

## Draft Agenda

### OECD DACT POVNET Agriculture and Pro-Poor Growth Task Team

#### The New Agenda for Agriculture

The nature of the agricultural sector is changing in many developing countries. Small-scale family farms are under pressure, threatened by biased investments that encourage larger-scale production. Often, poor people lack alternative income sources and migrate, so poverty – while still predominantly rural – is steadily urbanizing. These trends are further complicated by health crises, the aging of the farm population, and the depletion of asset bases which are affecting increasing numbers of people. At the same time, global and national food systems are increasingly driven by consumer interests, changing consumption patterns, and food quality and safety concerns. Food processing and retail industries are responding, profoundly affecting production, markets, trade, diets, and public policy; while much of the latest scientific research, especially in the area of food and agriculture, is market-driven and hence focused on meeting the demands of well-off people in rich countries.

The majority of the world's poor will continue to depend directly or indirectly on agriculture for their livelihoods for the next few decades, vulnerable to the constraints as well as open to the opportunities introduced by these sector changes. Donors need to understand these sector changes and their potential impact on agricultural-led pro-poor growth as they work to foster broad-based, environmentally sustainable agricultural and rural development that is integrated into this evolving food system at its local, regional, and global nodes. This is “the new agenda for agriculture”.

Workshop objectives: Identify (1) the changes in the global agriculture sector/food system related to the four themes (changing demand and supply; global food chains; rural-urban linkages; and chronic poverty); (2) the impact (immediate and potential) of these changes on developing countries agriculture, and, in particular, the rural poor (smallholders or landless); and (3) development policy implications.

#### **Day One**

Welcome

Setting the Stage: The “New Agenda for Agriculture” – An Overview (US/IFPRI)

Session I: Changing Supply & Demand

According to U.N. projections, the world population will reach 7.5 billion in 2020, with virtually all of the growth occurring in developing countries, mainly in urban areas. At the same time, IFAD estimates that the majority of the world's poor people will live in rural areas and will remain rural through at least 2030. These rural poor depend directly or indirectly on agriculture for their livelihoods at a time when developing country food systems are becoming consumer and industry-driven. City dwellers usually consume fewer coarse grains and more livestock

products and fat than rural folk at the same income level, so farmers will need to produce more cereal for animal feed and devote greater amounts of land to grazing. This dynamic – rapid urbanization, combined with rising prosperity in some regions and changing dietary preferences – will continue to shift the pattern of food demand much more toward processed food. This change is occurring at the same time that the abolition of international commodity boards have benefited certain groups of producers while prices of traditional export commodities (coffee, cocoa) are at all time lows causing severe problems for many others.

Overview paper – Pro-Poor Growth and Changing Global Food Demand (US)

Possible issue papers –

- Long term decline in export commodity prices
- Changing global consumption patterns (US)
- Feed grains/food grains (US)

Discussion questions: What are the key policy issues for donors given these changes in supply and demand? Is it merely a recognition that agricultural supply needs to accommodate these new patterns or do donors need to proactively assist in meeting this changing demand (i.e., via support for productivity and diversification/capacity building?)

## Session II: Global Food Chains

The global food chain is becoming a value-added chain with a rapid and fundamental movement toward industrialized food processing, long-distance marketing, and retail business dominance. A handful of firms dominate many global markets related to food and agriculture. The 9 leading pesticide firms, for instance, control 90 percent of the global market. International trade in processed agrifood products and in fresh fruit and vegetables and oilseeds has grown rapidly although unevenly across LDC regions. Driven by new technologies, especially in transport and information, and by changing demand patterns, this situation has far-reaching implications for poor consumers and smallholder farmers.

Overview paper – Constraints and Opportunities for Smallholders

Possible issue papers –

- Commodity chains (palm oil, coffee, tea, cocoa)
- Agroindustrialization – controlling the supply chain
- Supermarkets
- Governance (SPS, food safety, inter and intra regional market barriers)
- Agribusiness – concentrating market share in input markets

Discussion questions: Should donors be targeting the inputs market (seeds, pesticides) or would they have more impact on the poor by targeting the output markets? What is needed to help link poor farmers with domestic, regional and global markets (information, producer associations, roads, etc.?)

## Day Two

### Session III: Rural-Urban Linkages

Although most of the rural poor depend on agriculture for their livelihoods, many do so indirectly by working in small-scale rural enterprises providing goods and services for farm families or in agroindustries that add value to agricultural produce. Rural labor markets are becoming more monetized than in the past and women's participation in these labor markets are increasing. Labor has been increasing with the development of rural infrastructure and the general global decline of transportation costs. These are some of the numerous types of rural-urban interactions that link across space (flows of people, goods, money, information, wastes) and between sectors (backward and forward linkages, etc.). In the past, "rural" has tended to connote agriculture and "urban" reference large industrialized, metropolitan areas with smaller urban centers and market towns contributions to agricultural, rural non-farm, and pro-poor growth overlooked.

Overview paper – Rural-Urban Linkages and Pro-Poor Agricultural Growth (WB)

Possible issue papers –

- Regional Development Approaches and the Role of Small Urban Centers/Market Towns (WB)
- Diversified Household Livelihood Strategies (includes labor markets, remittances, migration) (WB)
- Importance of Infrastructure for Pro-Poor Agricultural Growth (US)

Discussion questions: How do donor policies and practices need to change to reflect the growing importance of rural-urban linkages?

### Session IV: Chronic Poverty

A particular problem of current poverty analysis is to see "the poor" as those who are not effectively integrated into the market economy. The "chronic poor" – those who have experienced poverty for long periods, or perhaps, all of their lives – are likely to be neglected in programs that focus on the role that market forces can play in poverty reduction given the multiple factors that constrain their prospects and the likelihood that market-based factors may contribute to their continued deprivation. In addition, natural resource degradation is rampant in many less-favored areas of developing countries, which are home to millions of poor people. Degradation and lack of access to high-quality land frequently push poor people into clearing additional land, which in turn contributes to further degradation, productivity losses, reduced biodiversity, and, poverty/asset traps; while infrastructure investments tend to be biased against these less-favored areas.

Overview paper – Understanding the Links between Chronic Poverty and Agriculture

Possible issue papers –

- Productive safety nets

- Poverty/asset traps (US)
- Less-favored/weakly integrated areas
- Agriculture/rural economy and HIV/AIDS (DAC)

Discussion questions: Can donors redesign programs and policies that focus on the role of market forces in ways that would be beneficial/less detrimental to the chronically poor?

Wrap-Up:

Future Directions for the Task Team