60 Years
3 Billion Lives

Dinner in Honor of the

U.S. Food for Peace Program

July 9, 2014

Kennedy Caucus Room - United States Senate

"It is the policy of the United States to use its agricultural productivity to promote the foreign policy of the United States by enhancing the food security of the developing world through the use of agricultural commodities and local currencies accruing under this Act"

Tom Vilsack
Secretary of Agriculture

"The Food for Peace program follows in this country's long tradition of sharing the great bounty produced by our farmers and ranchers with those less fortunate around the world. The Food for Peace program embodies the American commitment to our role as a global food security leader and a leader in agricultural innovation to meet the growing global demand for safe, affordable, nutritious food."

— Secretary of Agriculture , Tom Vilsack

"For the past 60 years, USAID's Food for Peace program has brought hope, opportunity and dignity to those suffering from hunger around the globe. It has not only saved millions of lives, but helped the world's most vulnerable communities progress from dependency to self-sufficiency. In doing so, Food for Peace has played a critical role in accelerating our effort to end extreme poverty, unlock prosperity, and build resilient, democratic societies."

— USAID Administrator, Dr. Rajiv Shah

Dr. Rajiv Shah
USAID Administrator

United States
Food for Peace Program

60 Years
3 Billion Lives

Dinner Program

Opening Remarks by Honorary Co-Hosts

Senator Debbie Stabenow, Chairwoman, Senate Committee on Agriculture, Nutrition, & Forestry

Senator Thad Cochran, Ranking Member, Senate Committee on Agriculture, Nutrition & Forestry

Keynotes

Thomas J. Vilsack, United States Secretary of Agriculture

Dr. Rajiv Shah, Administrator of the U.S. Agency for International Development

Presentation: Food Assistance Economic and Food Security Impacts

Dr. Brady J. Deaton, Chancellor Emeritus, University of Missouri,
and Chairman, Board for International Food and Agricultural Development

Discussion:

Her Excellency **Dr. Faida M. Mitifu**, Ambassador of the
Democratic Republic of the Congo to the United States

His Excellency **Jeremiah C. Sulunteh**, Ambassador of the Republic of Liberia to the United States

David Evans, Chief of Party, ENSURE Food Security Program, World Vision, Zimbabwe;
Previous U.S. President, Food for the Hungry

Bringing together the U.S. Congress, government agencies, foreign governments, private sector and non-governmental organizations to celebrate sixty years of cooperative efforts to promote food security and a more peaceful, prosperous world.

In 60 years, over 3 billion people have received assistance through Title II. A 2013 in-depth evaluation of 109 private voluntary organization Title II development programs concludes: “Most importantly, many children are alive and have been spared ill health and life-long disabilities thanks to Title II.”

Food for Peace has connected the American heartland to people overseas, directly engaging millions

