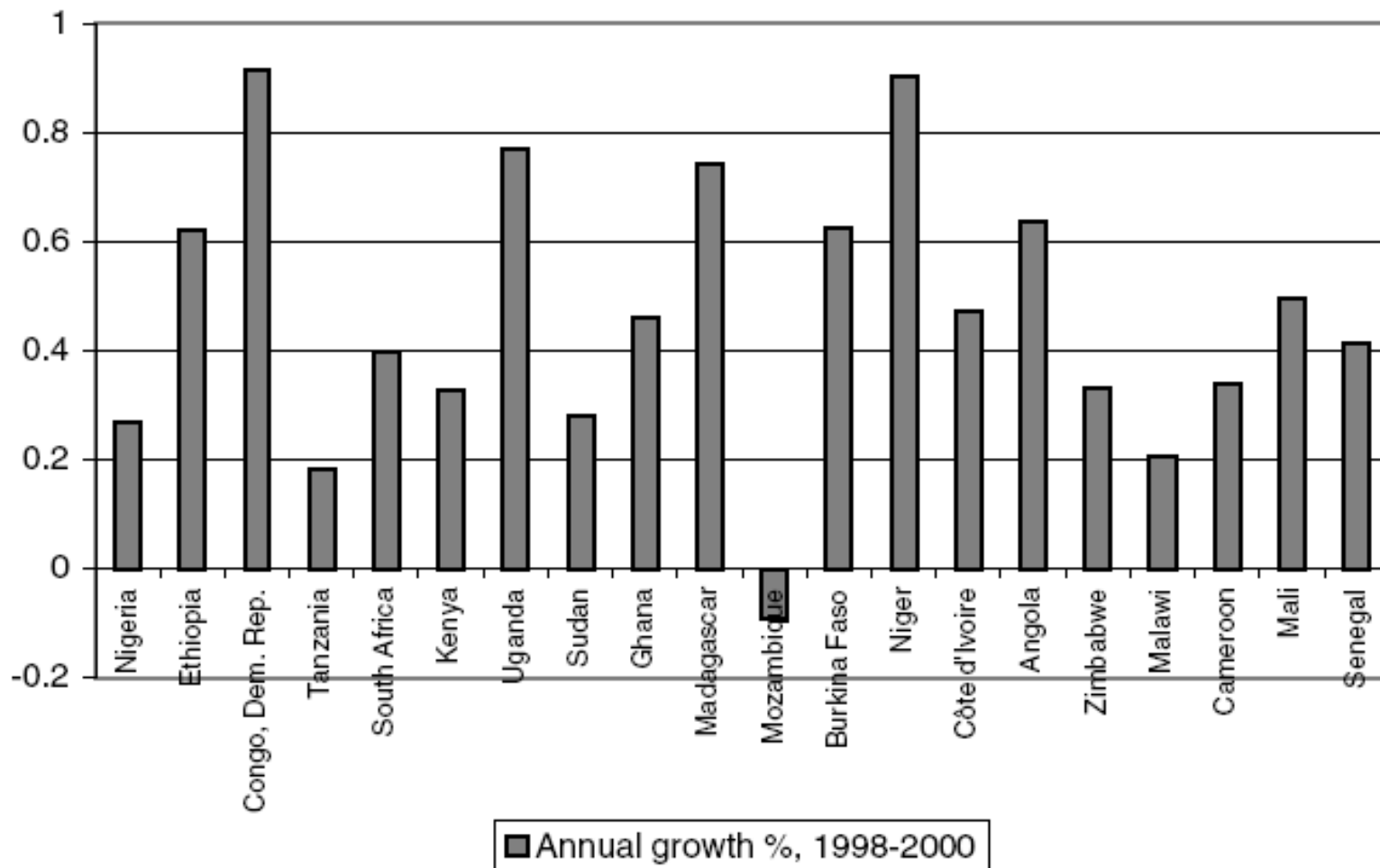
Farm size distribution: Small farm sector



