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**THE UNITED STATES
FOOD FOR PEACE PROGRAM
1954-1984**

**A COMPILATION OF
INFORMATIONAL MATERIALS
ON UNITED STATES
PUBLIC LAW 480**

**PUBLISHED BY THE
International Trade and Development
Education Foundation**

Spring 1985

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THE UNITED STATES
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A COMPILATION OF INFORMATIONAL
MATERIALS ON UNITED STATES
PUBLIC LAW 480

Featuring:

- HISTORICAL AND LEGISLATIVE BACKGROUND
- CURRENT IMPLEMENTATION OF LEGISLATIVE AUTHORITY
- PROJECT DESCRIPTIONS
- ISSUES FOR DISCUSSION
- RESOURCE DOCUMENTS

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INTRODUCTION

For the past thirty years, Public Law 480 has been the principal means through which the United States has provided food assistance abroad. The size of the program, its multiple objectives, and the wide range of individuals and organizations who both participate in the program and benefit from it, have made the P.L. 480 legislation extremely unique. As a consequence, a considerable amount of legislative history has developed around the program; its current implementation reflects a range of current and past policies dealing with various approaches to food aid; it has achieved a remarkable level of activity in practically every developing country in the world, and numerous issues concerning its existence, implementation, objectives, and future directions have been and will continue to be raised.

This document is intended to compile in one place, an updated legislative history of the P.L. 480 program, a description of current implementation and policy approaches, a sampling of program activities, a review of various issues which affect the program and a listing of reference materials which are useful in examining and dealing with the program.

In presenting these materials, every effort has been made to use official source materials. For example, Part One, which deals with the legislative history of the program, relies heavily on an analysis done by the Congressional Research Service. Part Two draws upon unclassified documents made available by the United States Department of Agriculture and the Agency for International Development. Part Three, presents over 50 project descriptions, drawn from official reports and documents and covering three decades of program activity. Part Four, describes many of the major issues which affect food aid and with which program administrators, legislators, recipients and other interested individuals and organizations are concerned. The listing of reference documents, books, articles and various other sources presented in Part Five includes over 100 entries; however, there are many others, as well as several that are now in process of preparation.

PART ONE

LEGISLATIVE HISTORY AND BACKGROUND

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PART ONE

LEGISLATIVE HISTORY AND BACKGROUND

I. The Agricultural Trade Development and Assistance Act of 1954 (Public Law 480)

The Food for Peace program has been an important element in U.S. agricultural and foreign policy since 1954. Original authorizing legislation, the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480), states numerous goals: to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to dispose of surplus U.S. agricultural commodities, to promote the economic stability of U.S. agriculture, to encourage economic development in developing nations, and to promote the foreign policy of the United States. The emphasis among these goals has changed over time to reflect the changing needs of domestic farm policy and changing foreign policy developments.

A. Origins of P.L. 480

During the 1940's American farmers produced abundant crops for the war effort and then for aid to war-ravaged Europe. By the early 1950's the economies of European nations had begun to recover their ability to produce adequate foodstuffs and their demand for U.S. farm products declined. With the decline in export markets, U.S. production far outstripped market demand. U.S. farm prices began to fall and Government-held stocks increased through the price support program. Agricultural policymakers began to look for ways to bring crop production in line with demand, to maintain farm income, to dispose of surplus stocks, and to regain export markets.

The 83rd Congress (1953-1954) considered a large number of bills that offered solutions to the surplus and trade problem. In June 1953 Congress passed P.L. 77 which authorized the gift of one million tons of surplus wheat to Pakistan to avert a famine. In July the Congress passed P.L. 216 authorizing the President to give \$100 million worth of surplus commodities for worldwide famine relief. Also in July Congress added a new Section 550 to the Mutual Security Act; P.L. 118 authorized the sale of surplus

agricultural commodities to countries participating in the mutual security program, in exchange for their local currencies. Local currencies so acquired could be spent only for the purposes of the Mutual Security Act.

B. Congressional Action on P.L. 480 in 1953 and 1954

On July 24, 1953, Senator Andrew F. Schoepple and 10 other Senators introduced S. 2475, the bill that eventually became P.L. 480. The Senate passed the bill four days later. Almost a year went by, however, before the House debated, amended and passed the bill. President Dwight Eisenhower signed the measure into law on July 10, 1954.

During the floor debates in 1953 and 1954, Members of Congress made clear their concern for several issues: the need to dispose of surplus commodities that were expensive to store, the goal of expanding commercial export markets, and the desire to help friendly nations stop the spread of Communism.

Senators Schoeppel and Stephen M. Young expressed the need for the proposed legislation:

Schoeppel:

"This Commodity Credit Corporation has in prospect by the end of this year an investment in stocks owned or under purchase agreement of approximately \$5 billion. S. 2475 is the only proposal brought before this body this session that came to grips in a realistic way with this very urgent problem."

"We seek to provide an opportunity and an avenue for the use of agricultural commodities we have in surplus supply, by sending them to countries of the world that are friendly to us, and whose people are friendly to us. It is proposed that that be done under proper safeguards, as we view them, and under arrangements to accept in payment the currencies of those countries, and use them in the way outlined in the bill. This is a bill to promote trade. In no sense does the bill provide for a giveaway program." (Congressional Record, July 28, 1953: 10427)

Young:

"I look upon this as one of the most important, if not the most important, pieces of legislation that has been considered by the Senate at this session, particularly with respect to agriculture. In my opinion we have been blessed and not cursed with some surpluses. We are in the position of a nation with agricultural surpluses, when many other nations are starving. When we have such surpluses, we have adverse farm prices, and when we have adverse farm prices, there develops a national economic problem. This bill proposes for the first time, I think, a very feasible and sound method of trying to make our agricultural surpluses available to other nations of the world who are needy and in want of these supplies." (Congressional Record, July 28, 1953: 10428)

In 1954, when the House considered S. 2475, the program under Section 550 of the Mutual Security Act had been in operation for a year. John H. Davis, Assistant Secretary of Agriculture, reported to the House Committee on Agriculture that experience indicated that the United States could expand its sales of commodities by accepting local currencies. In reporting to the full House, the Committee stated:

"Hon. John H. Davis, Assistant Secretary of Agriculture, informed the House Committee on Agriculture on April 27, 1954, that during the current year transactions probably will be approved under the Section 550 program in the value of about \$230,000,000, and that it was necessary to limit sales to certain countries which wanted our agricultural surpluses under Section 550 because the basic mutual security program also had to be carried out with the same funds."

"Mr. Davis, speaking for the Department, recommended that the expanded program should aim at disposing of \$1 billion worth of surplus agricultural commodities within the next 3 Fiscal Years, over and above normal marketings." (House Report No. 1776, Committee on Agriculture, June 9, 1954: 6)

House debate brought into sharper focus the need for allowing purchases to be made for local foreign currencies. U.S. agricultural attaches had told visiting Members of Congress during the previous

summer that European nations wanted to buy more U.S. products but had only a small supply of dollars. The countries had no way to earn large amounts of dollars, yet the United States accepted only dollars for its products. S. 2475 was an attempt to get around the problem of inconvertible currency in the short run and to develop commercial markets in the long run. As Congressman Page Belcher put it,

"In addition to that, it is hoped that by selling these commodities in the various nations of the world we might increase the consumption of these various commodities to the point where there will be a future market and not a method of getting rid of the surpluses we already have on hand." (Congressional Record, June 15, 1954: 7833)

Other major issues concerning the Members of the House dealt with aspects of the Cold War and the Korean Conflict. "With proper use these surpluses can be made a far more potential means of combating the spread of Communism than the hydrogen bomb," said Congressman Clifford R. Hope. (Congressional Record, June 15, 1954: 7849) Congressman Fred Marshall pointed out the potential for S. 2475:

"Mr. Chairman, I think that this bill will have a great impact upon the conduct of our policy in foreign affairs, in that food can be used as a weapon. I say to you, Mr. Chairman, we have never made the use of food as a weapon as effectively as we should in this fight against the insidious effects of Communism, but I say that the cost of that should not be charged to the American farmer. It is something that would be done for the welfare of all the people in the United States, and should be properly charged to all of us." (Congressional Record, June 15, 1954: 7845)

Congressman E.C. Gathings noted that one of the propaganda weapons being used by the Communists against the United States in developing countries was that "we are permitting our food to lay up here in storehouses and rot before giving it to needy and hungry people throughout the world." (Congressional Record, June 16, 1954: 7954) Congressman Frank E. Smith of Mississippi commented that the United States would have to fight that propaganda, with lives if not with food. Much of the remaining debate focused on the precise definition of "friendly nation" and the provision to prevent transshipment of U.S. food commodities to a third-party nation.

As signed into law on July 10, 1954, Public Law 480 included three titles. The Act authorized the sale of U.S. farm commodities for foreign currencies, authorized donations of surplus commodities for emergency relief at home and abroad, and authorized the barter of agricultural commodities for strategic materials. The Act restricted sales to "friendly nations," but allowed donations to needy people regardless of the friendliness of their governments. "Friendly nation" was defined as any country other than the Soviet Union, or any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

II. Amendments to Public Law 480 in 1959

The Food for Peace program began operation in 1955. Shipments during the first year totaled 3.4 million metric tons, valued at \$384,000. Two years later the tonnage topped 14 million metric tons, valued at \$1.5 billion. This increase in exports helped to maintain the level of U.S. farm income during the 1950's.

A. Studies of P.L. 480 in 1957 and 1958

In 1957 Senator Hubert H. Humphrey, at the request of Senator Allen J. Ellender, Chairman of the Committee on Agriculture and Forestry, began a study of the operations of P.L. 480 to determine what had been accomplished, what more could be accomplished, and what changes were needed in the law. The study lasted more than a year and included 10 days of public hearings. Senator Humphrey presented his report, "Food and Fiber as a Force for Freedom," to the Chairman in February 1958. His report emphasized the value of P.L. 480 for foreign policy and agricultural policy and made numerous suggestions for legislative changes.

During 1958 several other groups looked at P.L. 480 to assess its accomplishments and suggest legislative changes. The National Planning Association issued "Agricultural Surplus Disposal and Foreign Aid," a study made at the request of a Committee to Study the Foreign Aid Program. A team directed by Assistant Secretary Davis surveyed six countries and issued a report entitled "Policy Considerations Pertaining to Public Law 480." A group of American businessmen appointed by James H. Smith, Jr., Director of the International Cooperation Administration, made a field investigation on the "Accumulation and Administration of Local Currency."

Senator Humphrey noted that all the studies were "surprisingly unanimous in their suggestions." (International Food for Peace. Hearing, Senate Committee on Foreign Relations, July 1959: 15) The four major criticisms of P.L. 480 were that (1) it was administered as surplus disposal with little attention to humanitarian and foreign policy goals, (2) friends abroad felt that they were doing the United States a favor by taking surplus commodities, (3) the program was not seen as a continuing one because authorizations were limited to one year, and (4) the machinery for administering the program was inadequate and the administrators uninterested.

B. The 1959 Amending Process

On April 16, 1959, Senator Humphrey and others introduced S. 1711, the International Food for Peace Act of 1959. Many of the proposals contained in the bill were the result of the earlier studies. As introduced, S. 1711 called for restatement of the purpose to emphasize humanitarian aspects, establishment of long-term credit sales, grants of food for building reserves in developing countries, grants of local currency to foundations to be used for social development in developing countries, and a revised structure for administering the programs.

Senator Humphrey summarized the reasons for the changes in a statement made April 16, 1959:

"If in the early years of Public Law 480 the motive of self-interest predominated -- and I think we might agree that too often it did -- it was because there was so little precedent for the use of agricultural surpluses, otherwise than as famine and disaster relief, for constructive purposes. We did not have the experience; it had to be gained. We did not have the techniques; they had to be developed. We did not fully know the potentialities; they had to be learned. Not all had the vision that was needed."

"Negative attitudes on the part of some persons result more from inattention and thoughtlessness than from design. As I have already indicated, the original Public Law 480 was probably supported by more Members of Congress who conceived of it as surplus disposal than by Members who understood fully its constructive potentialities. But at that time we did not know what we since have learned, namely, that our agricultural surpluses are a powerful instrument for promoting welfare, peace, and freedom on a

world scale. Year after year I have seen attitudes change on the Hill. Year after year we have improved and widened and extended Public Law 480, with growing comprehension of its possibilities. Year after year we have tried to convey our growing comprehension to the executive branch, as well as our sense of frustration over its failure to push ahead to realize that potential and administer Public Law 480 with boldness and imagination."

"We have made some progress, but we have not made enough."

"For these reasons, I am proposing that the revised Public Law 480 be known as the Food for Peace Act; that its statement of purposes be expressed in terms that none can misunderstand, and that that statement be amplified in a preamble which I have included." (Congressional Record, April 16, 1959: 5482, 5484)

The bill that eventually passed was not S. 1711, but H.R. 8609 introduced by Congressman Harold D. Cooley. This bill emphasized the barter program, authorized long-term sales for dollars, authorized grants for building stockpiles in developing countries, and authorized food-for-work projects. The main concerns of Congress were the use of the barter provision and the proposed credit sale of commodities for dollars. The House Committee stated that preference should be given to barter, second only to cash sales for dollars, as a means of disposing of U.S. surplus. This reflected growing concern with the large amount of foreign currencies held by the United States, for which there was no foreseeable use. Arguments against the extended use of barter prevailed, however. The objection was that the main purpose of the Act was to promote commercial trade, and barter took away potential cash sales. As Congressman Charles B. Hoeven said,

"This change completely ignores the basic purpose of the Agricultural Trade Development and Assistance Act which is to expand trade and increase exports of U.S. surplus agricultural commodities. The problem today is to find countries willing to buy additional agricultural surpluses even for their foreign currencies. There is no long waiting line of countries clamoring for our surpluses on any terms." (Congressional Record, August 19, 1959: 15047)

The most significant change in the law in 1959 was the addition of a new Title IV providing for long-term credit sales for dollars. The terms required dollar repayment over a 10-year period, with a 2-year grace period. The reasoning was that this provision would open new markets for commodities by allowing sales to those nations unable to qualify for barter or Title I local currency sales. Also, it was hoped that this program would reduce the rate of growth of local currencies held by the United States.

"In numerous instances, officials of countries which are experiencing these "growing pains" of economic and industrial development have expressed to the committee and to committee members their urgent need for some long-term assurance of adequate agricultural supplies during their development period. These nations expect to be able to pay for these commodities, and they are willing to pay in dollars, but they need all their existing resources, and particularly their foreign exchange, to carry out the industrial and commercial development programs they have planned. It is with this type of situation particularly in mind that the Committee has included the provisions for long-term supply contracts in this bill."

"In addition, this new program will open up markets that are not now available on other than a strictly cash or short-term credit basis because the countries are considered "hard currency" nations and are, therefore, essentially ineligible either for a Title I sales agreement or for a barter transaction." (House Report No. 908, Committee on Agriculture, August 15, 1959: 7)

The amendments to P.L. 480 were signed into law on September 21, 1959, as P.L. 86-341.

III. Amendments to P.L. 480 in 1964

A. Background

During the 1960's U.S. policies in P.L. 480 reflected decolonialization, the population explosion, and rising U.S. surpluses. Many European colonies became independent nations in the early 1960's. The United States wanted to win their political support and show humanitarian concern for their hungry citizens. In 1960 the international community launched the Freedom from Hunger Campaign and in 1963 the international

community organized the World Food Program to assist developing countries. The United States supported the new organization with funds and commodities through Title II of P.L. 480. During the 1960's the United States provided over half the World Food Program budget.

In June 1963 a World Food Congress convened in Washington, D.C., under the chairmanship of Secretary of Agriculture, Orville Freeman. About 1,200 people participated as representatives of international agencies, national governments, universities, farmer organizations, industry, and scientists and women's groups. The purpose of the Congress was:

"to represent to the governments and peoples of the world a true picture of the prevailing problems of hunger and malnutrition; to explain its expanding dimensions; and to reawaken among them the sense of urgency and anxiety which is essential if the problems are to be solved before they snowball into a menacing crisis." (Report of the World Food Congress, Vol. I, p. 3. FAO, Rome, 1963)

B. Congressional Attention

The Congress focused on the dangers of population pressures in relation to world resources, and on the rising pressures on governments in newly independent nations to meet rising expectations of the citizenry. The resolution adopted by the Congress laid the responsibility equally on developed and developing nations and international groups to mobilize resources to free the world from hunger.

As the U.S. Congress considered revisions in the food program in 1964, several issues held their attention: what to do with the excess foreign currency held by the United States, how to help achieve the expectations of developing nations, and how to adjust P.L. 480 to fit U.S. policy toward Southeast Asia, Egypt, and Eastern Europe. By 1964, U.S. military involvement in Southeast Asia was escalating, and President Nasser of Egypt was looking toward the Soviets for assistance in the Mideast struggle.

In testimony before the Senate Committee on Agriculture and Forestry in August 1964, the Comptroller General Joseph Campbell pointed out that the United States had accumulated under Title I very large amounts of local currencies in some countries. These amounts were far in excess of any foreseeable

needs by the United States and represented difficulties to the countries themselves. A U.S. Department of Agriculture study in 1963 also looked at Title I sales. The "Monetary Effects of Financing Agricultural Exports through Programs under Title I and IV, Public Law 480" laid out the advantages and disadvantages of Title I and Title IV programs to the United States and recipient nations. Senator George McGovern stated the issue in floor debate:

"In many countries we have sizable amounts of foreign currencies loaned out as a result of Public Law 480 activity, and we have an equal amount of foreign currencies which lie idle, drawing no interest, losing value through inflation, hanging like a sword over the economy of the country, with no one knowing what will happen to it."

"In the meantime, people are in need, schools are inadequate, health facilities are neglected, roads are not being constructed, medical research goes undone or is pursued without any real effort being devoted to it." (Congressional Record, August 19, 1964: 19784)

Secretary Freeman noted in his testimony before the House Subcommittee on Foreign Agricultural Operations that Public Law 480 made a direct contribution to the achievement of the rising expectations of people in developing countries. He emphasized that the officials in charge of the program were directing more and more of the commodities:

"along channels that promote economic growth and enhance the ability of those receiving assistance to provide for themselves. Commodities that otherwise would have been surpluses in American stockpiles are being transformed into capital investments that will return rich dividends in the future." (Extension of Public Law 480 - Title I and II. Hearings, House Subcommittee on Foreign Agricultural Operations, February 1964: 12)

To deal with the foreign currency problem and to further U.S. foreign policy, both House and Senate committees and the Secretary of Agriculture supported the redefinition of "common defense" to include measures taken for "internal security" as legitimate purposes for grants of foreign currencies. Congressman Cooley stated during debate that 90 percent of local currency generated in South Vietnam

was granted to support the war effort, and that this represented nearly 20 percent of U.S. support of the Vietnam military budget.

Other proposed changes focused on foreign policy objectives. The definition of "friendly nation" was rewritten to exclude from Title I any nation controlled by a Communist government, or any nation which permitted its ships or aircraft to transport commodities to or from Cuba. In January 1961 the United States and Cuba had severed diplomatic relations. In February 1962 President John Kennedy had issued a proclamation instituting a total U.S. trade embargo against Cuba. Noncommunist countries generally observed the embargo until 1966, when European and Japanese manufacturers began to ignore it.

The issue of foreign currency was not settled by the 1964 amendments. The Act merely established a committee to look into the situation and make recommendations to the President for policy changes.

In September 1964 the University of Arizona published a technical bulletin entitled "Political Interests in Agricultural Export Surplus Disposal through Public Law 480." The report looked at the domestic and foreign issues considered in expanding P.L. 480, the role of various participants in formulating legislation, and the administration of the programs. The paper concludes that groups outside of Congress had little to do with the final form of legislation. It also states that research and reports were given little consideration in revising P.L. 480.

IV. The Food for Peace Act of 1966

A. U.S. Agricultural Policy and the International Scene

During the 1960's the broad directions of U.S. agricultural policy changed little. The two central problems remained overproduction and low farm income. The Food and Agriculture Act of 1965 (P.L. 89-321) was designed to reduce surpluses by holding some land out of production and offering price supports for major crops. P.L. 480 continued to be a major vehicle for disposing of surplus stocks. During the early 1960's P.L. 480 shipments accounted for approximately 25 percent of the dollar value of U.S. farm exports.

In the international atmosphere of growing concern for the hungry and the domestic situation of declining wheat stocks, U.S. policymakers revised the P.L. 480 program in 1966. None of the original goals of the program were abandoned, but meeting the food needs of developing nations received emphasis. The stress of combating world hunger and on encouraging self-help development measures had domestic policy implications for the United States. Disposal of surplus food stocks was no longer to be the determining factor in programming, nor was food aid seen as the long-term solution for the hungry. Agricultural experts warned of a potential world food crisis that would require removal of production controls in the United States, and in fact that could not be met effectively by the United States alone, even without production controls. As evidence, the experts pointed to India, which was suffering from serious drought.

In 1965 monsoon rains in India did not provide sufficient moisture to allow India to produce even the minimal food needed to feed its population. In January 1966 the Indian Government estimated that 12 million Indians faced starvation. The U.S. President and Congress enacted legislation authorizing emergency assistance to India; an additional 3.5 million tons of grain were added to the 6.5 million tons already scheduled for shipment. A second year of drought in 1966-67 extended the threat of famine. The U.S. President and Congress enacted legislation to approve U.S. participation in an international effort to supply food to India, at a cost to the United States of \$500 million. The United States provided 6.6 million tons of grain during 1967; approximately 3 million tons went through multilateral programs, with matching contributions from other countries.

B. A Restructured P.L. 480

The Food for Peace Act, P.L. 89-808, revised the basic structure of the programs and placed the emphasis clearly on the humanitarian goals of the program. The policy statement shifted from surplus disposal to planned production for export to meet world food needs. The sales for foreign currency and the credit sales for dollars were combined into a new Title I. The Act called for an orderly transition to sales for dollars by the end of 1971. Title I required self-help contracts as part of every agreement in order to encourage recipient governments to improve domestic agriculture and food production.

The new Title II combined famine relief and donations through international agencies. Barter remained in Title III. A new Title IV became the farmer-to-farmer program; this program was never funded.

In hammering out these significant changes, Congress debated the issues evoked by the various goals of the program, the food needs of the world's poor, and the economic and diplomatic needs of the United States. Secretary Freeman linked these purposes in his testimony before the House Committee on Agriculture in February:

"To the millions of people in the newly independent and developing nations of the world, victory in this war (against hunger) means the opportunity to realize deep and urgent aspirations for higher levels of living under freedom."

