

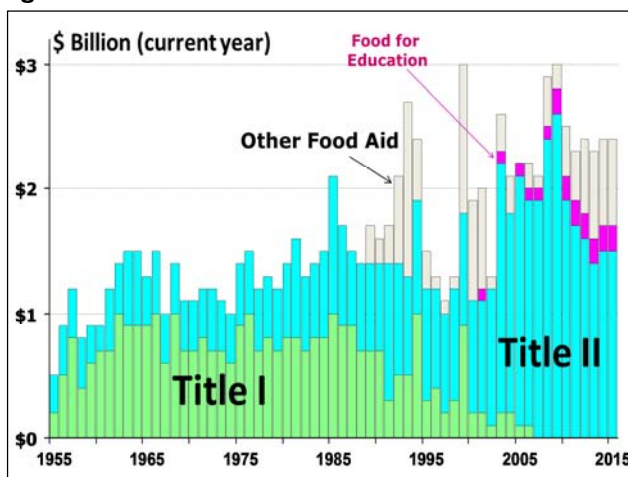


U.S. International Food Aid Programs

For over six decades, the United States has played a leading role in global efforts to alleviate hunger and malnutrition and to enhance world food security through international food aid—primarily through either the donation or sale on concessional terms of U.S. agricultural commodities.

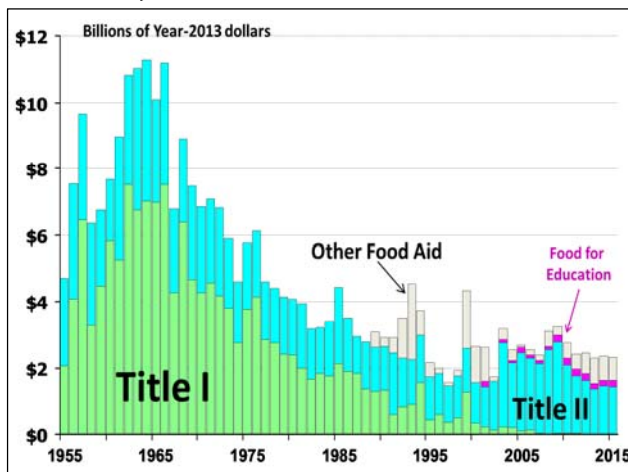
The U.S. government has provided international food aid through a variety of programs (Table 1 and Figure 1) and for a variety of reasons which have evolved with foreign policy goals over the years. Current objectives include both emergency response to international food crises and non-emergency agricultural development assistance. U.S. international food aid outlays have increased gradually since the 1950s in current year dollars (Figure 1), but have declined in inflation-adjusted 2013 dollars (Figure 2).

Figure 1. U.S. International Food Aid Since 1955



Source: USAID (see Table 1 for program details).

Figure 2. U.S. International Food Aid Since 1955, Inflation-Adjusted



Source: USAID historical data adjusted for inflation by CRS using a GDP deflator from the Economic Research Service, USDA.

Surplus Removal or Food Aid?

The Food for Peace Act (FFPA) is the main authority for U.S. international food aid. First authorized in 1954 by P.L. 83-480, or “P.L. 480” as it was commonly known, FFPA was created in part to use government-owned surplus grain stocks for international food aid purposes. The United States remains one of the few countries that relies on in-kind transfers of domestically purchased commodities for its international food aid. Most other donor countries have converted primarily to cash-based food assistance. U.S. reliance on in-kind food aid has become controversial due to its identified inefficiencies and potential market distortions compared with cash-based assistance.

U.S. Food Aid Has Many Restrictions

All U.S. food aid shipments are subject to a set of requirements that potentially limit the flexibility of the U.S. response to emergency food crises. U.S. laws require that:

- all agricultural commodities be U.S.-sourced;
- at least 50% of U.S. food aid be shipped on U.S.-flag vessels;
- at least 20%, but not more than 30%, with at least \$350 million, of FFPA funding be available for non-emergency food aid;
- at least 75% of in-kind food transfers dedicated to non-emergency assistance be in a processed, fortified, or bagged form;
- at least 50% of any bagging consist of U.S.-bagged, whole-grain commodities; and
- at least 15% of non-emergency food aid funding be made available to qualifying nongovernmental organizations (NGOs) for monetization—i.e., the process of selling donated U.S. commodities in recipient-country markets, often at a steep discount, to generate cash for development programs.

The George W. Bush and Obama Administrations, along with S. 525 of the 114th Congress, have proposed changes to U.S. food aid programs that include at least partial elimination of cargo preferences and monetization, while expanding flexibility for cash-based assistance.

