

**2006 Annual Report**  
**IICA's Contribution to Agriculture and the Development of Rural Communities in the**  
**United States of America**

**1. Introduction**



IICA's prime counterpart in its work within the United States is the U.S. Department of Agriculture. The United States domestic farm sector strategy

targets commercial farms (28% of farmland), intermediate farms (45% of farmland) that have some off-farm income resources and rural residence farms (29% of farmland) whose principal income comes from off-farm employment. In addition to improving conservation and productivity of arable land, attention is also focused on alleviating hunger in over 3 million U.S. households with over 2.7 million children and in creating equal economic opportunities for 28 million rural residents whose median household income is 23% below that of urban residents.

**2. Executive Summary**

USDA was established in the mid 1800s to strengthen the science base for farming. In addition to its extensive network of offices throughout its 50 states, USDA also has 63 posts that cover trade issues for exporters in 130 countries. Its domestic farm sector strategy targets commercial farms (28% of farmland), intermediate farms (45% of farmland) that have some off-farm income resources and rural residence farms (29% of farmland) whose principal income comes from off-farm employment. In addition to improving conservation and productivity in the 38.2 million square kilometers of arable land, attention is also focused on alleviating hunger in over 3 million U.S. households with over 2.7 million children and in creating equal economic opportunities for 28 million rural residents whose median household income is 23% below that of urban residents.

USDA's strategic agenda focuses on six key themes: trade expansion; farm sector competitiveness; enhancing the physical and institutional infrastructure; greater environmental conservation; prosperous rural communities; improved nutrition and efficient food assistance. In 2002 USDA presented a White Paper on IICA that outlines a partnership agenda based on three central objectives: (1) expanding institutional capabilities in the hemisphere for greater competitiveness; (2) building consensus and compatible systems for agricultural health and food safety; and (3) improving the capacity for the U.S. and its partners to trade within the hemisphere.

The Inter-American Institute for Cooperation on Agriculture has a special historical relationship with the USA. The U.S. Department of Agriculture was instrumental in founding the Institute in 1942 and over the years has provided nearly 60% of its core operating resources to promote the advancement of science and cooperation in agriculture throughout the hemisphere. IICA's partnership with USDA and other agencies in the United States has undergone renewal due precisely to agricultural globalization issues and the importance of trade

to U.S. agriculture and food safety to U.S. consumers. Concomitant with these issues are a host of other related priorities, especially related to agricultural health, food safety, cross-border issues and science and technology that are essential for improving competitiveness and deepening cooperation in the hemisphere.



The key role of the IICA Office in the USA is to build an active and diversified constituency for national, regional and multinational IICA programs within the USA, leveraging resources, influence and knowledge to promote hemispheric food security and rural prosperity. During 2006, the USA Office and its Directorate for Strategic partnerships focused its attention and limited resources in expanding IICA's inter-institutional reach with new and existing partners, while responding to the hemispheric concerns of USDA regarding the advancement of agriculture. Specific actions were taken to articulate technical, financial and policy-related resources with USAID to create new institutional arrangements with IICA offices throughout the hemisphere that improve effectiveness. This series of activities provides key inputs in internal institutional alignment and establish new public-private sector partnerships to address rural poverty and generate greater international solidarity for agricultural and rural development.

Embedded in the strategic thrust of IICA USA are the core institutional values of flexibility, accountability, transparency, efficiency and financial prudence that permeate every action and activity undertaken. During the year 2006 the Office continued to reconstitute its relationship with U.S. stakeholders. Specific in-roads were made with the U.S. private sector, on a wide variety of issues of national interest and international import affecting state and local rural development.

During 2006, the IICA Office in the USA continued its work with the U.S. Department of Agriculture in ongoing actions related to food safety, trade policy, public-private partnership and, most recently, avian influenza, an urgent priority. 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.