"To those in the highly developed nations that already enjoy material prosperity in a free society, it means continued growth in the future under conditions that make their freedoms more secure." (World War on Hunger. Hearing, House Committee on Agriculture, February 1966, Part 2: 188)

On February 10, President Lyndon Johnson sent a message on War on Hunger to the House and Senate. The President proposed that the United States lead the world in a war against hunger and use P.L. 480 as a tool for development; he saw the key to victory as self-help.

"We know what would happen if increased aid were dispensed without regard to measures of self-help. Economic incentives for higher production would disappear. Local agriculture would decline as dependence upon U.S. food increased."

"Such a course would lead to disaster."

"But candor requires that I warn you the time is not far off when all the combined production, on all of the acres, of all of the agriculturally productive nations, will not meet the food needs of the developing nations -- unless present trends are changed."

"Dependence on American aid will not bring about such a change." (A War on Hunger, House Document No. 378, February 10, 1966: 3.4)

President Johnson recommended that Congress enact legislation that would (1) expand food shipments to countries where food needs were growing and self-help measures were underway, (2) increase capital and technical assistance, (3) eliminate the surplus concept in food aid, (4) continue expansion of markets for U.S. farm commodities, (5) increase emphasis on nutrition, especially for the young, and (6) provide for adequate reserves of essential food commodities.

The concerns of the President were similar to those expressed in 1965 at a National Seminar on U.S. Food Policy in Relation to World Food Needs and by a resolution of the General Board of the National Council of the Churches of Christ in the USA. The National Seminar foresaw the continuing decline in U.S. food surplus stocks and a rising deficit in developing countries. The conclusion was that "nothing should be omitted to induce these countries and their governments to increase their food production". (A Report of Proceedings, June 28 - July 2, 1965: 161) The resolution of the General Board called on the U.S. Government to declare as a matter of high policy that the United States was prepared to make the elimination of hunger a priority objective, to shift the emphasis of farm policy from restriction and surplus disposal to one of utilization of production capacity to meet world food needs, to expand international training, and to strengthen support of international organizations.

C. Congressional Action

Major issues debated by the Congress were restrictions on sales to nations trading with Cuba and North Vietnam, changes in the long-term credit sales for dollars programs, and whether or not P.L. 480 should exist separately from general U.S. aid programs. The House version of the bill forbade sales to countries dealing with Cuba and North Vietnam, and restricted aid to Egypt. The Senate version allowed sales if they were in the U.S. interest. The conference report of September 23 adopted the less restrictive Senate language. The House voted to recommit the bill to conference to insist on its provision. Congressman Paul Findley expressed the House sentiment:

"With The U.S. death toll in Vietnam now about 5,000 and steadily rising, it is difficult for me to understand why anyone would hesitate to use every available legislative means to shut down shipping of all kinds to both Cuba and North Vietnam." (Congressional Record, October 5, 1966: 24317)

The final conference report and the law prohibited the making of sales agreements for foreign currencies or dollars with any nation which sold or furnished or permitted ships or aircraft under its registry to transport to or from Cuba or North Vietnam any equipment, materials, or commodities, as long as those countries were governed by a Communist regime. Excepted articles of trade were medical supplies and nonstrategic raw materials or commodities.

The long-term credit program instituted in 1959 was discussed at length. The House committee proposed that the period of the loan be 40 years, with a 10-year grace period. This amendment was adopted, despite opposition arguments that 40 years was too long a period for a loan to purchase a perishable commodity. The Senate suggested a 20-year loan period. The final legislation included a 20-year loan with a 2-year grace period.

Throughout the debates of the 1966 legislation, the recurrent themes of expanding U.S. commercial markets and stopping the spread of Communism were readily apparent. The House Committee report put it succinctly:

"The agricultural development of underdeveloped nations affords this country perhaps its best opportunity in all history to expand the foreign markets for American products. New billions of dollars' worth of manufactured goods should cross the seas. All the facts and statistics show that the faster another nation improves its agriculture, the stronger its economy becomes and the greater the volume of our commercial markets in that country."

"A hungry world is a dangerous world."

"It is a world fruitful to Communism. But Communism cannot feed the people it enslaves. Communism can offer the underdeveloped world only hunger and starvation. The genius of America's farmers and the American system of free

enterprise can save mankind from famine and mass starvation, if implanted and accepted in the far corners of the earth." (House Report No. 1558, Committee on Agriculture, May 27, 1966: 7-9)

In 1966 President Johnson directed that the world food problem be studied by a panel on World Food Supply of the Science Advisory Committee. The panel's report, issued in 1967, concluded that food supplies and population growth were on a collision course. The panelists projected that by 1985 world per capita availability of food would begin to decrease unless remedial actions were taken. A U.S. Department of Agriculture report, on the other hand, stated that the capacity of the grain exporting nations to produce grain would continue to exceed effective market demand for the rest of the century. In 1967 the hope of the Green Revolution was just beginning to become reality.

V. Amendments to Food for Peace in 1968

Hearings held on proposals to amend and extend P.L. 480 in 1968 brought forth few suggestions for changes in the program, other than to expand the uses of local currencies for self-help and development programs, and to limit further agreements with nations trading with North Vietnam. The House Committee on Agriculture laid out the philosophy behind the program at that time:

"Through the 14 years that Public Law 480 has been in existence, the committee has diligently attempted to emphasize and implement each of the program's goals within the framework of a "graduation" theory."

"From the beginning it was felt that the eventual goal of each country program should be the development of a commercial market to replace the gifts or concessional sales being made under Public Law 480 or other Government programs."

"The basic idea was and is to make outright donations where people are in immediate need of food. Later this food aid might be conditioned on work. Later there might be a soft currency sale with a portion of the proceeds granted or loaned to the recipient nation as foreign aid. Later there might be a government-to-government dollar credit sale. Then there might be a private trade agreement under Title I or an

offshore procurement contract under Title III. Next there might be a combination of concessional and commercial sales. Simultaneously the foreign currencies generated by the sale of these commodities would be used for market development, loans to American business firms, meeting U.S. obligations, and for the host of other uses authorized by the law. Finally, a strictly commercial relationship between the private trade in our country with the private trade in the other nation would be established. At this stage the graduation theory would have been proven." (House Report No. 1297, House Committee on Agriculture, April 23, 1968: 3)

VI. Changes in Program Emphasis, 1972-74

The amendments of 1968 extended the program for two years, and the Agricultural Act of 1970 (P.L. 91-524) extended the program through 1973.

A. Background

In 1972 the world food situation took a sudden change for the worse. Inclement weather and other factors reduced global supplies to dangerously low levels. Several areas of the world faced imminent starvation. Within the United States, some policymakers began to express the opinion that P.L. 480 should be revised to reflect the change in the world food situation and the increased need for humanitarian aid. Instead of large commodity surpluses, and low prices, there were empty storage bins, rising food prices, and strong export demand for U.S. farm products.

As food stocks shrank and commodity prices rose, food aid shipments were curtailed. Traditional donor nations like the United States were reluctant to maintain or increase food aid levels at a time when domestic prices of food were rising steadily. The Food for Peace budget declined slightly in 1973 and 1974, but higher commodity prices meant that the quantity of aid declined precipitously, from 9.8 million metric tons in 1972 to 7.2 million tons in 1973 and 3.2 million tons in 1974. Both budget and programming levels increased after 1974, although aid levels did not reach the peaks of the 1960's.

The availability criteria stated in Section 401 of P.L. 480 also served as a constraint on exports during 1973-74. The Section stated that no commodity could be declared available for distribution under P.L. 480 if such disposition:

"would reduce the domestic supply of such commodity below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars as determined by the Secretary of Agriculture at the time of exportation of such commodity."

Such restrictions on availability for shipment remained in effect until 1977 when a waiver for humanitarian purposes was added to Section 401.

B. Congressional Concern

In the context of world food shortages, the 93rd Congress enacted three laws affecting Food for Peace operations. The Agriculture and Consumer Protection Act of 1973 (P.L. 93-86) extended Food for Peace through 1977.

In the early 1970's domestic sentiment against U.S. involvement in Southeast Asia continued to rise and the Administration pursued a policy of Vietnamization. During debate on the Foreign Assistance Act of 1973 (P.L. 93-189) it became an issue that South Vietnam and Cambodia were receiving grants equal to at least 80 percent of the funds generated by Title I to use in strengthening their armed forces. Many members of Congress felt that this was an inappropriate use of Food for Peace funds, particularly in light of the severe food shortages in other areas of the world. Section 40 was added to the Act to prohibit the use of foreign currency funds for common defense and internal security as of July 1, 1974, unless Congress expressly authorized such use. A settlement ending the Vietnam war was signed in January 1973 but fighting continued until the U.S. withdrawal and fall of Saigon in April 1975.

The Foreign Assistance Act of 1974 (P.L. 93-559) strengthened the humanitarian aspects of the program. Congress was becoming alarmed over the predominance of foreign policy goals, including military involvement, over humanitarian and development goals in the programming of Public Law 480 commodities. As Senator Mark Hatfield stated:

"Mr. President, during recent months the Congress has become increasingly aware of the prostitution and politicalization of the "food-for-peace" program. Specifically, almost half of the modest and shrinking surplus commodities under this

program were diverted last Fiscal Year to support the war economies of South Vietnam and Cambodia, in heartless insensitivity to the threat of famine which grips much of the world. Further, those actions constituted a blatant attempt by the executive branch to nullify Congressional action which placed limits on appropriations to the governments of those countries."

"Consider these facts. While more than \$400 million in food-for-peace funds was allocated to Indochina in Fiscal Year 1974, the Sahel region of Africa, where a quarter of a million have died of starvation and millions more suffer from severe malnutrition and are struggling to live, received only about \$61.5 million under the food-for-peace program. Pakistan received only \$37.5 million."

"Bangladesh received a mere \$20.1 million, despite the severe malnutrition that continues to afflict millions of its young. And India, which alone has 20 times the population of South Vietnam and Cambodia, and which is faced with the threat of famine, received only \$67.1 million."

"The priorities governing the food-for-peace program are clear: They are to support economies geared to war, rather than relieve famine and starvation. Almost half of last year's food-for-peace allocations turned out, in fact, to be food for war." (Congressional Record, December 4, 1974: S. 20582)

Reflecting such sentiments, the 1974 Act directed that in Fiscal Year 1975 not more than 30 percent of concessional food aid be allocated to countries other than those designated by the United Nations as "most seriously affected" by food shortages, unless the President demonstrated to Congress that use of such food assistance was solely for humanitarian purposes. The 1974 Act also directed that special attention be given to increasing agricultural production in countries with an annual per capita income under \$300, as a means of increasing food production worldwide.

In the closing days of the 93rd Congress, the World Food Conference convened in Rome for an 11-day meeting, attended by delegates from 130 countries. The conference called on all governments to give high priority to increasing world food production and to provide a minimum of 10 million tons of grain each

year as food aid, with a larger proportion of national food aid going through the United Nations World Food Program. The conference established a World Food Council to continue to work for these goals. In several resolutions the 93rd U.S. Congress indicated an intent to implement the resolutions of the World Food Conference.

The world food situation, resolutions of the World Food Conference, and projections of food requirements by 1985 were prominent features in debate on the revision of the Food for Peace program by the 94th Congress. Debate focused on several issues: (1) On what basis should food aid be allotted to other nations? Should food aid serve only humanitarian purposes or were U.S. political and foreign policy goals valid considerations? (2) What restrictions, if any, should be tied to U.S. food aid? (3) What type of food aid programs would be most beneficial to recipient nations? How could the expertise of the United States best be adapted to the needs of small farmers in developing countries? (4) What commodity or dollar levels of aid should the United States agree to provide? Should the United States make long-term rather than annual commitments to aid? What foods should be included in Food for Peace? Should nonfood commodities such as cotton and tobacco be part of Food for Peace? (5) What relationship should foreign food aid programs have to domestic programs, in terms of priority? (6) Could Food for Peace operations be reorganized to make the program a more effective vehicle for food aid?

VII. The International Development and Food Assistance Act of 1975 (P.L. 94-161)

As passed by the House in September 1975, H.R. 9005 contained three sections. The first section dealt with international disaster assistance. The bill reaffirmed that assistance to victims of natural and manmade disasters was an important part of U.S. tradition and asserted U.S. willingness to continue such aid. The second section concerned U.S. food aid to hungry nations. It stressed the humanitarian purposes of food aid by requiring that 70 percent of concessional sales under Title I of the Food for Peace Act be allocated to the most needy nations, regardless of their political leanings. The bill guaranteed the availability of 1.0 million tons of food a year for distribution through voluntary agencies and the World Food Program, and guaranteed a total of 1.5 million tons annually for all donations

programs. H.R. 9005 provided authority for loan forgiveness to poor nations which would use the proceeds of concessional sales for projects that would provide incentives to small farmers, such as making farm equipment and credit available, improving marketing structures, increasing access to a nutritious food supply, and providing for participation of the rural poor in national development plans.

The bill authorized and encouraged the President to seek an international agreement for a system of national food reserves with costs equitably shared among the nations, and with safeguards for farmers and consumers. The bill also required the President to include in his annual planning proposals a global assessment of food production and needs, self-help steps taken under Food for Peace, steps taken to encourage other nations to participate in food assistance, and the relationship between food assistance and other foreign aid provided by the United States and other nations.

The third section of H.R. 9005, dealing with development assistance, stated that the main thrust of development aid would be in the areas of agriculture, rural development, nutrition, population planning, and human resource development. To aid in agricultural development, the bill authorized the use of U.S. land-grant institutions in international research and development projects aimed at the small farmer. It allowed the use of dollar receipts from previous aid loans to support the activities of the International Fund for Agricultural Development. Assistance was also authorized for expansion of intermediate technology, for the development of cooperatives, and for programs to help countries alleviate energy problems.

The House version prohibited development aid to the government of any country engaging in a consistent pattern of gross violations of internationally recognized human rights, unless the President determined and reported to the Congress that the aid would benefit needy people, and neither the House nor the Senate disapproved of the aid effort.

In the Senate, the Committee on Foreign Relations reported the majority of the provisions in H.R. 9005, with amendments, and the Committee on Agriculture and Forestry reported Title II and Section 311 of the bill. On November 5 the Senate passed the bill, with amendments.

The Senate version of the first section was basically the same as the House bill. More substantial differences appeared in the second section, dealing with U.S. food aid. The Senate version required that 80 percent of concessional food aid be allocated to countries with a per capita gross national product of \$250 or less. The Senate set at 1.3 million tons the minimum quantity of agricultural commodities to be distributed annually through Food for Peace donations programs, with voluntary agencies and the World Food Program assured of 900,000 tons a year. The bill authorized an appropriation of \$200 million for the International Fund for Agricultural Development.

The bill called for the President to strengthen U.S. efforts to carry out recommendations of the World Food Conference and required him to submit to Congress a report on implementation of the recommendations. The Senate, like the House, urged the President to seek an international agreement on a system of food reserves, but added that any such agreement would be subject to Congressional approval.

The Senate version of the third section was basically the same as the House version. Instead of focusing on human rights, the bill provided that development aid should be increasingly concentrated in countries making maximum efforts to carry out land reforms, increase food production, reduce infant mortality, and control population growth. The President was directed to establish criteria to measure progress toward these goals and to report to the Congress on that progress.

As signed into law, the Act limited to 25 percent the volume of U.S. concessional food aid that could be allocated to nations other than those having an annual per capita gross national product of \$300 or less, as determined by the most recent annual report of the World Bank, unless significantly changed circumstances caused reallocations to be required. The Act required that the minimum quantity of agricultural commodities distributed annually through Food for Peace donations programs be set at 1.3 million tons. Voluntary agencies and the World Food Program were guaranteed 1.0 million of the 1.3 million tons. The Act required that any international agreement on grain reserves be approved by the Congress before it could become binding on the United States.

VIII. International Development and Food Assistance Act of 1977 (P.L. 95-88)

A. Background

As the Congress began debate on the foreign assistance bill in 1977, it operated in a changed atmosphere from the days of the early 1970's. U.S. stockpiles of grain were beginning to rebuild as the world experienced good harvests. Major foreign policy concerns were the promotion of human rights, U.S. contribution to the economic development of poorer nations, and programs to meet basic human needs.

B. Title I Changes

In that context the 95th Congress enacted the International Development and Food Assistance Act of 1977. The Act made more flexible the poverty criteria used to determine eligibility for long-term credit sales under Title I of Food for Peace. The Act adopted the International Development Association's poverty level, which changes periodically to accommodate such factors as inflation; the current maximum is \$580 per capita GNP. The Act retained the requirement enacted in 1975 that at least 75 percent of Title I sales must be allocated to countries that meet the GNP poverty level requirement and are unable to meet their food needs, though the requirement may be waived if it is determined that 75 percent of the aid cannot be used effectively to carry out the humanitarian or development purposes of Title I. The Act denied Title I aid to any country that engages in a consistent pattern of gross violations of internationally recognized human rights, unless it is determined that such aid will be used for programs that directly benefit the needy people of that nation.

C. Title II Changes

P.L. 95-88 also amended the donations program under Title II by increasing the minimum tonnage from 1.3 to 1.6 million metric tons each year through 1980, and by an additional 50,000 metric tons in 1981. In 1982 and each year thereafter the tonnage would be 1.7 million metric tons. At least 1.3 million metric tons were to be distributed through voluntary agencies and the World Food Program through 1980, with the minimum reaching 1.4 million metric tons in 1982.

D. Title III - Food for Development

P.L. 95-88 added new Title III provisions to Food for Peace, establishing a "food for development" program. The program was designed to encourage countries to use proceeds from sales of Title I commodities to increase food supplies, to increase access of the poor to those supplies, and to improve the general well-being of the rural poor. Emphasis was to be on assistance to small farmers, sharecroppers, and landless farm laborers. Agreements for P.L. 480 commodities under this Title could run from one to five years. To be eligible, countries must undertake self-help measures to boost production; improve storage, transportation, and distribution of commodities; and reduce population growth. No commodity would be shipped unless at the time of exportation adequate storage facilities were available to prevent spoilage and waste, and the aid commodities would not create a disincentive to domestic production in the recipient country.

Congressman John Buchanan summarized Congressional thinking behind the inclusion of a Food for Development program in the 1977 Act:

"The best solution to the problem of malnutrition is to develop programs and policies to provide farmers in the developing countries with techniques and assistance to raise their production, and to provide others with employment opportunities to raise their income to enable them to pay for adequate diets."

"There is little doubt that the emphasis on self-help and technical assistance is the right track. Several authoritative studies agree that only 44 percent of the world's cultivatable land is actually being cropped. Country-by-country investigations, even in a country like Bangladesh, have led to the conclusion that there may well be no country without adequate agricultural resources to feed its population. But these resources must be developed."

"It was for this reason we recommend establishing under Public Law 480 a new food for development program under which funds from Title I concessional sales may be used for agricultural and rural development, including voluntary family planning, health, and nutritional programs. Under

this program funds generated by local sales of commodities may be used for these purposes and credited against repayments which the country would otherwise have to make."

"Finally, Mr. Chairman, it should be admitted that the programs of U.S. food and economic assistance abroad authorized in this legislation are not only humanitarian and altruistic, but also serve the self-interest of the United States as well. Improvement in the lot of the world's hungry, malnourished, and poor not only lessens the economic burdens which our humanitarian concerns lead us to bear but relieves pressures which could erupt in international conflict involving our country." (Congressional Record, May 12, 1977: H 4347-48)

The establishment of a multiyear Food for Development Program emphasized the U.S. policy that food aid should be one factor in general development aid that helps recipient nations increase their own capacities to feed their citizens. The overall goal of the multiyear program was:

"to increase the access of the poor in the recipient country to a growing and improving food supply through activities designed to improve the production, protection, and utilization of food, and to increase the well-being of the poor in the rural sector of the recipient country."

The program was aimed at those countries which were seriously prepared to undertake self-help measures to improve production and distribution of food supplies, and to reduce population growth. Particular emphasis is to be placed on activities that assist small farmers, tenants, sharecroppers, and landless agricultural laborers by expanding their access to rural services and institutions and by providing opportunities for bettering the lives of the poor who are dependent upon agriculture.

The aggregate value of all agreements entered into under Title III for Fiscal Year 1978 shall be not less than 5 percent of the aggregate value of Title I agreements for that year. The percentage for Fiscal Year 1979 is not less than 10 percent, for Fiscal Year 1980 and each year thereafter, not less than 15 percent. The President may waive the percentage requirements if he determines that there are an insufficient number of projects which qualify for assistance.

In order to qualify for assistance under the Food for Development Program:

a country must (1) have a need for external resources to improve its food production, marketing, distribution, and storage systems; (2) meet the criterion used to determine basic eligibility for development loans of the International Development Association of the International Bank for Reconstruction and Development; (3) have the ability to utilize effectively the resources made available by the sale of food commodities under this section for the purposes specified in clause (1) of this subsection; and (4) indicate the willingness to take steps to improve its food production, marketing, distribution, and storage systems.

A country designated as eligible and wishing to participate in the program must formulate a multiyear proposal to submit to the U.S. President. The proposal must indicate the annual amount of agricultural commodities proposed to be financed under Title I, a plan for the annual uses of the commodities or funds generated from their sale, and a statement of the nature and magnitude of the problems to be affected by the effort. The proposal must also indicate how the Title III program fits into the country's overall development plan and how it complements other forms of multilateral or bilateral aid. Before approving the Title III program the President "must be satisfied that such assistance is intended to complement, but no replace, assistance" from other sources.

IX. The Food and Agriculture Act of 1977

The Food and Agriculture Act of 1977 (P.L. 95-113) extended the Food for Peace program for four years, increased the maximum authorization for donations under Title II to \$750 million, and stated that in times of urgent humanitarian need, commodities could be authorized for P.L. 480 even if U.S. supplies are limited.

