



Annual Report **2008**

# United States

■ IICA's USA Contribution to the Development of Agriculture and Rural Communities in the Americas

*Inter-American Institute for Cooperation on Agriculture*

## **| 2008 National Annual Report |**

IICA's USA Contribution to the Development of  
Agriculture and Rural Communities in the Americas



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*"I know of no pursuit in which more real and important service can be rendered to any country than by improving its agriculture."*

*- George Washington, 1794*



## ■ Message from the Representative

The Inter-American Institute for Cooperation on Agriculture's (IICA) Office in the United States is pleased to present the annual report of its contributions to the development of agriculture and rural life in the United States of America. Our Office supports agricultural and rural development partnerships at all levels, from local communities through global development; promotes public understanding of agricultural and food policy, rural poverty, health, and technology; and helps ensure that the Member States have improved access to global resources and world-class technicians and professionals.

My arrival in April marked the beginning of an active and exciting eight month period. Our team worked diligently to facilitate the transition of the outgoing Assistant Deputy Director General, Director of Strategic Partnerships and IICA Representative in the United States, Christopher Hansen, who assumed the position of Deputy Director General for the Institute. I thank IICA and the Washington staff for the warm welcome and look forward to working with all of my colleagues to promote dialogue, develop consensus and take constructive actions in the hemisphere on aspects of critical importance to agricultural development and rural well being.

2008 was a successful year because of the challenges we faced and the progress made to address these challenges. A large part of this success was due to the good relations and valuable partner-



ships established by the Directorate of Strategic Partnerships (DSP) in the Nation's capital over the last six years. Internally, the DSP is committed to team work and excellence as a personal and organizational standard. There is much left to be done to build upon the progress of the past and construct a future of mutually strategic partners so we can fulfill IICA's mission.

Over the past few years, there has been increased dialogue and action at the global level and a commitment to build a world that is more just and equitable for the people of the Americas. It is my wish and goal that our Office contribute significantly to this process, particularly given the food security crisis.

**David C. Hatch**

*Assistant Deputy Director General  
Director of Strategic Partnerships and  
IICA Representative in the United States*



## Executive Summary

During 2008, the Office in the United States and Directorate for Strategic Partnerships (DSP) advanced on a series of on-going actions leading to the promotion of rural prosperity and sustainable development. It has enhanced relationships with existing and new partners by means of comprehensive dialogues on critical issues such as food security, climate change, poverty reduction, agricultural insurance and risk management, technology transfer, and knowledge management.

In mid April, our Office welcomed a new Assistant Deputy Director General (ASG), Director of Strategic Partnerships and IICA Representative in the United States of America. Since his arrival, the Office has worked towards the development of a framework and process to create a more effective Directorate of Strategic Partnerships that is supported at the Institutional level. After careful review, these priorities have been reflected to address the following:

- 1. Strengthen Regional and Hemispheric Mechanism for Technical Cooperation;
- 2. Increase the visibility and credibility of the IICA through the Washington Office and;
- 3. Continue to develop and strengthen relationships with potential and existing strategic partners to meet the goals of the IICA Medium Term Plan.

The Office continued efforts in forging, prioritizing and developing strategic partnerships by strengthening and expanding our relationship with U.S. stakeholders, strategic international partners, the U.S. private sector, on a wide variety of issues of national interest and international importance. External relation strategies with key partners were designed and implemented. At least five formal arrangements were facilitated with international strategic partners to capitalize

on emerging opportunities to develop and implement projects. Along those lines, annual objectives were established and a strategy was developed for the IICA Office in Spain. These priorities were also shared with IICA national offices.

The IICA Office in the U.S. was also successful in increasing lines of communication with IICA units at Headquarters and between IICA national Offices and international strategic partners. At least 10 meetings with coordinating groups between IICA units and strategic partners were established and quarterly project pipelines were reported on two key partners. The Office also participated in quarterly Strategic Partnerships meetings at IICA Headquarters.

During the year, we were also successful in developing agreements and actions with potential key strategic partners in the U.S. To this end, clear agendas for cooperation at the national level were put in place. These activities resulted in an increased number of projects with member states and strategic partners in areas such as agricultural health, food safety, trade, agro-tourism and biotechnology.

Overall, the Office in Washington did well in efforts aimed at enhancing institutional presence and image as a credible and effective organization. Consequently, requests by international organizations were made for IICA senior official participation in speaking roles at international conferences and seminars in countries including Rome, Washington, D.C., Rio de Janeiro, Brazil, Montreal, Canada, Mexico and Venezuela. In addition, we were also able to increase the presence and the promotion of IICA staff participation at key inter-agency meetings and public events.

In our continued efforts to help expand institutional capabilities in the hemisphere, the Office initiated a relationship with the World Food Pro-

gramme (WFP). This effort has resulted in a General Agreement between IICA and the WFP that is scheduled for signature during the first quarter of 2009. Specific collaborative efforts will begin with WFP's Purchase for Progress program (P4P). This will begin as pilot programs in four specific countries in Central America. It will focus on connecting small farmers to agricultural markets while improving competitiveness and ensuring the sustainability and long-lasting impact of the gains made. This will in turn increase the supply of quality food and will contribute to rural development, poverty reduction and agriculture in Central America.