FARMERS

PROCESSORS & PACKAGERS

RAIL, PORT & BARGE WORKERS

SEAMEN & SHIPPING COMPANIES

PRIVATE VOLUNTARY ORGANIZATIONS

GOVERNMENTS

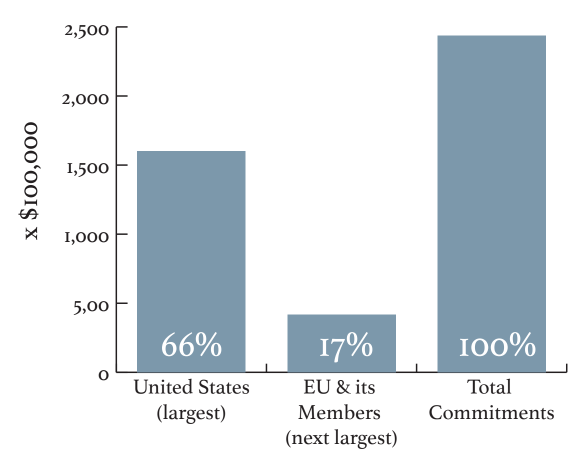
LOCAL COMMUNITIES

Meeting The Hunger Challenge

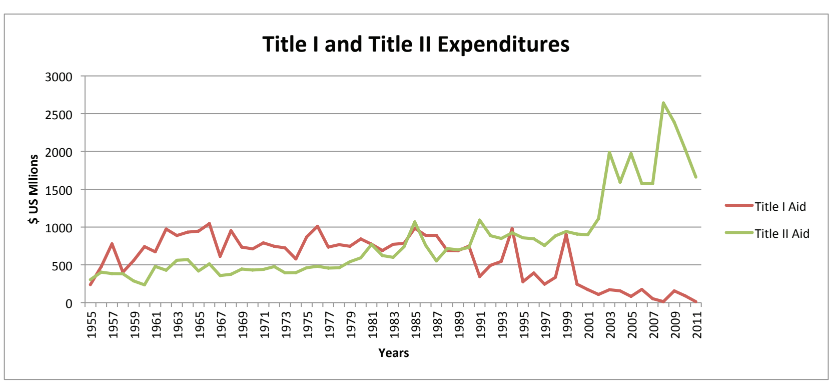
Since the end of World War II, the United States has provided food aid to nearly every country in the world. For 60 years the Food for Peace Program (P.L. 480) has assured U.S. leadership in the battle against hunger and in promoting peace and prosperity.

Donor countries made minimum annual commitments when a new Food Assistance Convention was put into force in 2013. The United States pledged $1.6 billion, or 66% of the total. The next largest pledge, by the European Union and its member countries, is one-fourth the U.S. level.

Donor Country Food Assistance Commitments



Food for Peace has two major programs. **Title I** extends loans at below market rates to foreign countries that are facing food shortfalls and budget constraints, allowing them to buy U.S. commodities and not repay for 20 or more years – and many of the loans are forgiven. The commodities are usually sold and the sales proceeds used for economic support and development. Title I has not been used since 2010. **Title II** donates commodities and processed food products during emergencies, when natural or man-made crises cut off people’s access to food or significantly reduce supplies. It is also used to promote development and build self-reliance in some of the poorest, most geographically isolated areas of the world, where people suffer from chronic hunger.



Source: Food and Agricultural Policy Research Institute, University of Missouri

The Early Years

In the aftermath of World War II, Europe's economic infrastructure, including its agriculture, was in ruins. More than 30 million people were dead, and 13 million more were refugees; daily food intake in many areas averaged less than 800 calories. Official rationing was imposed in most countries and continued until the early 1950s. The food crisis was not confined to Europe; major famines threatened East Asia and India.

The United States was one of the few countries in the world with the resources and capacity to assist in averting a global famine. Private humanitarian groups and the Marshall Plan provided food assistance, and under the Agricultural Act of 1949, the Secretary of Agriculture was granted authority to provide surplus U.S. commodities to countries with food shortages.

In September 1953, at a Cheyenne County Farm Bureau in northwestern Kansas, Peter O'Brien, a young farmer and rancher, suggested that since the United States had an abundance of grain, giving food to aid countries with short supplies made a lot of sense. With the belief that if less developed countries were able to secure food they would become more prosperous and ultimately become buyers, the Cheyenne County Farm Bureau drafted a resolution promoting a food-based foreign aid program. That county resolution was accepted by the Kansas Farm Bureau and then American Farm Bureau Federation.

In 1954, a U.S. Senator from Kansas, Andy Schoeppel, sponsored the Agricultural Trade Development and Assistance Act, which was popularly known as "Public Law (P.L.) 480." It was signed into law by a Kansas native, President Dwight D. Eisenhower, on July 10, 1954.

Photo from Wikimedia Commons

When signing P.L. 480 into law, President Eisenhower said that it would "lay the basis for a permanent expansion of our exports of agricultural products with lasting benefits to ourselves and people of other lands."

