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Background Paper

January 2018

Advancing Nutrition through Food Aid Reform

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The United States has long been a global leader in responding to humanitarian emergencies. It is the world's largest provider of food aid, primarily through the Food for Peace program. In 2016 alone, Food for Peace reached 64 million people in 56 countries with life-saving food assistance.¹ In its first 60 years, Food for Peace reached more than 3 billion people living with hunger.²

In addition to responding to hunger crises, Food for Peace seeks to prevent them. The program works with vulnerable populations, helping communities identify and address the major underlying causes of hunger and malnutrition so that families can, in the future, feed and nourish themselves.

The most important nutrition window in human life is the “1,000 days” between pregnancy and age 2. Nutritional deficiencies during this time have significant lifelong impacts on individuals, communities, and entire countries. Even short bouts of malnutrition can have irreversible effects. Many of the people trapped in hunger crises are pregnant women, babies, and toddlers in the 1,000-day period. Thus, food assistance that includes nutritious

food for pregnant women and young children is both a life-and-death matter for individuals and an economic imperative for countries.

Unfortunately, given the world's large number of conflicts, protracted crises, and lasting climate change impacts, it is likely that international food assistance will continue to be vitally important for some time. Food assistance, as an integral part of the U.S. government's efforts to end global hunger,



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Joseph Molieri for Bread for the World

will need to continue. But simple reforms could enable food aid to reach more women and children, more quickly, and with more nutritious foods.³

Reach more women and children

As long-term “emergencies,” often called protracted crises, become increasingly common, larger numbers of people are at risk of malnutrition. Malnutrition rates are much higher in fragile states than in countries that are low-income but stable.⁴ Among the most vulnerable and disproportionately affected people are women and children in the 1,000-day nutrition window.

The U.S. Government Accountability Office (GAO) found that between 2011 and 2014, cargo preference requirements increased the cost of U.S. Department of Agriculture (USDA) food aid shipments by 36 percent.⁵ See Box 1. The annual impact of this requirement is estimated at \$50 mil-



Children in Zimbabwe eat a food aid meal provided at a community center.

lion.⁶ Monetization, or the sale of U.S. commodities to meet other program expenses, is also inefficient. Monetization recovers only about 75 percent of the value of the commodities that are sold. The monetization requirement costs hungry people about \$70 million worth of food each year.⁷

Reducing costs by eliminating cargo preference rules would allow Food for Peace to reach an additional 1.8 million people with food assistance in emergencies,⁸ including many pregnant women and young children, for the same amount of money. Allowing more use of tools, such as local and regional purchase (LRP) and vouchers, could enable the United States to provide food assistance to between 4 million and 10 million more people, depending on local conditions, at the same cost.⁹

Box 1

FOOD AID REFORM PROPOSALS

Remove the monetization requirement

Monetization is the practice of selling U.S. commodities overseas to cover the administrative, storage, and distribution costs of food assistance programs. Current law requires that at least 15 percent of nonemergency food aid commodities be monetized.

Use all available food assistance tools

Recent years have seen the increased use of multiple tools for food assistance to complement traditional in-kind food commodities. These tools include cash transfers, food vouchers, and local and regional purchase (LRP) of food for distribution, as appropriate to each context. Current law requires that much of the funding available for food aid be used solely for in-kind commodities.

Eliminate cargo preference

Currently, 50 percent of all U.S. government food aid shipments must be carried on U.S.-flagged vessels. This requirement increases both the cost and transport time of urgently needed food.

Ending monetization requirements would make more funding available for development food security activities, the second-largest category of U.S. nutrition assistance after global health. These programs offer both immediate assistance to prevent and treat malnutrition, as well as programs to prevent malnutrition in the future.

