

Aid Plan Aims to Help Poor Farmers Reach Markets

UNITED NATIONS, Sept. 24 -- In an ambitious move to combat the global food crisis, the Bill and Melinda Gates Foundation on Wednesday unveiled an experimental public-private initiative that could transform rural agriculture in undernourished parts of Africa and Latin America by helping small farmers sell their surplus crops at competitive prices.

Rather than only delivering food to hungry nations, this partnership between the world's richest philanthropy and the [U.N. World Food Program](#) promises to help build a sustainable farming infrastructure across the developing world.

The Purchase for Progress program will give poor farmers, many of them women with little or no access to commercial markets, a chance to move beyond subsistence living with opportunities to sell their milk, grains, produce and other products to reliable buyers. During a five-year pilot period, it hopes to increase the incomes of 350,000 farmers in 21 countries and give them a path out of poverty.

"This is not your grandmother's food aid," said [Josette Sheeran](#), executive director of the World Food Program. "This is a revolution in food aid, where food aid becomes a productive investment that not only feeds today but produces solutions for tomorrow."

Funded largely by the Gates Foundation, the program is part of the foundation's broader \$900 million investment in agricultural development, with many of its efforts made in concert with foreign states and public institutions. The initiative is the latest example of how software giant [Bill Gates](#), who stepped down this summer from [Microsoft](#), is committing his time and fortune to trying to create a results-oriented brand of philanthropy focused on taking risks to achieve lasting impact.

Announcing the Purchase for Progress program here flanked by the presidents of three African nations, Gates said he hopes the effort linking poor farmers to commercial markets will be successful enough that it becomes "self-sustaining," no longer needing private funding.

"It transforms the way that small holders are able to get to market, whether it's helping them with guaranteed purchase, helping them with their storage, understanding crop quality," Gates said. "It will increase the supply of food, and it will increase the well-being of these farmers."

Purchase for Progress is one of several public-private hunger initiatives expected to be announced this week in New York, as world leaders converge at the [U.N. General Assembly](#) to draw attention to the Millennium Development Goals, a series of benchmarks aimed at slashing the poverty levels in the world's poorest countries by 2015.

Former president [Bill Clinton](#) will announce at his philanthropy conference on Thursday that [Yum! Brands](#), the parent company of such fast-food chains as [KFC](#), [Pizza Hut](#) and [Taco Bell](#), is donating \$80 million over five years to purchase 200 million meals for school-age children.

This is part of a five-year campaign by the restaurant behemoth to provide hunger relief to the poorest people in the United States and worldwide. The company's 35,000 restaurants in 111 countries are pledging to donate \$200 million worth of prepared foods to community soup kitchens and food banks, Yum! Brands chief executive David Novak said.

"We're inspired by the fact that there are so many kids out there who die because they can't eat," Novak said. "It's a huge problem and has only gotten worse, so it's even more timely that we commit."

The company will roll out a marketing campaign Thursday in its restaurants to persuade its customers to donate toward anti-hunger causes, and pop star [Mariah Carey](#) is releasing a single with sale proceeds going toward the cause.

Hunger around the world is so chronic, scholars say, that it far outstrips the financial resources committed to fight it. The number of hungry people worldwide has ballooned over the past year to 923 million and threatens to grow further, Sheeran said.

The problem is growing against the backdrop of a food price shock that is roiling world markets and igniting street riots. Over the past three years, world food prices were estimated to have surged by 80 percent, outpacing the 78 percent jump during the Soviet grain emergency of 1972-75.

"There's a need for a much larger international response," said [Jeffrey D. Sachs](#), an economist and founder of the Millennium Promise Alliance, an anti-poverty nonprofit organization. "The Gates Foundation is playing an important role in helping people become aware of this, but in this case no single action is going to be decisive."

The Purchase for Progress program, to be administered by the U.N. World Food Program, is being funded by \$66 million from the Gates Foundation, \$9.1 million from the Howard G. Buffett Foundation and \$750,000 from the Belgian government. Program planners said that if the pilot program is successful, it will be expanded.

The presidents of Rwanda, Tanzania and Uganda and the first lady of Guatemala hailed the initiative as a catalyst to help poor farmers in their countries who are cut off from markets, roads, transportation and storage for their surplus crops.

"This will go a long way in building the capacities of the farmers," said Rwandan President [Paul Kagame](#).

About 1.1 billion people live on \$1 a day or less, and more than seven in 10 people around the world depend on work in agriculture for food and income, said Rajiv Shah, agricultural development director of the Gates Foundation.

"In order to help farmers and small farmers in part move out of poverty, you need to help them improve productivity," Shah said. "But you also need to improve access to markets and create the financial and commercial incentives so that farmers are rewarded for their additional efforts."

In a preliminary test of the program last year in Uganda, poor farmers achieved dramatic results, Shah said.

Buffett, an environmentalist and businessman whose father, investor [Warren Buffett](#), has pledged much of his fortune to the Gates Foundation, said the program provides "a critical link" to existing efforts to boost crop production.

"Agriculture development is the most effective way to combat poverty and pull these people in these populations up into a higher level of food security," Buffett said. "It's important to realize that we can all work on the production of the supply side, but without something to pull that through to the market, we'll never be successful in our efforts."

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