Photo by Goldensky, Elias, 1868-1943

"The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."

Franklin Delano Roosevelt, 1937

Greece's Recovery and Reconstruction.

Greece's protracted civil war delayed its economic recovery after WWII. In 1955, the first P.L. 480 wheat shipments began to arrive from the United States, meeting 50% of Greece's national grain requirement for basic human consumption.

During the period 1955 to 1962, Greece received approximately 1.4 million metric tons of food aid, valued at $103.8 million under the P.L.480 Title I concessional sales program, with repayment in Greek currency. Most of the local currency proceeds generated from the sale of wheat, feed grains, dairy and other P.L.480 commodities were plowed into critical sectors of the Greek economy to stimulate growth. Grant food aid programs administered by U.S. private voluntary organizations, in cooperation with Greek civic groups, played an important role in supplementing the diets of a large part of the rural population that lived close to the subsistence level.

Food for Recovery and Economic Growth, 1960-1980

Large-scale food assistance programs were important in the 1960s and 1970s since few low-income countries had adopted improved production and post-harvest technologies and many were dependent on rain-fed agriculture, lacked transportation and communications networks, and had limited access to credit. During this time, Title I concessional loans to governments were in great demand because both the commodities and the sales proceeds created value streams within recipient countries. Innovations in Title II programs helped accelerate the transition from relief to recovery after natural and man-made disasters.

India Invests in Agricultural Productivity

After many years of acute food shortages, in the mid-1960s India began laying the groundwork for its Green Revolution. During this period, P.L. 480 levels exceeded 15 million metric tons. The Indian government and a distinguished group of plant geneticists and pathologists, led by M.S. Swamianathan and Norman Borlaug, introduced high-yielding varieties of grain, accompanied by irrigation, mechanization, pesticides and fertilizer. Funds generated from commodity sales under the Title I program were used for building irrigation systems and agricultural universities, which were based on the U.S. land grant model of education, research and extension. By 1970-71, India's harvest yielded a surplus of 11 million metric tons of grain.

Credit: CWS Archives

Brazil Builds Infrastructure, Starts School Meals

From the late 1950s to 1991, Brazil received $904 million worth of agricultural commodities. Over one million Brazilians participated in Title II programs administered by several non-governmental organizations. Food was provided as payment for work on projects in 300 rural villages, building schools, health clinics, and roads. The school feeding program started in the late 1950s in partnership with the Brazilian Ministry of Education with the purpose of improving school attendance and child nutrition. At the beginning, the United Sates contributed 90% of the food aid, but by the mid-1970s, the Brazilian government assumed full responsibility. Now, Brazil is the largest producer of coffee and sugar and second largest in soybeans, and its productivity and exports continue to climb. It donates food aid through the UN World Food Program.

South Korea Strengthens Rural Economies

South Korea received close to $2 billion in food aid from the United States from 1955 to 1981 in order to help rebuild the nation after the Korean war. Title I sales proceeds established several development and research programs that improved agricultural productivity and rural infrastructure. Under Title II, more than 3 million metric tons of commodities were distributed through for food-for-work programs, which began in the late 1960s and provided employment to tens of thousands of South Koreans in rural areas. South Korea has since joined the ranks of donor nations. In fiscal year 2013, it was the sixth-largest market for U.S. agricultural exports, worth $5.2 billion.

Expanding the Food Aid Toolbox, 1980-2010

On the heels of a devastating famine in Ethiopia, the **Food Security Act of 1985** fully reactivated a program (Section 416) that authorizes the Secretary of Agriculture to donate commodities from USDA inventories for food aid. Those resources, which were in addition to funds appropriated for P.L. 480, made it possible for the United States to respond more fully in Ethiopia and East Africa and to play the leading role in curtailing the impact of the 1992-1993 Southern African drought, which threatened the lives of 13 million people.

The 1985 Act also established the **Food for Progress Program**, which provides commodities to countries that are enacting economic reforms to support improvements in their agricultural and food systems.