IICA's Directorate for Strategic Partnerships, (DSP) also based in the Washington Office, serves to advance new and strengthen existing partnership arrangements to promote rural prosperity, food security and sustainable development throughout the Hemisphere. The DSP develops cooperative agreements and mutually beneficial partnerships that provide other forms of support to IICA management units and country offices so that producers and policy makers in all thirty-four IICA Member States can enhance their capacities for development. The Office continued to furnish leadership and contacts to leverage resources for agricultural and rural development actions. It provided seed funds to capitalize on emerging opportunities to develop and implement new projects. The DSP also served as a bridge by providing internal management units and outside stakeholders with useful information regarding partner portfolios and priorities. A new Coordinating Committee for Strategic partnerships was established by the Director General to facilitate coordination between the DSP and thematic areas and country office and

operations, chaired by the DSP. The Committee has been producing results and working actively to promote an institutional approach to forging effective strategic partnerships.



Ambassador John E. Lange, Representative on Avian and Pandemic Influenza, U.S. Department of State, speaks at the Inter-American Luncheon Series at the Beacon Hotel in Washington D.C.

Actions were undertaken to expand the capacities and opportunities of U.S. public institutions, private enterprise and centers of learning in technology and innovation to improve rural communities and agriculture in the Americas. In significant visits to the U.S. IICA's Director General participated in various forums on the themes of hemispheric integration, regional trade and agricultural health in conjunction with international organizations, such as PAHO and the OAS. Numerous IICA experts arrived to provide

information and analysis of current trends in agriculture regarding agricultural health, food safety, trade and agribusiness, as well as education and rural development. As part of the partnership with

CCAA, Inter-American Council and USDA/ARS, IICA continues to coordinate working luncheon events with noted speakers on the themes of agricultural trade and food safety.

The DSP also took the lead in developing a strategic alliance with RUPRI, has expanded its activities with the IDB, agreed on establishing a work plan with the sustainable development unit of the OAS, negotiated a cooperative agreement with the University of Florida and acquired resources for the conference on avian flu in Brasilia as well as arranged for key officials from the World Bank, IDB and CAF to attend, among other initiatives. The DSP was also responsible for securing a membership for IICA on the board of directors of the World Agricultural Forum. It also has established strong links with MIGA, a key agency of the World Bank, and is working toward developing a cooperative agreement with that agency.

The IICA Office in the USA facilitates linkages between U.S. institutional, financial, professional and technical resources of the public and private sector to improve the capacity to trade in the hemisphere. IICA has engaged the Millennium Challenge Corporation (MCC) in discussions regarding support to MCC qualified countries in the hemisphere, as those countries request IICA's expertise - from the IICA country offices as well as the DSP - in developing their national compacts, specifically El Salvador and Honduras. Collaboration was fostered with USAID in the development of initiatives in Honduras, Colombia and Peru, where the ACCESO project was launched, and IICA was designated as the implementing agency of the Andean Countries Cocoa Export Support Opportunities (ACCESO) working with the World Cocoa Foundation. The DSP also was instrumental in strengthening the strategic relationship with CAF. With respect to the IDB, among other activities, the DSP facilitated development of five projects currently in the pipeline.

### **3. The State of Agriculture and Rural Life in the United States**

U.S. agriculture experienced an extremely strong recovery following the economic slowdown at the start of this decade. With solid growth in domestic and export demand, large crop harvests, and record-high cattle, broiler and milk prices, net farm income reached a record high in 2004. In 2005, net farm income reached the second highest level on record despite a large increase in crop stocks which reduced crop prices; multiple hurricanes that shut down the central marketing infrastructure of the country; sharply higher energy prices that raised production, marketing and processing costs; continued loss of Asian beef markets; and the emergence of global Avian Influenza (AI) concerns. Adverse factors were partially offset by continued strong global demand for food, the ability of the agricultural system to rebound from shocks, a substantial increase in government support spending and continued strong livestock and livestock product markets.



