



Food Aid Reform

Since 1954, U.S. international food aid programs have helped feed over three billion people and promote food security in over 150 countries. [USAID Fact Sheet](#)

Most food aid is provided under the Food for Peace Act (FPA) Title II (Emergency and Private Assistance) by USAID.

- Current authorized level for Title II programs: \$2.5 billion annually
- Average appropriations for Title II since FY2008: \$1.8 billion
- FY2014 request for U.S. food aid: \$1.47 billion
- FY2014 level in House Agriculture Appropriations (introduced): \$1.15 billion

In his [FY 2014 budget request](#), President Obama proposed reforms to the food aid program.

In April, Chairman Royce (R-CA) and subcommittee Ranking Member Karen Bass (D-CA) [introduced](#) bipartisan legislation ([H.R. 1983](#)) to reform the food aid program in order to feed more people, more quickly, at a lower cost

U.S.-only Procurement

[Current law](#) requires that 100% of donated food aid commodities must be produced in the United States

H.R. 1983 eliminates the U.S.-only requirement, giving USAID flexibility of “local and regional purchase” (LRP) of food near the area in need – allowing the U.S. to feed more people, more quickly, at a lower cost.

- Average cost of food aid commodities procured in and shipped from U.S.: \$1,188/mt
- Average cost of food aid provided through LRP: \$929/mt
- Average savings for LRP versus U.S. procurement: \$259/mt (20% savings)
- Average time for delivery food aid procured in and shipped from U.S.: 130 days
- Average time for delivery of aid through LRP: 56 days (2 months more quickly)

Sources: [FY2012 Food for Peace Fact Sheet](#) and USDA LRP Pilot Project [Independent Evaluation Report](#).

Cargo preference

[Current law](#) requires 50% of donated food aid must be shipped on U.S.-flagged vessels.

Eliminating cargo preference requirement will save an estimated [\\$50 million per year](#).

H.R. 1983 eliminates cargo preference requirement – allowing the U.S. to feed more people, more quickly, at a lower cost.

Monetization

[Current law](#) requires “monetization” for at least 15% of all food aid.

Complexity of Monetization

1. USG purchases U.S.-produced food;
2. USG ships food overseas on U.S.-flagged vessels;
3. USG donates food to aid organizations;
4. Aid organizations sell the food in developing countries;
5. Aid organizations use proceeds to finance development projects

[GAO](#) found monetization “inefficient and can cause adverse market impacts” in the developing country.

[GAO](#) found monetization loses an average of 25 cents on every taxpayer dollar spent on food aid.

Eliminating monetization will feed an additional [800,000 people](#) and save an estimated [\\$30 million per year](#).

H.R. 1983 eliminates monetization requirement -- -- allowing the U.S. to feed more people, more quickly, at a lower cost.

Food Aid Facts and Figures

Emergency Assistance

Increase in recorded disasters over past decade: [200%](#)

Number of people affected by droughts, floods, hurricanes, and other natural disasters in 2011: [206 million](#)

Number of disasters to which the U.S. responded in 2012: [67](#)

Decrease in tonnage of food aid exported since 2002: [64%](#)

Number of direct recipients of U.S. food aid in FY2007: 74 million

Number of direct recipients of U.S. food aid in FY2010: 30 million

Shippers

Percentage of FY11 agriculture exports attributable to USAID food aid: [0.86%](#)

Decrease in gross tonnage of food aid exports between 2002 and 2011: [64%](#)

Increase of total gross tonnage exported from the five major ports utilized for by the USG for food aid exports between 2003 and 2011: [79%](#)

Farmers

Percentage of net farm income attributable to USAID food aid: [0.56%](#)

FY12 agricultural exports: [\\$135.8 billion](#)

Forecasted FY13 agriculture exports: [\\$142 billion](#) (increase of \$6.2 billion over FY12)