Food for Progress in Action

From 2003 to 2009, PCI conducted the "MIS Llamas Project" with 139 indigent communities in the Bolivian highlands that depend almost exclusively on llama herds for their livelihoods. The program solved problems in the llama chain of production and thereby improved llama health and the quality and quantity of llama wool, hide and meat produced. There was a 100% increase in production of by-products, with some communities experiencing increases as high as 458%. On average, the price per item increased by 60% and marketing was greatly expanded, both of which contributed to significantly higher producer incomes (84% on average, 300% for members of by-products committees).

Donated lentils, bulgur, dry peas, wheat flour, non-fat dry milk and vegetable oils were distributed to participants in the Food-for-Work and Food-for-Training activities. The majority of the funding came from the monetization of wheat, which was in short supply in the country.

Adapted from Food Aid for Economic Development, by Dr. Brady J. Deaton, 1994.

Researchers at Virginia Polytechnic Institute and State University, in collaboration with the faculty of Egerton College, Kenya, studied the impact of Food-for-Work programs (FFW) on peasant households in a semi-arid, food deficit area of Kenya devoted to millet and livestock production. The UN World Food Program provided commodities to pay laborers to work on water harvesting, road building and other rural public works. The researchers were interested in whether food aid could play an important role in the long-term economic development of food deficit regions of Africa and concluded that, indeed, it can. Looking at the production and consumption effects of food aid, the researchers drew the following conclusions:

- Food aid relaxes the capital constraint for local producers, resulting in a 52% increase in net farm income due to capital formation that can continue to contribute to income growth in the future.
- Food aid stimulates farm production allowing available slack resources to be used more effectively, particularly land and labor, thereby increasing employment 93% above the direct employment in the project itself.
- Food aid increases household income, which, when combined with the distributed food, results in 42% more fat, 26% more calories, and 16% higher protein consumption.
- Food aid benefits the poorest households the most since they tend to participate more in FFW, which creates greater equality in patterns of income distribution and improves their nutritional intakes relatively more.
- Food aid improves the nutritional intake of participants more than its cash equivalent and lays the foundation for economic development that will eliminate the need for food assistance in the long run.
- Food aid stimulates own-farm production and creates less dependency on outside donors.

Food, Agriculture, Conservation, and Trade Act of 1990

The Food, Agriculture, Conservation, and Trade Act of 1990 increased the minimum tonnage levels for Title II programs and, for the first time, Congress authorized the use of a small amount of Title II funds to cover some costs associated with program management and implementation. One-third of Title I funds were shifted to a new Title III program, which authorized USAID to donate food aid to developing country governments to promote economic growth and food security. Within a few years, USAID did not request funds for the Title III program and it has not been used since 1994.

Perhaps the most significant change in the 1990 Act was to make **"enhancing the food security of the developing world"** the overarching purpose of P.L. 480. In 1995, USAID created its first Food Aid and Food Security Policy Paper to implement this mandate, establishing the "availability of, access to and utilization of food" as the framework for analyzing food security needs. From then on, Title II development programs focused on reducing child malnutrition and increasing agricultural productivity and livelihoods in poor communities and households.

"I feel relieved that at the end of each month I have cornmeal, oil and green pea constantly in my house, which gives me more strength to expand cultivation area. I would never have cultivated more than a half hectare before, but now I just realized a hectare of maize and half hectare of beans."

