



breadfortheworld  
HAVE FAITH. END HUNGER.

## International Food Aid Reform

The United States has long been a global leader in responding to humanitarian emergencies and is the largest provider of lifesaving food aid. Since Food for Peace—the largest food aid program—began in the 1950s, approximately 3 billion people in 150 countries have benefited from American generosity and compassion.<sup>1</sup> In fiscal year 2015, U.S. government food assistance reached 36 million people in 43 countries.<sup>2</sup>

The world has changed dramatically since Food for Peace was first created. Food assistance is an integral part of the U.S. government's efforts to end global hunger. But both the U.S. government and key stakeholders have also noted areas for improvement.<sup>3</sup> There are many ways to strengthen and reform this valuable program to make it more efficient—which means that the same appropriated funding can reach more hungry people overseas, especially malnourished women and children.

The most important “window of opportunity” for human nutrition is the 1,000 days between a woman's pregnancy and her child's second birthday. Malnutrition during this time causes lifelong, often irreversible damage to children's health and development, leading to educational, social, and economic consequences. Countries with high child malnutrition rates can lose as much as 12 percent of their annual gross domestic product (GDP) as a result.<sup>4</sup>

More people are in need of assistance than ever, particularly because of the lasting effects of drought and conflicts in regions, such as East Africa. In today's budgetary climate the U.S. government needs to be as flexible as it can while remaining a responsible steward of appropriated funds. Economic experts consider food assistance programs that prevent and treat malnutrition to be among the best investments in development assistance.<sup>5</sup>

The Food for Peace Act<sup>6</sup> authorizes food aid as both disaster response and longer-term development assistance. In a humanitarian response, improved nutrition in food



Joseph Molieri/Bread for the World

assistance products that are either sent from the United States or purchased locally can save more lives and prevent more cases of severe malnutrition. Most of those who benefit will be young children. To do this in the most effective and efficient way, the U.S. Agency for International Development (USAID) and its partners need additional flexibility to provide recipients with the most appropriate food assistance.

### Why Reform is Needed

#### Americans support effective development assistance.

The average American believes the United States should spend about 10 percent of the federal budget on foreign assistance.<sup>7</sup> Yet in reality, foreign assistance is only about 1 percent of the federal budget, and within that, the development assistance that funds all food aid accounts and other efforts to reduce poverty is only 0.6 percent of the total.<sup>8</sup> According to polling by the Kaiser Family Foundation, nearly 90 percent of Americans believe that improving the health of people in developing countries should be one of the top priorities of U.S. foreign assistance; nearly two-thirds of those respondents specifically prioritize reducing hunger and malnutrition.<sup>9</sup>

#### High nutritional quality is essential in food assistance.

Most food aid recipients are women and young children. Malnutrition is a leading cause of preventable death among children under 5, and the effects of malnutrition in the

(continues on next page)

1,000-day window of opportunity before age 2 can be devastating and irreversible for those who survive. In most programming, the United States and other donors distribute foods that provide needed calories but sometimes come up short in supplying essential micronutrients.<sup>10</sup>

Legislation passed by Congress and initiatives at USAID have sought to improve the nutrient content of in-kind food aid commodities (generally grains such as wheat and soybeans). But the task is far from complete. Policymakers need to ensure that food assistance efforts incorporate nutrition systematically as they are planned and implemented. In the past, good nutrition for vulnerable groups has not been a high priority, at least partly because food assistance is considered short-term. But not only are some crises lasting longer, but people who have good nutritional health because of food aid are much better equipped to rebuild their lives once they return home, as well as to identify ways of preventing or overcoming future hunger emergencies.

**Providing more flexibility saves lives and dollars.** Aid officials must use the funding available for food assistance as efficiently as possible. Purchasing food locally or regionally costs 30 percent less on average and reaches people in need more quickly. Using cash and vouchers to purchase food locally, where appropriate, can also improve efficiency.<sup>11</sup> For women and children in the 1,000-day window, the timely arrival of food aid can mean the difference between a life of health and opportunity and one of stunted growth and stunted human potential.

The 2014 farm bill authorized \$80 million for local and regional procurement (LRP) activities in both emergency and non-emergency settings. Allowing a more flexible use of these funds, depending on what the context calls for, will enable aid workers to target specialized food aid products and vitamin and mineral supplements to improve the nutrition of the most vulnerable groups (e.g., infants).



Stephen H. Padre/Bread for the World

**Reforms promote self-sufficiency of smallholder farmers.** Bagged food aid commodities are usually shipped from the United States or a pre-positioning site, which can add to food aid costs and delivery time. The practice of monetization—shipping food commodities purchased in the United States to where they are needed and selling them there to fund food aid development projects—can also mean losses of as much as 30 cents on the dollar compared to vouchers or cash. It can also be a disincentive for local farmers and disrupt local markets. According to the GAO, inefficiencies related to monetization cost hungry people about \$70 million each year, on average.<sup>12</sup> GAO calls monetization “inherently inefficient”<sup>13</sup> and says that it can undercut efforts to develop local agricultural systems—a primary goal of the U.S. flagship food security program, Feed the Future.