X. The International Development and Food Assistance Act of 1978

The International Development and Food Assistance Act of 1978 (P.L. 95-424) made several amendments to P.L. 480. The Act stated that the Commodity Credit

Corporation (CCC) may pay freight charges from U.S. ports to designated ports of entry for those commodities made available under Title III of P.L. 480 to a country on the United Nations Conference on Trade and Development (UNCTAD) list of "relatively least developed countries." The Act also stated that disbursements for the purposes described in the approved Food for Development Program of a country shall be deemed to be payments with respect to credit furnished under the agreement. A special provision for UNCTAD countries states that if:

"the disbursements in a Fiscal Year are greater than the amount of the annual repayment obligation which that country would have to meet for that Fiscal Year under the agreement but for the disbursements in accordance with the Food for Development Program, then the disbursements which are in excess of the amount of that annual repayment obligation may, to the extent provided in the agreement, be considered as payments with respect to the annual repayment obligations of that country for that Fiscal Year under other financing agreements under this Act."

The 1978 Act also directed the President to submit to the Congress not later than February 1, 1979, a report explaining why food assistance provided under Title I of P.L. 480 is not more successful in meeting food needs of people suffering from hunger and malnutrition, and to recommend steps which could be taken to increase effectiveness of the program.

XI. The Food Security Wheat Reserve

The Food Security Wheat Reserve was established by Congress under the Food Security Wheat Reserve Act of 1980 (Title III of P.L. 96-494). This Act authorized 4 million metric tons of government-owned wheat to be set aside for emergency food needs in developing countries. The Congress passed the legislation with the intent that the program would complement P.L. 480. The Reserve can be drawn upon if either of two situations occur: First, as stated in the Act, "stocks of wheat may be released by the President to provide, on a donation or sale basis, emergency food assistance to developing countries at any time that the domestic supply of wheat is so limited that quantities of wheat cannot be made available for disposition under the P.L. 480 program, except for urgent humanitarian purposes." Second, up to 300,000 metric tons can be released from the reserve (as urgent humanitarian relief to a developing country or countries that experience a major disaster) in any

one year without consideration of the domestic supply situation. This provision allows for the immediate release of food in situations where normal P.L. 480 procedures, such as the need for a special Congressional appropriation, would otherwise preclude a quick response.

In 1980, Congress established the Food Security Wheat Reserve, to meet the emergency food needs in developing countries. In the event that it is used, commodities will be replaced by either purchasing on the market or designating other CCC-owned wheat stocks.

XII. Legislative Changes in 1982

During Fiscal Year 1982, legislation established stricter requirements for the satisfaction of self-help criteria under Title I and III programs. Self-help measures were required to be "specific and measurable". The law further stipulated that these measures must be "additional to the measures which the recipient country otherwise would have undertaken, irrespective of that agreement or amendment". Finally, the law makes clear that food aid programs must be designed to impact on the poor and needy.

Also, in 1982, Section 416 of the Agriculture Act of 1949 was amended to permit the foreign donation of surplus dairy stocks owned by USDA's Commodity Credit Corporation. Such donations are to be complementary and additional to planned food aid provided through the P.L. 480 program.

XIII. Legislative Changes in 1984

Legislative action in 1984 focused primarily on increased appropriations for P.L. 480, largely due to emergency needs in Africa. P.L. 98-258, the Agricultural Programs Adjustment Act of 1984, gave Section 416 authority to include surplus wheat, as well as dairy products, for foreign donations, sale or barter. The legislation states that the cost of commodities used in this program shall be supplementary to the assistance level of the 416 program and will not reduce the availability of these commodities for domestic feeding programs or agencies. In addition, this legislation established a two-year pilot program for the overseas use of ultra-high temperature (UHT) processed fluid milk.

PART TWO

CURRENT IMPLEMENTATION OF
LEGISLATIVE AUTHORITY

PART TWO

CURRENT IMPLEMENTATION OF LEGISLATIVE AUTHORITY

I. Titles Under P.L. 480

Public Law 480 consists of four Titles. Title I authorizes concessional sales of commodities to friendly developing countries. Title II authorizes the donation of food commodities to needy people through U.S. or foreign private voluntary agencies, bilateral programs, and multilateral agencies such as the World Food Program (WFP). Most U.S. emergency food aid is also provided under this Title. Title III authorizes multiyear Food for Development programs which provide for forgiveness of debts incurred under Title I agreements. Title IV contains miscellaneous administrative and reporting requirements. (Due to their similarity, Title III follows Title I in the description that follows.)

A. Title I

Title I of P.L. 480 authorizes concessional credits on an annual basis for sales of U.S. farm products to developing countries. These credits are repayable in dollars (at concessional interest rates not less than 2 percent during the grace period and 3 percent thereafter) over a period of 20-40 years with a grace period on principal repayment of up to 10 years. In addition, most agreements require an initial cash down payment of 5 percent. Recipient countries must agree to undertake self-help measures aimed, where appropriate, at expanding food production and improving food storage and distribution facilities. The program is designed to augment the aggregate supply of food within the country and to be marketed through existing commercial channels.

The local currencies generated from Title I sales are available for use by the recipient government. Local currency proceeds are available for general budget support by the recipient country government. In countries facing severe budgetary constraints and reductions in their development budget and programs, the budget support provided by the Title I local currency proceeds can make a significant contribution

to economic development. Local currency resources also support a variety of specific development programs such as increasing the availability of farm credits, stabilizing price fluctuations of agricultural commodities, improving on-farm storage and distribution facilities or expanding irrigation systems. Wherever possible, efforts are made to use these self-help and local currency generations to complement activities financed with other donor sources.

A major concern in Title I is that concessional sales of U.S. farm products do not disrupt U.S. commercial sales or those from other friendly countries. The P.L. 480 legislation requires that Title I and III agreements establish Usual Marketing Requirements (UMR) based on the average level of commercial imports for the same commodities during the previous five years. The recipient country explicitly agrees to purchase commercially the level of commodities specified in the UMR with P.L. 480 assistance "additional" to that base.

Current cargo preference rules (Merchant Marine Act of 1936) require that at least 50 percent of P.L. 480 cargo move on U.S. flag ships. This cargo preference results in U.S. Government (CCC) payment of freight differential costs to U.S. shippers for Title I and III shipments.

B. Title III

Title III (Food for Development) programs are similar to Title I programs in many respects, including the same components which can contribute to the development effort, i.e., local sales proceeds, self-help measures, and balance of payments support. Title III programs do, however, differ in some critical aspects from Title I. Title III programs are designed with economic development as the primary objective. They are designed specifically to support agricultural and rural development programs in the recipient country, through required policy initiatives, institutional reform, and support for specific development projects. In addition, they provide for loan forgiveness if the recipient country implements the development program specified in the Title III agreement. Title III programs provide multiyear commitments of up to five years. Development programs supported by Title III are required to complement and be an addition to other programs being supported either bilaterally or multilaterally.

Public Law 480 requires that 15 percent of Title I financing be allocated annually in support of Title III programs. Further, at least 75 percent of the volume of Title I food aid must be allocated initially to countries with annual per capita incomes at or below the poverty criterion of the International Development Association. Eligibility for Food for Development (Title III) programs is limited entirely to this group of countries.

C. Title II

Under this authority, the United States, donates food principally for humanitarian purposes such as emergency/disaster relief and programs to help needy people -- particularly malnourished children and adults on works projects -- through programs designed to alleviate the cause of the need for food assistance.

Section 201 of Title II provides that each year a minimum of 1.7 million metric tons shall be distributed under this Title. Of this minimum tonnage, at least 1.2 million metric tons must be distributed through nonemergency programs of nonprofit voluntary agencies and the World Food Program (WFP). These programs largely support maternal child health projects (MCH), school feeding programs (SFPs) and food-for-work (FfW) activities.

The unprogrammed reserve, a minimum of 500,000 tons, allows the United States not only to respond to emergency requests, but also, to supplement regular programs. These emergency donations are currently channeled through U.S. voluntary agencies as well as through the World Food Program and in some cases bilateral government-to-government programs. Currently, program resources for Section 206 of Title II, are also taken from this unallocated reserve.

In accordance with Section 203 of Title II, the costs of ocean freight to designated points of entry (including cargo preference) and overland transport to landlocked countries and other costs for packaging, enrichment, preservation, fortification, processing and handling, are covered by the program.

Traditionally, Title II has been viewed primarily as a humanitarian program concerned with the immediate need to alleviate hunger and malnutrition. In recent years, however, the developmental benefits of Title II programs have been emphasized, and the program is undergoing a fundamental redirection in an effort to enhance its developmental role. Title II feeding and development programs include:

1. Maternal-Child Health Feeding Programs (MCH)

These programs offer food supplements to pregnant and nursing mothers and preschool children from low-income families. The programs are typically implemented at feeding or health centers managed by indigenous or U.S. organizations. Feeding rations are distributed to mothers and infants and rudimentary lessons in health or nutrition are provided. In the better run centers, a growth surveillance system is used to ensure adequate levels of intake and to monitor impact.

MCH programs are most effective when attention is given to (1) targeting the program at malnourished children and the nutritionally at risk mothers; (2) the appropriate quantity and type of ration; (3) integration of the feeding program with health services; (4) the inclusion of a nutrition component; and (5) beneficiary participation.

The contribution of MCH to development is primarily through improved human health conditions resulting from nutritional awareness and better practices, and an increase in access to health services. Given the nutritional emphasis of these programs, recent evaluations have focused on their nutritional impact. Though methodological difficulties hamper nutritional evaluation, positive nutritional contributions were found to have occurred in MCH programs in a number of countries.

2. School Feeding Programs (SFPs)

These programs provide meals to school age children who are physically present at educational institutions and are generally managed by indigenous or U.S. voluntary agencies. School feeding programs are intended to contribute to development through improved health conditions and increased productivity. They are also designed to improve the nutritional status of school-age children, and to enhance school enrollment and attendance.

3. Food For Work (FFW) Projects

These activities contribute to development through income generation and employment for the poor, particularly women with few if any alternative sources of employment. These projects also provide infrastructure development

by construction of roads, wells, irrigation facilities, etc., and promotion of community organization and development.

4. Title II Outreach

The Worldwide Title II Outreach Project, first approved in 1978, has been extended to FY 1986 utilizing AID, not P.L. 480, funds. The objective of the Outreach Project is to assure compliance with Congressional mandates and AID policies which direct that Title II food aid reach the truly needy in recipient countries, a task which is often more difficult and costly. Since many Title II sponsors lacked the additional resources necessary to accomplish this, the Outreach Project was designed to meet specific, short-term transportation, storage, distribution and administration costs of these programs. Up to 20 percent of the funding under each grant can be used for "enrichment" items (nonlogistic support costs) such as scales, charts, small tools and equipment, educational materials, training, and vitamin and mineral supplements.

5. Section 206 of Title II

The Section 206 authority is one other program vehicle by which P.L. 480 resources can be employed for development purposes. This authority provides for government-to-government nonemergency donations with the Title II commodities to be sold on the local market, provided the generated local currencies are used for (1) alleviating the causes of the need for assistance and (2) programs and projects to increase the effectiveness of food distribution and increase the availability of food commodities provided to the neediest individuals in the recipient country. As part of the program, the recipient country government agrees to undertake self-help measures and specifies the uses for which the local sales proceeds will be applied.

6. Supporting the World Food Program (WFP) Through Title II

The World Food Program, an activity of the United Nations and the Food and Agriculture Organization (FAO), was established in 1962, with active encouragement from the United States. The

governing body of the WFP is the Committee on Food Aid Policies and Programs (CFA) whose 30 member states are chosen with a view towards balancing economically developed and developing countries. The United States is a permanent member of the CFA.

The Secretariat of the WFP is housed in Rome and is responsible for program planning, operations, and evaluation. To the extent possible, the WFP relies on the existing staff and facilities of the FAO, the United Nations, its specialized agencies, and other intergovernmental agencies, as appropriate. In general, recipient governments define and make requests for assistance and are responsible for project execution.

WFP resources are obtained through voluntary biannual pledges from its membership. Initially, the United States contributed 50 percent of WFP's resources. Now the biannual pledge by the United States totals approximately 20-25 percent. The U.S. pledge is financed under Title II and Section 416 and currently totals \$250 million for the 1985/86 pledging period.

The World Food Program is increasingly involved in the difficult task of coordinating emergency shipments by the United States and other donors, particularly those in response to international appeals by the United Nations and the Food and Agriculture Organization.

As part of this growing role, the WFP manages a separate emergency account, the International Emergency Food Reserve (IEFR) which is made up of voluntary contributions from donor countries. These are separate from the biannual pledges which make up the general WFP budget. The U.S. Government is committed to providing 25 percent of the IEFR (125,000 MT) and has exceeded that amount regularly. This contribution comes from the P.L. 480 Title II emergency reserve.

D. Title IV

Title IV of the Act covers the general provisions of the P.L. 480 program. Among those provisions is the requirement that the Secretary of Agriculture shall determine commodity availability for shipment under the P.L. 480 program. All such P.L. 480 commodities

must be determined to be excess to domestic requirements, including stocks, and anticipated exports for dollars, unless the Secretary determines that some part of the commodities should be used to carry out urgent humanitarian purposes of the Act.

No agricultural commodities may be financed or otherwise made available under the Act except on the determination by the Secretary of Agriculture (often referred to as the Bellmon determination) that (1) adequate storage facilities are available in the recipient country at the time of exportation of the commodity, and (2) the distribution of the commodity in the recipient country will not result in a substantial disincentive or interfere with domestic production or marketing in that country.

II. Interagency Administration of Public Law 480

A. The Food AID Subcommittee of the Development Coordination Committee

Major administrative responsibilities for P.L. 480 are delegated to the International Development Cooperation Agency (IDCA), the Agency for International Development (AID) the U.S. Department of Agriculture (USDA), the Office of Management and Budget (OMB), and the Departments of Treasury and State (Executive Order 12220, 45 F.R. 44245, June 27, 1980). All functions not specifically delegated remain with USDA. All functions under the Act are subject to the responsibilities of the Secretary of State with respect to foreign policy.

IDCA and AID responsibilities include the function of authorizing negotiations of Title I agreements after interagency approval of such agreements. The function of administering the Title II donation program has been delegated to the AID Administrator, as well.

Decisionmaking for the P.L. 480 programs is an interagency responsibility. Coordination and reconciliation of various individual agency interests are achieved by the Working Group of the Development Coordination Committee (DCC), Subcommittee on Food Aid. The Subcommittee is chaired by USDA. Its membership includes USDA, OMB, Treasury, Commerce, State, and AID. All P.L. 480 matters are considered by the Working Group, including review and approval of all P.L. 480 programs.

Decisions in the Working Group are reached by consensus and any issues which cannot be resolved by the Working Group are referred first to the Food Aid Subcommittee and then the DCC or higher levels as appropriate, for resolution.

The staff level Working Group meets regularly to coordinate activities and make decisions on P.L. 480 programming, although primarily on Title I/III program matters. Decisionmaking for the Title II program is usually conducted by a more limited subgroup with AID, USDA, and OMB participation.

B. P.L. 480 Program Planning and Budget Formulation

P.L. 480 is unique among programs of the U.S. Government -- including development assistance programming -- in that the budget recommendations are made by two agencies -- USDA and IDCA/AID. Legislative authority for funding comes from a single bill, the Agricultural Appropriations Act.

P.L. 480 is contained in OMB's Foreign Development Assistance Account (150). Generally the Working Group mechanism is used to submit a joint budget. USDA provides projected commodity prices and projects commodity availability. AID uses its internal review process to develop its position on country allocations with the Department of State. The USDA submission to OMB contains commodity tonnages and associated dollars.

For Title II, budget preparation includes estimating requirements for voluntary agency programs, government-to-government programs, a portion of the U.S. pledge to the World Food Program, and global disaster and refugee needs. The voluntary agency, or the appropriate mission in the case of a government-to-government program, must determine the appropriate program type, i.e., maternal-child health, food-for-work, school feeding or other feeding. The request for such programs includes recipient and ration levels and the types of quantities of commodities necessary. The World Food Program component is a dollar level determined by the amount of the U.S. Government pledge (although the associated commodity mix is important toward meeting the legislated minimum tonnage). For emergency/refugee requirements, an estimated commodity tonnage is prepared which then becomes a dollar component of the budget.

C. The P.L. 480 Program Approval Process

The processes for approving Title I/III and Title II programs differ as follows:

1. The Title I/III Approval Process

Just prior to the beginning of the fiscal year, the Working Group meets to consider revising the country allocations, if necessary, which appeared in the Congressional Presentation prepared earlier. An initial allocation table is prepared for transmittal to the Congress, not later than September 30. Each quarter during the fiscal year, the Congress is notified of any changes or revisions to that table. Each quarterly submission is approved by the Working Group.

Once allocations are determined, program proposals are submitted for consideration by the Working Group. Each proposal includes a draft negotiation instruction cable which describes the agreement (terms, self-help measures, special requirements, etc.). Clearance of this cable for transmission to U.S. field posts constitutes program approval. Country negotiations are conducted; the agreement is signed and the recipient country proceeds to work with USDA to purchase and arrange to ship the commodities. Title to the commodities passes to the importing country at the U.S. port of export.

2. The Title II Approval Process

The Working Group does not generally consider individual Title II country programs. OMB, USDA, and AID are the main participants in a subgroup which has been authorized by the Working Group to approve such programs.

In the summer before the beginning of the fiscal year, voluntary agencies participating in Title II are requested to submit requirements for shipments of commodities (taking into account stocks on hand) against the program requirements which appeared in the Congressional Presentation. Each commodity tonnage of each program type (MCH, school feeding, etc.) in each country is reviewed in Washington and new country program levels are prepared, maintaining the legislated minimum tonnage. AID coordinates this preparation with the other subgroup members for resolution by

consensus. A formal presentation of the budget is made to the Working Group for ratification. Historically no subgroup decision has been overturned.

Emergency program requests are presented on a case basis to the other members of the subgroup of the Working Group for approval.

The pledge to the World Food Program is fulfilled by responding to requests from Rome for support of specific country programs.

III. Additional Components of United States Food Aid Programs

A. Section 416 Overseas Donations Program

The Congress has authorized donation of surplus dairy commodities to needy people overseas through Section 416 of the Agricultural Act. The intent of Congress in enacting this authority was twofold: First, it was an attempt to reduce costly CCC stocks of surplus dairy commodities; and second, it provides another program vehicle by which the U.S. Government can assist in alleviating hunger and malnutrition in developing countries. Unlike P.L. 480, economic development and foreign policy are not included as program objectives. Congress has also expanded Section 416 authority to include wheat and wheat products held in CCC inventories.

Section 416 donations may be made directly to foreign governments or to U.S. private voluntary organizations for distribution overseas. One use of Section 416 donations which complements P.L. 480 food assistance, is in situations where Title II donations are being phased out with the recipient country government assuming responsibility for administering the feeding programs. Section 416 donations are intended to assist with the costs of such programs during the transition period.

Section 416 donations are to be complementary and additional to planned food aid provided through the P.L. 480 program. Review of all Section 416 programs is accomplished through the P.L. 480 interagency committee system. At present, AID has implementation responsibility for Section 416. Supply responsibility for the program remains with USDA. The cost of the Section 416 program is financed through the Commodity Credit Corporation.

B. The Emergency Wheat Reserve

The emergency wheat reserve of 4 million metric tons was set up for emergency food needs in developing countries (Food Security Wheat Reserve Act of 1980). This reserve serves as an additional guarantee for meeting the annual U.S. pledge to the Food Aid Convention (see below.) These stocks may be used to provide emergency food assistance to developing countries any time domestic supply is so limited that wheat is not available under normal P.L. 480 procedures. Additionally, up to 300,000 metric tons may be released in any fiscal year, regardless of the domestic supply situation, for use under Title II in providing urgent humanitarian relief in any developing country suffering a major disaster, whenever wheat cannot be programmed for such purposes in a timely manner by normal means. The emergency reserve was used for the first time in late 1984 for Africa famine relief.

C. The Food Aid Convention

The Food Aid Convention currently in effect came into force on July 1, 1980. Its objective is to achieve, through a joint effort by the international community, the World Food Conference target of at least 10 million tons of cereal food aid annually to developing countries. Under the 1980 Convention, commitments total about 7.6 million tons compared to 4.2 million tons previously. The U.S. commitment, which is fulfilled through P.L. 480 shipments, is 4.47 million tons, an increase over its previous pledge of 1.89 million tons. The Food Aid Convention may recommend that members voluntarily increase their contributions to cover emergency needs if a substantial number of low-income countries suffer a sharp short-fall in production.

IV. Historical Trends in Levels, Commodity Composition and Regional Focus

P.L. 480 shipments, which averaged 14.5 million metric tons in the late 1950's and early 1960's, have varied between 5.7 and 6.3 million metric tons in recent years. Over this same period, U.S. commercial agricultural exports rose sharply from about 5 million metric tons to 35-40 million metric tons. While the volume of P.L. 480 shipments has fallen, the dollar value of these shipments has remained basically constant ranging from \$1.0 to \$1.3 billion per annum in most years.

Total P.L. 480 exports have declined from more than 25 percent of total U.S. agricultural exports during the first decade and a half of the program, to less than 5 percent of total U.S. exports since 1974. However, the program's importance varies by commodity. The greatest decline in the importance of P.L. 480 exports, as a proportion of total agricultural exports, has occurred with respect to wheat and feedgrains. However, for other commodities -- particularly wheat flour, rice, and processed or high-value products, the importance of the program as an export promotion device remains high.

The United States continues to be the largest contributor of food aid in both absolute and relative terms. World food aid, including cereals, vegetable oils and milk, averaged 9.6 million metric tons per annum from 1979/80 to 1983/84. Of this total, U.S. food aid averaged 5.6 million metric tons or 58 percent.

From a regional perspective, Sub-Saharan Africa has emerged as a substantial recipient of P.L. 480 donations and concessional sales. Many Title I shipments to Asia, where large programs in India, Korea, Vietnam, and Cambodia were terminated, have been sharply reduced and other countries that formerly imported food under P.L. 480 have progressed economically to the point where such imports are no longer necessary. Japan, Taiwan, Korea, and Brazil are all examples of countries in which the United States now has commercial markets instead of P.L. 480 assistance.

PART THREE

PROJECT DESCRIPTIONS

Regions:

- AFRICA
- ASIA
- CARIBBEAN
- MIDDLE EAST
- LATIN AMERICA

PART THREE

INTRODUCTION TO PROJECT DESCRIPTIONS

The 30-year history of United States' food aid programs has involved a wide range of specific project activities as diverse as the countries and circumstances in which they exist. While the following Part includes over 50 individual project descriptions, they are only a sampling of the uses to which U.S. food aid has been applied over the last 30 years. In presenting these project descriptions, every effort was made to represent the types of activities undertaken during the 30-year history of the program. Unfortunately, there are very few descriptions from the 1980's, since, at the time of writing this book, there were very few fully completed projects which could be reviewed and analyzed. However, the projects which are presented cover Title I, Title II, Title III and related activities, such as outreach grants under Title II, Section 204 activities and monetization activities.