Significant advancement was also made with the IICA Office in Spain. For example, we added staff that will operate out of Barcelona. Similarly, potential sources of technical assistance, project financing, education and training were targeted and identified. Information was generated for proposal development, negotiation and follow-up with funding agencies. Furthermore, solid relationships were developed with critical European institutions including the Agricultural Research Centre for International Development, (CIRAD), Agricultural Research and Technology Institute, Spain (IRTA), the French Development Agency, International Fund for Agricultural Development (IFAD) and Food and Agriculture Organization (FAO). These relationships are measurable activity aimed at positioning the Institute as a critical strategic partner for the promotion of Latin America's prosperity and rural well-being through the support and partner agencies primarily in Spain.

A series of special events and activities were organized to increase the visibility and credibility of IICA. The Office greatly improved its website which now offers daily updated information on the initiatives, events and activities of agricultural importance and relevant information. The

transfer of technical information to IICA and its Member Countries from the U.S. Government was a considerable initiative spearheaded by the Washington Office. This effort led to the acceptance of an IICA proposal submitted to the USDA which will begin in 2009.

In collaboration with the Organization of American States (OAS), the Office worked in conjunction with the General Secretariat of the OAS - Summit of the Americas, to secure passage of the Draft Declaration of Commitment of Port of Spain for the Fifth Summit of the Americas. Also, with the OAS and other principal stakeholders, efforts were made to establish visibility of the new Assistant Deputy Director General, U.S. Representative and Director of the Strategic Partnerships.

In activity with the Inter-American Development Bank (IDB), the DSP presented a report outlining a proposed strategy of work with the IDB to members of the Committee for Strategic Partners meeting held on July 14 in Costa Rica. Emphasis was placed on the need to accelerate IICA approval of the draft of the General Cooperation Agreement between the two organizations. Soon after, the Washington Office facilitated a signing of an Agreement between IDB and the Caribbean Council of Higher Education in Agriculture (CACHE). The US\$400,000 grant from the IDB's Regional Public Goods program aims to enhance the capacity of the Caribbean labor force to improve the competitiveness of the agriculture sector. Barbados, Dominican Republic, Guyana, Suriname and Trinidad and Tobago have joined efforts to collectively develop a regional strategic plan that will include a tool box with public policy guidelines, an information sharing system and a set of pilot training events. CACHE will carry out the project.

Furthermore, the Washington Office participated in the Caribbean Renewable Energy, Energy Ef-

efficiency and Bio-energy Action Program, (CRE-BAP) 'Caribbean Regional Sustainable Energy High Level Seminar' held in the Bahamas on July 23, 2008. This is an on-going joint effort by IDB, OAS and IICA, with the U.S. Department of State co-sponsoring this activity.

## ■ 1. Introduction

Our Institute has a special historical relationship with the U.S. Government. The U.S. Government, through the United States Department of Agriculture (USDA), was instrumental in founding the Institute in 1942 and over the years has consistently provided nearly 60% of its core operating resources to promote the advancement of science and cooperation in agriculture throughout the hemisphere. The U.S. government continues to provide substantial support to the Institute, providing its quota of financing in a timely manner and additional resources for programs to achieve common goals of improving agriculture and trade throughout the hemisphere. We greatly value their support and remain focused on continuing to strengthen this vital relationship.

This year, our associations with USDA and other organizations in the United States have undergone renewal due precisely to globalized agricultural issues which marked concurrent crises: the food security crisis, which first emerged and was then overshadowed by the financial crisis. Due to the extent of the financial crisis, we

see countries with fewer resources to meet the challenges of increased hunger, poverty and poor nutrition. Unfortunately, more and more people will wake up everyday hungry, while countries struggle with the financial crisis, thus exacerbating the critical food insecurity situation in the Hemisphere. IICA remains committed to raising awareness for the well-being of the people of the Americas.

As we address the importance of food security, we are reminded that the return on investment in the western hemisphere could exceed any return elsewhere over the next few generations. Relatively plentiful natural resources and developed infrastructures, when compared to many countries in Africa and Asia, are two primary reasons. The level of investment in agriculture technology and innovation in the 21st century will play a key role in determining the progress towards eradicating poverty; providing adequate quantities and quality of food; reducing the amount of civil and political unrest in developing countries and will generally strengthen the economies at the local and country levels and beyond.

## 2. The State of Agriculture and Rural Life in the United States in 2008



Agriculture had been on a roll in recent years. However, high food prices from 2007 through mid-2008 had serious implications for food and nutrition security, macroeconomic stability, and political security. The financial crunch and the accompanying economic slowdown have pushed food prices to lower levels by decreasing demand for agricultural commodities for food, feed, and fuel. Oil prices which reached almost \$150 in intraday trading are now trading at much less, however, continued volatility is expected.

