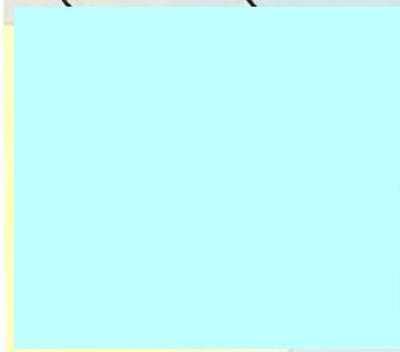


**Resource Center**  
**Policy Report**

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**U.S. Food Aid and Farm Policy  
in Central America**



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# **U.S. Food Aid and Farm Policy in Central America**

## **I. EXECUTIVE SUMMARY**

This Resource Center Policy Report summarizes a recent investigation of the objectives and consequences of U.S. food assistance to Central America in the 1980s. The study was undertaken by the Inter-Hemispheric Education Resource Center, a nonprofit research institute in New Mexico.

Among the main conclusions of this evaluation of the objectives and consequences of the increase in U.S. food aid to the region are the following:

1. Despite congressional restrictions, food aid is being used to support military programs. Armies in El Salvador, Guatemala, and Honduras use U.S. Title II food in civic-action programs. Food aid is often distributed to military-controlled government agencies for dispersal by military civic-action teams. In addition, Title I local currency is being directed to military-controlled institutions.
2. PL480 legislation requires that food aid be used to promote food security and local food production. AID, however, has used food aid in Central America in ways that undermine regional food security and local grain production.
3. By boosting imports beyond unsubsidized market demand, food aid enables cheap U.S. wheat (and other products) to reduce prices and production of local grains. Food aid, by encouraging new consumption habits that neither family income nor the national treasury can sustain, is undermining not only the region's food production system but also its chances for future economic stability.
4. Neither AID nor USDA are fully complying with the provisions of Bellmon Amendment, requiring that food aid not undermine local food production. Despite increasing evidence that food aid creates disincentive effects in local agricultural systems, higher levels of food aid have been routinely approved.
5. While Title I food-aid agreements and PL480 legislation both stress that food-aid monies be used to assist small farmers and promote participation of the poor, AID is using the food-aid program to promote policies (including structural adjustment programs) and projects that adversely impact small farmers and the rural poor while benefiting agribusiness operations.

6. Recipient governments are not using food aid as a stop-gap measure to survive droughts or other temporary obstacles to increased food production. Instead, food imports are being adopted as a permanent solution to the region's agricultural deficiencies, allowing governments to ignore the serious problems plaguing local food production.

The report makes numerous recommendations about ways to improve or reform the U.S. food-aid program, which comes up for congressional review and reauthorization in 1990. The Resource Center report also insists that food-aid programs must be held accountable to the laws that govern them. The study concludes: "The abuses, weaknesses, and consequences of the U.S. food-aid program in Central America not only call into question the application of the program in this conflictive region, but also raise serious questions about the merit of the entire PL480 program."

## **II. FOOD AID IN CENTRAL AMERICA:**

### **DRAMATIC INCREASES IN QUANTITY AND CHARACTER**

Food aid from the United States for Guatemala, Honduras, El Salvador, and Costa Rica increased more than 10 times from 1979 to 1987. Government-to-government food aid (mostly PL480 Title I) increased dramatically, and currently saves these four countries up to \$120 million in hard cash a year while covering nearly 30 percent of their total agricultural imports from the United States.<sup>1</sup> Distributive food aid (mostly PL480 Title II), while far outstripped by Title I programs, has more than doubled over the last ten years.