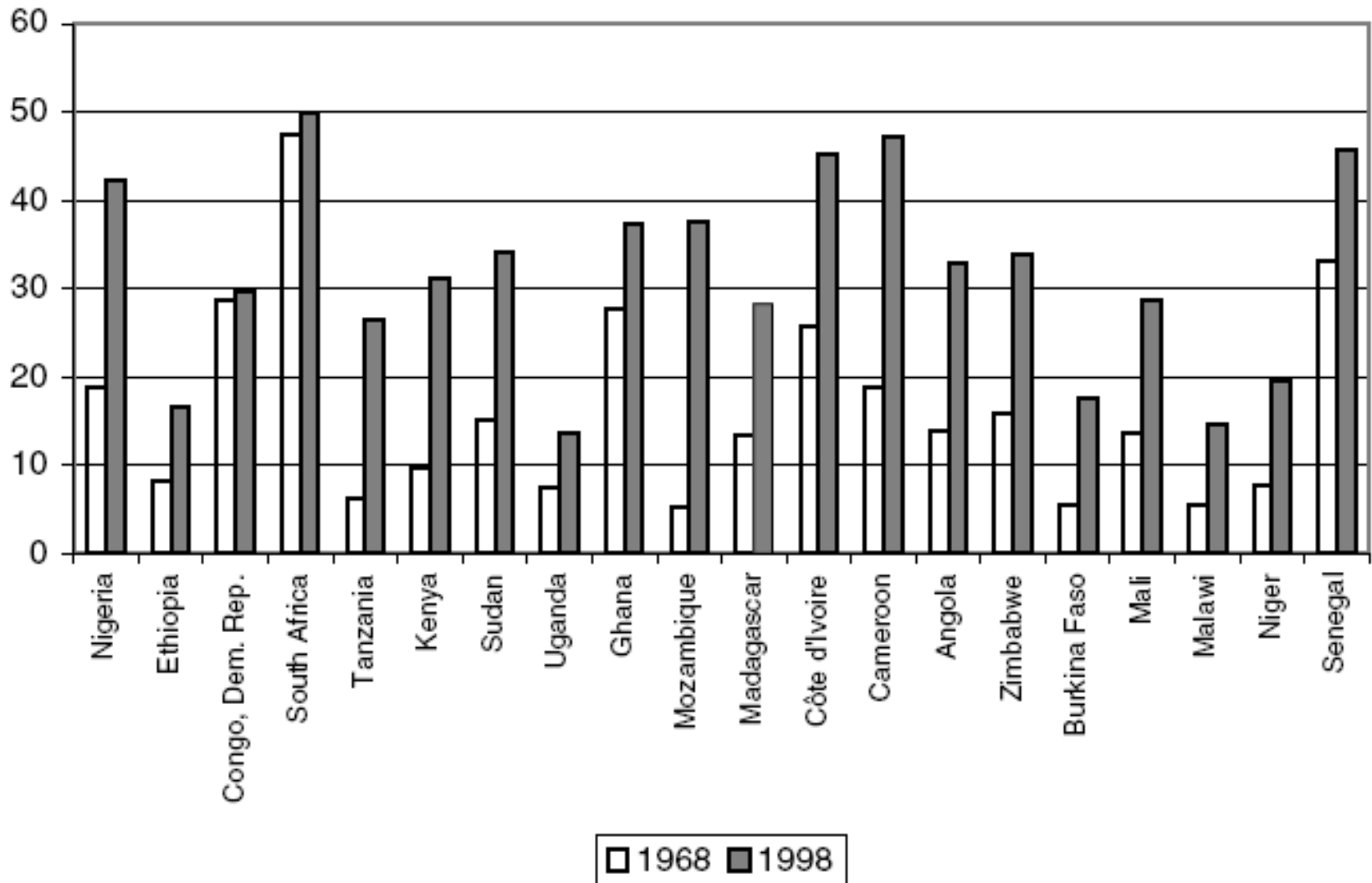
Characteristics of smallholder farmers, Zambia 2003/04