The financial crunch has also decreased the availability of capital at a time when accelerated investment in agriculture is urgently needed. The food and financial crises have strong and long-lasting effects on emerging economies, poor people and nutrition.

Farm operators have continued to get bank loans, despite overall credit rationing, as commercial farm loan delinquencies have been at record low levels. Rising exports and falling imports supported U.S. growth in the first half of 2008, but the last half of the year is expected show negative GDP growth.

Looking ahead to 2009, the dollar is expected to generally appreciate against most currencies

in 2009. However, it will remain weak by recent historical standards. Nevertheless, prospects for U.S. exports are far less favorable for 2009 than in 2008. The U.S. and European recessions that began in 2008 are expected to continue into 2009 with both economies shrinking, despite aggressive action by the U.S. Federal Reserve Board and the European Central Bank. Energy prices should fall, with crude oil prices falling 20-30 percent compared to 2008, easing inflationary pressures. Other raw material prices should drop as well as the commodity price bubble continues to deflate. Further, the dollar, despite some modest strengthening against some currencies, will remain relatively weak helping U.S. trade.

U.S. economic growth will shrink in 2009 due to weak housing construction, higher long-term market interest rates, deteriorating household and business balance sheets, rising unemployment and falling personal income which results in falling consumer spending.

### a) The Context for Agriculture and Rural Life

After several years of moderate growth, non-metro employment growth slowed sharply in 2007 and early 2008, as did metro employment growth. Non-metro unemployment rose in the second quarter of 2008 to the highest level in nearly 3 years. The economic slowdown that began in 2007 was widely attributed to two major factors: high energy and commodity prices and tighter credit due to the home mortgage crisis. To date, it appears that non-metro banks have tightened credit less than metro banks have, and the subprime crisis is having less of a direct impact in most non-metro areas than in metro areas.

In 2007, the overall poverty rate was 12.5 percent, but 18 percent of children younger than 18 were poor. Further, the poverty rate is greater for children in families living in more sparsely settled rural areas. Non-metro children also have higher mortality rates than their metro counterparts in all age groups and poor children who reside in non-metro areas tend to have higher rates of obesity, injury, socio-emotional difficulty, and moderate to severe health conditions than do poor metro children.

Hispanic populations in non-metro America continue to grow rapidly; but the rate of growth for Hispanics has dropped considerably since the 1990s. Recent population data indicate that non-Hispanic Whites made up 81 percent of the non-metro population, a decline of about 1 percentage point since 2000. The largest minority groups are Blacks and Hispanics, with 8 percent and 6 percent of the non-metro population, respectively.

The Food, Conservation and Energy Act of 2008, popularly known as The Farm Bill, reauthorized many Federal programs that affect rural areas, ranging from food stamps to resource conservation programs. Several rural development initiatives that were featured in the last farm bill have been expanded, including entrepreneurship and microenterprise development, value-added agriculture (such as renewable fuels and marketing locally produced goods), and regional approaches to rural development programs.

High commodity prices have raised US farm income, but at a price. Domestic farm and bio-fuel policies have been targeted by critics for change, low income consumers here and abroad have seen their food prices rise, and competing countries are planning on expansion of their grain production. Wheat and rice, whose prices rose from weather related issues, will see near term



declines in price. Feed grains and oilseeds used for bio-fuel production will continue to be in high demand.

## b) Change in Agrifood Production

The agri-food industry encompasses the production of food, beverage and tobacco products. Fifty percent of the total value of agricultural products comes from nine states: California, Texas, Iowa, Nebraska, Kansas, Illinois, Minnesota, North Carolina and Wisconsin. Food inflation in the United States is at its highest levels in 17 years. Both new and ongoing forces had driven up the prices of food commodities, causing a major food crisis in 2007–08. Income and population growth, rising energy prices and subsidized bio-fuel production, have contributed to surging consumption of agricultural products. The top five industries in terms of net cash income produced were: grains and oilseeds, milk, poultry and eggs, fruits and nuts, nursery and greenhouse.

Record high grain prices stimulated record high incomes and surging land values increased the wealth in the sector. Crop producers, in general, were doing well as the prices of their crops outpaced rising input costs. Agribusinesses who

provided cropping inputs often were the recipients of the good times as well. There were cracks in the system as the animal industries struggled with extremely high feed prices, and food consumers around the world had smaller amounts of basic food items and much higher prices. But, the current financial crisis has altered the generally optimistic direction of agriculture in just a few weeks.

The farm sector came into the current crisis with strong income. Net farm income across the country reached record levels in 2007 at \$86.8 billion. Until recently, prospects for 2008 looked even better. In August 2008, USDA forecast an even higher record for 2008 income at \$95.7 billion. However, the financial crisis characterized by falling energy prices, prospects for declining world food demand, and a strengthening U.S. dollar have caused agricultural prices and income prospects to plummet. By the end of the year, 2008 farm income is expected to be sharply lowered, and far below any records.