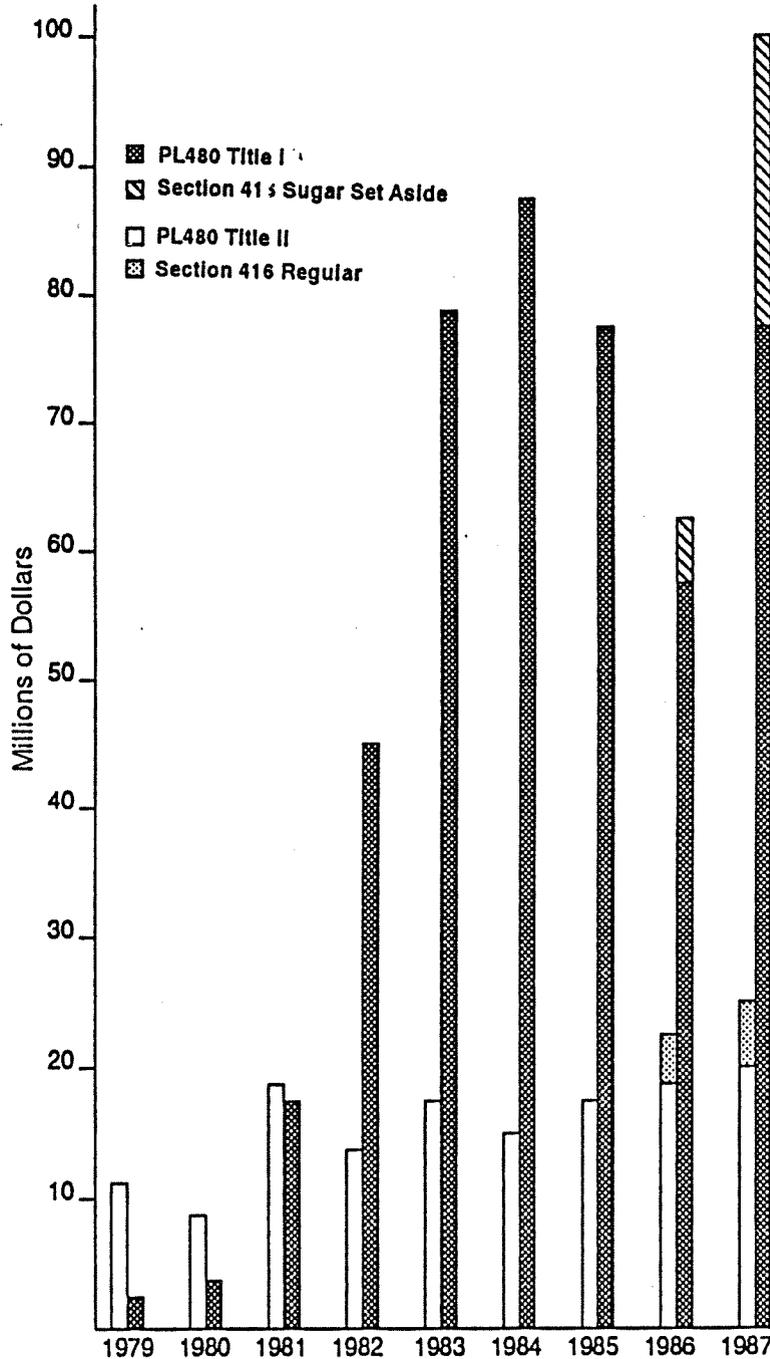
In the early 1980s, food aid became a major part of the U.S. foreign policy response to the political and economic crisis in Central America. The Reagan administration's early use of food aid to support U.S. allies in the region was further encouraged by the National Bipartisan Commission on Central America (Kissinger Commission). The commission recommended increased use of food aid and agricultural credits to help stabilize and pacify the region.<sup>2</sup>

Most U.S. food aid is governed by the Agricultural Trade Development and Assistance Act of 1954, which is commonly known as the PL480 or Food for Peace program.<sup>3</sup> The Agency for International Development (AID), under the State Department, administers U.S. food-aid programs while the U.S. Department of Agriculture (USDA) determines available food surpluses and ensures that U.S. food aid does not undermine local food production or undercut previously existing commercial markets.