In the year ahead, global economic growth and food demand is expected to remain strong, but markets for major crops will face lower prices from higher stock levels built up from the large production levels the past two years. In addition, expansion of livestock and livestock product production following several years of profitable returns will likely reduce market prices somewhat. Higher interest rates and energy costs and continued disruption of markets due to animal diseases and weather are also likely to be factors affecting economic performance.

Together, these factors suggest that net cash farm income will drop in 2006. Even with the contraction and more financial stress for some farming operations, the overall farm economy is expected to perform at long-term average levels with farm household income remaining strong and farm net worth continuing to increase.

#### **3.1 Factors in the National Context**

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 fewer than 20 percent. 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.

The food and fiber system of the United States of America (USA) is the largest, most competitive, most complex and most efficient in the world. Combined expenditures for food consumption, other personal fiber consumption, exports, and food and fiber production amounted to over \$1.5 trillion in 2001, accounting for 16% of GDP and employing 17% of the labor force. Approximately 150,000 U.S. farmers produce most of the food and fiber to supply the domestic market composed of 285 million people and to meet the needs of foreign markets, while another two million are part-time farmers. Exports that add up to \$53.5 billion provide consumers worldwide with a variety of products and also support relief efforts to improve food security amongst the world's poor.

The demand for U.S. agricultural products has increased steadily as supplies have augmented due to technological advancement. Trade is critical for U.S. farmers: 45% of wheat production is exported; 34% of soybeans; 66% of almonds; and 63% of sunflower oil. Overall exports account for 25% of total farm sales. Every dollar of direct export sales generates another \$1.39 in supporting economic activity. The International Food Policy Research Institute (IFIC) expects that 85% of the increase in global demand for cereals and meat will occur in developing countries by 2020. U.S. food and agricultural exports to Canada and Mexico expanded 59% since the implementation of NAFTA.



While 2004 and 2005 were promising in terms of renewed attention to reducing hunger, the world still faces the large and familiar problems of widespread hunger and malnutrition. It is clear that future growth potential for food consumption will occur primarily outside the United States where 96% of the world's population lives. These trends are similar for high value exports such as pet foods. In fact high value products now account for two-thirds of total sales. Trade is of strategic importance to U.S. food and fiber stakeholders and with a new round of negotiations,

barriers and subsidies are key issues to be addressed in the immediate future.

U.S. farm sector policy has been under a process of rapid reform as agricultural production has become more consumer-driven. The wide diversity of farms' financial, technological and commercial arrangements has demanded a new, more customized approach to policy and service delivery. People whose principal occupation is not farming run most U.S. farms. Assisting these diverse operations to maintain their competitiveness and provide them with the new tools they need for participating in growing overseas markets is a central challenge to public policy and the agencies that implement it. Flexibility is imperative in matching government program design and intent with farm circumstances that vary with size, organization and geographic location. Public support to the food, farming and rural community throughout the 9.1 million square kilometer nation involves a myriad of national, state and local agencies. These institutions focus on a broad range of services that include increasing attention to rural development and effective food assistance as well as renewed efforts to improve environmental conservation through science.

### **3.2 Changes in Legislation and Policies on Agriculture and Rural Life**

USDA began preparations for the 2007 farm bill in 2005 by conducting 52 Farm Bill Forums across the country. More than 4,000 comments were recorded or collected during forums and via electronic and standard mail. These comments are summarized in 41 theme papers. USDA economists, led by Dr. Keith Collins, studied the comments and authored five analysis papers.

The proposals unveiled today represent the final phase of a nearly two year process. Each detailed proposal provides information about why a change is needed, the recommended solution, and relevant background information about the impacted program or policy.