The projects are presented by geographic region, by program title and by countries listed alphabetically under each program title. The Foundation has made every effort to present the the project descriptions as accurately as possible, based upon the data available from P.L. 480 Annual Reports, U.S. Government field mission telegrams and reports, information available from the U.S. Department of Agriculture, and information from various other sources, including program administrators. The Foundation recognizes that some of the programs and projects that have been implemented under Public Law 480 have been controversial and subject to review, both by critics and supporters. In this context, some of these project descriptions are also included, because they help form the basis for the issues presented in Part Three.

Finally, it should be noted that while the project descriptions are prepared as accurately as possible, there may always be additional information available or corrections of data which were not available at the time of analysis. In such instances, such revised or newly available information should be used, particularly in the context of the issues presented in Part Four and in the context of promoting a more accurate dialogue concerning policies and approaches to food aid.

AFRICA:

P.L. 480 - TITLE I:

Ghana
Guinea
Sudan
Tanzania

P.L. 480 - TITLE II:

Burkina Faso (Upper Volta)
Chad
Lesotho
Mauritania
Nigeria
Sudan

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PROJECT DESCRIPTION

Region : Africa
Country : Ghana
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

A principal objective of P.L. 480, Title I assistance is to provide such aid to countries who are making a concerted effort to balance their economies through agricultural as well as other development programs. In Africa, this is especially true, since countries are forced to deal with harsh environmental as well as economic conditions. In Ghana, P.L. 480, Title I funds were used to address these problems in a countrywide program.

PROJECT HIGHLIGHTS

In the November 12, 1971, P.L 480, Title I agreement with Ghana, there were three self-help measures:

1. A development plan was drawn up in consultation with The World Bank. Imports were restricted to essentials; regional development corporations were created to invest in viable industrial, commercial, and agricultural projects; and a budget was developed to compare expenditures with targets.
2. Food grain and livestock programs were designed to achieve maximum economic domestic production and employment. This focused on increased emphasis on grain and rice production, distribution of fertilizer and seeds, and food marketing strategies.
3. A National Feeder Road Program was designed throughout the country placing emphasis on road improvement in rural areas as a specific means of assisting agricultural activities.

RESULTS

Under this program, over 50 percent of the local currencies generated by Title I sales agreements were used for activities related to agricultural production, vocational agricultural training, feeder road construction and agricultural credit. These programs helped to stabilize Ghana's economy; while increasing production and facilitating marketing capabilities of agricultural products.

PROJECT DESCRIPTION

Region : Africa
Country : Guinea
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

In the least developed nations of the world, increased agricultural self-sufficiency is essential to the development of rural areas as well as stabilization of the economy. Many nations continue to depend on imports for their basic food needs, placing a strain on their foreign currency accounts. Agricultural projects are essential to their economies and Title I self-help projects have been provided to countries in order to help relieve this dependency. In 1975 Guinea signed a P.L. 480 agreement to help improve its agricultural base.

PROJECT HIGHLIGHTS:

Funds generated through the sales of Title I commodities were designed to help the Government of Guinea establish and expand institutions for applied agricultural research; to develop appropriate agricultural statistics necessary for sound government decisions; and to create a favorable economic environment for agriculture, particularly with regard to producer incentives, marketing systems and overall inflationary pressures. To effect these programs, the government took greater control over the cash flow within the country to stabilize the economy and to guard against inflation. The government also requested assistance from donor agencies to implement studies of its agricultural programs and policies. These programs focused mainly on marketing systems to achieve optimum production levels.

Also included in the self-help plan was a research scheme concentrating on rice and corn. Under this project, higher yielding varieties were tested and distributed along with fertilizer and information on better soil practices. As a final component of the project, a concerted effort was made to strengthen systems of collection, computation and analysis of agricultural statistics including import, export, and other related data for use in determining agricultural production and marketing policies.

RESULTS

Despite the seriousness of Guinea's intentions in the agricultural field and in particular, to increase agricultural production as a top Government priority, this very ambitious program had mixed results. With many natural, economic, and political factors involved, the people of Guinea were constantly presented with obstacles to success. Yet, with this program, the Government attempted to address problems directly in the slow progression towards self-sufficiency.

PROJECT DESCRIPTION

Region : Africa
Country : Sudan
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

In its effort to help developing nations attain self-sufficiency, the United States has supported numerous agricultural and health projects. Following the signing of the 1973, P.L. 480, Title I agreement, the Government of Sudan undertook several such measures to promote self-sufficiency, with proceeds generated from the sales of Title I commodities.

PROJECT HIGHLIGHTS

Self-help activities under the agreement included four main areas of concentration:

1. The program supported the Sudan Government's program for the development of the Jebel Marra area in Western Sudan. In this project, feeder roads were built from villages to the main towns, increasing commerce; agricultural extension services were dramatically expanded; and a major land reclamation project was undertaken for production of foodgrains, fruits and vegetables.
2. Improvements were made in the Agricultural Extension Service program in the Wad Medani, Gedaref, and Kassala areas. New offices were opened throughout the districts and a TV program was used to accelerate communication of information to farmers.
3. The program supported the restoration of the post-secondary education institution at Yambio, which provided a three-year program in agriculture beyond the high school level. Students were trained in major agricultural enterprises and by the end of the course, it was intended that they would technically be qualified agriculturalists who would be able to assist with agricultural development needs.

4. Support was given to improve the rural health unit program throughout the nation. Doctors were recruited and stationed throughout rural areas of the country and an attempt was made to improve health facilities.

RESULTS

These measures ultimately are intended to accrue dramatic benefits to the masses of Sudanese citizens, especially those engaged in traditional agriculture. While the Government of Sudan was primarily responsible for the success of these projects, funds generated through Title I food sales helped to make the programs possible.

PROJECT DESCRIPTION

Region : Africa
Country : Tanzania
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

Title I commodities are usually sold within recipient countries, with the funds generated by these sales being used to support self-help projects. In 1976, the Tanzanian Government undertook a number of self-help related actions in its agricultural sector in compliance with measures specified under P.L. 480, Title I agreements.

PROJECT HIGHLIGHTS

Projects concentrated on three main areas: food storage, livestock, and increased grain production. In connection with the agreement, storage receptacles were built to prevent food losses. Storage receptacles were not only built in villages, but also, in large regional storehouses designed to supplement the intermediate facilities of the National Milling Corporation. In order to improve livestock production, Tanzania initiated several tsetse fly eradication programs and constructed two meat processing plants to improve the marketing of beef. Food production increases were encouraged by increasing producer prices for corn, wheat and rice.

RESULTS

Through the use of funds provided by Title I sales, the Tanzanian Government focused its projects in rural areas in order to reach the greatest number of people through the projects. In this way, these activities strengthened the rural infrastructure and allowed it to reach further into more remote areas.

PROJECT DESCRIPTION

Region : Africa
Country : Burkina Faso (Upper Volta)
Authority : P.L. 480 Title II - Section 206
Sponsor : Catholic Relief Services/
Government of Burkina Faso
Activity : Monetization

BACKGROUND

One of the most difficult tasks in development is to simultaneously address both the immediate and future problems of developing countries, in order to ensure immediate survival of those in need without harming long-term growth prospects. One of the largest Agency for International Development programs in Africa is located in Burkina Faso where the United States annually extends \$10-15 million worth of nutritional assistance under the P.L. 480 program. Part of this assistance is through Section 206 of Title II in which Title II commodities are "monetized" (sold) and the funds used to support specific development efforts addressing immediate and longer term needs.

PROJECT HIGHLIGHTS

The P.L. 480, Title II, Section 206 program in Burkina Faso promotes locally produced cereals; develops and improves grain storage infrastructure and contributes to improving the National Cereal Offices' (Ofnager) effectiveness and efficiency. Revenues generated through the sale of Section 206 commodities help Ofnager to purchase locally grown cereals soon after the annual harvest when the market is relatively full and prices are lowest. This program reinforces the ability of Ofnager to support producer prices so farmers will be encouraged to increase coarse grain production.

RESULTS

Section 206 support in Burkina Faso has promoted remunerative prices for farmers to increase local food production. This support is an innovative use of Title II foods which is having a positive effect on the rural economy while increasing local production. Continued support can result in a more stable food supply in Burkina Faso where the economy is quite fragile due to harsh environmental factors.

PROJECT DESCRIPTION

Region : Africa (The Sahel)
Country : Chad
Authority : P.L. 480 Title II
Sponsor : CARE
Activity : Food-for-Work

BACKGROUND

Title II food assistance is often provided through food-for-work projects which are directly related to the achievement of self-sufficiency in food through greater agricultural production. Food-for-work projects are also targeted to include the poorer segments of the society, i.e., the underemployed and unemployed, and to reach the poorer regions of the country. The food supply in Chad has often been insufficient, particularly during the period of "soudure" (the hungry season before the harvest time). To assist in alleviating this situation and to improve the living standards of its rural population, the Government of Chad asked CARE to organize a series of food-for-work projects.

PROJECT HIGHLIGHTS

One of the negative impacts of the severe drought in the Sahel, was the decimation of the forest areas due to the lack of water and poor management. In response to this situation, CARE initiated in 1975 an unusual and successful food-for-work project which involved the planting of Acacia Albida trees in the drought affected areas of Chad. The Acacia Albida is a nitrogen-fixing tree that survives well in arid areas. Animals gather under it and fertilize the soil, and during the rainy season the leaves fall and provide an additional source of fertilizer. The farmers who planted these trees in the CARE food-for-work project received Title II commodities as payment for planting and maintaining the trees at a time of year when they would have ordinarily been conserving their energy for the harvest season due to their lack of food. CARE also initiated additional projects which related to increased food production such as seed multiplication, pilot gardens, construction of irrigation canals, provision of basic farm tools, and insect removal by hand. Other small food-for-work projects included construction or improvement of farm-to-market roads, improvement of village market areas, construction of food storage and drying areas, and planting of windbreaks.

RESULTS

The planting of deep rooted Acacia Albida trees revitalized the nearly sterile soil in several areas by depositing nutrients in the soil. The trees also provided a valuable windbreak to slow the effects of wind erosion. With over 60,000 trees having been planted with a survival rate of almost 85 percent, there was a 30 percent increase in crops grown under these trees. The other projects also had a positive impact on the environment in which farmers had to work, as a result of project impact on health conditions, the establishment of adult education classes, construction of schools, home improvement, latrine construction, and removal of stagnant waters.

PROJECT DESCRIPTION

Region : Africa
Country : Lesotho
Authority : P.L. 480 Title II
Sponsor : Catholic Relief Services (CRS)
Activity : Food-for-Work

BACKGROUND

The United States has given high priority to utilizing Title II food resources as partial payment of salaries for work on specific economic development projects in developing countries. Typically, such projects have as their major objective increasing agricultural production and the availability of food, as well as to improve marketing infrastructures. Such food inputs are designed to help assure the success of a developing country's economic development projects by expanding the resources available to finance projects and in so doing, allow these projects to be expanded into additional areas of the country.

PROJECT HIGHLIGHTS

Catholic Relief Services provided Title II food to the Government of Lesotho to support projects which involved the construction of access and farm-to-market roads, public and community buildings, soil and water conservation facilities and reforestation. In 1973 CRS supplied approximately 7,500 tons of P.L. 480, Title II food commodities employing about 9,000 workers.

RESULTS

These projects furthered the economic development objectives of the Government of Lesotho by increasing agricultural production and providing work and income opportunities for a substantial number of unemployed individuals. An important secondary benefit of this activity was that the Title II foods helped to provide improved nutrition to the families of each worker who participated in the project.

PROJECT DESCRIPTION

Region : Africa
Country : Mauritania
Authority : P.L. 480 Title II
Sponsor : Catholic Relief Services (CRS)
Activity : Outreach Support Grants

BACKGROUND

As a means of assisting voluntary agencies in their efforts to target U.S. Title II food assistance to the poorest and most remote areas of developing countries, i.e., those areas where people are most likely to be affected by malnutrition, AID has provided dollar-funded grants to support feeding program activities. These funds are provided to such agencies to help solve problems associated with administrative support systems and high logistical costs. During 1979, Outreach Grants were approved for voluntary agency programs in Mauritania, Haiti, Burkina Faso (Upper Volta), Kenya, Rwanda, Togo, and Indonesia. The grant to Catholic Relief Services in Mauritania is an example.

PROJECT HIGHLIGHTS

In 1979, AID granted CRS \$218,800 to provide logistical support for a nutrition program in Mauritania. Through the operation of Maternal-Child Health Clinics, approximately 28,000 children and 14,000 mothers were helped through supplementary nutrition and growth surveillance activities. The growth surveillance programs provided monthly weight checks, physical examinations, nutrition/health care education, and cooking demonstrations. These activities complemented the distribution of Title II commodities, which would not have been possible without the logistic support provided through the grant. CRS weight charts established that 85 percent of the recipient children exhibited some degree of malnutrition and the Government's Nutritional Recuperation Program was specifically designed to reach these children. In severe cases, both the mother and child were admitted to clinics to receive closer medical supervision to alleviate the underlying causes of their weight loss.

RESULTS

The use of weight checks, physical examinations and other surveillance activities clearly documented the impact that malnutrition was having on poor communities in Mauritania and provided incentive for the Government to establish an effective Nutritional Recuperation Program. With the provision of logistic support through the Outreach Grant, the Title II food provided a substantial portion of the child's meal and encouraged mothers to remain at the health clinics for treatment. While at the clinics, the mothers learned of proper nutrition practices to be followed in the home through the nutrition education activities. In this case, U.S. dollar and food assistance effectively combined to target assistance to the very poor and malnourished in Mauritania.

PROJECT DESCRIPTION

Region : Africa
Country : Nigeria
Authority : P.L. 480 Title II
Sponsor : U.S. Voluntary Agencies and
Multilateral Organizations
Activity : Emergency and Disaster Relief

BACKGROUND

P.L. 480, Title II food resources have always been used to address the urgent and extraordinary relief requirements which result from natural and man-made disasters or civil conflicts. There are numerous examples where Title II resources have been used to assist individuals who were dislocated due to conflicts arising in their homelands. Often, these people become refugees in neighboring countries, stretching the resources and capabilities of these nations to meet basic needs for shelter and food. From the summer of 1968 through December of 1969, Nigeria was seriously involved in civil conflict and P.L. 480 food resources were supplied to children, mothers, and other vulnerable groups.

PROJECT HIGHLIGHTS

The United States responded to the food needs of those affected by the civil strife in Nigeria by shipping over 80,000 metric tons of P.L. 480, Title II commodities to Nigeria and to offshore points for airlift into the Biafran enclave. Over half of these commodities consisted of high protein foods including over 37,000 metric tons of corn-soya-milk. The Title II commodities were donated through Catholic Relief Services, Church World Service, American members of Joint Church Aid (JCA) - an international organization - and UNICEF. About half of the food was delivered to Federal Nigeria for distribution to the victims of the conflict in the areas around the war zone. Until mid-1969, food and other relief supplies in Federal Nigeria were distributed by the International Committee of the Red Cross (ICRC); subsequently distribution was under the control of the Nigerian National Commission for Rehabilitation and the Nigerian Red Cross. The remaining 50 percent of the total Title II commodities shipped during the period were sent to Cotonou in Dahomey and Santa Isabel on the island of Fernando Po for airlift into the Biafran

enclave by the ICRC and to the island of Sao Tome for airlift by JCA. The ICRC airlift was discontinued in mid-1969 after a relief plane was shot down, but the JCA airlift continued until the end of hostilities in early January 1970.

RESULTS

Through the airlift of food into the enclave and through the distribution of commodities in the war zones of Federal Nigeria it was estimated that approximately 3 million people received food supplies from the United States. Further, the incidence of malnutrition and its attendant diseases, kwashiorkor and marasmus, was reduced under a very difficult situation and a high degree of coordination of international relief efforts was attained.

PROJECT DESCRIPTION

Region : Africa
Country : Sudan
Authority : P.L. 480 Title II
Sponsor : U.S. Voluntary Agencies and the
World Food Program (WFP)
Activity : Emergency and Disaster Relief

BACKGROUND

In the Sudan, P.L. 480, Title II food resources were used to address the urgent and extraordinary relief requirements of people affected by civil conflicts. Food was provided to victims who lacked the means to provide for themselves and whenever possible, this assistance was channeled through food-for-work projects. Food assistance in such projects was used for partial payment of wages to refugees and others who were employed on projects designed to assist in the resettlement and rehabilitation of those affected by the civil conflict.

PROJECT HIGHLIGHTS

During 1972, the United States provided Title II assistance to the victims of many years of internal strife who were returning to their homes after having fled to neighboring countries. In 1973, the United States continued to meet the urgent need for food in southern Sudan by supplying 2,500 tons of Title II food to 94,000 Sudanese. Catholic Relief Services and Church World Service sponsored these relief programs. In addition, 35,000 tons of Title II commodities were donated in 1973 through the World Food Program for rural development in the southern provinces of the country. Under this multilateral project, 140,000 unemployed, returning Sudanese were engaged in rehabilitating farm lands which had been cultivated prior to the civil conflicts.

RESULTS

Title II assistance helped to limit the incidence of serious malnutrition among the refugees and assisted in the resettlement and rehabilitation of the refugees in their original homes. It also assisted in the rehabilitation of farmlands, thus providing returnees with the capability to provide for their own food needs once their lands were placed back into production.

ASIA

P.L. 480 - TITLE I:

Bangladesh
Korea
Indonesia
Philippines
Sri Lanka

P.L. 480 - TITLE II:

Bangladesh
Bangladesh
India
India
India
Indonesia
Korea
Malaysia
Pakistan
Philippines
Sri Lanka

P.L. 480 - TITLE III:

Bangladesh

PROJECT DESCRIPTION

Region : Asia
Country : Bangladesh
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

The allocation of funds generated through Title I food sales is intended to support the development of a wide range of self-help projects. In the least developed nations of the world, this approach helps to deal with the immediate food needs of the population, while promoting the development of an infrastructure to deal with the general needs of the country. In 1976, Bangladesh, after setbacks caused by severe inflation and flooding, drew up a crucial program aimed at giving top priority to agriculture, flood control and irrigation, and rural development programs.

PROJECT HIGHLIGHTS

The major objective of this reordering of priorities was to increase foodgrain production in an effort to obtain self-sufficiency. Major self-help activities planned to reach this objective included agricultural research to diversify crop production practices; increasing the extension and training networks to teach small farmers new methods; storage and distribution networks; promoting the availability and use of agricultural inputs, including fertilizer, pesticides, seeds, and agricultural credit; and irrigation and flood control procedures in an attempt to prevent the devastating flooding that plagues Bangladesh.

RESULTS

The 1976 reassessment of development projects undertaken with funds generated through Title I assistance helped the Government of Bangladesh improve its rural agricultural infrastructure. While the country did not fully reach its goal of self-sufficiency, 1976 foodgrain production levels were the highest ever achieved in Bangladesh.

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PROJECT DESCRIPTION

Region : Asia
Country : Korea
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

The conditions under which Title I assistance are provided allow for funds generated by the assistance to support various self-help projects undertaken in conjunction with other sponsors. As such, while a project may not be fully supported by Title I assistance, funds generated by Title I sales help provide partial resources for various projects. The United States supported the Government of Korea in 1976, in a number of projects aimed at placing a heavier emphasis on food production increases.

PROJECT HIGHLIGHTS

In this instance, P.L. 480, Title I assistance was designed to help the Korean Government establish an agricultural production base, expand farm mechanization, improve agricultural research, and institute other programs aimed at sustained self-sufficiency. Projects included:

- Development of 5,000 hectares of forest land with plans to develop 315,000 more hectares.
- Reaching 68,153 hectares of farm land through irrigation schemes in 1976, at a cost of 33,772 million won, thus, increasing the ratio of irrigated land to a total of 86 percent.
- Rearranging 46 percent of the total paddy land to improve irrigation.
- Initiating mechanization programs to make farm machinery available to local farmers.
- Expanding grain storage facilities to help prevent spoilage. This included building new facilities as well as refurbishing old facilities.

- Developing new high-yield rice varieties that were earlier maturing and better tasting. Initiating agricultural research and training projects covering a wide range of activities.

RESULTS

Title I assistance to the Government of Korea contributed to sustaining self-sufficiency in staple feedgrains and to building a reserve of major grains to cope with possible food crises. The results of these programs not only led to increased food production but technical improvement and rural well-being.

PROJECT DESCRIPTION

Region : Asia
Country : Indonesia
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

Before Title I assistance is approved, it is important that the receiving government have a viable plan with realistic targets. While many self-help projects extend to a range of activities, others focus on one objective. In April 1969, Indonesia marked the beginning of its new Five-Year Development Plan which placed top priority on achieving self-sufficiency in rice by 1973.

PROJECT HIGHLIGHTS

During 1969, and as a result of importing Title I rice, the Indonesian Government adopted policies and programs to help achieve the goals they had set out for themselves. Although the Government had taken many steps in the past to increase rice production, a new policy was developed in 1969. This policy provided farmers with a support price for paddy at a level sufficiently high to encourage use of fertilizer, pesticides and new seed varieties. To ensure a reasonable degree of success with this program, the Government made fertilizer, pesticides and new seeds needed for increased production available to farmers at reasonable prices on easy credit terms.

RESULTS

This rice intensification program resulted in major increases in rice production and resulted in Indonesia coming very close to reaching its target of self-sufficiency. The supply of Title I rice facilitated the increased movement of rice from surplus to deficit areas, helped to avoid regional gluts or shortages, and led to the creation of a single Indonesian rice market.

PROJECT DESCRIPTION

Region : Asia
Country : Philippines
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

Many P.L. 480, Title I sales agreements require agriculturally-based, self-help projects. These projects range from food production to agricultural credit programs while often involving related activities such as technical and family planning components. During 1974, the Philippine Government intensified its campaign for various economic reforms and initiated measures to increase production, particularly in agriculture. With the help of funds generated by Title I food sales, high priority was given to food production and distribution.