### c) Change in Policies that Affect Agriculture and Rural Life

USDA's goal over the past seven months has been to implement the 2008 Farm Bill as quickly and efficiently as possible. A new farm bill is re-authorized approximately every five years, directing farm program policy including conservation. The bill, also known as the Food, Conservation and Energy Act of 2008, is the most influential piece of legislation that affects agriculture in America. The 2008 Farm Bill was enacted on June 18, 2008. The Conservation Title, title II, is one of fifteen titles that make up the omnibus legislation. It is approximately 50 percent larger than its predecessor, the 2002 Farm Bill, with 15 titles and more than 600 provisions. In total, 170 regulatory actions and over 100 reports and studies have been identified that the Department

is required to complete to fully implement this important legislation.

Its 15 titles include administrative and funding authorities for programs that cover:

- 1) Income and commodity price support, farm credit, and risk management;
- 2) Conservation through land retirement, stewardship of land and water resources, and farmland protection;
- 3) Food assistance and agricultural development efforts abroad and promotion of international access to American farm products;
- 4) Food stamps, domestic food distribution, and nutrition initiatives;
- 5) Rural community and economic development initiatives, including regional development, rural energy efficiency, water and waste facilities, and access to broadband technology;
- 6) Research on critical areas of the agricultural and food sector; accessibility and sustainability of forests;
- 7) Encouraging production and use of agricultural and rural renewable energy sources; and
- 8) Initiatives for attracting and retaining beginning and socially disadvantaged farmers and ranchers.

### d) Changes in the Institutional Framework for Agriculture and Rural Life

Rural America is home to about 17 percent (50 million) of the Nation's people, comprises over

2,000 counties, and accounts for 75 percent of the Nation's land.

U.S. agriculture has become increasingly efficient and has contributed to the overall growth of the U.S. economy. Output from U.S. farms has grown dramatically, allowing consumers to spend an increasingly smaller portion of their income on food and freeing a large share of the population to enter nonfarm occupations that have supported economic growth and development. As a part of the transformation spurred by technological innovation and changing market conditions, production agriculture has become a smaller player in the national and rural economies. While the more broadly defined food and agriculture sector continues to play a strong role in the national economy, farming has progressively contributed a smaller share of gross domestic product (GDP) and employed a smaller share of the labor force over the course of the century.

The agricultural sector of the 21st century is concentrated on a small number of large, specialized farms in rural areas where less than a fourth of the U.S. population lives. Overall, farmers found ways to adapt to the changes of the last century. Those who remained in agriculture increased their efficiency by expanding and specializing their operations to take advantage of economies of scale, or by identifying niche markets to maintain profitability. Others moved out of farming and into other enterprises or occupations, or combined farming with off-farm work, with other family members tapping different sources of income. In some cases, farming has become a secondary occupation, providing a preferred lifestyle rather than a primary source of income.

To date, technological development and market integration remain forces of change, and their influence, along with that of consumers, appears likely to continue. The structure of farming continues to move toward fewer, larger operations producing the bulk of farm commodities,

complemented by a growing number of smaller farms earning most of their income from off-farm sources, all increasingly affected by global events. Although many details of U.S. farm programs have changed over the last 40 years in response to new economic and political circumstances, two key features of commodity programs—commodity specificity and focus on income support—have remained constant. Today, cash receipts for supported commodities (wheat, feed grains, rice, cotton, oilseeds, dairy, and sugar) account for only 34 percent of total farm cash receipts. Direct government payments for income support reach only about 500,000 farms (around 25 percent of all farms).



#### e) Major Developments in the Thematic Areas that Affected the Performance of Agriculture and the Rural Life

Food and agricultural systems operate in a highly competitive global context, and the United States is a major player in these international markets—the U.S. share of the global market for agricultural goods averages just under 20 percent. In 2007, U.S. farms sold \$297 billion in agricultural products while incurring \$241 billion in produc-



tion expenses. Income from sales increased 48 percent between 2002 and 2007, while production expenses increased 39 percent. In addition to receipts from sales, U.S. farms also received \$8 billion in government payments and \$10 billion in farm-related income in 2007.

Since U.S. farms produce far beyond domestic demand for many crops, maintaining a competitive agricultural system is critical to ensuring the economic viability of U.S. agriculture. At the same time, U.S. agriculture is a diverse economic sector. Differences in commodity type, farm size, operator and household characteristics, and even goals for farming affect the competitiveness of individual operations and ultimately of the sector as a whole.

In recent years, changes in the rules of trade, shifts in domestic policy, and new developments in technology have altered the competitive landscape of global agriculture and the challenges facing American farmers. Specifically, these thematic areas include: biotechnology; agricultural research and productivity; bio-energy, trade and international markets; and environmental interactions.