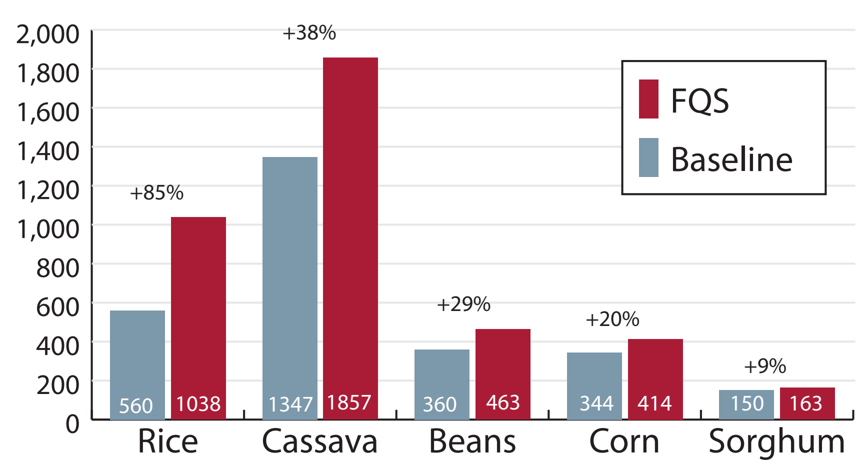
Mr. Michel, Democratic Republic of the Congo

Improving Child Nutrition and Livelihoods in Madagascar—the Salohi Project

The Adventist Development and Relief Agency, CARE, Catholic Relief Services, and Land O'Lakes are partners in the Title II SALOHI program in Madagascar, where over 50% of children under-five are chronically malnourished (stunted growth) and the poverty rate is over 70%. The program started in 2009, when a political crisis disrupted food systems and markets. Many of the SALOHI targeted areas are also impacted by drought, flooding, and cyclones.

Hard red winter wheat and vegetable oil were monetized in order to increase market supplies. Corn-soy blend was distributed as part of maternal-child health and nutrition programs. Vegetable oil, rice, and sorghum were given to people who participated in training sessions. Cooperatives were established to create an avenue for business training, linking farmers to markets and boosting sales. Village Savings and Loan Associations were formed to allow villagers to take out small business loans and to have funds available for emergencies.

Yield Increase for the Five Target Crops in kg/ha;
FQS is the "final quantitative survey"

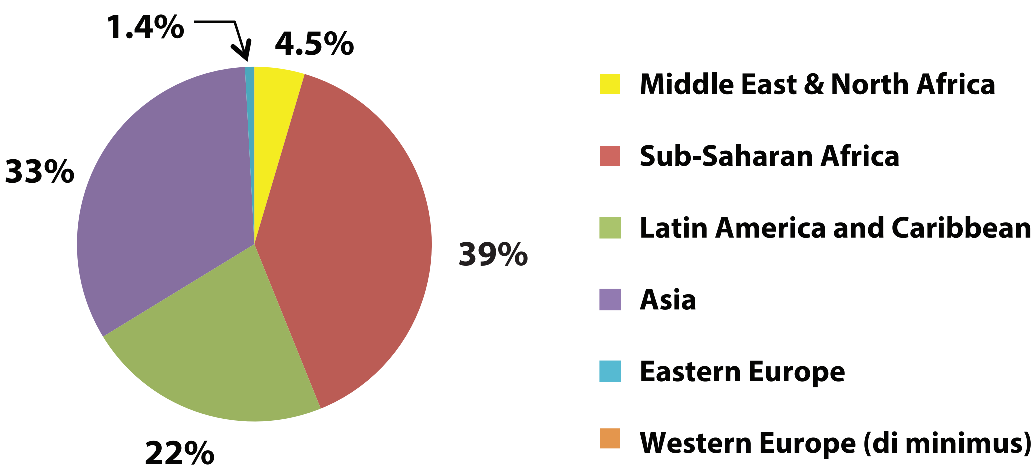


Results included increased food production, as shown in the chart to the right, and increased incomes. The number of months per year that households had enough food to meet their needs increased from 7.7 to 9.1. Stunting of children under the age of five declined by 6% and the number of underweight children decreased by 9%. There was also a 10 percent reduction in the incidence of illness.