PROJECT HIGHLIGHTS

As a part of this effort, the Philippine Government implemented a number of policies and programs to improve rural living conditions and improve agricultural production and marketing. The Masagana 99 Rice Production Program and the Masagana NG Maisan attempted to increase rice and corn production respectively. They involved an integrated package of supervised credit/cash inputs, fertilizer subsidies and extension services to rice and wheat producing areas. In addition, significant improvements were made in marketing and distribution of agricultural commodities. These included the construction of farm-to-market roads; development of linkages between trucking companies, shipping lines, and organized farmer associations; and government assistance for grain drying, storage, and processing facilities.

With respect to general improvements in the condition of life in rural areas, concerted efforts were made in three distinct areas. Potable water supply was considerably improved with the help of Title I funds. Construction of provincial waterworks, as well as 186 artisan wells and springs, were undertaken and water resources evaluation and test drilling of a number of provincial water systems were initiated. In addition to water projects, the government made considerable progress in its rural electrification projects and family planning and population programs, using Title I generated funds.

RESULTS

The projects initiated by the Philippine Government and supported through Title I assistance have had noticeable effects in agricultural production and rural life. During 1973-74, the production of rice in regions supported by Masagana 99 was double the national average and represented 60 percent of the country's rice production. While the Masagana NG Maisan program was only initiated in 1974, it had the effect of increasing rice production by 13 percent over the 1973 level. Projects to improve rural living conditions including water, electrification and family planning have had numerous effects. These include increased health, increased family planning awareness and the development of rural industrial projects.

PROJECT DESCRIPTION

Region : Asia
Country : Sri Lanka
Authority : P.L. 480 Title I
Activity : Self-Help/Food Stamps

BACKGROUND

Sri Lanka's policy of meeting the basic needs of its population has been supported by P.L. 480, Title I programs. Under this policy the Government initiated programs in health, education, and subsidized food consumption. Studies done from 1976 to 1980 indicate that these programs have increased the general nutritional level of the population yet certain segments of the population remained at risk. In September 1979, in an effort to have a more far-reaching effect on the poorer and nutritionally deficient segments of the population and reduce costs, the Food Ration Program in Sri Lanka was eliminated in favor of a Food Stamp Program.

PROJECT HIGHLIGHTS

U.S. assistance helped the Government of Sri Lanka implement the Food Stamp Program whereby about one-half of the population or 7.5 million people were eligible to receive food stamps. The Program subsidized consumption of a variety of goods including wheat flour and bread. The basic mechanics of the Program were:

- Food Stamps with a specific entitlement value were provided by the Government to recipients in lieu of cash to buy food.
- Participants used the food stamps to purchase rice, paddy, flour, bread, sugar, milk products, locally produced pulses and kerosene.
- A household (consisting of five members) that earned RS300 or less per month could participate, but the food stamp quantities differed according to the individual size of the family and ages of members.

- Stamps were issued every three months except in cases of certain products which were offered every six months. By 1982, there were 7.5 million recipients.
- Participants purchased commodities at a Government Cooperative Branch or an authorized private retailer.
- The food stamps had to be used within one month of receiving them. Unused stamps were deposited in a savings account before the 15th of the following month. There were no withdrawal restrictions. The wholesaler had two months from date of issuance to redeem stamps and the retailer had three months to redeem stamps from the treasury.

In 1982 efforts were underway to refine the roster of eligible recipients to include those who were inadvertently excluded, and to reduce the Program to about 5 million participants. Problems being addressed were changing the level of income criterion, the size of the transfer, and the foods which qualified for purchase with food stamps.

RESULTS

In an evaluation of the Program, it was concluded by AID that if the Food Stamp Program were intended to improve food consumption of those consumers who cannot purchase an adequate diet, the maximum income of RS300 is probably an inadequate criterion. This conclusion was based upon the fact that several needy groups were glaringly excluded, including manual laborers, low-level government workers, and tea plantation workers. In addition, there was no evidence that P.L. 480, Title I commodities had directly improved food consumption of any nutritionally at risk groups. This was a result of lack of control over the types of commodities the participants bought. In general, it appeared that when free and subsidized wheat was available, even to estate workers, its direct impact on nutrition and consumption were greater.

PROJECT DESCRIPTION

Region : Asia
Country : Bangladesh
Authority : P.L. 480 Title II
Sponsor : CARE
Activity : Food-for-Work

BACKGROUND

P.L. 480, Title II food-for-work projects can support agricultural development projects with the objective of reducing the host country's dependence on external aid. In 1976, the Government of Bangladesh established a unique food-for-work project in which it sought to achieve major economic development objectives in rural areas. These projects were consistent objectives established by the Government of Bangladesh and AID for the use of U.S. Title II food resources, and included provision of jobs for the rural poor and unemployed and improved agricultural productive capability of small farmers. The projects were also designed to support the Government's interest in establishing its capability to utilize its own resources to conduct food-for-work projects without dependence upon U.S. grant resources.

PROJECT HIGHLIGHTS

The Government of Bangladesh authorized CARE to act as project manager in its major rural food-for-work project. CARE provided the overall management expertise and implemented the necessary technical assistance (funded by AID and the Government of Bangladesh and through a development assistance grant, and local currency financing).

The objectives of these projects were:

- Provision of employment opportunities and food aid to rural poor and unemployed.
- Provision of technical and management expertise to increase and improve the administrative capability of the Government of Bangladesh, in order to develop small, productive, infrastructure sub-projects in rural areas.

- Development of a national governmental system for programming, developing, and implementing food-for-work projects throughout Bangladesh, utilizing the country's resources to continue the development process after planned U.S. inputs were completed.

Both Title II food resources and grant funding were provided for 5 years. The Government of Bangladesh issued wheat and rice stocks to implement small work projects, for which they were reimbursed by AID with a total of 500,000 metric tons of Title II commodities.

RESULTS

These projects provided job opportunities for thousands of unemployed rural poor in Bangladesh. By combining U.S. funding and food assistance with local food resources, the Government was able to maximize the number of individuals participating in these projects and enhance the economic impact. This integrated food-for-work activity demonstrated resourceful programming of U.S. funds and food inputs. It resulted in increased program effectiveness and distribution efficiency of Title II resources and improved the institutional capability of the host government.

PROJECT DESCRIPTION

Region : Asia
Country : Bangladesh
Authority : P.L. 480 Title II
Sponsor : U.S. Government and
Multilateral Organizations
Activity : Emergency and Refugee Relief

BACKGROUND

U.S. food assistance has always been used to respond to urgent or extraordinary relief requirements resulting from natural or man-made disasters when a country is not able to meet these requirements with their own resources. Wherever possible, commodity assistance in times of emergency is channeled through works projects with food used as partial payment of wages for disaster or emergency victims employed in such projects. Projects are designed to remedy the effects of the disaster or alleviate the causes of emergencies. Over the years, the United States has responded to emergencies such as droughts, crop failure, earthquakes, civil strife, refugee needs and other disasters.

PROJECT HIGHLIGHTS

During 1971, a major military conflict, between India and the then Eastern region of Pakistan (Bangladesh), resulted in 10 million Bengalis fleeing to India to escape the military conflict. Once there was a cessation of hostilities in December of 1971, the refugees returned to a war-torn, economically paralyzed and food starved country. The situation required extraordinary efforts on the part of the international community to meet the immediate food needs of this war-torn country.

In response to the worldwide appeal for food assistance by the United Nations' Secretary General in February 1972, the United States responded with 500,000 tons of Title II food. The United States provided its assistance through the United Nations Relief Organization Dacca (UNROD). The estimated value of these grants was \$64 million. In May 1972, it became apparent that Bangladesh would require additional food assistance to bridge the lean period preceding the Bangladesh major rice harvest which

began later in 1972. The United States again responded to an appeal by the U.N. Secretary General with a grant of 350,000 tons of wheat and 25,000 tons of vegetable oil. The total estimated commodity value of this donation was \$28.8 million.

RESULTS

The U.S. response which was prompt, efficient, and in planned increments, helped to stimulate maximum contributions from other countries to assist in this major refugee relief effort. The U.S. action, and that of India, was credited with averting possible famine and the potential for a more severe crisis due to malnutrition and disease. Another unique aspect of this assistance effort was the U.S. authorization for Bangladesh to sell and distribute the grant commodities in accordance with in-country conditions. The controlled sale of these commodities served as a source of badly needed funds to assist with relief and rehabilitation efforts as well as feeding and development projects.

PROJECT DESCRIPTION

Region : Asia
Country : India
Authority : P.L. 480 Title II
Sponsor : CARE
Activity : Food-for-Work

BACKGROUND

P.L. 480, Title II food-for-work projects are designed to give priority to agricultural and economic development projects. The Indian Subcontinent was an early location of the concept of utilizing food as partial payment for work on economic development projects in the early part of this century. Currently, India's food-for-work projects are targeted to the poorer segments of society, including landless laborers and the unemployed and underemployed. Food-for-work in the Sundarban area of southeastern West Bengal State is an example of U.S. food-for-work assistance provided to India. The Sundarban area, although sparsely populated in comparison to the rest of India, was one of the country's poorest regions. More than 54 percent of the families living in the region were landless, with 85 percent of the remainder owning less than two acres of arable land.

PROJECT HIGHLIGHTS

In an effort to increase crop yields and create new opportunities for employment for the people of the area, the Sundarban Development Board (SDB) was established in 1973, and a 10-year development plan was formulated to use available land more intensely, involving as many people as possible; create nonagricultural employment opportunities; and use natural resources in cottage industries. Since the State's financial resources were limited, the SDB was only able to annually implement abbreviated versions of the Development Plan. In 1974, CARE joined in partnership with the SDB and utilized Title II food resources to support food-for-work projects in the Sundarban. By 1977, CARE and the SDB completed over 300 projects utilizing approximately 12,500 tons of Title II wheat. The wheat, valued at \$1.5 million, was supplied to landless laborers and marginal farmers, who contributed nearly 370,000 workers in refurbishing embankments, dams, canals, ponds and building farm-to-market roads.

RESULTS

The use of Title II commodities for food-for-work in the Sundarban, provided jobs to landless farmers and unemployed workers, food for their families and increased the productive capacity of a large agricultural area. At the same time, the use of Title II resources helped stabilize the local grain supply during time of scarcity in the Sundarban.

PROJECT DESCRIPTION

Region : Asia
Country : India
Authority : P.L. 480 Title II
Sponsor : Cooperative League of the USA
(CLUSA)
Activity : Monetization/Cooperative
Development

BACKGROUND

Under the authority of Title II of P.L. 480, commodities can be provided through multiyear Transfer Agreements. In this agreement, a transfer authorization negotiated between AID and CLUSA, involved the Indian National Dairy Development Board (NDDB). In the project, which began in 1978, commodities and the resources generated from the sale of commodities were to be used by NDDB to support the establishment of an integrated oilseed production and marketing system, owned and controlled by the growers themselves.

PROJECT HIGHLIGHTS

AID provided Title II commodities under a Transfer Agreement to help the project reach three primary goals:

- To substantially increase the production of oilseeds (particularly groundnut) over current per acre yields in the project implementation areas.
- To raise producers income, create rural employment opportunities (for the rural disadvantaged, particularly rural women), and create and demonstrate a pattern of resource transfer to the rural sector.
- To stabilize the availability and prices of oilseeds and processed oils, resulting in products of quality being brought within the reach of poorer consumers.

The project has been implemented in two major phases. The first phase was formative and initiated operations in eight selected districts over a two to

three-year time frame. The second phase will complete implementation in the eight districts and initiate operations in numerous additional districts. A plan was developed to cover all areas of implementation from the development and implementation of cooperative structures, growing methodologies, and extension services, to operations research and marketing methods. Along with these implementation plans, extensive control mechanisms were initiated to manage the program as effectively as possible.

RESULTS

The Oilseeds Growers Cooperative Project has been an innovative and ambitious undertaking. The Oilseeds and Vegetable Oil Wing of NDDB has capable staff and the project receives strong support from the technical and service department of NDDB. While there were unforeseen problems that initially hindered the project and limited the attainment of targets concerning production enhancement, cooperative society membership and procurement, these difficulties have been resolved and the project is again fully operational.

PROJECT DESCRIPTION

Region : Asia
Country : India
Authority : P.L. 480 Title II - Section 204
Sponsor : U.S. Voluntary Agencies
Activity : Program Support Projects

BACKGROUND

Section 204 of P.L. 480 provides authority for grants of local currencies to Title II cooperating sponsors for various feeding program support activities in countries where such currencies are declared in excess. In the late 1960's and into the early 1970's, this authority was used extensively in India for local currency grants to Title II cooperating sponsors -- primarily CARE and Catholic Relief Service (CRS) -- for a variety of project activities. Section 204 provides that grants can be made for project activities which are "designed to alleviate the causes of the need" for food assistance. During the six to eight-year period of intense Section 204 project activity in India, over 150 individual Section 204 grants were made to CARE and CRS for an extensive range of innovative project activities -- all supporting Title II activities such as school feeding, maternal and child health programs, nutrition education, food-for-work projects and other forms of food-related economic development activity.

PROJECT HIGHLIGHTS

Section 204 grant activity began in India with a series of projects designed to directly support feeding programs. These activities included the construction of regional and local warehouses for the storage and preservation of Title II foods, the purchase and construction of kitchens and cooking equipment for preparation of Title II foods in schools and maternal-child health clinics, construction of clinics themselves (known as balwadis), purchase of vehicles for program monitoring and for delivery of food and for a range of other items essential to the efficient conduct and management of Title II feeding activities. In food-for-work programs, 204 grants were used for the purchase of tools and equipment, building materials and other items essential to achieve lasting results.

In addition to projects designed to directly support feeding programs, other 204 grants were made during this period which represented an innovative approach "to alleviating the causes of the need". Funds were granted to help establish farmer cooperatives which began as a result of food-for-work activities designed to clear land and make more land available for production; funds were made available for projects designed to support the continuing nutrition education activities in Title II feeding programs -- for example, a Section 204 grant funded the printing of a "nutrition comic book" which was distributed in schools as part of the school feeding program and which contained information and messages about proper nutrition, eating habits, etc. Section 204 funds were also used to assist in the construction of an extrusion processing plant designed to cook and extrude Title II commodities in such a way that they could be packaged in "ready to eat" form for further redistribution without the necessity for special storage or cooking preparation requirements. This project led to the establishment of more effective logistical systems and government policies for improved management of child nutrition programs in that state.

As the range of Section 204 activity proceeded, additional projects included "Project Poshak," a nutrition intervention and assessment analysis, a lift irrigation system, nutrition education using mass media techniques, a rodent control project, centralized food preparation facilities, a rural electrification project, and various agricultural production activities. All such activities were closely coordinated with and included, center, state, or local governments.

RESULTS

The use of Section 204 authority for local currency grants to cooperating sponsors to support and complement existing Title II feeding programs is probably one of the better examples of the use of cash resources to augment direct feeding activities. During the period of 204 activity in India, over \$15 million worth of Indian rupees were granted through this authority. Warehouses which were constructed under this authority are still in use and maintained by both the center and state governments of India.

Maternal-child health clinics, equipment used for school feeding, vehicles purchased, etc., are all very much a part of existing programs and are maintained and used by government agencies. Agricultural-related projects resulted in the establishment of farmer cooperatives, improved irrigation, increased production and a wide range of replicable activities demonstrating new techniques and methods. Nutrition education techniques pioneered under these programs are now part of regular program activities. Finally, the knowledge and information acquired through these projects has been a useful guide for similar activities.

PROJECT DESCRIPTION

Region : Asia
Country : Indonesia
Authority : P.L. 480 Title II
Sponsor : Government-to-Government
Activity : Food-for-Work

BACKGROUND

For many years, the United States provided Title II food resources as partial payment of salaries for work done on economic development projects in Indonesia. U.S. food assistance was used to support various Indonesian Government-planned projects which the Government was unable to finance fully. The use of U.S. food resources in this manner expanded Indonesian Government capabilities and allowed it to either increase the number of projects, or the area and number of participants in a project. Projects included landless farmers and workers who were underemployed or unemployed. U.S. fortified food products were provided in quantities sufficient for both workers and their families. As such, these projects have had a nutritional impact as well, since they involved the poor whose nutritional status was most vulnerable.

PROJECT HIGHLIGHTS

In 1973, the Government of Indonesia developed labor intensive projects which utilized U.S. Title II foods as partial payment of wages for work performed. The primary objectives of these projects were to improve the agricultural infrastructure in rural Indonesian communities. The projects included farm-to-market roads, irrigation canal dredging and improvement, erosion control, construction of small bridges, dams, and building earthworks. In 1973, these projects involved approximately 75,000 workers and food was provided to 450,000 of their dependents.

RESULTS

These projects assisted Indonesia's increased capability to produce larger quantities of food. There was a measurable benefit to the Indonesian economy at the project level coupled with increased employment for unemployed workers. By providing wages and food to labor-intensive projects, the Government insured that an increased number of workers were employed in development activities, with considerable economic and nutritional benefits for their families.

PROJECT DESCRIPTION

Region : Asia
Country : Korea
Authority : P.L. 480 Title II
Sponsor : Government-to-Government
Activity : Food-for-Work

BACKGROUND

In the late 1960's, P.L. 480, Title II food assistance was provided to increase economic stability in Korea. Through food-for-work projects AID helped to achieve agricultural and economic development objectives, provide employment for unemployed and underemployed workers primarily in rural areas, achieve equitable distribution of income and improve small farmer welfare. The use of Title II government-to-government food-for-work reached a peak during 1966 with 1970 being the final year for this assistance in Korea.

PROJECT HIGHLIGHTS

U.S. food-for-work assistance was used to achieve the dual objectives of Korea's Provincial Comprehensive Development Program. Initially, it was designed to help the Government of Korea attain economic, social and political stability in the rural sector through reduced unemployment, expanded economic and community development projects, and by encouraging needy families to participate and become more responsible for their own development. Second, the Program assisted in decentralizing planning and implementation at provincial levels, strengthened local governments' abilities to plan, finance and implement development projects and established local institutions for development at community levels.

Title II assistance amounted to nearly 700,000 metric tons of agricultural commodities, mostly in the form of wheat and flour. The Korean Government contributed over 100,000 metric tons of local food in addition to substantial amounts of local currency for local support costs.

RESULTS

The United States' contribution to this unique project contributed considerably to developing a self-sustaining rural economy, increased food production and led to successful community development activities. Throughout 1969, there were approximately 17 million individuals (workers and dependents) who benefited directly from the food-for-work projects implemented in the rural areas of Korea. Perhaps nowhere in the world did food-for-work projects have a greater impact in serving both the economic and social welfare needs of a developing country.

PROJECT DESCRIPTION

Region : Asia
Country : Malaysia
Authority : P.L. 480 Title II
Sponsor : Government-to-Government
Activity : Food-for-Work

BACKGROUND

An objective of P.L. 480, Title II food assistance is to support activities which are consonant with host government plans and objectives. The United States provided P.L. 480, Title II commodities to support an agricultural development program established by the Government of Malaysia to encourage resettlement schemes, increase productivity and improve the well-being of rural inhabitants. Each state agricultural department provided managerial and technical support. The United States support helped to improve the nutritional status of the rural population and agricultural production potential.

PROJECT HIGHLIGHTS

The Title II food-for-work programs were administered by individual state agricultural departments to improve the standard of living of the rural population. The projects provided work, income, and food to approximately 83,465 recipients. Projects included construction of water production and control projects; construction of roads, small bridges; improvement of land through clearing, drainage, reforestation, leveling, and cultivating; and construction and renovation of distribution centers and commodity storage facilities. The states concerned contributed approximately \$16.6 million in survey costs for access roads, fencing materials, planting materials, and fertilizers to develop approximately 125,000 acres of varied crops including oil palm, rubber, rice, coconut, and vegetables. The participants were selected on the basis of need and the states assisted by providing free planting material, fertilizer, surveying services, and managerial support for the entire development period. The United States provided 12,090 metric tons of commodities under Title II.

RESULTS

U.S. Title II food assistance resulted in the Malaysian Government's capability to carry out resettlement schemes to improve the well-being of the rural population. The individual states managed the programs and after the project was completed, the 16,693 participating farmers received title to their farms, which were approximately a few acres each. As the project progressed there was less need for U.S. support as long-term agricultural production potential increased and the nutritional level of the participants stabilized.

PROJECT DESCRIPTION

Region : Asia
Country : Pakistan
Authority : P.L. 480 Title II - Section 204
Sponsor : U.S. Voluntary Agencies and
Government of Pakistan
Activity : Rural Development

BACKGROUND

In the 1970's, Section 204 of P.L. 480, Title II authorized the annual purchase of up to \$7.5 million of U.S.- owned foreign currency generated by the sale of U.S. commodities under P.L. 480, Title I, local currency sales agreements. These currencies were made available to promote the effective use of commodities supplied for approved Title II programs, or to promote community and other self-help activities designed to alleviate the causes of the need for Title II food assistance.

PROJECT HIGHLIGHTS

Under cooperative arrangements with voluntary agencies and the Government of Pakistan, \$532,355 worth of local currency was used in Pakistan during 1976:

- \$120,490 was used through an agreement with the National Fertilizer Corporation to carry out a study of fertilizer distribution and use in order to identify factors inhibiting greater and more balanced use of fertilizer by farmers, and to plan for the reduction or removal of the constraints identified.
- \$76,267 was used through an agreement with the Asia Foundation for an Integrated Functional Education Project to develop and test new means of extending functional education and literacy, to evaluate effectiveness and cost of these education activities, and recommend a strategy for further development.
- \$115,455 was used through an agreement with the Government of Pakistan to provide research in rural development leading to a plan of action for the successful implementation of an Integrated Rural Development Program.

- \$178,609 was used through an agreement with CARE, for the construction of a rodent, pest, and moisture-free warehouse at Quetta for the storage of food and medical supplies.
- \$41,528 was used in an agreement with the Government of Pakistan for a water management survey.

RESULTS

The projects developed with Section 204 financial resources provided a valuable supplement to U.S. food and development assistance by improving Pakistan's capability to effectively handle and store commodities and to develop logistic systems capable of assuring that food reached the intended recipients. These activities served as incentives which encouraged Pakistan to increase its financial support for other development projects and to begin a reduction of its dependence on external grant assistance.