The Food for Peace annual report states: "A primary objective of PL480 since its inception has been to alleviate hunger worldwide: in the short term, by providing food; and in the long term, by increasing food production in deficit areas and promoting economic activity." Solutions are clearly needed to the problems of hunger and

inadequate food production in Central America. As currently administered, food aid does not appear to be an appropriate response to these problems.

**Value of U.S. Food Aid to Central America  
By Program: FY 1979-1987**



Figures, which represent commodities shipped, include Title II food aid to the United Nations' World Food Program but exclude Nicaragua.

SOURCE: USDA, *Food for Peace Annual Report on Public Law 480*, various years.

This Policy Report examines the objectives and consequence of U.S. food aid in Central America by focusing on four aspects of the program:

- Food aid as a form of economic assistance.
- Food aid as a form of agricultural assistance.
- Food aid as a form of humanitarian assistance.
- Food aid as a form of military assistance.

The abuses, weaknesses, and consequences of the U.S. food-aid program in Central America not only call into question the application of the program in this conflictive region but also raise serious questions about the merit of the entire PL480 program--a program that comes up for congressional reauthorization in 1990.

### III. FOOD AS MONEY

Eight out of ten bags of food aid to Central America go to governments and businesses--not (as many Americans assume) to the poor and needy. The objective of this aid--delivered through the PL480 Title I and Section 416 Sugar Compensation programs--is to stabilize governments and economies.

This type of food aid--called government-to-government aid--constitutes about 80 percent of total food aid to Central America and about 10 percent of all official nonmilitary aid to the region.<sup>4</sup> AID has allocated large sums of government-to-government food aid as part of its overall program of economic and political stabilization of "friendly" governments in the region. It is shipped to the region with the express intent of being sold, and is therefore more likely to end up in the stomachs of the middle and upper classes than in the bellies of hungry and poor Central Americans.

Government-to-government food aid functions as a type of economic aid in two main ways. It provides balance-of-payments support by allowing countries to maintain or increase import levels without spending dollars over the short and medium term. The food also creates a major source of local currency for governments when the commodities are resold to the local private sector for distribution in the internal market. Government-to-government aid eases balance-of-payments crunches, finances government budgets, and serves to keep food prices down.

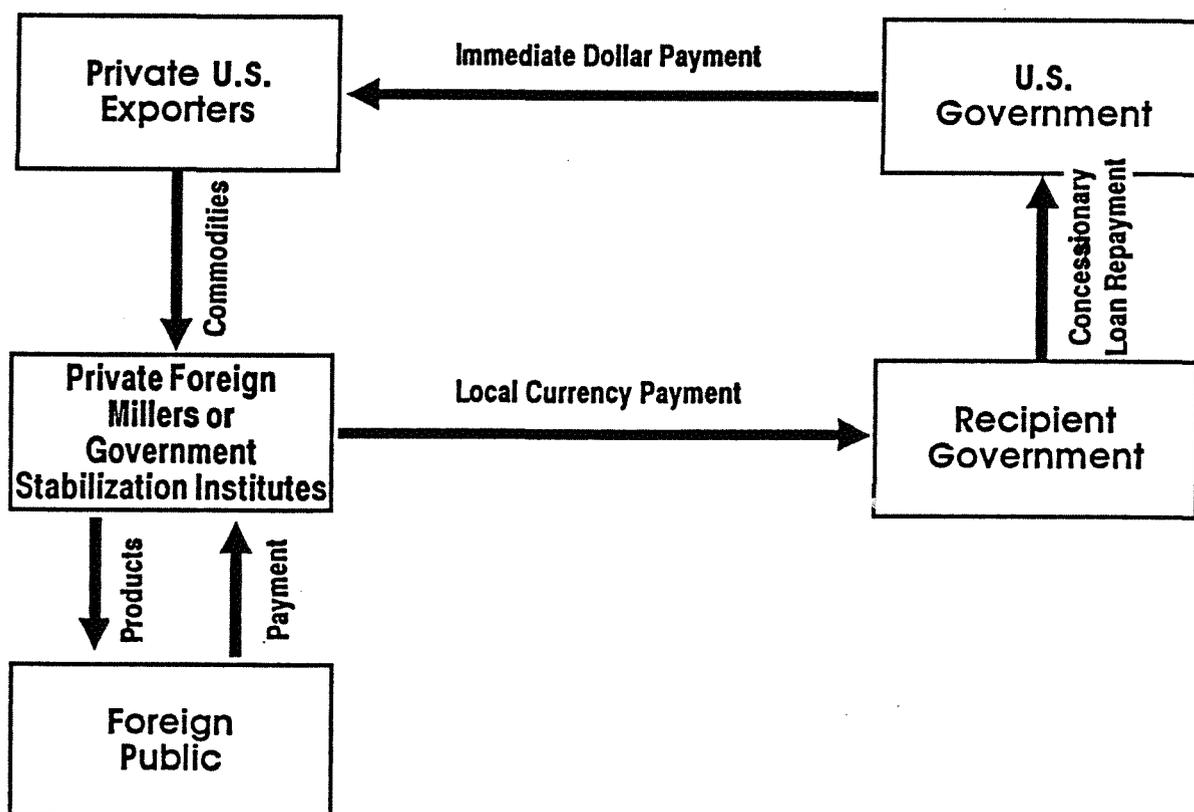
Food aid is regulated by the PL480 legislation. But the diverse and often conflicting goals of the law have permitted these regulations to be interpreted according to current foreign policy concerns of the State Department and the current economic development philosophy of AID. This is amply illustrated by the extreme politicalization of government-to-government food aid in Central America. It can also

