



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

JUN 18 2013

The Honorable Edward R. Royce
Chairman
Committee on Foreign Affairs
U.S. House of Representatives
2170 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter of May 31, 2013, cosigned by Congressman Eliot L. Engel, regarding President Obama's proposal to reform the P.L. 480 Title II program, which provides international food assistance.

The U.S. Department of Agriculture (USDA) supports the reforms to the Title II program proposed in the President's fiscal year (FY) 2014 budget as a way to modernize food aid, improve the efficiency of the program, and permit life-saving assistance for 2 to 4 million more people throughout the world each year without additional discretionary budgetary resources. In addition, the proposal reduces the deficit by an estimated \$500 million in mandatory savings over the next decade. This more efficient, modern approach to food aid pairs the continued purchase of the best of American agriculture with greater flexibility around interventions such as local procurement and electronic payments to save more lives. The more flexible interventions not only cost less on average, allowing more assistance to be provided within the same budget resources, but also have been shown to speed the arrival of aid by as many as 14 weeks—time that can mean the difference between life and death.

To answer your specific questions, the state of American agriculture is nothing like it was in the 1950s. Today, agriculture is the second most productive sector of our economy, and we just experienced the strongest four years in history for agricultural trade, even as food aid volumes have continued to fall. All of the international food aid programs ship about \$700 million of commodities each year, which represents less than 0.5 percent of total U.S. agricultural exports and 0.2 percent of U.S. agricultural production.

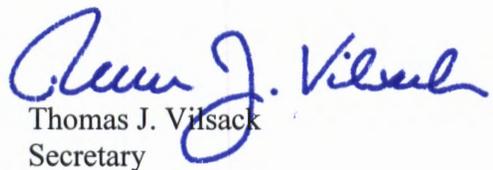
In FY 2014, 55 percent of the funding will be used for the purchase and delivery of U.S. commodities. The food aid programs will continue to use fortified products that meet specific needs of the food aid recipients. The United States has invested in the development of these products, which are processed within the United States and require little or no preparation by the recipients. The Administration expects that these products will be required by U.S. food assistance programs over the long term. More broadly, far from ending a partnership between our nation's humanitarian and development mission and our world-class agricultural and food system, we are recommitting to the role that American agriculture plays in food security and tapping into the ingenuity of American farmers and the power of science and innovation to avoid future shortages and end global hunger.

The Honorable Edward R. Royce
Page 2

Again, thank you for writing, and we look forward to continuing to work with all of our stakeholders and other interested parties as we continue our best efforts to promote food security at home and abroad.

A similar reply has been sent to Congressman Eliot L. Engel.

Sincerely,



Thomas J. Vilsack
Secretary