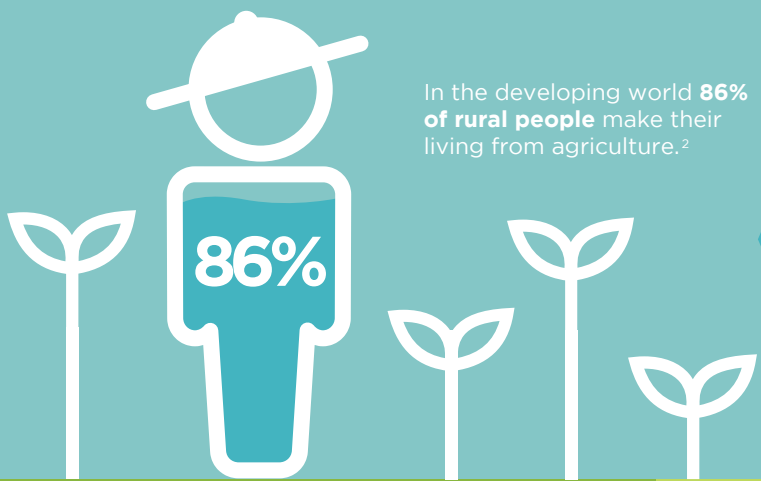




A Case for Agricultural Development:

ECONOMIC GROWTH

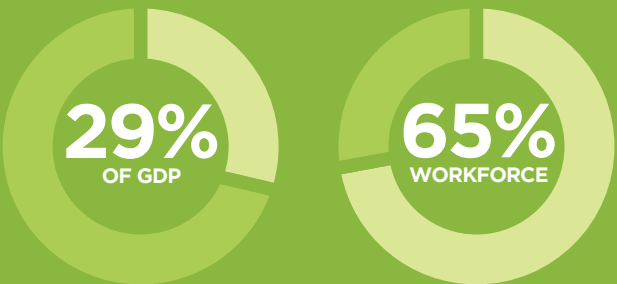
“Agriculture provides food, income and jobs, and hence can be an engine of growth in agriculture-based developing countries and an effective tool to reduce poverty in transforming countries”



That's about
15 BILLION PEOPLE



In agricultural based economies, **agriculture generates** 29% of GDP and employs 65% of the overall workforce²



EFFICACY OF GDP GROWTH ORIGINATING IN AGRICULTURE



EFFICACY OF GDP GROWTH ORIGINATING OUTSIDE AGRICULTURE



GDP growth originating in agriculture is **at least twice as effective in reducing poverty** as GDP growth originating outside agriculture.²

There are three main reasons why agriculture is an effective way to reduce poverty, build vibrant rural economies and provide a foundation for country-wide economic growth:

1

FARM INCOMES
For the poorest households, agriculture is a critical income source. Growth in agriculture that leads to higher farm profits has a direct impact on poverty reduction.¹

2

EMPLOYMENT
Improvements to smallholder agriculture have a direct and positive correlation with more opportunities for farm labourer jobs.⁴

3

RURAL ECONOMY
Increases in agricultural outputs also leads to employment growth in the local non-farm sector as a response to higher domestic demands.⁵



We need more investments in agriculture, including aid, to reduce poverty, improve food security, and stimulate economic growth.

Sources:
1 Dethier, Jean-Jacques and Alexandra Effenberger (2012) "Agriculture and development: A brief review of the literature" in *Economic Systems* 36: 175-205
2 World Bank (2008) *World Development Report: Agriculture for Development*. Washington, D.C., The World Bank
3 FAO (2012), "Smallholders and Family Farming", http://www.fao.org/fileadmin/templates/nr/sustainability_pathways/docs/Factsheet_SMALLHOLDERS.pdf
4 Wiggins, Steve et al (2010) "The Future of Small Farms" in *World Development* 38(10): 1341-1348
5 Heifer International (2014) *State of the African Farmer*