



Opinion: Congress approves common-sense food aid reforms

By Guest Author

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By Ellen Levinson

Last April, the future of America's premier international food aid program, Food for Peace (PL 480 Title II), was thrown into doubt when the Obama Administration proposed transferring 85 percent of its budget to disaster relief accounts for buying food aid in the United States or overseas and the remainder would be used for directly funding development programs. In the 2014 Appropriations Act and the new Farm Bill, Congress rejected the idea of eliminating funding for the time-tested Food for Peace program, but heeded the Administration's call for greater flexibility by providing more tools and more funding to fight hunger.

Most impressive, for fiscal year 2014 Congress appropriated \$1.47 billion for PL 480 Title II, which provides U.S.-sourced food aid to alleviate hunger and its causes, \$1.8 billion for International Disaster Assistance (IDA), some of which is used to buy food aid overseas -- \$1.2 billion more than the President's request for those two accounts. As a result, the government's options for responding to droughts and floods and to help people who are starving in Syria, the Central African Republic, Southern Sudan and other war zones has increased. In addition, the Farm Bill allocates at least \$350 million of Title II funds each year for development-focused food aid programs, assuring that emergency needs will be met without short-changing efforts to cut child malnutrition, to improve agricultural productivity and incomes of the poor, and to make crisis-prone communities more resilient and self-reliant.

The U.S. Agency for International Development uses IDA instead of PL 480 Title II "when U.S.-purchased, in-kind food aid cannot arrive fast enough to respond to an emergency or when other interventions may be more appropriate...due to local market conditions."^[1] The President's request to eliminate PL 480 Title II funding and shift most of those funds to IDA was based on the assumption that buying agricultural commodities locally or regionally and distributing cash would cost less than providing U.S. commodities.

However, local procurement and cash distribution are not practical in areas where there are food shortages or poor food safety and quality controls. For example, most Title II programs are implemented in Sub-Saharan Africa, where every fourth person has too little to eat, aflatoxin

contamination of food is a known health problem, and there are significant cereal, protein and vegetable oil shortfalls, as well as micronutrient deficiencies. Strategic investments in agriculture and rural development and more nutritious diets is the long-term solution, but in the near term, imported food aid is needed.

Moreover, Congress is concerned that cutting or reducing PL 480 Title II will endanger the future availability of food assistance by eroding a sizable U.S. food aid constituency and reducing the accountability of our precious food assistance dollars. The House Appropriations Committee determined, “The program as currently structured almost doubles the return on the taxpayer’s investment by supporting American jobs and farmers while contributing to food security abroad....The proposed changes could cause the program to operate outside of the structure, transparency, and dedicated constituencies provided under the Food for Peace Act.”^[2] The Senate came to a similar conclusion, “The Committee rejects the elimination of the Food for Peace Program in the President’s budget request and strongly supports the continued operation of this important program.”^[3]

Importantly, the Farm Bill incorporates several provisions to make PL 480 Title II more responsive to local needs, such as expanding pre-positioning of food commodities at strategic locations for more rapid emergency response and enhancing the quality of food products to meet the special nutritional needs of very young, malnourished children. In addition, the Bill authorizes \$80 million a year for U.S. Department of Agriculture Local and Regional Procurement Programs to supply products for school meals, supplemental feeding of malnourished children and other assistance programs.

Directly addressing a concern raised by the Obama Administration, the Farm Bill allows PL 480 Title II funds to be used to pay for development activities that improve program impact instead of using monetized proceeds. Monetization is the sale of donated commodities in a recipient country and the use of sales proceeds to boost development in that country. It can have benefits beyond those that would be created via direct program funding by addressing credit, hard currency, small volume, and other constraints to buying on the international market, thereby creating business opportunities and increasing the availability of the commodity in the recipient country.^[4] In some food-short countries monetization is not a good option because of local market conditions or government interference and that is when cash support is most needed.

Congress also reauthorized Food for Progress and McGovern-Dole International Food for Education and Child Nutrition programs. Together with Food for Peace, these programs will provide about 1.8 million metric tons of commodities and help 60 million people each year.

Congress should be commended for tackling food aid reform and enacting common-sense solutions that assure America remains the world leader in fighting hunger through effective and accountable programs.



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[1] USAID Fiscal Year 2012 Emergency Food Security Program Fact Sheet

[2] H. Rpt. 113-116, p.4

[3] S. Rpt. 113-46, p. 74

[4] *The Value of Food Aid Monetization: Benefits, Risks, and Best Practices*, Informa Economics, Inc., November 2012, p. 2

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