be seen in the degree to which AID has committed itself to several goals of the PL480 program while ignoring and even violating other goals and regulations.<sup>5</sup>

Title I requires that the U.S. government will take into account the "efforts of friendly countries to help themselves toward a greater degree of self-reliance, including efforts to increase their own agricultural production, especially through small, family farm agriculture, to improve their facilities for transportation, storage, and distribution of food commodities, and to reduce their rate of population growth." Another condition of Title I is that food aid should be used to "promote progress toward assurance of an adequate food supply by encouraging countries to give higher emphasis to the production of food crops than to the production of such non-food crops as are in world surplus."

In keeping with this concern for local food production and distribution systems, the memorandums of understanding that AID signs with governments receiving Title I aid state that the local currency generated by Title I sales "will be used...in a manner designed to increase the access of the poor in the recipient country to an adequate, nutritious, and stable food supply. In the use of proceeds for this purpose, emphasis will be placed on directly improving the lives of the poorest of the recipient country's people and their capacity to participate in the development of their country."<sup>6</sup>

### Diagram Of A PL480 Title I Transaction



This commitment to promoting "self-reliance" in food production and to assisting the poorest of the poor contrasts sharply, however, with the actual ways government-to-government food aid is being used in Central America.

The State Department and AID are routinely using Title I food aid to push through financial and agricultural structural adjustment programs that adversely impact the poor and small farmers.<sup>7</sup> According to Washington, the Title I program "increases, sometimes substantially, the magnitude of the total assistance package we are able to offer governments, and thus increases our ability to influence their decisions."<sup>8</sup> The U.S. government has used this leverage to demand that recipient countries abide by strict structural adjustment programs that often cut social service budgets, reduce employment, increase costs of agricultural inputs, and eliminate credit and subsidy programs for local food producers. The other side of this use of Title I food aid to push through structural adjustment programs is the parallel use of distributive food aid to cushion the effects of structural adjustment on the poor.

Instead of directing local-currency generations to promote increased food production and efficiency in the basic-grains sector, AID stipulates that governments use this source of income to promote agroexport production. In practice, this development strategy has done little to help small farmers and is undermining local food production. In a recent Title I agreement with Costa Rica, AID states that the government must take measures "to increase domestic production and export of nontraditional agribusiness products to increase Costa Rica's foreign-exchange earnings." In contrast, no mention was made of the need to increase local basic-grains production.

