



United States  
Department of  
Agriculture

Foreign  
Agricultural  
Service

# FACT SHEET

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## *FOOD ASSISTANCE*

The U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) helps provide U.S. agricultural commodities to assist millions of people in needy countries through direct donations and concessional programs. The U.S. government can provide food assistance through five program authorities: the Food for Progress Program, the McGovern–Dole International Food for Education and Child Nutrition Program, the Food for Peace Act (formerly referred to as Public Law 480, Titles I, II, and III), Section 416(b), and the Local and Regional Procurement Projects.

The U.S. Agency for International Development (USAID) administers Titles II and III of the Food for Peace Act. USDA administers the remaining food aid programs. Both USDA and USAID facilitate the administration of the Bill Emerson Humanitarian Trust.

The **Food for Progress (FFPr)** program, authorized by the Food for Progress Act of 1985, provides for the donation or credit sale of U.S. commodities to developing countries and emerging democracies to support democracy and an expansion of private enterprise. To date, all food aid under this program has been by donation.

The implementing organizations request commodities and USDA purchases those

commodities from the U.S. market. USDA donates the commodities to the implementing organizations and pays for the freight to move the commodity to the recipient country.

USDA announces it is seeking FFPr proposals from private voluntary organizations (PVOs), foreign governments, and the United Nations World Food Program (WFP) for the coming fiscal year through the FAS website, the Food Assistance Consultative Group (FACG), and other avenues. Generally, proposals are due to USDA in the summer and those chosen are announced the following January.

USDA considers proposals for all developing countries and territories that meet the requirements of the Food for Progress Act of 1985. Priority consideration is given to proposals for countries with:

- per capita income at lower or lower-middle income standards (using World Bank statistics);
- greater than 20-percent prevalence of undernourishment as a proportion of the total population (World Health Organization (WHO) of the United Nations data); and
- positive movement toward freedom, including political rights and civil

liberties (as defined by Freedom House).

USDA also uses FFPr to target countries in transition, either politically or economically. Program priorities, including targeted countries, are announced publicly through the FAS website and the FACG.

Proposals should focus on private sector development of agricultural sectors such as improved agricultural techniques, marketing systems, farmer education and cooperative development, expanded use of processing capacity, and development of agriculturally related businesses. Each proposal is analyzed to ensure that:

- commercial markets are not disrupted;
- tangible benefits exist for the country's agricultural sector;
- tangible, quantifiable outcomes are defined;
- it is well developed and articulated;
- it identifies appropriate commodities and tonnages for the target country; and
- the organization's capability and experience to carry it out is demonstrated.

Depending on the agreement, the commodities donated through FFPr may be sold in the recipient country, and the proceeds used to support agricultural, economic, or infrastructure development programs. Assistance is provided through foreign governments, PVOs, nonprofit organizations, cooperatives, and intergovernmental organizations. The program is limited by statute to pay no more than \$40 million annually for freight costs. USDA supports about 15-20 projects each year that impact more than a million people.

One example of how this programs works is the FFPr agreement between USDA and

FINCA International that provided more than \$3.5 million in commodities for use in Nicaragua. FINCA sold the commodities and used the funds to:

- increase loan capital and micro-finance services to micro-entrepreneurs in agriculture-related businesses;
- develop a specialized agriculture lending product to address the unique financial needs of agricultural clients; and
- establish an impact assessment protocol to maximize micro-lending effectiveness in agriculture-related businesses.

By disbursing more than 1,100 loans, over 800 agricultural entrepreneurs have increased their profits. More than 31,000 community members will benefit as the program continues to expand.

The **McGovern-Dole International Food for Education and Child Nutrition (McGovern-Dole) Program** helps support education, child development, and food security for some of the world's poorest children. It provides for donations of U.S. agricultural products, as well as financial and technical assistance, for school feeding and maternal and child nutrition projects in low-income, food-deficit countries that are committed to universal education.

The commodities are made available for donation through agreements with PVOs, cooperatives, intergovernmental organizations, and foreign governments. Commodities may be donated for direct feeding or, in limited situations, for local sale to generate proceeds to support school feeding and nutrition projects.

To be eligible for new proposals under McGovern-Dole, a country needs to meet

the following criteria to be considered a priority country:

- per capita income at lower or lower-middle income standards (using World Bank statistics);
- greater than 20 percent prevalence of undernourishment as a proportion to the total population (WHO data);
- adult literacy rates below 75 percent;
- a net food importer;
- government commitments to education; and
- no or limited civil conflict that could impede implementation of the program.

USDA will also give priority to proposals from organizations that have ongoing McGovern-Dole programs in non-priority countries to support sustainability. The projects must demonstrate acceptable progress towards sustainability.