Reach women and children more quickly

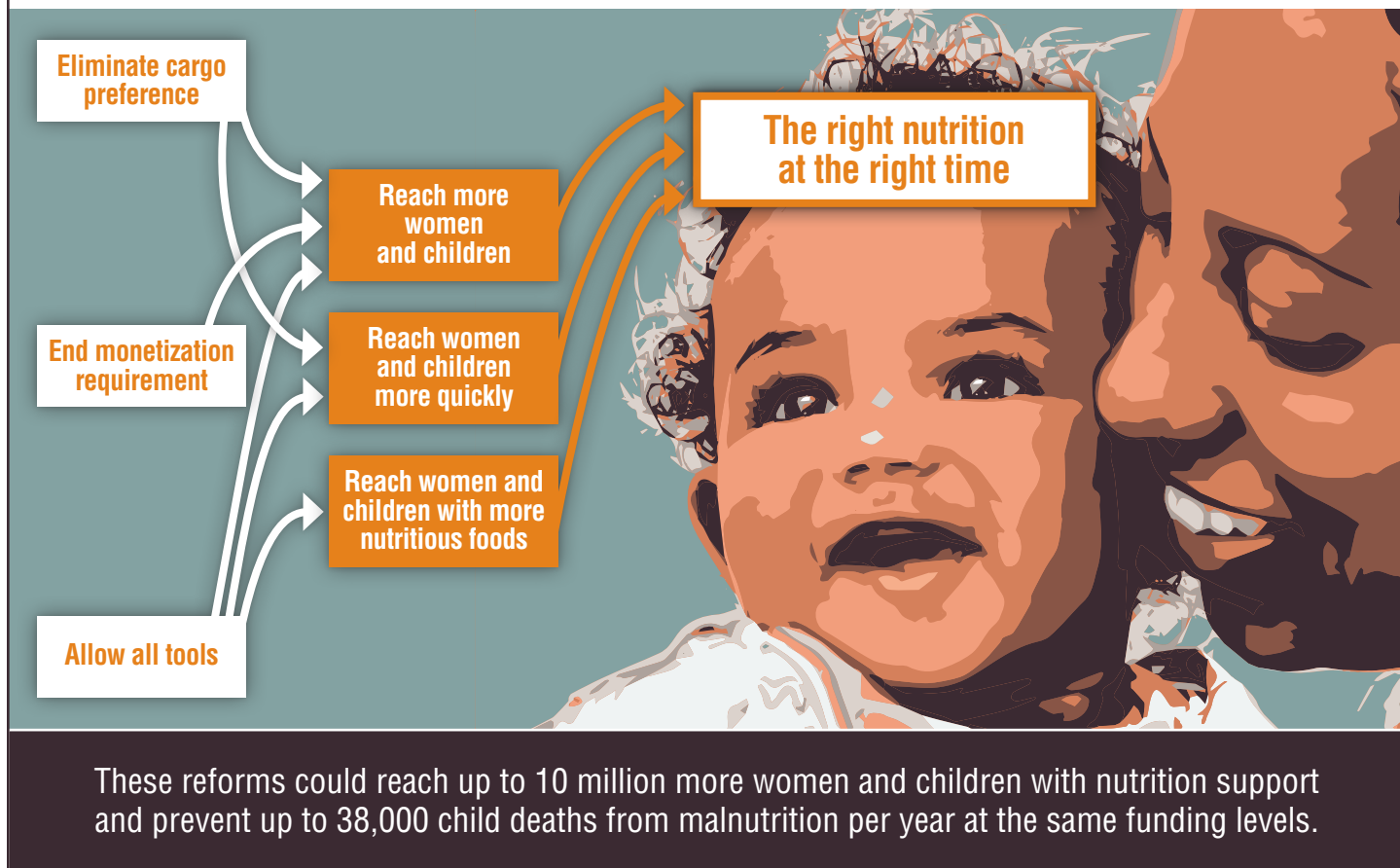
Many crisis situations require quick and efficient response, but in-kind food aid shipped from the United States takes between three and six months to reach its destination.¹⁰ Not only do cargo preference requirements delay the arrival of food that is urgently needed, but most Food for Peace destination ports, including all of West Africa and all of southern Africa,¹¹ currently have no U.S.-flagged shipping services

available. One study of cargo preference requirements found that nearly half of the in-kind food assistance shipped from the United States on U.S.-flagged vessels was more than two weeks later than promised.¹²

Other ways of providing food assistance could reach people about 14 weeks sooner¹³ and are more cost-effective. As the American Enterprise Institute pointed out, 14 weeks is a significant portion—about 10 percent—of the 1,000-day critical nutrition period. Malnutrition between pregnancy and age 2 has significant and

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THE RIGHT NUTRITION AT THE RIGHT TIME



Infographic by Doug Puller/Bread for the World

irreversible impacts on a child's future health, educational, and economic potential.