PROJECT DESCRIPTION

Region : Asia
Country : Philippines
Authority : P.L. 480 Title II
Sponsor : U.S. Voluntary Agencies
Activity : Child Nutrition Including Preschool
and Primary School Programs

BACKGROUND

One objective of P.L. 480, Title II food assistance is to serve as an incentive which encourages developing countries to establish policies and plans addressing food and nutrition problems. Of particular importance is the development and use of indigenous resources to address these problems, and to target such resources to those segments of the population which face the greatest risk of malnutrition and illness. Numerous studies had shown that malnutrition was a widespread problem in the Philippines. U.S. Title II food assistance was provided, on a priority basis, to children between the ages of 6 months and 2 years as well as to pregnant and nursing mothers. Title II food assistance was also provided to children in primary schools as an incentive to draw children to school; to encourage them to stay in school, and to increase attentiveness and learning capability.

PROJECT HIGHLIGHTS

The Title II feeding programs were administered by U.S. voluntary agencies working with the Philippine Government to encourage the establishment of a national nutrition policy aimed at improving the level of nutrition in preschool and elementary school children and to educate the pregnant and nursing mothers about appropriate nutrition practices. The voluntary agencies also assisted the Government in the development of small gardens at schools to demonstrate the value of good nutrition and to provide additional local foods in the supplementary nutrition program.

U.S. food products such as soy-fortified wheat flour and milk were supplied to each participant. In some instances, the U.S. food was reprocessed into a locally familiar product -- in this case -- the local product was known as the "nutribun" which was prepared at small village-level bakeries.

In 1973 U.S. food assistance, totaling almost 40,000 tons including processed and fortified products valued at \$7.5 million, reached approximately 1,775,000 Filipino children.

RESULTS

U.S. Title II food assistance resulted in the Philippine Government's development of a long-term national program targeted to reach the priority segments of the population, i.e., preschool children, pregnant and nursing mothers and the young primary school children. The Government response, with U.S. assistance and encouragement, was to establish a national nutrition program coordinated by the National Food and Agriculture Council, involving the Departments of Health and Education, local governments, and Community Development agencies. The Government has steadily increased the use of its own resources in this program and will eventually assume full responsibility for financial and food requirements.

PROJECT DESCRIPTION

Region : Asia
Country : Sri Lanka
Authority : P.L. 480 Title II
Sponsor : CARE
Activity : Preschool Feeding Program

BACKGROUND

A major objective of P.L. 480, Title II programs is to provide supplementary food for preschool children. In Sri Lanka, such assistance is considered to be short-term, with the Government of Sri Lanka gradually replacing U.S. grants with food resources grown locally, purchased commercially from abroad or by adopting other alternatives to solve nutrition and development problems.

PROJECT HIGHLIGHTS

In this activity, CARE collaborated with the Sri Lankan Ministry of Health to provide a nutrition supplement for over 200,000 preschool children. CARE and the Ministry of Health developed a local weaning food formula (known as "Thriposha") which combined U.S. P.L. 480 food resources with commodities grown locally and the Government of Sri Lanka is committed to the eventual assumption of responsibility for all ingredients in the preschool nutrition program. CARE and the Government also considered the possibility of commercially marketing Thriposha.

RESULTS

U.S. assistance served as an incentive to the Government of Sri Lanka to develop its own resources to address its nutrition problems. It also provided the Government with sufficient time to develop and establish the capability of producing a product which could reduce its dependence on grant assistance and continue to meet the long-term nutritional needs of the preschool population in Sri Lanka.

PROJECT DESCRIPTION

Region : Asia
Country : Bangladesh
Authority : P.L. 480 Title III
Sponsor : Government of Bangladesh/
U.S. Agency for International
Development
Activity : Self-Help

BACKGROUND

Under Title III of P.L. 480, the United States signs a concessional sales agreement in which the participating country uses funds generated from the internal sale of the commodities for specified development purposes in order to obtain forgiveness of the concessional loan. In Bangladesh, U.S. food aid has evolved in three phases. The first phase (1972-1975) involved the emergency distribution of donated wheat to avert famine. The second phase (1975-1980), while continuing to provide both donated and concessional food, became more development oriented. In 1978, this approach led to the signing of the first Title III Food for Development agreement. Under this agreement, the Government of Bangladesh agreed to implement projects to promote domestic production, stabilize the consumer market, and contribute to the creation of a rational foodgrain security system. This phase has been designed to further encourage increases in production through a price support mechanism and market stability, with greater private sector involvement.

PROJECT HIGHLIGHTS

The Bangladesh Title III program is unique in that it is directed exclusively toward macro policy reforms, with no active involvement in project level activities, such as the programming of local currency proceeds. Notable success has been achieved in a number of areas in concert with the World Bank and other donors. Activities such as the following were part of the program:

- Essential food supplies were provided during critical periods.

- Agricultural production efforts increased significantly, enhancing national food security and the country's economic stability.
- Government food policy planning and management have been strengthened.
- Food distribution was improved through an open market sales system.
- Subsidies were reduced on food distributed through government ration systems.
- Private sector development has been promoted in the marketing of food grains.

While these successes continue to exist, problems inherent in a program organized on a macro level have occurred, including problems in coordination, implementation and performance of the projects implemented under this program. Yet the Bangladesh Government's commitment, policy reforms and program management have been and continue to be critical to the success of the program.

RESULTS

Bangladesh now has a broad foodgrain pricing and distribution policy framework in place that has the support of the donor community. Differences exist with respect to the pace and level of government activities, but a consensus exists that the basic policy focus is sound.

Planning for the Bangladesh Title III program has been predicated on the country achieving food grain self-sufficiency in the near term, i.e., sometime in the 1980's. This time frame appears to be very optimistic for achieving self-sufficiency in any meaningful sense, i.e., improvements in the population consumption/nutrition levels. Nevertheless, a dynamic policy framework for Title III has been developed and is working, bringing the effects of development projects to growing numbers of the population, with the central goal still intact.

CARIBBEAN

P.L. 480 - TITLE I:

Dominican Republic
Haiti
Honduras
Jamaica

P.L. 480 - TITLE II:

Guatemala
Haiti

PROJECT DESCRIPTION

Region : Caribbean
Country : Dominican Republic
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

Funds generated through sales of P.L. 480, Title I commodities are often used to assist countries to recover from natural disasters causing decreased production capabilities. In most cases, these programs try to deal with both the immediate problem as well as creating an infrastructure for improved agricultural capabilities. In 1969, the Dominican Republic received such assistance after the 1967-68 drought with the help of funds provided through the sales of P.L. 480, Title I commodities.

PROJECT HIGHLIGHTS:

Title I commodity sales assistance was used in several areas, including:

- Increasing agricultural and livestock production.
- Reorganizing agricultural institutions to increase effectiveness.
- Improving the collection of irrigation water usage fees in order to provide funds for the maintenance of systems.
- Establishing a price stabilization institute to maintain appropriate floor prices for basic grain crops. In addition, the Government initiated other programs to promote agrarian reform, including extension programs, research, and distribution of agricultural inputs.

RESULTS

In 1969, the Dominican Republic was just recovering from the 1967-68 drought that affected the whole country. U.S. assistance helped to provide emergency food relief and increased agricultural

production by 12 percent, as evidenced by a dramatic increase in rice and wheat production assuring self-sufficiency in rice. It also increased livestock production, creating a 6 percent increase in agricultural exports.

PROJECT DESCRIPTION

Region : Caribbean
Country : Haiti
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

Dramatic population increases in the developing world over the past 20 years have created food shortages in many countries. To combat these shortages the United States has supported agricultural research and extension programs to develop and distribute improved seed varieties as well as other programs aimed at helping governments to address the needs of their population. Title I agreements signed with Haiti in 1975 and 1976 aimed to provide an adequate diet for its population through a number of different programs.

PROJECT HIGHLIGHTS

The self-help programs provided for under Title I emphasize rural development, agricultural production, and nutritional and family planning. Within its five-year plan, the Government revised its agricultural policies to increase productivity and farmer income. Some examples included the abolishment of the agricultural marketing tax and the establishment of a coffee floor price to be paid to farmers. In addition to this, the Haitian Government launched a maternal-child health program to encourage families to practice family planning and make contraceptives widely available. This program made use of traditional midwives and was supported by the Ministry of Public Health and Population. In addition to these projects, numerous other development projects in the areas of agricultural production, rural development, health and education were initiated with U.S. support.

RESULTS

In a listing of 129 countries prepared by the Senate Subcommittee on Foreign Agricultural Policy in 1974, Haiti was 127th in per capita daily calorie

consumption and 129th in protein consumption. These statistics evidenced the need for agricultural and family planning programs to combat high childhood morbidity and mortality. The programs initiated with U.S. support helped to increase agricultural production so that Haiti could better meet the needs of its people while at the same time, facilitated the launching of family planning programs.

PROJECT DESCRIPTION

Region : Caribbean
Country : Honduras
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

All P.L. 480, Title I sales agreements since 1967 have contained self-help measures to which recipient countries have committed themselves. The majority of self-help projects focus on agriculturally selected projects to increase individual and country capabilities. Honduras first became involved in the Title I program in 1975, in response to extraordinary food needs after Hurricane Fiji and the severe drought which followed. As a result, the Honduran Government developed and implemented an ambitious five-year plan focused on the development of rural areas and integrating the rural sector into the national economy.

PROJECT HIGHLIGHTS

Specific self-help efforts undertaken by the Government under Title I agreements and supported by sales proceeds included:

- Increasing storage capacity to 45,000 metric tons while technical knowledge was increased with U.S. training. A price stabilization program was developed to be executed by the Marketing Institute, which was responsible for all grain purchases, storage and marketing.
- The marketing system was improved and a common system of grades and standards was established. In addition to this, the government constructed access roads to improve the movement of food and people.
- The government provided assistance to agricultural cooperatives, small agro-industrial producers, and strengthened extension services.

RESULTS

Title I food sales provided the Honduran Government with funds to carry out a number of different agricultural development projects to help the country recover from the severe drought in 1975. These projects were aimed at both short-term emergency assistance and far-reaching projects to stabilize agrarian reform throughout the country. In this regard, a \$2.5 million Agrarian Fund was established to provide agro-industrial development and \$1.5 million was allocated for credit to small farmer cooperatives. Finally, over \$70 million in road projects were constructed with the Honduran Government providing over \$30 million of the cost.

PROJECT DESCRIPTION

Region : Caribbean
Country : Jamaica
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

Under P.L. 480, Title I assistance programs, the United States provides commodity assistance as a means of encouraging developing nations to plan and design national and regional agricultural schemes to address the needs of the rural poor. In 1978, the U.S. signed an agreement with Jamaica to support its 1978-1983 Five-Year Plan, aimed at improving agricultural research, extension and education, with Title I commodity sales.

PROJECT HIGHLIGHTS

The objectives of the Five-Year Plan included:

- Maximizing production of food and agricultural raw materials to meet requirements for adequate food and nutritional levels of the population, agro-industrial development, and export markets.
- Structuring production to reduce dependence on imports.
- Improving rural amenities and the social infrastructure to raise the standard of living in rural families.
- Increasing rural incomes.
- Providing employment opportunities to reduce unemployment and underemployment.

The policies and programs for achieving these objectives included a system of guaranteed prices for a number of farm products, acceleration of land reform and land use programs, irrigation and soil conservation programs, research and extension services, improvement of the marketing and distribution system, and improved administration of agricultural credit.

In addition to these major objectives, the Government also initiated numerous housing, education, health, population and nutrition programs to address the needs of the rural population.

RESULTS

Jamaica's Five-Year Plan has had far-reaching effects in relation to the rural poor as well as the overall economy. The Government has demonstrated a concerted effort in numerous areas to increase the standard of living throughout the country while decreasing its dependency on imports. U.S. support has facilitated this process through support for the programs initiated by the Government.

PROJECT DESCRIPTION

Region : Caribbean
Country : Guatemala
Authority : P.L. 480 Title II
Sponsor : U.S. Voluntary Agencies
Activity : Disaster Relief

BACKGROUND

Disaster relief is a special priority of Title II, P.L. 480. Free food distributions are provided immediately after a disaster and when possible, through work projects. In 1976, the United States assisted Guatemala after it was struck by a devastating earthquake which killed 22,000 people and left more than a half million people homeless.

PROJECT HIGHLIGHTS

Title II disaster relief programs in Guatemala were administered by CARE and Catholic Relief Services. The U.S. Government responded immediately by releasing in-country stocks of Title II food and diverting any food possible from other places for distribution by the voluntary agencies. After meeting the first priority of immediate relief, the voluntary agencies began food-for-work programs for earthquake rehabilitation projects. As a result of this effort, 36,500 metric tons of Title II food, valued at \$14 million, were supplied to alleviate the devastation caused by the earthquake.

RESULTS

These U.S. Title II food assistance efforts helped Guatemalans recover from the earthquake which had devastated their country. Free food distributions were provided to victims who lacked the means to provide for themselves and within a short time, the program evolved into a food-for-work effort to rebuild areas destroyed in the earthquake. Of special importance is the fact that this activity later became the subject of considerable discussion and differences of opinion, concerning the possible disincentive effects of disaster assistance.

PROJECT DESCRIPTION

Region : Caribbean
Country : Haiti
Authority : P.L. 480 Title II
Sponsor : U.S. Voluntary Agencies
Activity : Child Feeding

BACKGROUND

Haiti is one of the poorest of the developing countries, with an average per capita income of \$100. Health and nutrition levels are the lowest in the Western Hemisphere and several American voluntary agencies are active there. CARE, Catholic Relief Services (CRS) and Church World Service (CWS) all place significant emphasis on the maternal-child health and nutrition aspects of their programs.

PROJECT HIGHLIGHTS

CARE directs a major part of its program toward maternal-child health, preschool, and primary school feeding. These programs stress nutritional improvement through child feeding, with mothers receiving basic education in nutrition. CARE works closely with MCH centers under the direction of the Government of Haiti's Bureau of Nutrition and these centers are designed to treat severely malnourished children. The Public Law 480, Title II contribution is supplemented by contributions from the community and a grant from an American-based foundation. CARE has increased three-fold its feeding program for preschoolers attending day-care centers and kindergartens.

CRS has given priority attention to alleviating malnutrition in the MCH group. Its preschool program is implemented in clinics and centers that include the use of visual aids and clinical activity to stress methods to prevent malnutrition. In the nutritional education program, infant feeding is demonstrated to mothers using cooking facilities and methods with which the mothers are familiar. The CRS school feeding program places emphasis on educating children in good nutrition practices, and in rural areas, children are taught that home gardens can provide supplements to the staple diet.

The Church World Service MCH program is implemented through hospitals, clinics, and nutrition centers. Proper nutrition, family planning, and hygiene are emphasized. The centers are run by nutritionists, and children are selected by doctors, with priority being given to the most severely malnourished. The mothers help prepare the meals and receive instruction in the best way to nourish their children with food available locally. Children who have attended the centers are periodically recalled for physical examinations and follow-up studies. In the CWS school feeding program, a nutritionist visits the schools to instruct in Title II food preparation and nutrition.

RESULTS

In 1976 alone, voluntary agencies reached approximately 33,500 mother/child recipients and 172,700 school children, with a total commodity level of 30 million pounds. Although the voluntary agencies are focusing on the improvement of the nutritional status of the youngest, lack of infrastructure severely handicaps this effort. For this reason, school feeding, with an infrastructure in place, is a useful vehicle for reaching a larger number of under-nourished children.

LATIN AMERICA

P.L. 480 - TITLE I:

Bolivia
Brazil
Chile
Chile
Peru

P.L. 480 - TITLE II:

Bolivia
Bolivia
Brazil
Brazil
Chile
Colombia
Peru
Peru
Peru

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PROJECT DESCRIPTION

Region : Latin America
Country : Bolivia
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

A large percentage of the population in developing countries often depends on agriculture for their livelihood. In the late 1960's, there was little correlation between the percentage of the population that depended on agriculture and agriculture's contribution to the GNP in many of these countries. To increase the importance of agriculture in the economies of developing nations, funds from P.L. 480 Title I food sales have been used to develop agricultural infrastructures.

PROJECT HIGHLIGHTS

In Bolivia, during 1969, funds generated from Title I commodity sales were used in a program to improve land redistribution, development of an agricultural credit system; community development, including rural primary education; and extension and research programs. Many other areas were addressed with the help of the United States, other donor agencies, and the Bolivian Government, in order to increase agricultural credit to cooperatives and individuals and to enhance numerous community development projects. Typical projects included potable water systems, irrigation systems, sheep dips, agricultural demonstrations, literacy, home improvement and health centers, and the formation of agricultural cooperatives. Research projects were also undertaken to improve wheat production.

RESULTS

In the land redistribution program, more than 300,000 titles, covering over 9.5 million hectares, had been issued by 1969. Title I funding assistance also benefited several infrastructure activities, particularly in the area of livestock production.

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PROJECT DESCRIPTION

Region : Latin America
Country : Brazil
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

In the late 1960's, Brazil was an active participant in the P.L. 480, Title I program. Through this program the United States supported projects aimed at increasing and diversifying agricultural production. In Brazil, Title I wheat sales assisted the Government in achieving a wide range of agricultural targets.

PROJECT HIGHLIGHTS

Local currency generated from P.L. 480 wheat sales helped Brazil to improve its agricultural credit, production and marketing systems, as well as assisting cooperatives, and minimum price and food stabilization programs. In addition, emphasis was placed on the expansion of agribusiness and such infrastructure activities such as feeder roads and irrigation systems. The funds also assisted in the use of agricultural inputs such as fertilizer and improved seeds.

All currency generated from the sale of agricultural commodities under the Title I sales agreements plus a matching contribution of currency from other Brazilian resources, enabled the Government to initiate new activities and to accelerate the flow of resources into critical areas of government concern and investment.

RESULTS

Specific achievements included:

- The increase in the availability of funds for agricultural credit increased production of wheat and other food crops.
- Market prices established for rice, beans, corn and mandioca for 1969-70 were attractive to producers and helped to stimulate production.

- Increased production enabled Brazil to diversify its food crops and to develop an interest in crops with greater market potential.
- The volume of lending in rural credit increased in 1969 over other years.
- Research and development for fisheries and irrigation projects increased.

Local currency generated from P.L. 480, Title I assistance enhanced Brazil's progress in the development of a modern agriculture program. It also enabled the Government to make progress on the diversification of crop production and assisted in the development of crops with greater market value. This assistance acted as a catalyst, giving top priority to the agricultural sector in Brazil.

PROJECT DESCRIPTION

Region : Latin America
Country : Chile
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

Self-help projects have remained the core of P.L. 480, Title I sales agreements since their inception. While projects range in nature, many remain agriculturally based due to the multiplier effect these programs have in affecting the general population. The United States provided a Title I food assistance program to Chile in 1975 due to agricultural shortfalls which were contributing to Chile's economic difficulties.

PROJECT HIGHLIGHTS

Specific measures required under the Title I agreement and supported by sales proceeds included:

- Improving and promoting livestock production through increasing the availability of loans by over 16 times between 1975 and 1976, from \$148,000 to \$2,400,000. At the same time, extension and technical services to livestock producers improved sanitary conditions, enhanced disease control, fostered the increase of artificial insemination programs, increased and improved educational facilities, and helped to improve pricing policies.
- Improving agricultural statistics analysis by studying the pricing of agricultural products.
- A National Irrigation Program which undertook projects approaching \$80 million and affected approximately 200,000 hectares of land.
- A Fruit Production Program to improve agricultural exports. As a result, fruit exports rose from \$18,900,000 in 1973 to \$98,900,000 in 1975.
- Expanded credit for small farmers.

RESULTS

Title I commodity sales helped to provide the funding for these projects aimed at helping the rural population as well as increasing production capabilities. As a result, food production increased and the spread of better farming techniques was facilitated.

PROJECT DESCRIPTION

Region : Latin America
Country : Chile
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

Among the self-help objectives of the P.L. 480, Title I program are establishing and maintaining government policies to insure adequate incentives to producers, and creating a favorable environment for private enterprise and investment. The Chilean Government developed a comprehensive Agricultural Development Plan for 1965-1980 aimed at increasing physical agricultural production annually by 6.3 percent from 1968 to 1971 and by 5.8 percent from 1971 to 1980. The U.S. Government supported this plan with Title I commodity sales to help promote the reorganization of the public sector agricultural agencies so as to increase production capabilities.

PROJECT HIGHLIGHTS

The Title I self-help program was implemented in conjunction with the Chilean Government to centralize control of the public sector agricultural agencies in the Ministry of Agriculture. In this program:

- The Chilean Government announced prices for agricultural commodities prior to the planting season to allow farmers to decide what was most suitable for them to produce.
- A study was done on the fertilizer distribution system to initiate plans for the fertilizer industry.
- New institutions were created to avoid duplication of services at the Ministry of Agriculture, including the Agricultural Planning Office, the National Agricultural Planning Committee, the National Seed Organization and the Agricultural and Livestock Service.
- A Central Office of Agricultural Statistics and Forecasting was created to strengthen the systems of collecting, computing, and analyzing agricultural statistics. The competence of the office has steadily improved since it was created.

RESULTS

U.S. Title I food assistance resulted in the Chilean Government's development of a long-term program targeted at increased agricultural production and more efficient managerial control of the Ministry of Agriculture. While the goals in agricultural production were not met due to a severe drought which affected 1968 and 1969 production, production for 1970 increased over 1969 levels. The reorganization of the Ministry of Agriculture resulted in more efficient control mechanisms to help increase production and self-sufficiency.

PROJECT DESCRIPTION

Region : Latin America
Country : Peru
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

Funds generated through sales of P.L. 480, Title I commodities are often used to assist countries to recover from natural disasters which have caused reduced agricultural production. In the southern sierra of Peru, severe droughts parched the soil, dried the seed potatoes in the ground, and brought on famine conditions. Droughts, combined with other natural disasters and economic factors plunged Peru into economic crises forcing austere measures, and reducing Peruvian local currency funds committed to AID and other development projects.

PROJECT HIGHLIGHTS

Under the annual agreements in the initial period of Title I activity in Peru, from 1955-1968, locally generated currency was used to finance development projects aimed at: increasing producer's access to markets; increasing agricultural production through irrigation and water management projects and improving urban water and sewerage systems. Specifically, Title I funds were an integral part of the projects undertaken for much needed expansion of Peruvian agricultural research and development facilities.

The Title I program was reestablished in Peru in 1978. Through negotiated agreements between the Government of Peru and the AID Mission, funds have been used in concert with specific projects in agriculture, rural development, health, education, and nutrition, as well as Title II voluntary agency programs and disaster relief.