	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

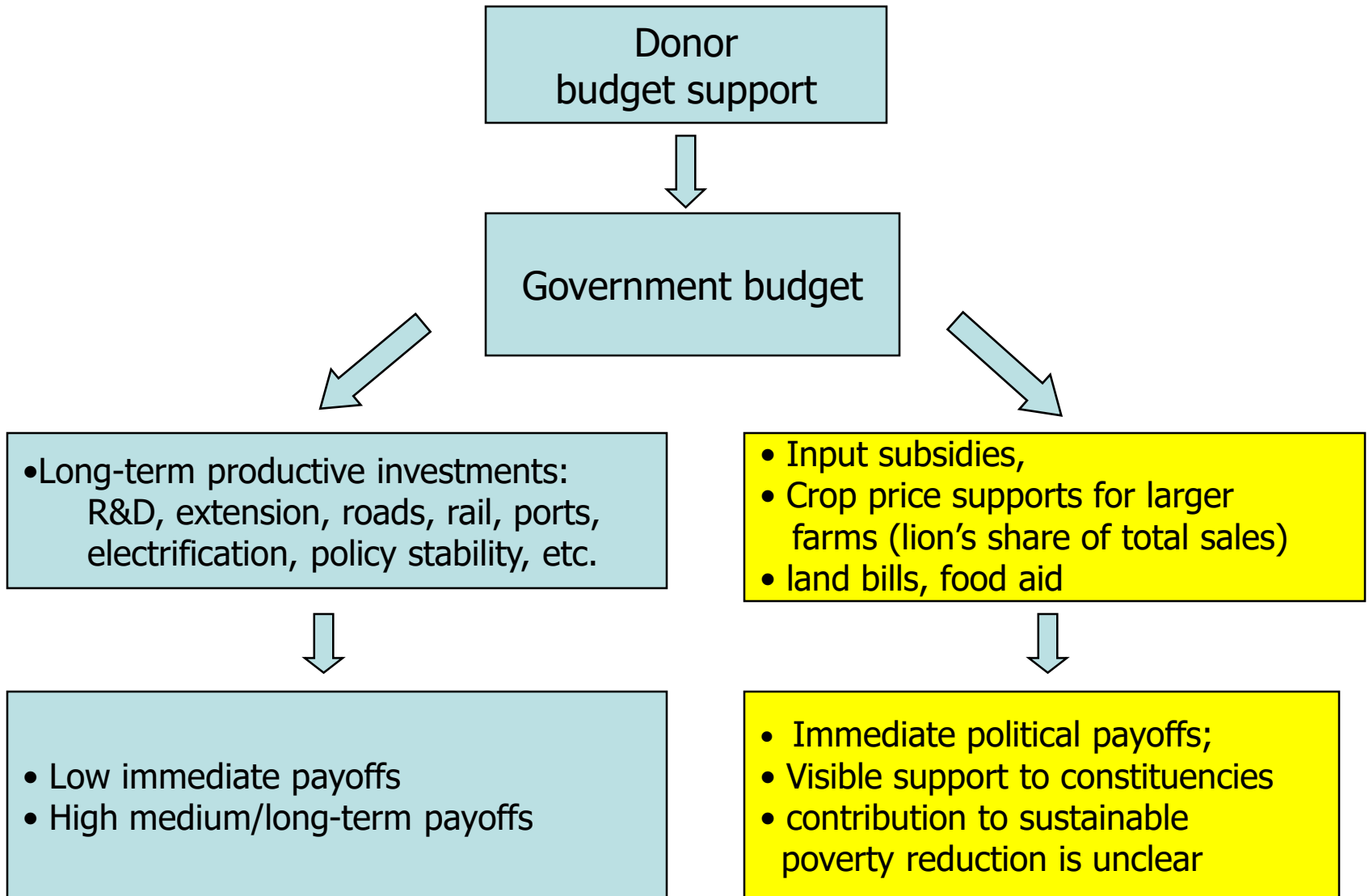


Share of Urban population in total population, 1968 and 2000

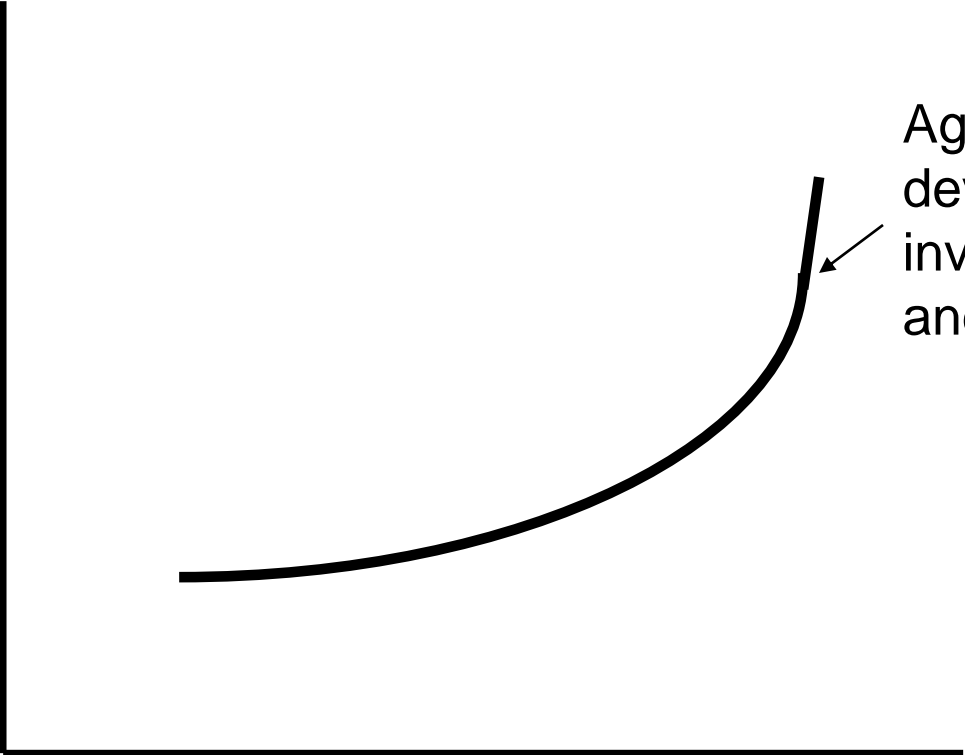


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- ❑ More than 50% of Africa's population will be urban by 2015.
 - ❑ Driven largely by
 - ❑ land pressures
 - ❑ lack of investments in rural areas to boost productivity