Highlights of the proposals include (funding reflects ten year totals):

- Increase conservation funding by \$7.8 billion, simplify and consolidate conservation programs, create a new Environmental Quality Incentives Program and a Regional Water Enhancement Program.
- Provide \$1.6 billion in new funding for renewable energy research, development and production, targeted for cellulosic ethanol, which will support \$2.1 billion in guaranteed loans for cellulosic projects and includes \$500 million for a bio-energy and bio-based product research initiative.
- Target nearly \$5 billion in funding to support specialty crop producers by increasing nutrition in food assistance programs, including school meals, through the purchase of fruits and vegetables, funding specialty crop research, fighting trade barriers and expanding export markets.
- Provide \$250 million to increase direct payments for beginning farmers and ranchers, reserve a percentage of conservation funds and provide more loan flexibility for down payment, land purchasing and farm operating loans.
- Support socially disadvantaged farmers and ranchers by reserving a percentage of conservation assistance funds and providing more access to loans for down payments, land purchasing and farm operating.
- Strengthen disaster relief by establishing a revenue-based counter-cyclical program, providing gap coverage in crop insurance, linking crop insurance participation to farm program participation, and creating a new emergency landscape restoration program.
- Simplify and consolidate rural development programs while providing \$1.6 billion in loans to rehabilitate all current Rural Critical Access Hospitals and \$500 million in grants and loans for rural communities to decrease the backlog of rural infrastructure projects.
- Dedicate nearly \$400 million to trade efforts to expand exports, fight trade barriers, and increase involvement in world trade standard-setting bodies.
- Simplify, modernize, and rename the Food Stamp Program to improve access for the working poor, better meet the needs of recipients and States, and strengthen program integrity.

The Administration's 2007 farm bill proposals would spend approximately \$10 billion less than the 2002 farm bill spent over the past five years (excluding ad-hoc disaster assistance), upholding the President's plan to eliminate the deficit in five years. These proposals would provide approximately \$5 billion more than the projected spending if the 2002 farm bill were extended.

The proposals are available at [www.usda.gov/farmbill](http://www.usda.gov/farmbill). Also posted on USDA's website are the Farm Bill Forum transcripts, farm bill comments submitted by the public, theme papers summarizing the comments and USDA analysis papers.

### **3.3 Institutional Reforms in Agriculture and Rural Milieu**

Rural America comprises 2,305 counties, contains 80 percent of U.S. land, and is home to one-fifth (56 million) of its people. Rural America is diverse. At the dawn of the 21<sup>st</sup> century, no one industry dominates the rural landscape, no single pattern of population decline or growth exists for all rural areas, and no statement about improvements and gaps in well-being applies to all rural people. Some rural areas have shared in the economic progress of the Nation, while others have not. The opportunities and challenges facing rural America are as varied as rural America itself.

Farming no longer anchors most rural communities and economies as it did through the mid-20<sup>th</sup> century. Small family farms are now more closely associated with diversified rural economies that offer off-farm income opportunities. Large farms still enhance some local economies, but developments in long-distance purchasing of inputs and marketing of products reduce their contribution. Seven out of eight rural counties are now dominated by varying concentrations of manufacturing, services, and other nonfarming activities. Today, rural regions of the country survive economically on one or more of three basic assets: natural amenities for tourism and retirement; low-cost, good quality labor and land for manufacturing; and natural resources for farming, forestry, and mining.



In 1950, 4 out of every 10 rural people lived on a farm, and almost a third of the Nation's rural workforce was engaged directly in production agriculture. Because agriculture dominated the social and economic well-being of most of the rural population, public policy related to agriculture was a dominant force shaping rural life both on the farm and in rural communities. But today, rural America is vastly different from 50 years ago, and current commodity-based farm policies do not fully address the complexities of rural economies and populations. Farms are larger and more efficient, farm households depend more on off-farm income, and rural communities look for nonfarm sources of economic growth. Today, less than 10 percent of rural people live on a farm and only 14 percent of the rural workforce is employed in farming.