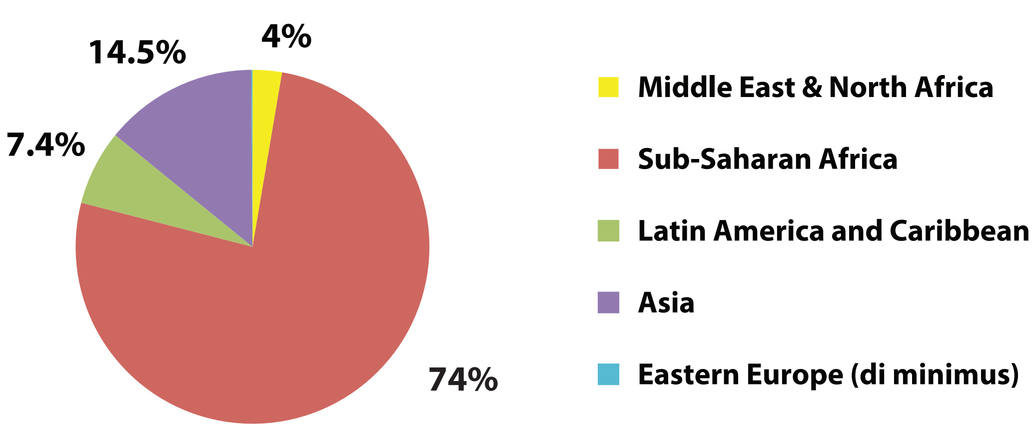
Building Capacity and Resilience

The 2006-2010 Food for Peace Policy Paper added resilience as a fourth pillar of food security. USAID has since focused Title II development programs in countries and areas where, in addition to significant levels of poverty and hunger, populations are highly vulnerability to droughts, floods and other shocks. While many developing countries in Latin America and Asia had already improved their incomes and food security and food aid levels had declined dramatically, some of those countries still had pockets of extreme poverty where food aid was provided. Those programs were phased out and, as shown in the pie charts below, resources shifted away from Latin America and Asia to Sub-Saharan Africa, which now receives 74 percent of Title II funds.

Title II Expenditures by Region, 1990-92



Title II Expenditures by Region, 2010-12



Source: Food and Agricultural Policy Research Institute, University of Missouri

"Not a single day passes without me thinking how fortunate I am. Without the U.S. food aid that was provided through a CARE program in India, the school could not have fed me and other disadvantaged children, most of us without parents or a stable home. We received bulgur wheat and milk (for our breakfast porridge), milk and bread for our mid-morning snack, and rice – a staple – for lunch and dinner along with dhal (lentil soup). Nourishment led to scholastic achievements which led to opportunities and a career in international development – and, purely by coincidence, working for USAID's Office of Food for Peace in 1996."

Anne Ralte, Director, Monitoring & Evaluation, International Relief & Development; former Food for Peace recipient in Kolkata, West Bengal, India

“August to November is the lean period for my husband’s work.... I learned about gardening technique, nutrition, and importance of vegetable gardening through attending training. I have received vegetable seeds and maternal-child health education along with food ration. I have developed a vegetable garden. My neighbors also learned vegetable gardening from me. I have become a proud mother of a healthy, disease-free and delighted boy, Master Nazim Rahman.”

— Mrs. Rupali Begum, P.L. 480 Title II Program, Bangladesh

Photo Credit ACDI/VOCA Bangladesh

Mrs. Rupali Begum and her son.

Conservation Agriculture in Northern Uganda

ACDI/VOCA’s Title II program in northern Uganda (2006-2012) resettled people who had been displaced by years of conflict caused by the Lord’s Resistance Army. ACDI/VOCA rolled out a new package of conservation agricultural practices that provided immediate benefits to farmers.

Farmers did not have to use as much labor to work the land that, in some cases, had not be planted for ten or more years. Women were particularly pleased to be introduced to these labor-saving practices, which required 50% to 75% less labor for weeding and allowed farmers to manage larger plots of land. An evaluation showed that farmers who adopted these practices reduced their total cost of production by an average of 16%, increased the agricultural output of their fields by an average of 85% per acre, and increased their gross profit per acre by an average of 243%.