USDA announces it is seeking McGovern-Dole proposals from PVOs, foreign governments, and the WFP through the FAS website, the FACG, and other avenues.

Generally, proposals are due to USDA in the summer and those chosen are announced the following January.

Proposals should identify developmental goals for improving literacy and primary education. Proposals may also include a component that aims to improve the educational environment for students, particularly girls. For maternal and child nutrition activities, the proposal should demonstrate how the program will improve the food security and nutritional status of the target population. Proposals should support the economic development and integration of the recipient country and redress civil conflict where applicable, particularly in post-conflict and post-disaster societies. Coordination with other existing food aid programs is also important.

Each proposal is evaluated using the same criteria:

- the need for the program is clearly substantiated and the recipient country is committed to improving its quality of education and nutrition;
- the program is sustainable after USDA funding ends and the government of the country, local institutions and communities, or other donor(s) will be involved in the program;
- the proposal's quality is such that it addresses implementation and cost issues and includes a situational analysis;
- commodities and tonnages appropriate for the country are identified; and
- the organization's capability and effectiveness in implementing previous food aid programs is evident or demonstrated.

USDA is supporting more than 30 programs in 28 countries. More than 5 million people are currently benefiting from the program.

In 2006, USDA awarded World Vision a grant to provide more than 9,000 tons of commodities for use in Afghanistan under the McGovern-Dole program. This project is using vegetable oil, rice, and lentils to provide meals and take-home rations to more than 80,000 students, over 4,000 teachers, and nearly 1,500 school staff members each month of the school year over the life of this three-year program. The project includes a child health component, which provides vitamin A, deworming tablets, and oral rehydration salts, as well as health and nutrition education. It also focuses on promoting gender equality by encouraging the education of girls, despite some lingering cultural norms against building girls' schools, and provides literacy training to women in the community.

Before World Vision began this program, Afghan Ministry of Education (MOE) 2003 records showed no girls and only 23,000 boys attended school in the western provinces of Badghis and Ghor. Since the inception of the program, the number of girls attending school has greatly increased. Now more girls attend school in these two provinces than anytime in the last 20 years.

### **Food for Peace Act**

The Food for Peace Act (FPA) was formerly referred to as Public Law 480 or P.L. 480. FPA has three titles, and each title has a specific objective and provides assistance to countries at a particular level of economic development. Title I is administered by USDA, and Titles II and III are administered by USAID.

### **FPA, Title I–Trade and Development**

**Assistance**, provides for government-to-government sales of U.S. agricultural commodities to developing countries on credit or grant terms. Agreements under the Title I credit program may provide for repayment terms of up to 30 years with a grace period of up to 5 years. The authority also allows for grant programs, which have outnumbered loans in recent years. Depending on the agreement, commodities provided under the program may be sold in the recipient country and the proceeds used to support agricultural, economic, or infrastructure development projects.

Since fiscal year 2006, new funding has not been requested because demand for food assistance using credit financing has fallen or grant programs have been a more appropriate tool.

**FPA, Title II–Emergency and Private Assistance**, provides for the donation of U.S. agricultural commodities to meet emergency and nonemergency food needs in

other countries, including support for food security goals.

Agricultural commodities donated by the U.S. government to meet emergency needs are traditionally provided through the WFP or PVOs, though they may also be provided under government-to-government agreements. Nonemergency assistance may only be provided through PVOs, cooperatives, and intergovernmental organizations.

### **FPA, Title III–Food for Development**

provides for government-to-government grants to support long-term growth in the least developed countries. Donated commodities are sold in the recipient country, and the revenue generated is used to support economic development programs. In recent years, this title has been inactive.

The **Section 416(b)** program is authorized by the Agricultural Act of 1949, as amended. This program provides for overseas donations of surplus commodities acquired by the Commodity Credit Corporation (CCC). Donations may not reduce the amounts of commodities that are traditionally donated to U.S. domestic feeding programs or agencies, and may not disrupt normal commercial sales.

Availability of commodities under Section 416(b) depends on CCC inventories and acquisitions, and programming varies from year to year. The commodities are made available for donation through agreements with foreign governments, PVOs, cooperatives, and intergovernmental organizations. Depending on the agreement, the commodities donated under Section 416(b) may be sold in the recipient country and the proceeds used to support agricultural, economic, or infrastructure development programs.

The Section 416(b) program is currently inactive because no CCC inventories have been made available to the program in recent years.

### **Local and Regional Procurement**

Currently, both USDA and USAID have authority to purchase local and regional food aid.