In addition, some rural communities have changed dramatically since 1990 due to increased population from urban areas, shifts in age and ethnic composition, and economic and industrial restructuring. Population changes are creating new needs as new migrants from urban areas revitalize some nonmetropolitan (nonmetro) or rural areas, while long-term population and employment losses have the opposite effect on other rural communities. Increasing competition from abroad and sectoral shifts in employment present new challenges and opportunities in the worldwide economy and raise the question—how can rural communities successfully build on their economic base and other assets to retain and attract population and employment? And, when, where, and under what circumstances will rural development strategies be most successful? The diversity within rural America dictates that strategies tailored to particular types of rural economies may be more effective than a broader “one size fits all” rural policy. Demographic change, the health of the Nation’s economy, and industrial restructuring will be major factors affecting rural policy in the 21st century.

### **3.4 Agrifood Trade and the Development of Agribusiness**

Fiscal 2007 agricultural exports are forecast at a record \$77 billion, up \$5 billion from the August forecast, and \$8.3 from fiscal 2006. Corn exports are raised \$2.1 billion from August to a near-record \$8.9 billion on higher prices due to continued strong demand and tightening domestic supply. The U.S. corn crop is estimated slightly smaller. Domestic use for ethanol and overseas demand for feed use remains strong.

Wheat exports are raised \$340 million on tighter world supply and reduced competition from Australia. Soybean exports are raised \$900 million, and soybean meal and oil are also increased on higher expected unit values and volumes. The improved outlook for the soybean complex reflects higher prices, record crushing, slowed production growth in South America, a record U.S. crop, and strong demand from China. China replaces the EU-25 as the fourth largest market for U.S. agricultural exports largely due to sales prospects for soybeans. Livestock product exports to all destinations are raised \$800 million.

Fiscal 2007 agricultural imports are forecast at a record \$69 billion, up \$500 million from the August forecast. Though record high, the rate of import growth is the slowest since 2003, the result of a weaker dollar, stable livestock trade, and a slower rate of growth for sugar and tropical products. Fresh and processed fruits and vegetables, wine and beer, beef and pork, grain-based snack foods and confectioneries will continue to account for over half of the growth in 2007.

### **3.5 Agricultural Health and Food Safety**



Increased concern over foodborne disease has encouraged additional government regulation as well as additional investments by industry in new technologies and manufacturing procedures. Through applied research and developing technology, USDA helped to reduce economic losses of the livestock and poultry industries and the associated rural agricultural community from

infectious, genetic, and metabolic diseases. This new technology also is aimed at prevention of suffering and death caused by diseases in agriculturally important livestock and poultry.

Food safety innovations have increased, largely because of the stringent standards for pathogen control demanded by large meat and poultry buyers like Jack in the Box and many foreign buyers. These companies are referred to as “channel captains”—savvy buyers who monitor food safety up and down their supply chain. These channel captains offer meat and poultry processors contracts that allow payment of their investments in new food safety technologies. In the beef industry, domestic buyer specifications and exports correlate with higher levels of investment in food safety technologies and practices. Thus channel captains were significant motivators of food safety investment in the beef industry.

Industry Food Safety Actions - Firms invest financial and human resources to prevent microbial pathogens, carcinogenic chemicals, and other harmful substances from entering their food products. Many firms invest only in resources mandated through regulation, but many others choose an investment level that exceeds the regulated standard.



### **3.6 Agricultural Innovation, Science and Technology**

Farming has changed dramatically since the early 20<sup>th</sup> Century, when the government’s involvement in agriculture began. Today, there are fewer farms (less than two million compared to almost six million a century ago). Today’s farms are larger and increasingly utilize sophisticated production and information technologies. Consumer demands are more complex, as are marketing and distribution systems. Environmental standards, energy issues, and international trading rules influence production more than ever.

USDA supports the safe and appropriate use of science and technology, including biotechnology, to help meet agricultural challenges and consumer needs of the 21st century. USDA plays a key role in assuring that products produced using biotechnology are safe to be grown and used in the United States. Once these products enter commerce, USDA supports bringing these and other products to the worldwide marketplace.