### A Call to Action

Analysts anticipate that the 2018 farm bill and other upcoming legislation will include food aid reform proposals. To be most effective in helping people who are hungry or malnourished, the final legislation must include the following provisions:

- **Authorize Local and Regional Procurement:** Continue to authorize LRP projects at the U.S. Department of Agriculture (USDA) at no less than \$80 million, the authorization level included in the 2014 farm bill. This provision will add an important and versatile tool that can be used to reach more food-insecure people with better, more nutritious food.
- **Improve Food Aid Quality and Measure Nutrition Outcomes:** Extend 2014 farm bill authority to allow USDA and USAID to adjust food aid products and formulations, accelerate the use of specialized products that have proven to be superior in improving nutritional outcomes, and continue to test new food aid products.

Every **\$1** invested  
in **nutrition** generates  
as much as **\$48**  
in **better health** and  
increased **productivity**

Source: Hoddinott et. al, "The economic rationale for investing in stunting reduction," *Maternal and Child Nutrition*, Sept. 2013.

The current Senate farm bill proposal maintains authorized annual funding levels at \$4.5 million. This will enable researchers to continue to make advances in nutritious food aid products and test them in pilot programs.

- **Allow Flexibility in Resource Allocation:** Congress should allow at least 20 percent of funding for Title II programs to pay for nutrition-related work other than in-kind food commodities shipped from the United States. This flexibility will enable implementing partners to use various strategies, such as cash vouchers or regional purchases of food, to reach people in need as quickly and effectively as possible.
- **End the monetization requirement:** Monetization should be phased out and replaced by more efficient options, with a transition period to ensure that nutrition and other programs are not disrupted.
- **Allocate resources according to global needs:** Food for Peace supports both emergency response and development assistance for the most vulnerable groups. Food for Peace should be able to allocate its funding

to either emergency or development programs as the needs dictate. Neither should be sacrificed for the other. Food for Peace programs should be able to coordinate and collaborate with Feed the Future programs to support the most vulnerable and enable communities to build resilience.

- **Reduce the impact of cargo preference on food aid programs:** Congress needs to re-evaluate existing laws that require a large proportion of food aid to be shipped according to specific cargo preference requirements and regulator rules. These policies take resources directly – dollar for dollar – from food aid funding that would otherwise pay for food for people in need.

*To learn more about how Food for Peace is making an impact on the ground, visit [bread.org/blog](http://bread.org/blog).*

---

## Endnotes

<sup>1</sup> Food for Peace: Celebrating 60 Years of Help and Hope. Accessed at <https://www.usaid.gov/news-information/videos/food-peace-celebrating-60-years-help-and-hope>.

<sup>2</sup> U.S. International Food Assistance Report: FY2015. Accessed at [http://pdf.usaid.gov/pdf\\_docs/PA00MHDH.pdf](http://pdf.usaid.gov/pdf_docs/PA00MHDH.pdf).

<sup>3</sup> 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

<sup>4</sup> Global Nutrition Report 2014

<sup>5</sup> Copenhagen Consensus (2012). Expert Panel Findings. Accessed at [http://www.copenhagenconsensus.com/sites/default/files/outcome\\_document\\_updated\\_1105.pdf](http://www.copenhagenconsensus.com/sites/default/files/outcome_document_updated_1105.pdf).

<sup>6</sup> As Amended Through P.L. 113–79, Effective January 29, 2014. Accessed at [http://docs.wixstatic.com/ugd/89d621\\_884253959e95416aa5973114084f10b0.pdf](http://docs.wixstatic.com/ugd/89d621_884253959e95416aa5973114084f10b0.pdf)

<sup>7</sup> CNN Opinion Poll, <http://i2.cdn.turner.com/cnn/2011/images/03/31/rel4m.pdf>; ‘American Public Opinion on Foreign Aid’, World Public Opinion.

<sup>8</sup> Office of Management and Budget. <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/budget.pdf>

<sup>9</sup> Kaiser Family Foundation, 2012 Survey of American’s on the U.S. Role in Global Health, <http://kaiserfamilyfoundation.files.wordpress.com/2013/01/8304.pdf>

<sup>10</sup> 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.

<sup>11</sup> GAO, International Food Assistance: Local and Regional Procurement Can Enhance the Efficiency of U.S. Food Aid, but Challenges May Constrain Its Implementation, GAO-09-570 (Washington, 2009), [www.gao.gov/products/GAO-09-570](http://www.gao.gov/products/GAO-09-570)

<sup>12</sup> GAO-11-636

<sup>13</sup> GAO, International Food Assistance: Local and Regional Procurement Can Enhance the Efficiency of U.S. Food Aid, but Challenges May Constrain Its Implementation, GAO-09-570 (Washington, 2009), [www.gao.gov/products/GAO-09-570](http://www.gao.gov/products/GAO-09-570)