Reach women and children with more nutritious foods

When allowed to purchase food assistance at local markets (LRP), U.S. food aid funding would, in many cases, be able to provide more nutritious foods. Local food is often more nutrient dense. For example, local food purchased for a school feeding program in Burkina Faso was found to have higher protein and fat content than in-kind commodities.¹⁴ Lastly, many local markets offer more diverse foods, a diversity that is important for good nutrition and cultural acceptance.

Conclusion

Nearly half of all preventable child deaths are linked to malnutrition.¹⁵ Anemia, a form of malnutrition, causes one in every five deaths during pregnancy and childbirth.¹⁶ Simple, cost-effective nutrition interventions can have a great impact on global health. For example, improving breastfeeding practices could save more than 820,000 lives each year.¹⁷

The impact of good nutrition goes beyond health. Chronic childhood malnutrition causes stunting, which limits the ability of a child to grow, learn, and earn a living throughout

Malnutrition between pregnancy and age 2 has significant and irreversible impacts on a child's future health, educational, and economic potential.

his or her life. Longitudinal research shows that individuals who were well-nourished as young children earn up to 46 percent more in their lifetimes than those who are stunted.¹⁸ At a national level, improving nutrition has the potential to contribute significantly to economic growth. For example, a study of 15 African countries found that reducing stunting by 40 percent over the next few years would add \$83 billion to their national incomes.¹⁹

Adopting the three food aid reform proposals discussed in this paper would make available approximately \$350 million to \$400 million worth of food assistance each year that could be used to reach more women and children with the right nutrition at the right time.²⁰ Using the World Bank's

estimates of treatment costs,²¹ between 3.5 million and 4 million more children with Severe Acute Malnutrition, a life-threatening condition, could be treated at the same funding levels. It would also prevent the deaths of between 33,000 and 38,000 children under 5 from malnutrition each year.

Because the food aid reform proposals add to the efficiency and effectiveness of food assistance, they will save additional lives and enable the same funding levels to make a larger impact on malnutrition.

Endnotes

- ¹ Fiscal Year 2016 Food for Peace Fact Sheet
- ² Food for Peace: Celebrating 60 Years of Help and Hope
- ³ Webb P, et al. (2011). Delivering Improved Nutrition: Recommendations for Changes to U.S. Food Aid Products and Programs. Food Aid Quality Review: Tufts University, Boston; GAO-18-193T; GAO-15-666; GAO-11-491; GAO-09-977SP; Lentz E, Mercier S, & C Barrett (2017). International Food Aid and Food Assistance and the Next Farm Bill. American Enterprise Institute: Washington, DC.
- ⁴ GNR 2016
- ⁵ GAO-15-666.
- ⁶ Lentz E, Mercier S, & C Barrett (2017). International Food Aid and Food Assistance and the Next Farm Bill. American Enterprise Institute: Washington, DC.
- ⁷ GAO-11-636
- ⁸ Lentz E, Mercier S, & C Barrett (2017).
- ⁹ Food aid for the 21st century
- ¹⁰ <https://www.usaid.gov/what-we-do/agriculture-and-food-security/food-assistance/quick-facts>
- ¹¹ <https://www.usaid.gov/news-information/congressional-testimony/oct-19-2017/matthew-nims-senate-foreign-relations-committee>
- ¹² GAO/NSIAD-90-174
- ¹³ Lentz, Passarelli, and Barrett, The timeliness and cost effectiveness of the LRP of food aid.
- ¹⁴ Harou A, et al. (2013). Tradeoffs or Synergies? Assessing Local and Regional Food Aid Procurement Through Case Studies in Burkina Faso and Guatemala. *World Development* 49:44-57.
- ¹⁵ Black RE, Victora CG, Walker SP, et al. (2013). Maternal and child undernutrition and overweight in low-income and middle-income countries. *The Lancet* 382(9890):396.
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- ¹⁷ Victora C, Bahl R, Barros A, et al. (2016). Breastfeeding in the 21st century: epidemiology, mechanisms, and lifelong effect. *The Lancet* 387: 475-490.
- ¹⁸ Hoddinott J, Maluccio J, Behrman J, et al. (2008). Effect of a nutrition intervention during early childhood on economic productivity in Guatemalan adults. *The Lancet* 371(9610):411-416.
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- ²⁰ Lentz E, Mercier S, & C Barrett (2017).
- ²¹ Shekar M, Kakietek J, Eberwein J, & Walters D (2016). An Investment Framework for Nutrition: Reaching the Global Targets for Stunting, Anemia, Breastfeeding, and Wasting. World Bank Group: Washington, DC.



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