U.S. Agriculture is a major user of energy, with direct energy consumption and indirect energy use through production inputs, such as fertilizer, accounting 15 percent of total farm cash production expenses. In addition, agriculture has the potential to become an increasingly important source of renewable energy and provide significant economic opportunities for farmers and ranchers. Renewable energy production stimulates the agricultural and rural economy, improves the environment, and enhances national energy security. The most effective government policies that have expanded renewable energy production are non-agricultural policies. (i.e., Energy Tax Act of 1978 and the Energy Policy Act of 2005). Most agriculture-

related policy has centered on food and feed supply availability. This section discusses recent trends in energy use in agriculture, renewable energy production opportunities, the policies that have helped foster those opportunities, and the prospects for renewable energy markets.

### **3.7 Sustainable Rural Development**



The well-being of rural and small town America depends on the availability of good-paying jobs, access to critical services, strong communities, and a healthy natural environment. ERS research focuses on socioeconomic change and diversity in rural areas and provides information to Federal, State, and local policymakers to help enhance the quality of life and well-being of rural Americans.

From 2000 to 2005, the nonmetro population in the United States grew by 2.2 percent. International migration supplied nearly a third of the growth in nonmetro areas, and accounted for all nonmetro population growth in the Midwest. Growth was concentrated in nonmetro counties adjacent to metro areas. (Data on nonmetro areas are used in this report to describe rural and small-town America. The definitions of metro and nonmetro areas are discussed in the section on data sources at the end of this report.)

The nonmetro population is aging, like the U.S. population as a whole, with implications for health care, housing, and transportation. Between 2000 and 2005, the nonmetro population 40-59 years old grew by 8 percent, while the nonmetro population under 20 years of age declined by 5 percent.

Following a short recession between March and November 2001, and a subsequent period of economic growth without employment growth, the United States has undergone a broad-based economic expansion since 2003, with employment growth occurring in sectors representing more than 80 percent of total U.S. employment. As a result, U.S. employment grew between 2004 and 2005, particularly in the West and the metro South, and unemployment rates were the lowest since the 2001 recession. However, 46 percent of nonmetro counties were still below their 2000 employment levels in 2005. After a decline of more than 15 percent between 2000 and 2003 in both metro and nonmetro areas, manufacturing employment in early 2006 remained relatively stable for the third year in a row.

## **4. RESULTS OF THE IMPLEMENTATION OF THE NATIONAL TECHNICAL COOPERATION AGENDA IN THE UNITED STATES DURING 2006**

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

Actions were undertaken to expand the capacities and opportunities of U.S. public institutions, private enterprise and centers of learning in



technology and innovation to improve rural communities and agriculture in the Americas. During visits to the U.S., IICA's Director General and Deputy Director General participated in various conferences and forums on the themes of hemispheric integration, regional trade, the importance of agriculture and agricultural health in conjunction with international organizations. Numerous IICA experts arrived to provide information and analysis of current trends regarding agricultural health, food safety, trade and agribusiness, as well as education and rural development and avian influenza.

#### **b. Promoting Trade and the Competitiveness of Agribusiness**



During visits to the United States, IICA's Director General and Deputy Director General participated in various conferences and forums on the themes of hemispheric integration, regional trade, the importance of agriculture and agricultural health in conjunction with international organizations.

Numerous IICA experts arrived to provide information and analysis of current trends regarding agricultural health, food safety, trade and agribusiness, rural development and avian influenza.

#### **c. Strengthening Agricultural Health and Food Safety Systems**

DSP stakeholders identified Agricultural Health and Food Safety as the top priority for the National Agenda. During 2006, IICA Washington responded to this mandate by promoting Institutional and local area expertise in emerging animal diseases such as Avian Influenza.

- PAHO: Joint AI Briefings to OAS Ambassadors and local private sector (WB, IADB, IFIC, FAO, Private Sector), workshops on Outbreak Communications related to Avian Influenza.
- IADB and WB: Promotion of PVS instrument as national veterinary capacity building tool.
- CCAA: Conference on AI with Ambassador Lange, United States Department of State
- Private Sector involvement: CARGILL, and National Poultry Association

#### **d. Capacity Building**

Accomplishments in Building IICA Capacity to leverage financial and technical resources of Partners by Formalizing Internal Processes within IICA offices for working with strategic partners, developing project profiles and marketing IICA services to potential donors and partners. Development of Strategic Partner Profiles and activation of the Strategic Partnership Committee in Headquarters.