Photo Credit: ACDI/VOCA, Uganda.

Plant residue left on the soil traps and conserves moisture, reducing the effects of drought. Over the long term, conservation agriculture reduces soil erosion, because more of the rainfall is retained in the fields and rejuvenates degraded soils. ACDI/VOCA coordinated sales of hard red winter wheat for all Title II private voluntary organization partners operating in Uganda, which maximized proceeds, minimized impact on the local market and promoted the development of local mills.

Productive Safety Nets, Ethiopia

Ethiopia's recurring weather-related problems and annual food shortages led the government to adopt the Productive Safety Net Program (PSNP). USAID entered into Title II agreements with several organizations, including Food for the Hungry, to implement the PSNP in cooperation with local government agencies and community organizations in the most vulnerable districts. Food aid is made available before the onset of the food shortage season—and before hunger sets in and people are forced to sell off assets, take children out of school so they can work, or adopt other negative coping mechanisms just to survive.

Photo Credit: Ellen Levinson

During the season when food shortages commonly occur, Food for the Hungry and local government staff organize communities to terrace and to plant trees on barren hillsides that have been significantly eroded and rutted by rain.

Photo Credit: Ellen Levinson

Besides providing much needed food during periods when supplies are tight, the Food-for-Work projects preserve the natural resource base and make it more productive. The communities also build check-dams to stop water runoff, allowing it to seep into the soil and be captured downhill. Community teams now make sure water is managed – drinking water is kept separate from water that is used for washing and animals. To increase household incomes, a hardier variety of potato seeds was introduced and cooperatives were formed to produce, store and sell the seeds, which increased average profits per household by $300 for one crop on a small plot of land.

After household members complete their shift, the manager marks their participation in a ledger and the household can redeem wheat, vegetable oil and legumes as payment for their work.

New Trends

Health, Nutrition and Agriculture Development for Sustainability (HANDS).

OIC International is implementing a P.L. 480 Title II program in two counties in the Southeast of Liberia with the following purposes: (1) to improve availability of and access to food; (2) to prevent malnutrition among pregnant and lactating women and children under 2; and (3) to enhance educational opportunities. Monetization of rice and wheat flour is integrated into the program plan and sales proceeds are used for capacity-building interventions. Uniquely, it produces a food product and uses it in nutrition programs.

HANDS is creating a value chain for Super Gari, a highly nutritious cereal made from locally-grown cassava, defatted soy flour and a micronutrient mix. It is comparable in nutritional value to corn-soy blend and is formulated to enhance the diets of young children as well as pregnant and lactating women.

OICI provides technical assistance and support to farmers and food processing industries for the production and marketing of Super Gari, including financial support to strengthen women's business groups and farmers' associations. Super Gari is distributed as a snack in schools that provide a package of health and nutrition services, such as deworming, school gardens and Girls' Clubs that focus on nutrition and reproductive health.

Reformulating Food Aid Products

More attention is being paid to preventing child malnutrition by improving women's diets and the nutritional quality of supplemental foods for infants and toddlers between 6 and 24 months. Corn-soy blend (CSB), a relatively low-cost, fortified product that was specially formulated and tested for food aid programs years ago, has been reformulated to better fit the requirements of the very young and now needs further testing to see how it would be used within the household as part of a maternal-child health and nutrition program. The goal is to keep children healthy by preventing malnutrition, rather than waiting until they show signs of malnutrition and must be nursed back to health with recuperative foods.

Photo Credit: WFP

Ready-to-Use Foods, which typically are high-energy, lipid based spreads, are much more expensive than corn-soy blend, but they are an important addition to the food aid basket since they effectively treat severe acute malnutrition.

