

3200 Ruan Center / 666 Grand Avenue

Des Moines, Iowa 50309 USA

Telephone 515 245-2561

The World Food Prize Foundation

Sponsored by The John Ruan Foundation, John Ruan, Chairman

EMBARGOED

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**Contact: Allen Finch
202/625-6930**

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**THE WORLD FOOD PRIZE FOUNDATION AWARDS
THE 1994 WORLD FOOD PRIZE TO DR. MUHAMMAD YUNUS --
CREATOR OF INNOVATIVE LOAN PROGRAMS FOR THE POOR**

*Programs Offers Millions of Poor Access
to More Food and Better Nutrition*

WASHINGTON, D.C., October 12 -- Dr. Muhammad Yunus, whose innovative programs have offered millions of the world's poorest people access to more food and better nutrition, was today awarded the prestigious 1994 World Food Prize.

As founder and chief executive officer of the Grameen Bank, Dr. Yunus has led the battle against hunger in his native Bangladesh through economic empowerment for the poor and programs to improve the agricultural infrastructure.

Dr. Yunus is the ninth person to receive the eight-year-old World Food Prize, the foremost international award given in recognition of outstanding achievement in increasing and improving the world's food supply. The award includes a cash prize of \$200,000.

"Dr. Yunus has given hope to a nation where hope has been in desperately short supply," said former President Jimmy Carter, a member of the World Food Prize Council of Advisors. "He has shown the world that poor people want the same thing as all human beings -- the opportunity to live in good health and dignity."

The genius of Dr. Yunus's activity, Carter added, has been its emphasis on personal responsibility and empowerment. "By giving poor people the power to help themselves, Dr. Yunus has offered them something far more valuable than a plate of food. He has offered them security in its most fundamental form."

The Grameen Bank, which Dr. Yunus founded while teaching economics at Chittagong University, offers small, non-collateral loans to landless people living in rural areas. Although the average loan is less than \$100, it almost always provides recipients with the means to increase their incomes.

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The loans are often used for what are described as traditional subsistence activities: planting a crop, buying a cow, raising chickens or grinding grain. As a result, people receiving loans not only have better access to food, but they are able to use their meager incomes to secure necessities other than food, such as clothing and shelter.

"The cause of hunger is rooted in poverty," Dr. Yunus said. "If we can eliminate poverty, we will eliminate hunger. I believe we can, if we truly desire it, eradicate poverty and hunger within our lifetime. I am proud to accept the World Food Prize in recognition of that great goal."

Bangladesh is one of the world's poorest nations, with an average annual income of only \$210. Although the Grameen Bank deals exclusively with people who could never obtain a conventional loan, it has a remarkable 98 percent repayment rate, far exceeding that of most commercial banks.

Since its modest beginnings in 1976, the Grameen Bank has steadily increased its capital and this year the bank expects to loan more than half a billion dollars to its two million members. Based on its success, several banks modeled after Grameen have begun operating in underdeveloped areas from Malaysia to South America. In the United States, programs initiated by a Chicago development bank aimed at the urban poor have attracted wide attention, and another program patterned after Grameen has worked to alleviate poverty in President Clinton's home state of Arkansas.

Former World Bank President Robert McNamara, also a member of the World Food Prize Council of Advisors, praised Dr. Yunus as a pioneer in working to solve the vexing problem of hunger and malnutrition in developing nations.

"Malnutrition in developing countries," he said, "can be a function of either a global food shortage or lack of purchasing power by the poor to buy available food. Today we suffer not from a shortage of food but from the inability of the poor to buy the available food. Dr. Yunus's program addresses that problem."

McNamara noted that in villages where the Grameen Bank operates, average income is higher, calorie intake is greater, and children have more normal weight and body size than in other rural villages.

In addition, McNamara said, the Grameen Bank under Dr. Yunus's leadership has been very active in the distribution of vegetable seeds and saplings, in the development of aquaculture, in the promotion of crop diversification and other measures to spur the production of food.

Iowa businessman John Ruan, Chairman of the World Food Prize Foundation, praised Dr. Yunus's innovative programs as "the perfect model for a world in search of food security."

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"Dr. Yunus has been both bold and sensible," said Ruan. "He has been effective and humane. He has enabled millions of people to put food on their plates, and in so doing he has done the world an enormous service."

Ruan observed that the world's population continues to grow at the staggering rate of nearly 10,000 people per hour. "It is vital that we recognize and encourage the valiant efforts of those who have struggled to meet the world's ever-increasing demand for food," Ruan said.

Dr. Yunus, 54, received his Ph.D. in economics from Vanderbilt University. In addition to his work as a professor and banker, he has served on the boards of numerous non-profit organizations and funds and as an advisor to development banks modeled after Grameen in several countries.

The World Food Prize was established in 1986 to honor the contributions of individuals who have advanced human development by improving the quantity, quality and availability of the world's food supply. The prize is considered to be the Nobel equivalent for food. Recipients receive a sculpture created by world-renowned designer Saul Bass in addition to the cash award of \$200,000.

The World Food Prize is awarded solely on the basis of an individual's contribution to improvement of the food supply and is given without regard to nationality or ideology. The 1993 World Food Prize recipient was He Kang, a Chinese scientist and long-time government official whose work led to dramatic increases in agricultural production in the world's most populous nation. Dr. M.S. Swaminathan, who introduced high-yielding "miracle grains" to India, was awarded the first World Food Prize in 1987. Other recipients include Dr. Robert F. Chandler, Jr., founder of the International Rice Research Institute in the Philippines; Dr. Verghese Kurien, father of India's cooperative dairy marketing system; Dr. John S. Niederhauser, whose discoveries led to large increases in potato production in Mexico and other countries; Dr. Nevin Scrimshaw, a public health doctor who developed a low-cost, protein rich diet to prevent malnutrition in developing countries; and Dr. Edward F. Knipling and Dr. Raymond C. Bushland, retired USDA entomologists who devised a biological method of insect control.

The World Food Prize was conceived by Dr. Norman Borlaug, who received the 1970 Nobel Peace Prize for the pioneering agricultural work that led to the "Green Revolution" in developing countries. Dr. Borlaug remains committed to the improvement of the world food supply and serves with Carter and McNamara on the World Food Prize Council of Advisors.

In 1990, John Ruan established the World Food Prize Foundation in Des Moines, Iowa, and assumed sponsorship of the World Food Prize. The Iowa State University College of Agriculture serves as secretariat to the prize. Each year, more than 3,500 institutions and organizations worldwide are invited to nominate candidates for the prize.

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