#### **e. Introducing Technology and Innovation for the Modernization of Agriculture and Rural Life**

The DSP has supported the Biotechnology Program by signing a Memorandum of Understanding with the Bio Group, a consortium of private sector



BIO Industry and IICA enter into Memorandum of Understanding.

companies that advocates the industry's positions to elected officials and regulators; Inform national and international media about the industry's progress contributions to quality of life, goals and positions; and provide business development services to member companies, such as investor and partnering meetings.

In other areas, FONTAGRO has been an integral link for the Washington Office and it's relation with the Inter-American Bank. We have supported the expansion of FONTAGRO'S hemispheric efforts by facilitating administrative support, technical assistance and logistical support.

IICA/DSP has tied in visits of select IICA personnel with local and international media to bring awareness to IICA activities and key messages.

- Press Releases
- Radio Interviews
- Press Conference
- Organized Events
- General dissemination of IICA information to local and international press

## 1. Results of Inter-Agency Cooperation

As the Directorate for Strategic Partnerships in Washington, specific Work Programs have been implemented with the following:

- a. PAHO - The Pan-American Health Organization (PAHO) and IICA have gained great



IICA's Director General, Dr. Chelston Brathwaite and PAHO Director, Dr Mirta Roses, sign Memorandum of Understanding. Present is OAS Secretary General, Jose Miguel Insulza.

momentum in 2006. The two entities signed a Memorandum of Understanding; jointly developed an avian influenza risk communication strategy, collaborated on animal health and food safety activities – particularly that of avian influenza, with stakeholders from the Organization of American States, U.S. private sector entities, multilateral development banks, and international organizations (e.g., Food and Agriculture Organization) - and jointly promoted the performance, vision and strategy (PVS) instrument.

b. IADB - The Northern Region facilitated IICA involvement in the development of project proposals that include: 1) Support of SICA (Central American Integration System); 2) Strengthening of communication mechanisms within CAS (Southern Agricultural Council); 3) Capacity building for agricultural education in the Caribbean Region; 4) Coffee "Origin Denomination" through Promecafe; and 5) Biodiversity resource development in the Amazon

- c. Cooperation with other Regional and International Organizations

- OAS: Organized annual 'IICA Day', IICA/OAS MOU signing, IICA/PAHO MOU signing, Avian Influenza briefings, introduced 3 Resolution at the OAS

General Assembly, participation in the OAS task force on Haiti, IICA/Young Americas Business trust (YABT) MOU signing.

- IESC: Agro tourism proposal for Central America.
- IESC: Agro tourism proposal for Central America.
- CODEX - In an effort to facilitate the IICA Hemispheric Program on Biotechnology and Biosafety, IICA representatives from the DSP and Chile Office, in conjunction with the Argentine Codex Delegation, hosted a CCLAC Coordinating Committee and a Western Hemisphere Consultation (WHC) Meeting at the APA Hotel in Chiba, Japan on November 26, 2006. With very little time IICA was able to facilitate the attendance of all but one of the targeted countries; host a Hemisphere Consultation Meeting before the formal Codex meeting; and provide the needed technical assistance to delegates (24 participants from 7 member states at the pre-meeting).
- International Food Information Council (IFIC): MOU to collaborate on avian influenza risk communication efforts.
- National Women Legislators:
- IICA and the Biotechnology Industry Organization signed a Memorandum of Understanding in order to strengthen cooperation between the two entities for the purpose of: assisting IICA member countries to achieve the objectives and activities of IICA's Hemispheric Biosafety and Biotechnology Program (HBBP); and facilitate mechanisms for the development, management and use of products of agricultural biotechnology by IICA member countries.
- DSP participation in the '2006 Caribbean Week of Agriculture' on the role of the Media in the new agriculture and participation in workshops on Biotechnology. The conference was held in the Bahamas.