**Biotechnology** - Agricultural biotechnology has been advancing rapidly; and for all the promises it offers, it poses as many questions. Agricultural biotechnology is rewriting the rules in several key areas—agricultural research policy, industry structure, production and marketing, consumer preference, and world food demand—and public policy is struggling to keep up. Much of the current interest in biotechnology stems from the rapid diffusion in North America and other exporting countries, like Argentina, of genetically engineered (GE) crops such as cotton, soybeans, corn, and canola, and from the uneasy consumer response in Europe as compared with the United States.

**Agricultural Research and productivity** - Unprecedented growth in agricultural productivity



over the past century can be attributed largely to investments in agricultural research and technology development. Many developments—including more efficient agricultural machinery, agricultural chemicals and fertilizers, genetic improvements in crops, and changes in farm management techniques—have transformed U.S. agriculture. These developments have contributed to an abundant and affordable food supply for consumers.

Most early research efforts sought to replace increasingly expensive resources with less expensive ones. For example, the development of farm machinery helped offset increasing labor costs. Currently, demands for safer, healthier, and more convenient foods, natural resource conservation, environmental protection, and animal welfare are changing the agricultural research portfolio. These demands relate directly to agricultural products and to the impacts of production methods.

**Bio-energy** - Rising fossil fuel prices and policy changes, including the passage of the Energy Independence and Security Act (EISA) of 2007, have created an environment where research development and investment in renewable energy sources have gained new momentum. Among renewable energy sources, bio-energy derived from plant materials has been one of the most

rapidly growing sectors. Although most bio-energy production currently comes from agricultural crops such as grains, oilseeds, and sugar, research is increasingly focused on cellulosic sources of biomass such as wood and perennial grasses, use of which would expand the range of potential feed-stocks. In the United States at this time, ethanol (produced mainly from corn) is the largest source of bio-energy used as a fuel additive or substitute for petroleum fuel, while biodiesel (made from vegetable oils and fats) provides a smaller share of bio-energy.

Bio-fuels currently account for roughly 5 percent of overall transportation fuel use in the United States, and the use of bio-fuels is scheduled to reach 36 billion gallons by 2022 under the EISA Renewable Fuels Standard. The rapid increase in grain-based ethanol production and the potential use of cellulosic materials as an ethanol feedstock affects agricultural markets, local communities, consumer prices, and environmental quality.



**Trade and International Markets** - U.S. and global trade are greatly affected by the growth and stability of world markets. Changes in world population, economic growth, and income are most likely to alter global food demand. Other factors affecting trade are global supplies and prices,

changes in exchange rates, government support of agriculture, and trade protection policies.

With the productivity of U.S. agriculture growing faster than domestic food and fiber demand, U.S. farmers and agricultural firms rely heavily on export markets to sustain prices and revenues. Exports have exceeded imports by a large margin since 1973. Historically, U.S. imports have increased steadily, as demand for diversification in food expands. U.S. consumers benefit from imports because imports expand food variety, stabilize year-round supplies of fresh fruits and vegetables, and temper increases in food prices.

**Environmental Interactions** - Agricultural production uses land, fertilizers, pesticides, water, and other inputs that can have an impact on the environment and potentially harm human and ecosystem health. Over 440 million acres (19.5 percent of land) is dedicated to growing crops in the U.S., and another 587 million acres (26 percent) is in pasture and range, largely used for domestic livestock production. Agricultural activities on these lands produce a plentiful, diverse, and relatively inexpensive supply of food and fiber for people in the U.S. and abroad. However, agricultural production practices can degrade the environment. Transformation of undisturbed land to crop production can diminish habitat for wildlife. Soil erosion, nutrient and pesticide runoff, and irrigation can pollute the air and water, degrade soil quality, and diminish water supplies. The extent and degree of the environmental problems associated with agriculture vary widely across the country. Concern over these problems has given rise to local, State, and Federal conservation and environmental policies and programs to address them.

### 3. Results of the Implementation of the National Technical Cooperation Agenda in the United States in 2008

#### a) IICA's Contribution to the Repositioning of Agriculture and Rural Life



*Left to Right: Eng. Simón Milien, Director General, MARNDR, Haiti; Alfredo Mena, IICA Representative in Haiti addresses Members of the OAS 'Friends of Haiti.'*

- Presented the Institute's 2007 Annual Report to the General Committee of the OAS and key officials. IICA's Deputy Director General summarized the challenges and accomplishments of the organization stating that, "During 2007, we kept our technical cooperation focused on the AGRO 2003-2015 Plan of Action which was endorsed by our 34 ministers of agriculture during the Fourth Summit of the Americas." He continued, "The Plan of Action contains a shared vision for agriculture and rural life and the strategic actions, required to achieve its objectives through 2015."
- As part of a year long series of events to celebrate the Institute's 66th anniversary, IICA coordinated hi-level sessions with key partners such as the USDA, the Inter-American Development Bank (IDB), the Pan American Health Organization (PAHO), the Organization of America States (OAS) and the International Food Information Council (IFIC). Topics of discussion included Animal Health and food Safety, Agro-tourism, Biotechnology and Risk Communication. These activities were centered around the USDA's 'World Agricultural Outlook Forum.'
- Initiated and facilitated a visit by senior officials from both the Government of Haiti and IICA to the OAS, the Government of Canada, the Bahamas and strategic partners including the IDB and The World Bank to discuss the state of agriculture and recommendations for improvement of the agriculture sector in Haiti.
- Hosted an event during the week of the USDA's World Agriculture Outlook Forum aimed at bringing awareness to the importance of partnerships. The audience included Ambassadors of the OAS, strategic partners and representatives from the public and private sector.
- Engaged the Washington public and private sectors on the importance of partnerships in Food Safety and Risk Communication. Andy Benson, Vice President, International Relations, IFIC spoke at a reception held at the Organization of