RESULTS

U.S. food aid, in the form of Title I funds, has helped to maintain development projects and has contributed \$147.5 million toward relief activities and new development projects. The funds have been an integral part of Peruvian and AID development cooperation since Title I's inception in 1955.

PROJECT DESCRIPTION

Region : Latin America
Country : Bolivia
Authority : P.L. 480 Title II
Sponsor : Government-to-Government
Activity : Food-for-Work

BACKGROUND

Community development projects are inherent in the goals of P.L. 480, Title II. These projects should aim to establish policies and plans to address rural development activities. Of particular importance is a focus on projects that will help to increase the standard of living of the individual communities. In 1977, the United States agreed to support the Bolivian Government's Community Development Program with Title II assistance.

PROJECT HIGHLIGHTS

Title II food-for-work programs were administered by the Bolivian Ministry of Campesino Affairs' National Community Development Service (NCDS) under a government-to-government agreement. A prime social goal of the Government of Bolivia, which is shared by the United States, was to accelerate integration of the rural population into the modern economy. The food was provided to voluntary labor carrying out community development projects financed under AID loans, and to village trainees for voluntary management of community development programs sponsored by NCDS.

Some of the projects included in the program were: construction of irrigation canals, farm-to-market roads and bridges; land clearing and soil preparation; reforestation, river clean-up and dike construction; construction of schools, health centers, hospitals and latrines; self-help housing improvement and construction; and environmental sanitation and other community-oriented projects designed to address the socio-economic problems of the campesinos.

In addition to Title II food-for-work commodities which totalled 1,000 tons valued at \$220,400 in 1977, AID supported NCDS with grant-funded technical assistance and two loans totalling nearly \$4 million.

RESULTS

U.S. Title II food assistance resulted in the Bolivian Government's development of a program targeted to reach the priority groups of the population in the rural areas. The Government response, with U.S. assistance, resulted in projects to improve the overall standard of living of the rural population. In 1976 the Bolivian Government assumed full responsibility for the financial and food requirements of the program.

PROJECT DESCRIPTION

Region : Latin America
Country : Bolivia
Authority : P.L. 480 Title II
Sponsor : Government of Bolivia
Activity : Monetization

BACKGROUND

Under certain circumstances, particularly in emergency situations, Title II commodities may be sold. In Bolivia, AID authorized the "monetization" of Title II rice in a disaster relief program.

PROJECT HIGHLIGHTS

The Government of Bolivia and AID agreed to import 15,000 MT of Title II rice to be sold in rural communities most affected by a shortage of food supplies caused by a drought. Rice was selected as the commodity to be imported because of the carbohydrate deficit resulting from the drastic reduction in potato production. (Potatoes are the main dietary staple of the target population.) The funds generated from the sales were used to finance the costs of the total emergency program (which was to distribute 28,820 MT of food) and a follow-on rural recapitalization program to enable drought affected farmers to resume full productivity as quickly as possible.

The distribution mechanisms used in the program ensured that the rice reached the rural communities with as few "middlemen" as possible. AID contracted the firm of Rural Development Services to organize and assist regional rice sales committees composed of representatives of various private voluntary agencies and government agencies. In each regional committee, the local peasant (campesino) federation participated as an observer. Specific quantities of rice were assigned to each province based on census data and a national survey of drought affected areas. Through the combined efforts of all private voluntary agencies, government agencies, campesinos and local radio broadcasts, even the most remote rural communities were informed of the opportunity to purchase up to 50 pounds of rice per family at lower than current market prices. To minimize abuses, each

rural community in conjunction with the local campesino had to present the minutes of the general assembly meeting in which the community agreed to buy the rice, and provide the signatures or fingerprints of the heads of households who were purchasing the rice. Using both the regional committees and the local campesino prevented sales to non-disaster victims and middlemen who were interested in reselling the rice for a profit.

Each regional committee hired a manager, a secretary, and two warehouse inspectors to review requests and supervise distribution. Within two days following approval of the purchase request and deposits of cash in special accounts set up by the committees, deliveries were made by the Empresa Nacional del Arroz (ENA) to the communities.

RESULTS

Approximately 5.7 billion pesos (U.S. \$11,483,820) were generated through the sale of rice. Half of these proceeds went to the private voluntary agencies and governmental agencies to cover the costs of food-for-work programs, including transport, storage and personnel. The remaining 50 percent was invested in a community credit revolving fund program to recapitalize over 633 rural villages affected by drought. As a result, approximately 37,000 households will benefit from the program.

Field inspections indicated that because commodities were sold, the beneficiaries consumed the rice locally with few cases of resale or barter. The fact that the beneficiaries of the monetization program needed the rice for consumption was an important consideration. As a result, a limited monetization program was developed to meet nutritional needs of a population as well as to generate funds for administrative costs and to provide resources for development activities.

PROJECT DESCRIPTION

Region : Latin America
Country : Brazil
Authority : P.L. 480 Title II
Sponsor : U.S. Voluntary Agencies
Activity : Food-for-Work

BACKGROUND

Food-for-work projects are particularly supportive of the goals of the P.L. 480, Title II program. These projects often have as their objective improving the life of the rural population while emphasizing the importance of this effort to the general public. In Brazil, many of these projects were undertaken with Title II commodities to assist individuals and communities with housing, agriculture, and transportation projects.

PROJECT HIGHLIGHTS

In the 1960's and early 1970's, Title II food-for-work projects were administered by three U.S. voluntary agencies (Catholic Relief Services, Church World Service, and Lutheran World Relief) in conjunction with two Brazilian counterpart agencies to improve the standard of living of thousands of low income families in rural areas. Projects included building houses, schools, health clinics and roads. Communities donated resources including land, construction material, tools and equipment, technical assistance and allocations from other sources.

As an example of this activity, in 1972 alone, these voluntary agencies distributed over 13,000 tons of food to approximately 42,000 workers and their families. As part of the effort, self-help volunteers contributed over 6 million man-days of work benefiting some 750,000 Brazilians in 3,000 communities.

RESULTS

U.S. Title II food-for-work assistance resulted in the Brazilian Government's capability to carry out numerous small scale self-help projects designed to meet individual and community needs. These projects were supported by the communities and contributed to increased stability in the areas. The physical value of the projects completed in 1972 alone was valued at \$17 million.

PROJECT DESCRIPTION

Region : Latin America
Country : Brazil
Authority : P.L. 480 Title II and Section 416
Sponsor : Government-to-Government
Activity : School Feeding

BACKGROUND

The history of P.L. 480, Title II support to Brazil's school feeding program from the late 1950's to the early 1970's is an example of how P.L. 480, Title II feeding programs are designed to operate. School feeding is usually intended to improve school attendance while emphasizing the needs of the malnourished and undernourished children. Once programs are in effect, it is intended that the projects become a permanent institution supported totally by indigenous resources. To enact this takeover, a detailed outline of the scheduled assumption of responsibilities needs to be defined. In this case, the Brazilian Government took considerable interest in the program, progressively taking over more of the responsibility.

PROJECT HIGHLIGHTS

Major Title II feeding programs in Brazil were administered by the Brazilian Ministry of Education's School Lunch Campaign (CNAE). The program provided food as a supplement to food produced in school gardens which provided fresh vegetables for school lunches. Originally, the United States contributed about 90 percent of the program's food costs through Title II. In 1972, the U.S. contribution had been reduced to 31 percent with Brazil's contribution rising to 65 percent including payment of 50 percent of the ocean transportation costs of shipping Title II commodities, with the World Food Program providing the remaining 4 percent. By the mid-1970's, U.S. Title II support had stopped completely and the Government of Brazil assumed full responsibility for the program. As a part of this plan, the Brazilian Government established the National Food and Nutrition Institute which has as its main responsibility, the administration of the school lunch program to all Brazilian school children in over 100,000 schools throughout the country. In recent years the Government of Brazil has purchased milk and other high protein food from the United States, including 50,000 tons of milk under the 1984 Section 416 agreement.

RESULTS

Since the inception of the Brazilian School Feeding Program there was a progressive assumption of responsibilities by the Brazilian Government. The interest on the part of the Government has resulted in the program's growing appeal with Brazilian universities and health clinics promoting nutritional education. With this widespread interest, combined with continuing government support, the program has been expanded to reach the majority of primary students in the country.

PROJECT DESCRIPTION

Region : Latin America
Country : Chile
Authority : P.L. 480 Title II
Sponsor : Catholic Relief Service (CRS)
Activity : Food-for-Work

BACKGROUND

P.L. 480, Title II guidelines give priority to projects which serve as an incentive to developing countries to establish plans to provide for the most needy groups in society. Food-for-work projects provide immediate supplements to daily diets as well as helping to develop a long-term infrastructure. U.S. Title II food was provided to the Government of Chile as a supplement to wages provided by the Government. The food was provided through a Chilean Government Minimum Employment Program (MEP) aimed at providing work and income for the unemployed.

PROJECT HIGHLIGHTS

Title II food-for-work programs were administered by Catholic Relief Services and AID in conjunction with the Chilean Government to stave off the effects of the 1975 depression in Chile. The MEP was an emergency public works program to help the victims of the depression by providing various types of work. Projects included reforestation; repair and construction of irrigation canals, sidewalks, gutters and sewage installations. Other projects included developing unused land into community recreation facilities and community gardens. The products of the gardens not only provided additional food for the community but also for nearby day-care centers and nurseries. Workers were issued identification cards, presented at the time of food distribution, which showed the work days completed and the quantity of rations they were to receive, depending on the size of the family. There were 200,000 recipients including both workers and dependents.

RESULTS

U.S. Title II food assistance resulted in the Chilean Government implementing the MEP programs to provide assistance to the groups most severely affected by the depression in 1975. Title II assistance helped to provide a source of income and nutrition to combat the immediate effects of the depression while also providing resources and incentives to carry out community development objectives that would have a long-term effect.

PROJECT DESCRIPTION

Region : Latin America
Country : Colombia
Authority : P.L. 480 Title II
Sponsor : U.S. Voluntary Agencies
Activity : Maternal-Child Health Programs

BACKGROUND

A major cause of death among children under five years old is malnutrition and its related diseases. P.L. 480, Title II programs address malnutrition among children under five through direct and other feeding programs. The importance of providing this assistance was illustrated by the fact that in 1974, deaths among Colombian children that were attributed to malnutrition, averaged 40,000 per year. The United States responded to this situation with Title II preschool feeding programs.

PROJECT HIGHLIGHTS

In Columbia, Title II feeding programs were administered by U.S. voluntary agencies (CARE and CRS) to assist over 1,000,000 recipients. Of these, 748,000 were preschool children and pregnant and nursing mothers. The other 280,000 were needy children enrolled in elementary school. In 1974, the Title II commodities programmed for this child feeding effort amounted to 54.9 million pounds valued at \$6.3 million. The Colombian Government committed substantial resources to the program and locally produced, high protein, blended foods were also developed.

RESULTS

U.S. Title II food assistance resulted in the Colombian Government's long-term commitment to improving nutrition throughout the country. Of all children in the preschool age group, it was estimated that more than two-thirds suffered from some degree of malnutrition resulting from a consumption deficit in proteins and calories. U.S. Title II food assistance helped to alleviate this problem and brought about an awareness of the problem in the Colombian Government, resulting in greater and continuing Government participation.

PROJECT DESCRIPTION

Region : Latin America
Country : Peru
Authority : P.L. 480 Title II
Sponsor : Seventh-Day Adventist World
Service (SAWS)
Activity : Food-for-Work

BACKGROUND

P.L. 480, Title II food-for-work programs are designed to achieve needed agricultural, economic and community improvements by providing commodities to support labor and learning programs by unemployed and underemployed local workers. Title II commodities supported traditional rural development projects as well as urban welfare projects in Peru.

PROJECT HIGHLIGHTS

Title II food-for-work programs were developed and administered by SAWS to reach approximately 36,000 Peruvian recipients. In rural areas the projects included road work, construction of reservoirs for irrigation systems, and the development of potable water systems. In the urban shanty towns around Lima where large numbers of rural workers have migrated over the past decade, SAWS developed programs to teach women income generating skills. These involve teaching poor women skills such as sewing, making clothes patterns, crocheting, macrame, knitting and embroidery work. During the classes, nurses and nutritionists visit and lecture on health, sanitation and nutrition. Women are involved in the projects for three years during which time they perfect their skills, learn how to market their products and finally become self-sustaining.

RESULTS

U.S. Title II food assistance has resulted in the completion of numerous rural development schemes as well as urban women's groups in Peru. The rural development projects have improved community services in many areas. The women's groups have taught urban women new skills and, in areas where little community organization or cooperation existed, the women's groups formed under this project have become a strong voice in the community.

PROJECT DESCRIPTION

Region : Latin America
Country : Peru
Authority : P.L. 480 Title II
Sponsor : Government of Peru
Activity : School Feeding/
Maternal-Child Health Program

BACKGROUND

Two priority areas of P.L. 480, Title II food assistance, are School Feeding and Maternal-Child Health (MCH) projects. By assisting school feeding projects, the Title II program provides food to primary school children to improve school attendance and to improve nutritional status and learning capabilities. Extending this assistance to MCH programs is intended to reach mothers and children before nutritional and health problems occur. In the late 1960's Title II food assistance was provided in both these areas as part of the Peruvian Ministry of Public Health's Child Feeding Program.

PROJECT HIGHLIGHTS

The feeding programs were administered by the Peruvian Government, Ministry of Public Health to encourage the establishment of a national nutritional policy to improve the levels of nutrition of pregnant and nursing mothers and preschool and elementary school children. U.S. fortified foods were often augmented by vegetables and meats provided by the local communities for the schools. Parents and local leaders assisted the programs in preparing the food and helping to establish auxiliary projects. Materials for gardens, poultry projects and other projects were purchased with funds derived from sales of empty Title II containers.

In 1967, an estimated 750,000 primary students were enrolled in the school feeding programs while many other mothers and preschool children were being reached through the applied nutrition project. Food totalling 11,470 metric tons was provided to support these projects.

RESULTS

U.S. Title II assistance encouraged the Peruvian Government's development of long-term programs targeted at increasing the nutritional level of some of the most vulnerable segments of the population. The school feeding program had a positive effect on school enrollments as well as providing a balanced diet to the students. Finally, the inclusion of self-help projects in these programs helped to teach different agricultural techniques.

PROJECT DESCRIPTION

Region : Latin America
Country : Peru
Authority : P.L. 480 Title II
Sponsor : CARE
Activity : Food-for-Work

BACKGROUND

The United States has given high priority to utilizing Title II food resources on economic development projects in the urban areas of developing countries. With U.S. food aid and funds from concessional food sales, CARE, together with the Government of Peru is making a concerted effort to help the inhabitants of Lima's pueblos juvenes, or young towns, populated by the urban poor, to help themselves improve their environment and feed their families.

PROJECT HIGHLIGHTS

Since 1980, CARE has operated a program entitled the Basic Infrastructure Program with Food Aid (PIBA), in conjunction with the Peruvian Government ministries of Health, Education, Housing and Construction, Agriculture and Food and the government-supported National Food Support Office. The program has used 12,321 metric tons of Title II food aid, \$793,000 in operating funds from an AID grant, \$230,000 in donations from CARE International, and over \$11 million of additional Title I local currency funding in food-for-work programs.

The project participants in 40 pueblos juvenes have worked to build 395 classrooms, 59 sanitary facilities, 8 administrative offices in Lima-area schools, 46 health centers (including equipment and staffing) and 286,000 square meters of sidewalks, and to plant and maintain 400,000 trees.

Projects are proposed, designed and approved through the relevant government ministries, which also disburse project funds. Representatives from the participating institutions form a Multi-sectoral Commission which holds periodic meetings

to relate how their program projects have progressed and to coordinate the planning and implementation of the program. CARE and USAID Peru act as advisors to the Commission, which is currently under the direction of Cooperacion Popular, the civic action arm of President Belaunde's Accion Popular Party.

CARE has also implemented 300 small projects including potable water and drainage systems, retaining walls, landslide prevention and community center construction projects designed to make life healthier and safer for the urban poor.

In active but informal cooperation with PIBA, a group of private citizens, under the aegis of President Belaunde's wife, has contributed money and technical expertise to build family or neighborhood dining centers, or comedores, which provide meals for 81,000 people in 100 comedores per month. CARE is also beginning several income generating projects with Mrs. Belaunde's group, including the development of a variety of pueblo joven small businesses.

RESULTS

PIBA has been successful in generating a similar project in the northern coastal city of Trujillo, which has also suffered a dramatic increase in its pueblo joven population in recent years.

The experience with PIBA in Peru shows how food aid can act as a catalyst for cooperation among various government institutions and donor agencies to alleviate malnutrition and construct badly needed infrastructure for a healthier and safer environment. It also provided health and educational facilities for the people of a growing metropolitan area.

MIDDLE EAST

P.L. 480 - TITLE I:

Egypt
Egypt
Jordan
Tunisia

P.L. 480 - TITLE II:

Egypt
Morocco
Morocco
Morocco

P.L. 480 - TITLE III:

Egypt

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PROJECT DESCRIPTION

Region : Middle East
Country : Egypt
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

Rural development depends heavily on a government's capabilities to disseminate information to the rural farmer. Participation in cooperatives is often necessary to provide information to farmers concerning improved methods and technologies, as well as to develop better distribution channels for crops. In 1976, funds generated from the sales of P.L. 480, Title I commodities supported major changes in the organization of Egypt's agricultural cooperatives and credit programs.

PROJECT HIGHLIGHTS

The funds generated through sales of Title I commodities were used for various self-help projects within the cooperative and credit systems. Cooperatives directed their activities towards improving production rather than just serving as distributors of seed and fertilizer. Intermediate cooperatives were established to serve village level cooperatives and focus more on small agro-industrial activities. Similarly, the charter of the Agricultural Credit Bank had been amended to allow direct loans to farmers as well as cooperatives. In addition to these two programs, the government provided individual farmers and cooperatives with tools and equipment, livestock, vaccines, and improved seeds (the acreage planted to higher-yielding Mexican wheats more than doubled from 200,000 acres in 1975 to 950,000 in 1976).

RESULTS

These projects supported by Title I assistance strengthened agricultural credit programs and cooperatives in the rural agriculture sector. The programs were expanded over the ensuing years to help increase production and implement improved technology to increase the efficiency of the rural farmers and the agricultural cooperatives, generally.

PROJECT DESCRIPTION

Region : Middle East
Country : Egypt
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

The U.S. Government often uses funds generated through the sales of Title I commodities to improve local production capabilities in recipient countries. One of the means of improving production in many countries has been the use of Title I generated funds to increase procurement prices of agricultural commodities. In the 1984 P.L. 480 agreement with Egypt, the United States agreed to support an Egyptian Government plan to increase the procurement prices of six agricultural commodities in order to improve production incentives.

PROJECT HIGHLIGHTS

With the support of funds generated through the sales of Title I commodities, the Government of Egypt was able to institute increased procurement prices for three of the six commodities stipulated in the agreement within the first five months of 1984. The procurement price of wheat represents the first increase since 1980. For wheat and onions (a major export crop), the nominal price increases announced in May/June 1984, amounted to about one-third of last year's prices, which were significant increases in real terms, that could lead to a positive supply response in 1985. For cotton, the average nominal price increase announced in April was about 12 percent above the 1983 price, depending on variety. This represents a decline in real terms that is likely to have a further negative impact on the planting and production of cotton.

RESULTS

While the increases in the prices of both wheat and onions are having a positive effect on the economy, AID officials believe that if the price of cotton is not increased it would have a detrimental effect, since cotton could be an important export crop. Procurement prices for 1984 were expected to be announced for rice, groundnuts, and oranges after the submission of the 1984 Egyptian self-help report.

PROJECT DESCRIPTION

Region : Middle East
Country : Jordan
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

In many Title I programs, the signed agreements contain self-help measures that build upon each other to form a viable project. Between 1972 and 1974, Title I agreements were signed with Jordan to provide needed food and to improve agricultural production and distribution.

PROJECT HIGHLIGHTS

In 1974, the following four activities were areas of primary emphasis under the self-help provisions:

- The Jordan Cooperatives Organization reorganized during 1974 consolidating various cooperatives. Through this organization, training was provided to members in administration, cashiering and accounts. Total membership in the organization doubled from 12,000 in 1973 to 30,000 in 1974 and loans to its members totaled about \$1.25 million in 1979.
- The Ministry of Agriculture conducted wheat research activities as well as summer fallow demonstrations, involving the use of modern wheat farming practices. \$1.9 million was provided by the Jordanian Government to cover the costs of procuring equipment and fertilizers, purchasing improved seeds from cooperatives and for operational expenses for wheat research activities.
- Forestation, including soil preparation and tree planting in 1,800 hectares in various parts of the country was completed. Nurseries were developed and about 5 million seedlings were produced in 1974.

- The Ministry of Supply constructed grain storage with the capacity of 30,000 metric tons of bagged wheat. In addition, the Government planned construction of facilities with up to 100,000 metric tons in other districts. In 1974, the Jordanian Government provided \$1.75 million for this construction.

RESULTS

These four programs combined, served to increase Jordanian agricultural capabilities in a number of different areas. The Jordanian Government supported the programs financially as well as organizationally, using Title I support to supplement their own capabilities in these projects.

PROJECT DESCRIPTION

Region : Middle East
Country : Tunisia
Authority : P.L. 480 Title I
Activity : Self-Help

BACKGROUND

In the late 1970's, Tunisia was an active participant in the P.L. 480, Title I program. In 1978, Tunisia signed agreements for approximately 3 million bushels of wheat and wheat flour, and 1 million bushels of feedgrains; valued at \$11.2 million. In 1979, Tunisia signed agreements for approximately 2.2 million bushels of wheat and wheat flour and 1.2 million bushels of feedgrains valued at \$12.0 million. Under these agreements, the Government of Tunisia agreed to use currencies generated from the sale of Title I commodities to implement a number of self-help activities involving agricultural credit and cereal production. Primary objectives in these activities were to improve marketing and distribution systems, and to establish and expand institutions for adoptive agricultural research.

PROJECT HIGHLIGHTS

Agricultural Credit

Recognizing that increasing the availability of production credit was both an incentive and a vital ingredient of production, Tunisia allocated the equivalent of \$150 million in dinars for these activities during its Fifth Plan. The 1979 portion was equivalent to U.S. \$42.5 million. Increased credit was particularly necessary for the small and medium-sized producers. In this connection, 145 lending associations were established to serve a membership of 37,000 farmer clients. The dollar equivalent of \$42.5 million made available in 1979 was earmarked to assist the rural population in the neediest geographic regions covered by the Rural Development Program.