## 2. Results of Horizontal Technical Cooperation

In this area, IICA USA supported market integration initiatives aimed at intensifying the regional integration process by playing an active role in the informal group on integration set up under NAFTA. IICA has worked with its stakeholders to improve agricultural health and food safety in the region and throughout the Americas. Of notable mention is the expanded utilization of the Performance, Vision, Strategy (PVS) Instrument tool for veterinary services to 125 countries.

## 3. New Opportunities for Technical Cooperation

- Enhance institutional presence and image as a credible and effective organization:
- Improve institutional image
- Increase presence of IICA senior-level staff at key inter-agency meetings and public events.



IICA Representative in Barbados, Ena Harvey, participates in 'IICA Day' at the OAS.

Assist IICA in forging prioritizing and developing strategic partnerships:

- Improve collaboration with strategic international partners

- Enhance opportunities for IICA with strategic international partners
- Design and implement external relation strategies with key partners
- Increase lines of communications with IICA units in HQ and between IICA national offices and international strategic partners

Develop agreements and actions with potential key strategic partners in the United States:

- Develop clear pragmatic agendas for cooperation at the national (U.S.) level
- Increase number of projects with the United States and strategic partners

### **IICA specific areas:**

Agricultural Health and Food Safety:

- Continue budgetary support for the WTO/SPS initiative.
- Develop and consolidate IICA's role in addressing avian influenza.
- Advance the PVS model at the hemispheric and global level particularly as it pertains to AI.
- Facilitate budgetary support for capacity building activities aimed at international standards setting bodies (i.e. CODEX, IPPC and OIE).
- Strengthen coordination with international and regional AHFS organizations such as FAO, OIE, and OIRSA and approach the private sector to engage in collaborative initiatives.

Technology and Innovation:

- Facilitate both financial and in-kind support for IICA's Hemispheric Program for Biotechnology and Biosafety.
- Bio-fuels.

Agribusiness and Trade:

- Promote agribusiness and trade in the hemisphere through continued support for trade capacity building efforts.

Administrative and Institutional Strengthening:

- Represent the Institute in the United States and secure timely quota payments.
- Ensure the timely sharing of appropriate information with public and private stake holders in the United States.

### **8. List of Publications**

- The Contribution of IICA-USA to the Development of Agriculture and Rural Communities of the Americas: 2005 Annual Report, IICA USA, Washington, DC 2006.
- 2006 Annual Work Plan, IICA Washington, Washington, DC, 2006.

## **Press Releases**

1. Caribbean Week of Agriculture Charges a New Way Forward for the Region
2. Youth and Media Take Center Stage at the 6<sup>th</sup> Annual Caribbean Week of Agriculture
3. Director General of IICA presents Annual Report to the OAS
4. Hemispheric Action Needed to Combat Potential Threat of Avian Flu in the Americas
5. Public and Private Sector Plan to Address Avian Flu in the Hemisphere
6. IICA'S Director General Calls for Establishment of Hemispheric Partnerships
7. IICA'S Director General Emphasizes 'Opportunity' as a Way Out of Poverty
8. IICA'S Director General Leads Institutes' Delegation to OAS General Assembly
9. IICA and OAS Recommit to Collaborative Efforts
10. IICA Engages Washington Public and Private Sector on the Importance of Biotechnology and Bio-safety for the Hemisphere
11. Ambassadorial Briefing on Avian Flu and Pandemic Influenza
12. Agencies Join Forces to Inform and Educate on Avian Flu and Human Pandemic Risks in the Americas
13. Ambassador John Lange Speaks on Avian & Pandemic Influenza Efforts at IICA hosted luncheon
14. IICA and PAHO Renew Commitment to Jointly Promote Health and Prosperity in the Hemisphere
15. IICA Calls for New Model for Development for the Americas