 - ❑ Majority of African populations are soon to be consumers of food, not producers
 - ❑ 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

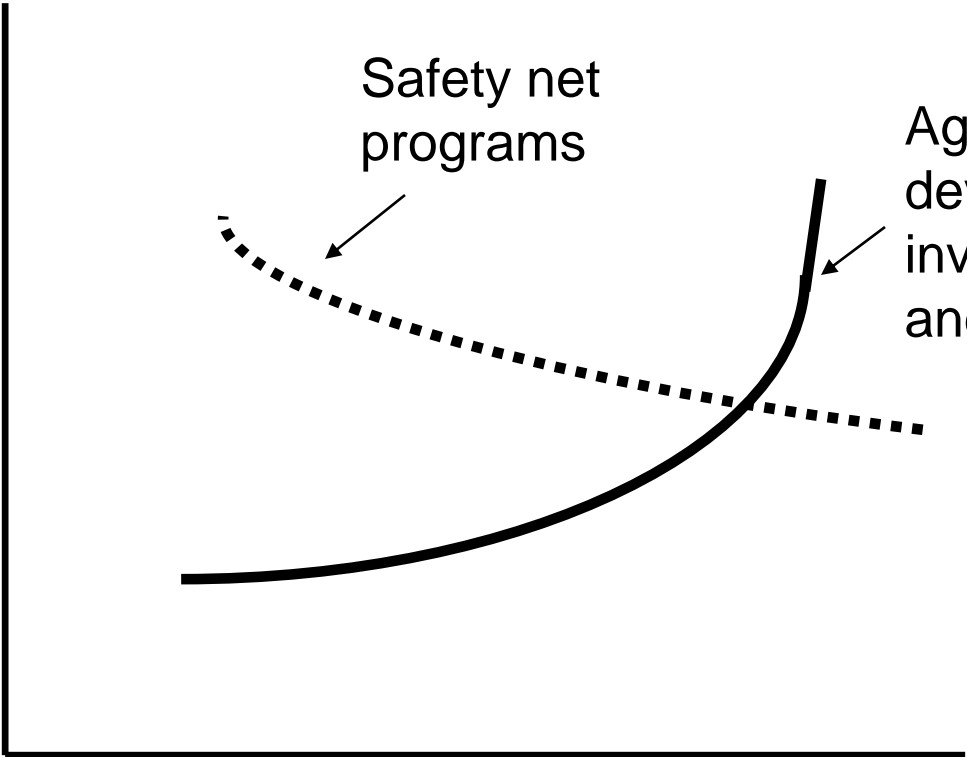


Agricultural
development
investments
and policies

100 80 60 40 20 0

Headcount poverty rates

Marginal expenditure to reduce poverty



Safety net programs

Agricultural development investments and policies

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Headcount poverty rates