The **Local and Regional Procurement Project (Pilot Program)** was authorized as a pilot program under the Food, Conservation, and Energy Act of 2008 (Farm Bill). The Farm Bill directs the Secretary of Agriculture to implement a five-year local and regional purchase pilot program in developing countries from fiscal year (FY) 2009 through 2012. CCC funding totaling \$60 million will be made available as follows:

- \$5 million in FY 2009,
- \$25 million in FY 2010,
- \$25 million in FY 2011, and
- \$5 million in FY 2012.

The primary objective of the USDA pilot program is to use local and regional purchasing to help quickly meet urgent food needs due to food crises and disasters. This will protect against a decline in food consumption, save lives, and reduce suffering.

The Pilot Program has four phases:

1. Study prior local and regional purchases (FY 2008 – 2009).
2. Develop guidelines (FY 2009).
3. Implement field-based projects (FY 2009 – 2011).
4. Independent evaluation (FY 2012).

On January 16, 2009, the Secretary of Agriculture sent phase one of the USDA

study on local and regional procurement to the House and Senate Agriculture Committees.

The USDA study found the following:

- Local and regional purchase is an important tool, enabling food aid agencies to respond quickly to emergency food needs, both during and after food crises and disasters.
- Local and regional purchase can be a timely and effective complement to in-kind food aid programs.
- It is critical to know when and how to use appropriate local and regional purchase methods to meet emergency food aid needs and avoid harming low-income consumers, producers, and fragile market systems.

USDA is now in the process of drafting program implementation guidelines (phase two). These guidelines will be published in the Federal Register for public comment this summer for 30 days. USDA will seek project proposals when the guidelines are finalized (phase three).

By the end of FY 2011, all of the Pilot Program projects will be completed. USDA will contract for an independent evaluation (phase four).

In addition to USDA's Pilot Program, USAID's Office of Foreign Disaster Assistance received up to \$125 million in FY 2009 to address urgent humanitarian needs created by high food prices in vulnerable populations abroad, particularly in Africa. These funds provide the ability to act quickly and effectively in cases where a rapid response is critical to saving lives.

The **Bill Emerson Humanitarian Trust** is another resource to ensure that the U.S.

government can respond to emergency food aid needs. The Trust is not a food aid program, but a food reserve administered under the authority of the Secretary of Agriculture. The Trust is designed to ensure that the United States can meet its international food assistance commitments. If the USAID Administrator determines that Food for Peace Title II funds are insufficient to meet emergency needs, the Trust is immediately made available. The Trust may consist of any combination of cash and commodities. In addition, the 2008 Farm Bill provided the Secretary of Agriculture with the ability to exchange commodities in the trust for cash if the Secretary deems the action advisable and the sale will not disrupt markets. Presently, the Trust has exchanged all commodities, and holds only cash. The Secretary may invest those funds in any short-term obligation of the United States or any other low-risk, short-term instrument or security insured by the Federal Government.

### **Program Administration**

Within USDA, FAS has the lead responsibility for the USDA-administered food aid programs. USDA's Farm Service Agency (FSA) is responsible for procuring and supplying commodities for the U.S. food aid donation programs.

In September 2007, USDA awarded a contract to begin a **food aid quality** study. The non-profit organization Sharing U.S. Technology To Aid in the Improvement of Nutrition (SUSTAIN) is working with USDA on the first two phases of this study. The first phase involves the review of existing CCC contract specifications for food aid commodities, starting with those for blended and fortified foods. USDA will

examine contracting practices, with the aim of simplifying them and using more commercially acceptable methods. In the second phase, USDA will establish a post-production commodity sampling and testing regime based on sound scientific standards to ensure they receive the products they contracted to purchase. Finally, USAID will conduct a longer-term study to assess the effectiveness, both in terms of results and cost, of commodities currently procured by CCC for use in these programs.

The interagency **Food Assistance Policy Council**, chaired by USDA's Under Secretary for Farm and Foreign Agricultural Services, coordinates U.S. food aid policies and programs. The council includes representatives from the Office of Management and Budget (OMB), USAID, the U.S. Department of State, and USDA. At the staff level, USAID and USDA meet regularly to review and coordinate plans. In addition, USAID and USDA work together to combine smaller shipments of commodities into larger ones, maximizing the funds available for transportation.

**Additional Information:** For more information, contact: Food Assistance Division, Office of Capacity Building and Development, FAS/USDA, Stop 1034, 1400 Independence Ave. SW, Washington, DC 20250-1034; tel.: (202) 720-4221; fax: (202) 690-0251.

Information about USDA food aid efforts is also available on the FAS Web site: <http://www.fas.usda.gov/food-aid.asp>  
*General information about FAS programs, resources, and services can be found at:*  
<http://www.fas.usda.gov>