*Andy Benson, Vice President, IFIC speaks at IICA hosted reception at the OAS Museum of the Americas.*

American States' Museum of the Americas where he emphasized that risk communications is an on-going practice and that it needs to play a key role in all major policy discussions, including biotechnology and bio-safety. According to Benson, there is a need to engage all those potentially affected in identifying the hazards, assessing the risks, implementing risk management, and communicating measures up and down the food chain, so that appropriate response can be met. Benson reiterated that in achieving this, the effectiveness of risk management measures will increase, and trust in the system will grow.

- Periodic informative meetings were organized with U.S. government officials, including USDA and the U.S. Department of State, to inform on institutional activity.
- Led a joint presentation with the World Bank on the World Development Report 2008 entitled, 'Agriculture and the New Challenges of Development – 2007' with the Ministers of Agriculture of Central

America in an ongoing effort to promote hemispheric dialogue on global agricultural development.

- Facilitated linkages between U.S. institutional, financial, professional and technical resources, the donor community, the public and private sectors, FAO and the USDA to bring awareness to the growing concern of food security and the effects of climate change to agriculture in the region.



*Left to Right: Dr. Thomas C. Schelling, 2005 Nobel Laureate in Economics and Distinguished Professor at the University of Maryland; IICA Assistant Deputy Director General, David C. Hatch addresses Members of the OAS Permanent Council.*

- Succeeded in the development of a joint collaboration role with senior World Bank officials from the Agriculture and Rural Development unit for Latin America and the Caribbean to move forward on agriculture insurance initiative for the Latin America and Caribbean region.
- A keynote address entitled, 'Perspective of Bioenergy and Jatropha in Latin America

and the Caribbean', was given to attendants and participants in Rome at the International Consultation on Pro-Poor Jatropha Development. The consultation was designed to support the approved research grant financed by IFAD which aims to develop appropriate technologies to intensify biofuel feed stock production, study the economics of rural electrification and assess its impact on poverty.

- Raised awareness among Member States through the Institute's Annual 'IICA Day' held at the OAS on the growing global concern of Food Security and Climate Change. Specific recommendations were made by IICA senior officials in light of the threat created by climate change to agriculture and food security in the western hemisphere. Guest speaker and 2005 Nobel Laureate, Dr. Thomas C. Schelling, emphasized the need for additional resources to cope with potential consequences of climate change related to health, disease, development, population growth, and that food production and distribution should come from the 'developed countries.' He also warned the audience that the adverse effects of climate change will accrue to the descendents of those living in 'developing countries.'
- In partnership with the Caribbean Agricultural Research and Development Institute (CARDI), the FAO, the Ministry of Agriculture, Forest and Fisheries of St. Vincent and the Grenadine, CARICOM and the Technical Center for Agriculture and Rural Cooperation (CTA), the Office was successful in promoting the 8th Annual Caribbean Week of Agriculture (CWA) held in St. Vincent and the Grenadines. The theme of the event was entitled, 'Transforming the Agricultural Sector Through value Addition.'
- Held exploratory sessions, throughout the year with senior officials from organiza-



tions such as IFAD, FAO, PAHO, OAS, IDB, International Research Food Policy Institute (IFPRI) and Technoserve.

- Held substantive high level discussions with FAO officials in Rome, Chile and the United States to develop a more constructive model of collaboration. These meetings resulted in a series of proposed actions for 2009 that were approved by IICA's Director General, and then presented by the DSP to FAO for their approval.
- Participated in the conference organized by the Canadian Young Farmers Forum, Alberta Association of Colleges and Technical Institutes where the DSP spoke on the issue entitled, 'Some Key Business Principles that Apply to Agriculture.' In addition, the DSP held substantive planning discussions with the Alberta Association of Colleges and Technical Institutes and agreed on several initiatives.
- Proposed and secured approval for two projects with the USDA: 1) a joint IICA/USDA accessible data base of technical information that aims to form the basis for a virtual extension service for mem-

ber countries and research institutions; and, 2) formal review of IICA/USDA-FAS National agendas.

- Organized and led a segment during the Institute's Annual 'Representative's Week' that provided case studies and working group sessions on specifically assigned issues relating to improving IICA's ability to develop and strengthen strategic partnerships.