Increased Development of Cereal Production

To meet an ever-growing demand for cereals and to help the country attain self-sufficiency, the Ministry of Agriculture undertook under its research,

extension, supply, and marketing activities, the following courses of action which led to increased production, promotion, and development:

- Field testing and extension demonstrations of new wheat varieties adapted to various cereal growing regions. Efforts were made to bring extension as close to the farmer as possible through the establishment of "Regional Extension Units" to efficiently supervise small and medium-sized farms. The number of units reached 100 during the 1979 crop season.
- Establishment of 212 demonstration plots was scheduled during the 1979 crop season for a selection of soft and durum wheat and barley varieties, fertilization, treatment and weeding practices.
- Extension of alfalfa production as a cereal rotation crop.
- Promotion of improved seeds by granting subsidies ranging from 20 percent to 25 percent of the cost to the users. Under this program about 18 million pounds of improved seeds were distributed during the 1978-79 season. This effort was continued during subsequent crop seasons.
- Continued provision of subsidies for treatment products enabling the treatment of about 470,000 acres in 1979-80 compared to 247,000 acres in 1978-79.

RESULTS

The Ministry of Agriculture continued its efforts to improve the planning process in the agriculture sector. The methods consisted of strengthening the Ministry's capability to develop and implement annual and multiyear plans and programs and high level staff were assigned to the Planning, Economic Analyses and Statistics Division. This division was represented in each province by a "Planning and Statistics Unit," and attached great importance to the regional planning concept. To assure the effective training of its staff, which included evaluation and follow-up, it instituted an experimental regional planning project in the province of Jendouba. Additionally, the Ministry of Agriculture assigned high priority

over the subsequent five years to cereal and livestock production on farms having less than 25 acres in the North, which totaled about 620,000 acres. A detailed program of specific work to be performed and projects designed to meet specific objectives was developed.

Finally, improvements and updating of grain storage and other food storage facilities were initiated. To this end, a plan for the creation of new storage capacity of 70,000 tons was submitted to the World Bank for financing.

PROJECT DESCRIPTION

Region : Middle East
Country : Egypt
Authority : P.L. 480 Title II - Section 204
Sponsor : CARE
Activity : Program Support

BACKGROUND

Title II, Section 204 of P.L. 480 authorizes the use of U.S.-owned foreign currency for Title II support activities. In Egypt, these currencies were used in ways which promoted the effective use of commodities supplied for Title II programs, and for community and other self-help activities.

PROJECT HIGHLIGHTS

During 1976, AID authorized CARE to utilize the Section 204 local currency equivalent of \$427,000 to support a nutrition services project with the Egyptian Family Planning Organization. This project incorporated both nutrition and family planning objectives and included:

- Testing the assumption that by offering combined nutrition, health, and family planning services, the result may be greater acceptance of family planning than by just offering family planning services without any other assistance.
- Testing whether a reduction in infant mortality will reduce the desire for more children. The Egyptian Ministry of Social Welfare contributed more than half the cost of this project.

RESULTS

This CARE-sponsored nutrition/health education project successfully promoted improved nutrition and health practices, as a supplement to Title II feeding, and demonstrated how the provision of nutrition health services encourages acceptance of family planning services. The project also developed the capabilities of the Government of Egypt in meeting nutrition needs, and developed additional ways of dealing with critical social and economic problems caused by expansion of the population.

PROJECT DESCRIPTION

Region : Middle East
Country : Morocco
Authority : P.L. 480 Title II
Sponsor : Catholic Relief Service (CRS)
Activity : Food-for-Work

BACKGROUND

In Morocco, P.L. 480, Title II food resources were utilized as partial payment for work on high priority agriculture and economic development projects. Food-for-work projects were targeted to include the poorer segments of a society, i.e., the economically needy and the unemployed or underemployed. Projects supported included those which could contribute to increased food production and improved food handling, marketing, storage or preservation.

PROJECT HIGHLIGHTS

In these projects, Catholic Relief Services combined the use of P.L. 480, Title II commodities with U.S. financial assistance to provide incentives to the Government of Morocco to develop the productive capacity of 600 hectares. Projects included the construction of four retaining walls at the juncture of four streams to divert water, creating an irrigation system to aid the small farmers. The Government of Morocco provided materials, equipment, and technical assistance, and the people of the region volunteered their labor to undertake the work. CRS managed the use of the Title II commodities and dollar financing.

RESULTS

With the combination of P.L. 480, Title II food, local assistance and dollar funding, these projects resulted in increased supplies of potable water and water resources to irrigate lands, increased barley and vegetable production, expanded grazing lands and increased efforts in reforestation. The use of Title II food resources with U.S. dollar assistance, in turn, acted as a catalyst for broader village development efforts.

PROJECT DESCRIPTION

Region : Middle East
Country : Morocco
Authority : P.L. 480 Title II
Sponsor : Catholic Relief Services (CRS)
Activity : Maternal-Child Health and Nutrition
Education

BACKGROUND

Under Title II of P.L. 480, Maternal and Child Health projects are initiated to provide food to women of childbearing age and their young children. These projects focus on providing nourishing foods needed by these vulnerable, high-risk groups, together with educational activities designed to instruct mothers in nutrition and child care. In Morocco, studies indicated a direct relationship between nutrition and young children's physical development and ability to resist infection. With an overall goal of improving the nutritional status of women of childbearing age and their young children, a P.L. 480, Title II voluntary agency project was designed in 1975 to:

- Provide supplementary food to ensure an adequate diet for preschool children and women of childbearing age.
- Educate mothers in nutrition and child care.
- Develop local capacities to operate a self-sustaining maternal-child health program.
- Integrate these services with existing or planned services in health, family planning, education or other community activities.

PROJECT HIGHLIGHTS

Some 1.2 million indigent mothers and their preschool age children were involved in this Title II nutrition project in Morocco through a program sponsored by Catholic Relief Services (CRS). With a grant of \$480,000 from AID and the provision of Title II commodities, CRS implemented a maternal-child health program in 300 centers established by the Moroccan Government. These centers were located in all provinces, but emphasis was placed on those provinces and localities with the highest incidence of malnutrition and the lowest per capita income.

Each of the 300 centers were staffed by three Moroccan "monitrices". Every month, 500 mothers came with their babies to the centers for nutrition education, anthropometric testing for signs of malnutrition, and Title II commodities. The monitrices received two months of intensive training in nutrition and hygiene at the Marrakech School of Applied Nutrition. The provincial supervisors received three months of nutrition training at the Tunisian Institute of Nutrition. The Moroccan teaching staff at the Marrakech School received three years of university training in nutrition. All of these inputs were included in the project design.

RESULTS

This three-year project was completed in August 1978. In addition to the benefits to the mothers and children, Catholic Relief Services left behind an infrastructure for the continuation of the nutrition education project in those areas and among those families most vulnerable to malnutrition. Perhaps most important of all, the project created awareness among Moroccan officials of the seriousness of nutrition in planning for economic and social development. As a result, the Government established a nutrition study unit in the Ministry of Planning to develop a national nutrition strategy along inter-ministerial lines.

PROJECT DESCRIPTION

Region : Middle East
Country : Morocco
Authority : P.L. 480 Title II
Sponsor : Government-to-Government
Activity : Food-for-Work

BACKGROUND

P.L. 480, Title II food-for-work projects are designed to support host government development objectives. These projects attempt to achieve agricultural, economic, and community improvements by supporting the work of the unemployed and underemployed in developing countries. Between 1961 and 1969, the Government of Morocco, enacted projects under Morocco's Program of National Promotion using wheat and other commodities provided under P.L. 480, Title II food-for-work programs.

PROJECT HIGHLIGHTS

Assisting in the planning of this activity, the World Bank had stated that the need for agricultural projects undertaken through the National Promotion Program was critical to stop erosion and bring new land into cultivation. As a result, the projects included: soil conservation, reforestation, construction of small dams, irrigation canals and development of farm-to-market roads. Smaller projects included construction of markets, schools, and multipurpose community centers. In the last year of the project, the Title II wheat provided work opportunities for approximately 110,000 unemployed or underemployed workers. About 550,000 persons, including the dependents of workers, directly benefited from the food wages. The Moroccan Government also contributed \$21 million including laborer's cash wages, purchase of tools, purchase and rental of equipment, purchase of project materials and administrative costs during that same period.

RESULTS

For almost 10 years food-for-work activities provided job possibilities for unemployed and underemployed workers and strengthened Moroccan Government development objectives. The food supplied was sufficient to feed the worker and the worker's family, thus assuring an effective nutritional supplement to the daily diets of over one million people during that period. The agricultural projects have helped to ensure the long-term rehabilitation of agricultural lands in large areas and allowed for increased food production suitable to meet the future food needs of the local inhabitants.

PROJECT DESCRIPTION

Region : Middle East
Country : Egypt
Authority : P.L. 480 Title III
Sponsor : Government of Egypt
Activity : Self-Help

BACKGROUND

Under Title III of P.L. 480, the United States signs concessional sales agreements for commodities with the recipient country. The commodities are then sold internally by the participating country, and the funds generated by the sale are used for specified development purposes in order to obtain forgiveness of the concessional loan. In Egypt, the Basic Village Services Program (BVS) was initiated on March 20, 1979, as a P.L. 480, Title III agreement. This Title III program was valued at \$75 million over a five-year period, and was supplemented by a \$70 million AID grant in August 1980.

PROJECT HIGHLIGHTS

The Basic Village Services Program promotes governmental decentralization and local capacity-building as a means of supporting rural development. As such, popularly elected village councils are utilized as the principal institutions for identifying local needs, and for planning and implementing projects on the basis of those needs. The projects funded through the program must be public projects, and accessible to most inhabitants of the territory that is affected by the public units. With these conditions, BVS had dual emphasis: to promote decentralization and to upgrade Egypt's rural infrastructure.

Initially BVS was implemented in three governates: Fayoum, Sharkia, and Solag. Six governates were added in 1980 including Baheira, Giza, Minya, Minufiya, Qaliubiya and Qena. Recently an additional eleven governates have been added, thereby including virtually all the rural governates in Egypt.

RESULTS

The BVS program has helped to reinforce and strengthen local government in Egypt so that it more effectively supports agricultural and rural development. At the same time, it has helped to improve and expand a continuing capacity in local units to plan, organize, finance, implement and maintain locally chosen infrastructure projects. The most critical problems associated with BVS implementation have been pipe procurement and communication from Cairo. These problems have tended to occur from higher levels in government while village level implementation proceeds relatively smoothly. This evidence strengthens the argument that the decentralization concept is appropriate in Egypt.

PART FOUR

ISSUES FOR DISCUSSION

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PART FOUR

INTRODUCTION TO ISSUES FOR DISCUSSION

The provision of food aid has always been based upon policies and approaches, which in themselves, generate issues and opinions. The purpose of Part Four is to assist in the identification and formulation of issues relating to food aid, which may be the basis for public discussion, seminars, Congressional debate, and other forms of review and analysis.

A number of the issues presented are not new; indeed, many experienced program administrators might view those issues as being possibly outdated or, in one way or another, overtaken by events. Such issues are included in Part Four because for many who are interested in food aid, particularly those who are outside of government or those who do not have direct involvement with program administration, these issues continue to be subjects of concern. Of particular relevance is the fact that in one way or another, all of these issues have a political component. The fact that the source of most food aid funding is from governments, almost automatically puts such activities in a political arena and the presentation and analysis of the various issues presented in Part Four should be viewed in that context.

Part Four deliberately follows the presentation of Project Descriptions in order that the information presented in the project descriptions may assist in a clearer analysis and review of food aid issues. In addition, Part Five, lists available references and other sources providing further information on food aid which may also be used in such analyses.

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PART FOUR

ISSUES FOR DISCUSSION

I. Background

The existence of legislative authority for United States food aid programs has been a significant part of domestic farm policies and United States foreign affairs activities. The multiple objectives of P.L. 480, which include the use of the program for marketing of U.S. agricultural products and disposal of surpluses, supporting the foreign policy interests of the United States Government, promoting economic development in other countries abroad, and providing humanitarian and disaster relief assistance, have all received varying degrees of emphasis over the 30 years of the program's existence. These multiple objectives have been the subject of a wide range of research, review and discussion. Issues concerning United States food aid activities and the various objectives of P.L. 480 have been raised in Congressional testimony, Executive Branch policy reviews, and generally, by a wide range of interested observers and participants in the program. Presented below is a sampling of such issues based upon program objectives. This presentation is designed to be helpful for further review and analysis of the program and as a method of developing additional items for review and discussion.

II. Issues Dealing with Marketing Objectives

One of the original reasons behind the Congressional passage of P.L. 480 in 1954, was concern about the existence of large U.S. surplus stocks and the appropriateness of applying those stocks to food and hunger needs throughout the world. This "surplus disposal" rationale later gave rise to more specific uses of the program to export and market U.S. agricultural products. Over the years, proponents of the program, Congressmen and Senators, researchers and critics have argued the merits of using Public Law 480 as a direct adjunct to U.S. marketing and agricultural export activities. Some of the issues which have been raised in this regard include:

A. Is Surplus Disposal a Sufficient Rationale for Food Aid?

Use of surplus stocks as a basis for food aid has had both advantages and disadvantages. In some instances, the availability of the commodity is not necessarily suited to the need. In other instances, provision of commodities through food aid could inhibit international trade in that commodity, decrease prices of the commodity in the recipient country, and generally prove to be more of a problem than a solution. On the other hand, use of surplus stocks represents a resource that is readily available to complement other development efforts and one whose equivalent monetary value might not be available for assistance purposes.

B. Should P.L. 480 be Used More in Combination With Other Purchasing Arrangements?

Congress has authorized the use of "blended credit" which allows various credit mechanisms available to the Commodity Credit Corporation (CCC) to be combined in one country, e.g., a country could be a recipient of concessional loans under Title I of P.L. 480, direct credit from the CCC, and credit guarantees; thus, a combination of "blended" credit. The inclusion of food aid in this arrangement enhances the attractiveness of these other export mechanisms.

C. Are the Types of Commodities Available Under P.L. 480 Sufficient to Support U.S. Marketing Efforts?

Commodities included under price support arrangements, those available through CCC stocks, and others, have long been a mainstay of the program. More recently, program emphasis on providing nutritional commodities under Title II and in relief programs has brought about a substantial increase in the use of processed, fortified products. Continued or expanded use of such products may be helpful to U.S. marketing interests. Some commodities being exported under P.L. 480 might not otherwise be exported, and their use in the program creates jobs, tax revenues and general economic activity in the United States. However, there may be a danger to the recipient in making products available which the recipient may not otherwise be able to obtain or produce indigenously. Recent studies by the Economic Research Service of the Department of Agriculture have noted that in many

respects, P.L. 480 can "pay for itself" in the context of the "value-added" nature of these exports and that this type of analysis should be taken into account as a means of supporting the marketing objectives of P.L. 480.

III. Issues Dealing with Foreign Policy Objectives

Since the initial passage of P.L. 480, its importance as a major component of worldwide U.S. assistance activities has made it an integral part of U.S. foreign policy. Over the years, the emphasis on P.L. 480 as an instrument of foreign policy has varied considerably, based upon international circumstances, U.S. Administrations, and budget and supply availability.

A. Is it Appropriate to Link Food Aid to Foreign Policy Objectives?

A number of interests have argued that food aid should be made available on a "as needed" basis regardless of political persuasion. Yet, proper use of food aid depends to a large degree on the general relationships existing between the United States and the recipient country, and some degree of "strings attached" may be appropriate. In addition, linking food aid levels to other objectives such as political or diplomatic matters, recipient country support on international issues, or support for U.S. private sector activities in that country, may be appropriate in the context of relationships between the two governments. A definable limit on the use of food aid to support foreign policy actions and a definition of criteria necessary for the application of food aid considerations in such situations has often been suggested, but never accomplished.

B. Should the Use of Food Aid to Support Foreign Policy Objectives be Limited to Just Title I Concessional Loans?

It is in Title I that the largest transfer of food resources occurs and logically would appear to be the best opportunity to influence various foreign policy issues and objectives. On the other hand, use of Title III loan forgiveness authority and even Title II humanitarian programs has applied such resources to countries in which a strong U.S. foreign policy interest already exists. Over the years, it has been difficult to clearly separate such programs from foreign policy, and many argue that it is not possible.

C. Is the Provision of Food Aid Under P.L. 480 Inherently an Act of Foreign Policy in any Event?

It has been argued that any act of government is a political action and that providing food assistance, regardless of objective or purpose, is inherently such a political act. If this is the case, it may be a moot question to review whether or not food assistance is a part of U.S. foreign policy.

IV. Issues Dealing with the Use of Food Aid as an Instrument of Economic Development Abroad

The application of P.L. 480 resources to U.S. economic development activities throughout the world has been a subject of considerable interest, particularly over the past decade. Use of food aid for development purposes has been addressed by the Congress, various Administrations, and a wide range of program supporters and critics. Among the issues which arise as a result of this interest are the following:

A. Is Food Aid Sufficient to Support Economic Development?

Many argue that the best resource for economic development is cash. The major value of the P.L. 480 program, which continues to exceed \$1.5 billion each year, appears to be a resource that is available only in its present form, i.e., it is not likely that the U.S. Congress would appropriate an additional \$1.5 billion for economic assistance in lieu of commodity purchases under P.L. 480. With this being the case, P.L. 480 resources are a "given" in the economic development assistance effort and the primary question that appears to arise concerns the level of that assistance.

B. Are There Limits to the Use of Food for Development Purposes?

The use of Title I and Title III commodity sales proceeds to support specific development projects or to help bring about major policy decisions within various governments appears to be a good application of such resources to promote development activities. However, questions have arisen concerning the generation of local currency funds for such activities and whether or not such funds are truly "additional" to the development activities of the government involved.

C. Should There be a Return to Repayment of Title I, P.L. 480 Loans in Local Currency Rather Than in Dollars?

The repayment obligation under Title I of P.L. 480 now requires that such loans be repaid in dollars, rather than local currencies as was originally provided in the early stages of the law. It may be better to return in some selected instances to this process in order to lower the considerable debt burdens already experienced by many developing countries.

D. Does P.L. 480 Support Provide Sufficient Incentive for Recipient Countries to Improve Economic Development Policies and Activities?

In many countries, P.L. 480 foods provided under both Titles I/III and Title II, represent a badly needed resource in that country. In those countries, particularly those which are highly food-deficit, it would appear that such resources could provide significant leverage for U.S. interests to influence the development process. However, in other countries, P.L. 480 resources, (usually under Title I) may represent a convenient way for a government to import necessary food which it might otherwise have to purchase commercially. The difference in the U.S. ability to influence the development process in these instances appears to depend on how badly the recipient country needs food.

E. Is it Appropriate to Seek Specific Development Results from Title II as a Condition of Continued Assistance?

Over the past 12 years, there has been a major effort to integrate Title II feeding activities, particularly those involving nutrition programs and food-for-work, into the general range of economic development activities being undertaken in the country. There may be a limit to the effectiveness and appropriateness of this approach as the development of human resources through feeding programs is often very difficult to measure. In the case of school feeding, the lack of identifiable data or results often brings criticism of these programs. On the other hand, it is argued that feeding programs are inherently supportive of development and that their political value alone justifies their existence. Proponents of this view point to political rationale as a primary basis for continued feeding programs in the United States and other developed countries.

V. Issues Dealing with Humanitarian and Disaster Relief Assistance

One of the most identifiable forms of food aid made available under Public Law 480 are programs carried out under Title II of the Law. "Regular" programs focusing on school feeding, nutrition, child health, and food-for-work, have long been a part of Title II activities. In addition, the historical response of the United States to food needs in emergency and disaster situations has been a hallmark of the program. However, a number of issues relating to these programs have arisen over the years, particularly from the standpoint of program administrators and recipients. Among them are:

A. Is There Sufficient Flexibility in Title II Programming to Allow for Adjustments in Programs When Needed?

From the standpoint of many program administrators, the detailed rules and regulations that have developed around such programs have become limiting rather than helpful. However, legislative changes, policy approaches, and the need to protect and control food aid resources, appear to make many such rules necessary. Nevertheless, greater management flexibility for expansion and adjustments may be appropriate, particularly for experienced voluntary agencies and the World Food Program.

B. Given Current Emergency and Disaster Requirements, is There Sufficient Attention to Continuing Support for "Regular" Programs?

Over the years, a number of major feeding activities throughout the world have been developed through the use of American private voluntary agencies, indigenous organizations, foreign governments and international agencies. These programs, with their attendant infrastructure, have also been of considerable assistance in a range of other activities, particularly those affecting education and health. With continuing concern about budgetary levels and resource availability, it has been suggested that it may be appropriate to reduce these programs in order to assure availability of funds and food for emergencies such as drought relief in Africa. Such actions could severely limit the effectiveness of many "regular" programs, which have developed over many years. However, immediate requirements to avert famine conditions could force such choices.

C. Should Donated Food Assistance be Sold Under Certain Circumstances?

On many occasions, the effectiveness of humanitarian feeding programs has been dependent upon the availability of logistic support, proper storage, proper administrative and distribution mechanisms and material support such as vehicles and equipment. In many countries, despite the best efforts of local administrators and government officials, such supplementary resources are not available. In these instances, it has appeared appropriate to provide for the sale of some portion of the food donated under Title II to raise the necessary funds to assure effective distribution of the remainder of the donation. This limited sale of food under such circumstances appears appropriate and necessary. However, it may set precedents that could affect the controls over donated foods or have an adverse effect on local food marketing in some instances.

D. Should Disaster Relief be Provided Regardless of Political Differences or the Existence of a Formal Request?

On several occasions, the United States has been criticized for not responding in a timely manner to major emergency situations. However, in many of these situations, the U.S. response was predicated on the need for a formal request for such assistance by the recipient government. In the absence of such a request, U.S. assistance was not provided. Often, the absence of a request is based upon the recipient country's refusal or inability to identify an existing problem or the existence of political differences with the United States. At issue is the type of action to be taken by the United States when it is known that there is an urgent humanitarian need for food assistance and either there is no formal request from the affected government, or that government is of a political persuasion that is considered to be in opposition to the United States.

PART FIVE

RESOURCE DOCUMENTS

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RESOURCE DOCUMENTS

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