Photo Credit: World Vision/Mauritania

New Options for Emergency Food Aid

USAID uses International Disaster Assistance funds to buy commodities in the country or region where an emergency takes place and to give food vouchers and cash during emergencies. World Vision's Kankossa Emergency Assistance Program focused on recovery and resilience in drought affected areas in Mauritania from March 2012 to November 2013.

World Vision provided paper vouchers as payment for work on community infrastructure projects. The vouchers could be redeemed in participating markets and stores for food products. Together, the 25,000 participants restored 672 hectares of land and protected it from degradation by planting trees, constructing half-moon water catchment structures and practicing "Farmer Managed Natural Resources."

Photo Credit: World Vision/Mauritania

Photo Credit: Plant Aid/Mozambique

McGovern-Dole Food for Education

Following several years of a pilot program conducted by USDA, the Farm Security and Rural Investment Act of 2002 authorized funding for the McGovern-Dole International Food for Education and Child Nutrition Program. Food for Education provides an incentive to send children to school, improves the learning environment at the school, and creates parent-teacher associations and other community-support mechanisms. Meals in school and take-home food rations as a reward for regular attendance are two incentives, as well as building toilet facilities and water pumps at the schools.

It's All about Community

Women cooking a large pot of corn-soy blend are some of the many volunteers who support Mozambique's Food for Knowledge Program implemented by Planet Aid. Under a USDA McGovern-Dole Food for Education Program, 60,000 children in Maputo Province will be provided with a daily school meal for three years (2013-2015) – for a total of 34.2 million meals. The project will educate the community, including teachers and parents, about the importance of nutritious food and healthy eating habits and will generate information to help the Government of Mozambique as it develops plans for a school feeding program.

Agricultural Act of 2014 Food Aid Reforms

After much debate about how food aid should be designed for the future, the **Agricultural Act of 2014** reauthorized all food aid programs through 2018, with changes that expand program options. A new $80 million program at USDA, the Local and Regional Food Aid Procurement Projects, was authorized, subject to appropriations. The percentage of P.L. 480 Title II funds that may be used to support management and implementation was increased from 13% to 20%, and there is now flexibility to use those funds for a wider variety of activities to enhance food security results.

FY2013-FY2014 FOOD AID APPROPRIATIONS*

AMOUNTS x$100,000	FY2013 Appropriations	FY2014 Appropriations
Food for Peace Title II; donation of U.S. commodities to address chronic hunger and emergency needs (USAID Administers)	1,435	1,466
Minimum amount of Title II funds for development programs that combine food aid with local capacity-building	375	375
McGovern-Dole Int'l Food for Education and Child Nutrition; donation of U.S. commodities and assistance for school meal programs (USDA Administers)	184	185
Food for Progress; donation of U.S. commodities to improve agricultural systems in developing countries committed to economic reforms (USDA Administers)	243	230
International Disaster Assistance funds used for local-regional food procurement, food vouchers and cash distributions ** (USAID Administers)	578	600

*Funding for all programs, except Food for Progress, is provided on a fiscal year basis as part of yearly congressional appropriations bills. Food for Progress is funded by the Agricultural Act of 2014 for fiscal years 2014 through 2018.

**Food assistance is one of many different interventions that can be supported with International Disaster Account funds. Amount of actual expenditures is provided for FY 2013; estimated expenditures for FY 2014.

Today, one person in eight is hungry, and the USDA Economic Research Service estimates that there is a food gap of 15.4 million metric tons in the most food insecure countries. The level of need is expected to increase to 19.7 million metric tons by 2023.

Improving agricultural productivity, infrastructure, trade policies, and food supply chains is necessary to increase the availability of and access to wholesome, sufficient foods in food insecure developing countries. For the time being, however, U.S. food aid continues to be a critical tool in the fight against hunger.

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Oklahoma Wheat Commission

Oregon Wheat Commission

U.S. Wheat Associates

USA Rice Federation

Washington Grain Commission

With great appreciation to the many people, agencies and organizations who contributed their resources, talents and stories to make this a special evening and to produce this brochure.