#### b) Promotion of Trade and the Competitiveness of Agribusiness

- Secured the support from the Vice President and the Agriculture Minister of the Republic of Uruguay for a conference on agriculture insurance for 2009 in Montevideo. To strengthen this effort, IICA also developed a relationship with the new head of ALASA, the hemispheric insurance organization.
- Secured the agreement from multiple Spanish insurance companies (ENESA, Agrosseguros, POLITECNICA) to provide advisory or consulting services in developing Latin America and the Caribbean agriculture insurance programs.
- Led a comprehensive analysis and review of the state of agriculture insurance in Chile and presented recommendations to strengthen the program to both the government of Chile and the private sector insurance community.
- Presented 'Agriculture Insurance in Latin America - Observations and Critical Success Factors,' to over 200 small producers, government officials and the private sector, at the 8th Annual Instituto de Desarrollo Agropecuario – Chile (INDAP). The theme



*Left to Right: David C. Hatch, IICA Assistant Deputy Director General, Representative in the U.S. and Director of Strategic Partnerships greets Rodolfo Nin Novoa, Vice President of Uruguay, during his visit to South America.*

of the event was entitled, 'Managing Risk for the Small Producers in Chile.'

- Participated in the 'International Economic Forum of the Americas' held in Canada where the DSP moderated a high level panel, which included the OAS Secretary General, on the 'Impact of commodity prices on Agribusiness.' The audience was comprised of international policy makers and representatives from the public and private sector.
- Provided ongoing yearlong participation and support during the Joint Summit Working Group sessions (JSWG) aimed at addressing issues in the negotiation process for the Fifth Summit of the Americas, and in this way helped to facilitate the advancement of agricultural concerns for the Americas.
- Authored a recent article published in *Comuniica* Magazine about agriculture insurance throughout the Hemisphere and how it contributes to reducing poverty by

helping farmers recover more quickly from economic losses in the event of adverse natural disaster and other phenomena.

- Facilitated a successful joint IICA/OAS, sponsored launch of a distance education course in Agro-tourism. Four virtual classrooms were created and 96 students were able to participate.
- Participated as a presenter in the first 'Annual Caribbean Tourism Summit' held in Washington, DC. The event stands alone as a significant opportunity for advancement of the Caribbean tourism infrastructure.
- Coordinated a technical presentation at PAHO on Agro-tourism.

#### c) Strengthening Agricultural Health and Food Safety Systems

- In efforts to strengthen the veterinary infrastructure in the Caribbean region, IICA played an important role in obtaining a one-

year extension of the APHIS-IICA Agreement for the VEP Project, which secures funding of \$200,000.

- As a result of coordinated efforts made by IICA, the USDA-APHIS approved funding of \$75,000 for the LAC Codex Coordinating Committee.
- Increased awareness to animal health and food safety concerns in the Americas by initiating, and aiding in the successful completion of the fifteenth 'Inter-American Meeting at the Ministerial Level on Health and Agriculture' (RIMSAs) in Rio de Janeiro, Brazil.
- Coordinated a technical presentation at PAHO on Animal Health and Food Safety.

#### d) Promoting the Sustainable Management of Natural Resources and the Environment

- Produced a video on Climate Change and Food Security to accompany 'IICA Day,'

## ■ 4. Results of Inter-Agency Cooperation

During the year, the Directorate for Strategic Partnerships (DSP) advanced on a series of on-going actions. It enhanced relationships with existing as well as with new partners by means of comprehensive dialogues on critical issues such as food security, climate change, poverty reduction, Agro-tourism, agricultural insurance and risk management, technology transfer and knowledge management.

Among the new partnerships implementing actions, IICA facilitated the signing of an Agreement between the Inter-American Development Bank (IDB) and the Caribbean Council of Higher Education in Agriculture (CACHE). The US\$400,000 grant from the IDB's Regional Public Goods Program aims to enhance the capacity of the Caribbean labor force to improve competitiveness of the agriculture sector. As a result, Barbados, the Dominican Republic, Guyana, Suriname and Trinidad and Tobago have joined forces to collectively develop a regional strategic plan that will include a tool box with public policy guidelines, an information sharing system and a set of pilot training events.

The Institute led the development of a very promising partnership with the World Food Programme (WFP). Meetings with WFP senior officials in Rome and Panama City resulted in the preparation of a MOU that identifies IICA as the technical advisor on agriculture in the Western Hemisphere. The first major project under this MOU is the execution of the Purchase for Progress (P4P) program in four Central American countries that is funded by the Howard Buffet Foundation. P4P will give farmers the know-how and the tools to be more competitive players in the agricultural marketplace. It will also

put more cash directly into their pockets in return for their crops. The program aims to:

- Create an incentive for farmers to develop their crop management skills.
- Create an incentive for farmers to produce quality foods.
- Create a market for the surplus crops of smallholder and low-income farmers.
- Promote local processing of foods.
- Realign the way WFP buys food to better address the root causes of hunger.

The signing of the MOU and approval of the Action Plan for the P4P program are expected in early 2009.

