Agricultural development directs the benefits of economic growth to the poor.

- 75% of world’s poor live in rural areas
- Developing countries will remain predominantly rural until 2020
- The majority of poor will live rurally until 2040
- 86% of rural dwellers rely on agriculture for their livelihood
- 81% of worldwide poverty reduction from 1993-2002 can be attributed to improved conditions in rural areas
- 2.3 billion people worldwide live in households involved in agriculture

Note: The findings and conclusions contained within this document are those of the authors and do not necessarily reflect positions or policies of the Bill & Melinda Gates Foundation.
In Sub-Saharan Africa, agriculture accounted for one-third of GDP growth from 1993-2005

- 82% of people in rural Sub-Saharan Africa live in countries with agriculture-based economies
- Relatively resource-rich, skills-poor countries have a competitive advantage in agriculture
- In agriculture-based economies, growth in agriculture benefits the entire economy
Agricultural Development Tends to Benefit the Poor More Than the Rich

- Agricultural growth is two to four times more effective in increasing expenditures for the poor than non-agricultural growth.
- Agricultural growth is nearly three times more effective than non-agricultural growth in reducing the number living on $1 a day in the poorest countries.

Agriculture growth has a larger impact on household expenditures of the poor than non-agricultural growth.

Expenditure gains from 1% GDP growth in each sector

<table>
<thead>
<tr>
<th>Expenditure Level</th>
<th>Agricultural Income Growth</th>
<th>Non-Agricultural Income Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorest 10%</td>
<td>8.00%</td>
<td>2.00%</td>
</tr>
<tr>
<td>50%</td>
<td>6.00%</td>
<td>4.00%</td>
</tr>
<tr>
<td>Richest 90%</td>
<td>4.00%</td>
<td>2.00%</td>
</tr>
</tbody>
</table>

Household Expenditure Levels
The Green Revolution

Progress is possible.

From the 1960s to the 1980s, improvements in agricultural productivity in Asia and Latin America helped:

- Double food production
- Reduce poverty rates
- Save hundreds of millions of lives
- Lay a foundation for economic growth in countries like India and China

Nearly 20% reduction in poverty in just two decades.
Policy can Undermine Agriculture’s Impact

- The share of public spending on agriculture in Sub-Saharan Africa is relatively low
- Agriculture spending by donors has sharply decreased in the last 20 years
- Macro and trade policy has until recently undermined agricultural growth in many countries
- Where agriculture has been overlooked by both governments and donors, as in much of Africa, agricultural yields have lagged behind other regions