

ECONOMIC ANALYSIS OF AGRICULTURAL PROJECTS

Second Edition, Completely Revised and Expanded

J. PRICE GITTINGER

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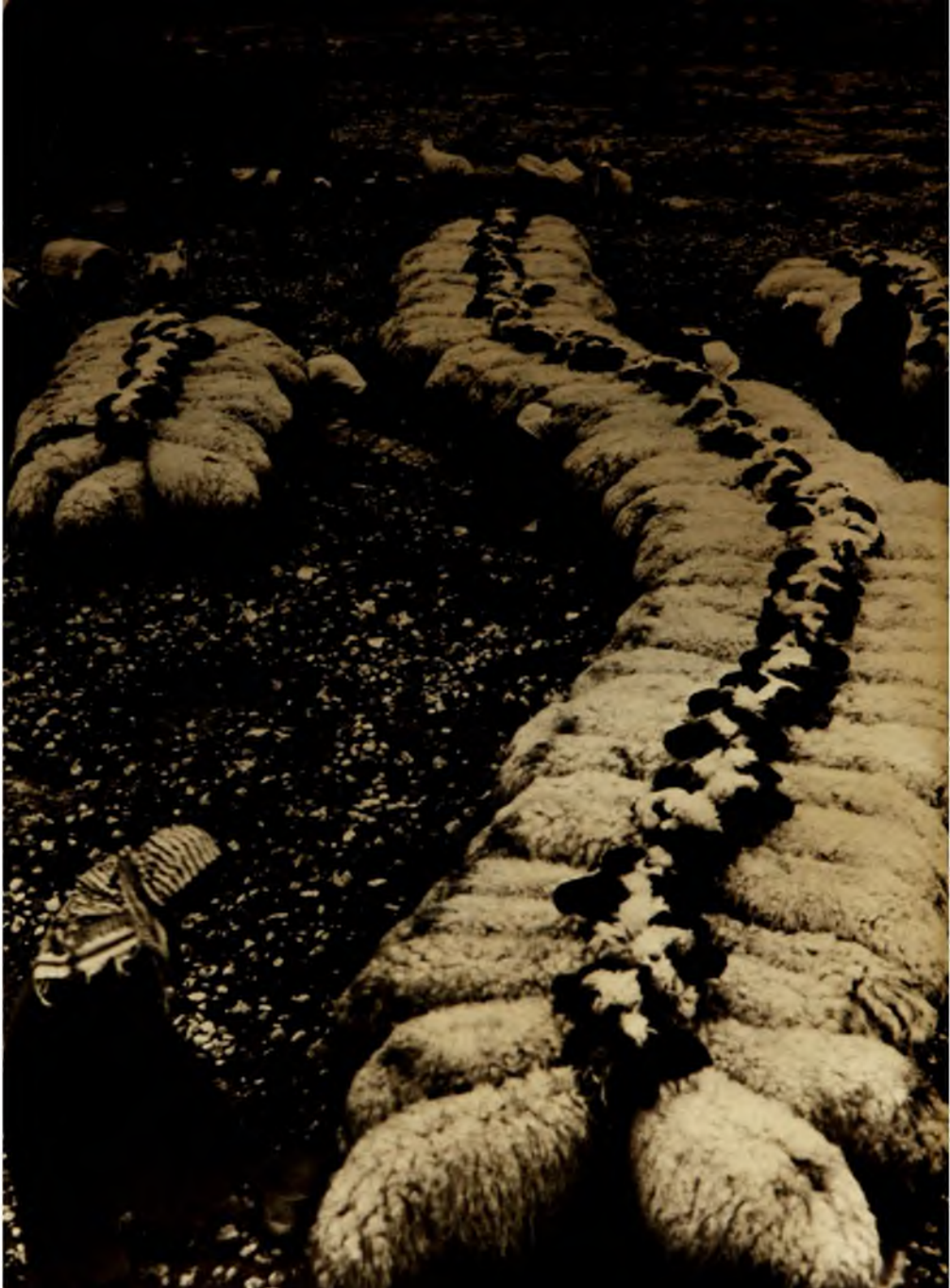


EDI SERIES IN ECONOMIC DEVELOPMENT

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COVER DESIGN Joyce C. Eisen

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Frontispiece: Milking tethered sheep in Syria.

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Foreword

TO INCREASE THE GROWTH AND EFFICIENCY of the agricultural and rural sectors of the developing countries is of prime concern to the international community. More rapid progress is crucial not only to improve the quality of life of the 60 percent of the world's population earning its living from rural labor, but also to ensure adequate food supplies for all nations in the face of rapid worldwide population growth and rising incomes that lead people to want more and better-quality food. Unless domestic food production in developing countries steadily increases, these requirements will place unbearable strains on the world's food production and distribution system—threatening widespread malnutrition in the poorest countries and adding to inflationary pressures in the industrial nations.

In the next few years, agriculture and rural development will be a priority in the lending programs of The World Bank and International Development Association (IDA). The World Bank will maintain its support of member governments with technical expertise and a continuing flow of resources. It will help governments to expand irrigation systems provide more effective extension services, increase food storage capacity disseminate agronomic technology, and improve the marketing and distribution of agricultural goods.

This effort will require large quantities of scarce resources—both people and money—from our member nations and from the Bank itself. We must use these resources efficiently.

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Since its founding the Bank has encouraged, indeed insisted upon, the responsible preparation of the development projects for which it lends. This book is one more implement by which the agricultural work of the Bank is carried out.

The Bank shares its experience and skill with member governments and their technical and administrative staffs so that wise and careful investment decisions will yield higher national incomes and a better quality of life for the people of the developing world. In no sector is this sharing of information more important than in agriculture and rural development, where sound investment has such effects on the lives of millions.

The Economic Development Institute (EDI) has played an important role in disseminating the Bank's experience. Since its founding in 1954, more than 10,000 senior officials from member governments have attended EDI courses both at headquarters in Washington, D.C., and overseas. EDI has helped dozens of institutions throughout the world to provide courses in economic management and project analysis in their own curricula.

Economic Analysis of Agricultural Projects derives from the Bank's concern to hasten agricultural and rural development and from the course activities of EDI. The book presents a sound, careful methodology for project analysis based on the efforts of agricultural specialists in the Bank and throughout the world. Care has been taken to make the technical topics discussed understandable to those without advanced training in economics. The book was written to be used either in individual study or in the classroom.

We are pleased that the first edition has enjoyed such wide acceptance. Since it was published in 1972, it has become a standard text for those planning agricultural projects and teaching project analysis. In offering this revised edition, with expanded coverage and the addition of more recent experience, we hope to make its contribution even more effective.

A. W. CLAUSEN
President
The World Bank

Washington, D.C.
June 1982