Also, IICA succeeded in the development of a joint collaboration role with senior World Bank officials from the Agriculture and Rural Development unit for Latin America and the Caribbean to move forward on agriculture insurance initiative for the Latin America and Caribbean region.

Other exploratory sessions included meetings with senior officials from organizations such as IFAD, PAHO, OAS, IFPRI and Technoserve.

With the Alberta Association of Colleges and Technical Institutes, IICA agreed on several initiatives for 2009 after our participation in the conference organized by the Canadian Young Farmers Forum.

Finally, IICA held substantive high level discussions with FAO officials in Rome, Chile and the



United States to develop a more constructive model of collaboration. These meetings resulted in a series of proposed actions for 2009 that were approved by IICA's Director General, and then presented to FAO for their approval.

## ■ 5. New Opportunities for Technical Cooperation

Enhance institutional presence and image as a credible and effective organization:

- Continue to improve institutional image
- Increase presence of IICA senior level staff at key inter-agency meetings and public events.
- Addition of staff to the IICA Washington Office to maximize full working capacity, particularly in technical areas.

Assist IICA in forging, prioritizing and developing strategic partnerships:

- Development of extension services to further advance knowledge capacity in the Member States

- Identify collaborative opportunities for technical cooperation in the countries

- Improve collaboration with strategic international partners

- Enhance opportunities for IICA with strategic partners

- Design and implement external relations strategies with key partners

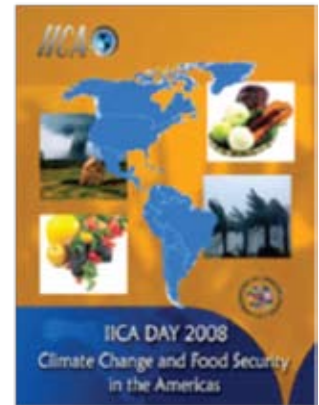
- Increase lines of communication with IICA units in headquarters and between national offices and international strategic partners

Develop agreements and actions with potential key strategic partners in the U.S.

## 6. Main Activities Organized by IICA

The main activities organized by the IICA Office in the United States included:

- The Office hosted a reception at the OAS Museum of the Americas to accompany IICA activities around the Annual USDA Ag Outlook Forum. Andy Benson, Vice President, International Relations, International Food Information Council, (IFIC) served as key note speaker. His presentation was titled, 'Partnership Approach to Food Safety and Risk Communications.'
- In efforts promote the Institute's activities and programs, brownbag presentations by IICA Directors were organized for senior officials and key stakeholders at the USDA, PAHO, IDB and World Bank. Areas of technical interest included: Animal Health and Food Safety (AHFS); Biotechnology; Agribusiness; Agro-tourism and Knowledge Management.
- 'IICA Day at the OAS' celebration which addressed 'Food Security and Climate Change in the Americas.' The event featured 2005 Nobel Prize Laureate in Economics, Dr. Thomas C. Schelling, IICA Deputy Director General, Christopher Hansen and Assistant Deputy Director David C. Hatch.
- As a separate event, but a key component of the 'IICA Day' activity, a breakfast discussion, with select members of the OAS Permanent Council and members of the private sector was held. Concluding the day's activities, a reception was also organized which showcased 'Foods of the Americas.'
- Briefing on IICA's technical capacity and areas and expertise to the staff of IDB's Environment, Rural Development and Disaster Risk Management Division.



## ■ 7. List of Publications

### Audio-Visual

1. 5 minute audio-visual presentation entitled "Climate Change ... In the Long Run."

### Publications

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|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>1. Agriculture Insurance – A Powerful Tool for Governments and Farmers. <i>ComunIICA</i>, May - August, 2008.</li> <li>2. IICA and IFIC Engage Washington Public and Private Sectors on The Important of Partnerships in Food Safety and Risk Communication - February 20, 2008</li> <li>3. IICA Presents Annual Report to the OAS – March 26, 2008</li> <li>4. IICA Names New Associate Deputy Director General – June 3, 2008</li> <li>5. Experienced Professional Takes Over as Deputy Director General of IICA – June 3, 2008</li> <li>6. IICA Emphasizes Importance of Tourism and Agriculture Link at Caribbean Summit - June 23, 2008</li> </ol> | <ol style="list-style-type: none"> <li>7. IICA Leads Delegation to Address Agriculture Issues at OAS Haiti Group of Friends – July 28, 2008</li> <li>8. IICA and Cornell University to Explore Joint Cooperation in Agriculture for the Americas – September 16, 2008</li> <li>9. Nobel Laureate Warns of the Threat to Agriculture Due to Climate Change - October 1, 2008</li> <li>10. Eat What We Grow .....Grow What We Eat! – October 5, 2008</li> <li>11. IICA Calls for A Revolutionary Move To Further Agriculture - October 8, 2008</li> <li>12. 8th Annual Caribbean Week Of Agriculture Begins in St. Vincent - October 8, 2008</li> <li>13. IICA Promotes Agricultural Insurance in Chile and Uruguay - November 17, 2008</li> </ol> |
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