More Information

For more analysis, see CRS Report R41072, *U.S. International Food Aid Programs: Background and Issues*.

Table I. U.S. International Food Aid Programs

Program—Function and Funding Status	Statutory Authority	First Year	Funding^a	Govt. Agcy^b
Section 416(b) —Donations of government-owned (CCC) ^c stocks; inactive since 2007 due to unavailability of CCC stocks.	1949 Farm Bill (P.L. 81-439)	1949	M	FAS, USDA
Food for Peace Act (FFPA) , originally “P.L. 480,” renamed “Food for Peace Act” by 2008 farm bill (P.L. 110-246). FFPA has four main program titles.	FFPA (P.L. 83-480)	1954	D	FAS, USDA
Title I — Concessional sales—using long-term (up to 30 years), low-interest loans—of U.S. commodities; ^d monetization proceeds fund food security and development projects. From 1955 through 1990, Title I was the primary program for distributing U.S. food aid (Figure 1); however, no new funding has been appropriated since FY2006.		1954	D	FAS, USDA
Title II —In-kind ^d or cash-based donations; cash or monetization proceeds fund both emergency food needs and non-emergency development projects in foreign countries. Since 1990, FFPA Title II has become the largest component of U.S. international food assistance, averaging nearly \$1.7 billion or 78% of outlays (Figure 1). The 2014 farm bill continued annual authorizations for Title II at \$2.5 billion—subject to appropriations—through FY2018.		1954	D	USAID
Title III —Government-to-government grants fund long-term economic development; no funding requests have been made since FY2002.		1990	D	USAID
Title V —Farmer-to-Farmer Program provides technical assistance (not food aid) to agriculture-related projects in developing countries; 2014 farm bill requires minimum funding of the greater of \$15 million or 0.6% of total FFPA funds. Outlays averaged \$11 million/year since 2010.		1985	D	USAID
Food for Progress (CCC-funded) —U.S. commodities ^d sold on credit or donated for monetization; proceeds assist recipient countries strengthen free enterprise in agriculture sectors. By law, at least 400,000 metric tons of commodities must be used annually (costs vary with prices), but not more than \$40 million can be used for shipping costs. Outlays averaged \$188 million/yr. since 2010.	2014 Farm Bill (P.L. 113-79)	1985	M	FAS, USDA
McGovern-Dole International Food for Education and Child Nutrition (IFECN) —U.S. commodities ^d , financial and technical assistance, used for school feeding and maternal, infant, and child nutrition programs in countries identified with critical food needs. “Such sums as necessary” are authorized subject to appropriations. Outlays averaged \$189 million/yr. since 2010.	2014 Farm Bill (P.L. 113-79)	2003	D	FAS, USDA
Emergency Food Security Program —Cash-based food aid program provides grants to eligible organizations for emergency food security needs. Funding is from USAID’s International Disaster Assistance account, authorized under the FAA. Used primarily when U.S.-purchased commodities cannot arrive fast enough, or when other interventions are more appropriate than in-kind food aid due to local conditions. Outlays averaged \$357 million/yr. since 2010.	Foreign Assistance Act (FAA) of 1961 (P.L. 87-195)	2010	D	USAID
Local and Regional Procurement (LRP) Program —Awards grants to eligible organizations to purchase eligible commodities in nearby markets in response to food crises and disasters. Pilot program in the 2008 farm bill. The 2014 farm bill authorized LRP as a permanent program with funding of \$80 million per year—subject to annual appropriations—through FY2018. No funding has been appropriated through FY2015.	2014 Farm Bill (P.L. 113-79)	2014	D	FAS, USDA

Source: Compiled by CRS.

Notes: Statutory authority derived from both the Food for Peace Act (FFPA) and the Foreign Assistance Act (FAA) is “as amended.”

- D = discretionary funding via annual appropriations; M = mandatory funding financed through the borrowing authority of USDA’s CCC and thus not generally subject to annual appropriations.
- Either the Foreign Agricultural Service (FAS) of USDA or the U.S. Agency for International Development (USAID) are implementing agencies.
- The Commodity Credit Corporation (CCC) is a U.S. government-owned and -operated corporation, created in 1933, with broad powers to support farm income and prices and assist U.S. agricultural exports.
- Commodities requested under FFPA Titles I and II, as well as the Food for Progress and McGovern-Dole IFECN programs, may be acquired from CCC stocks or purchased in U.S. markets, and are subject to U.S. cargo preference requirements.

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