A 1987 Title I agreement for \$5 million through the Section 108 program with Costa Rica stipulates that 95 percent of the funds be scheduled "to foster and encourage the development of private-sector institutions and infrastructure" while the remaining 5 percent be used for "technical assistance to agribusiness."<sup>9</sup> In Central America, AID is routinely using Title I local currency to support the private sector. In practice, this has meant assisting, almost exclusively, the commercially experienced large and medium-level producers rather than targeting assistance to small basic-grains farmers.

As currently administered in Central America, Title I food aid does not respect the legislative guidelines in respect to directing food aid to those countries that are committed to agricultural "self-reliance" and that use generated local currency on programs that focus on "directly improving the lives of the poorest of the recipient country's people and their capacity to participate in the development of their country." While Title I aid and other U.S. economic assistance is being used to leverage many other policy reforms by Central American governments, this aid is not being used to promote food security. Instead, the opposite is the case.

While government-to-government food-aid programs in Central America have ignored or violated several of the goals and guidelines of the PL480 legislation, AID and

USDA, in their implementation of the aid, have respected other stated goals of the food-aid law. Title I food assistance has been used, for example, "to expand international trade," "to develop and expand export markets for United States agricultural commodities," "to support private sector agricultural development," and "to promote in other ways the foreign policy of the United States."

Recommendations:

- Before reauthorizing the Title I program in 1990, Congress should seek to more closely define its objectives. As it is, Title I is burdened by too many objectives, many of which are contradictory. Currently these objectives include surplus disposal and market development, the provision of economic support to U.S. political allies, support for the development of agribusiness abroad, the temporary increasing of food supplies in food-deficit countries, and support for rural development efforts that benefit the poor. One or two objectives should be singled out for special emphasis, and the legislation surrounding this program rewritten to ensure that these are met.
- In making Title I aid allocations, current human-rights provisions need to be respected, which means cutting aid to countries judged to be violators by independent international organizations .
- Local currency and self-help measures that stipulate initiatives to promote local agriculture and food self-sufficiency need to be enforced--rather than allowing governments to use these funds as general budget support.
- The potential effects of Title I aid on local agriculture should be clearly recognized and regulated. Congress should require the study of potential disincentive effects between different commodities, for example, wheat and corn.
- In reconsidering the objectives of Title I, legislation relating to Usual Marketing Requirements should be reviewed and revised in light of current superficial fulfillment of this obligation.\* In particular, the effect of Title I imports on regional grain marketing should be considered before making favorable determinations.

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\* The Usual Marketing Requirement refers to PL480 Section 6 and to the World Trade section of Title I agreements which read: "The two Governments shall take maximum precautions to assure that sales of agricultural commodities pursuant to this Agreement will not displace usual marketings of the Exporting Country in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with countries the Government of the Exporting Country considers to be friendly to it."

- Sufficient reserves and storage space are two associated problems that are affected by Title I aid. The United States should encourage Central American countries to build local and regional reserves and to see that there is adequate storage space for those reserves as well as for seasonal harvests. As it is, year-after-year commitments of Title I assistance make governments less likely to adopt strong reserve policies.
- The Title I program should be sharply scaled back in Central America. The current high levels of food aid--the direct result of pressure from the State Department--are making this region dangerously dependent on cheap food imports and, in the process, are undermining local food production.

#### **IV. FOOD AID AND FARM POLICY**

The U.S. food-aid program is to a large degree a product of U.S. domestic agricultural policies that promote commodity exports, build foreign markets, and lend assistance to the U.S. farm sector. Food aid also affects agricultural production and farm policy in recipient countries. When Central American government officials shake hands on food-aid agreements, they often get more than cheap food. They accept an entire philosophy of agricultural development that in most cases runs contrary to national and regional food security.

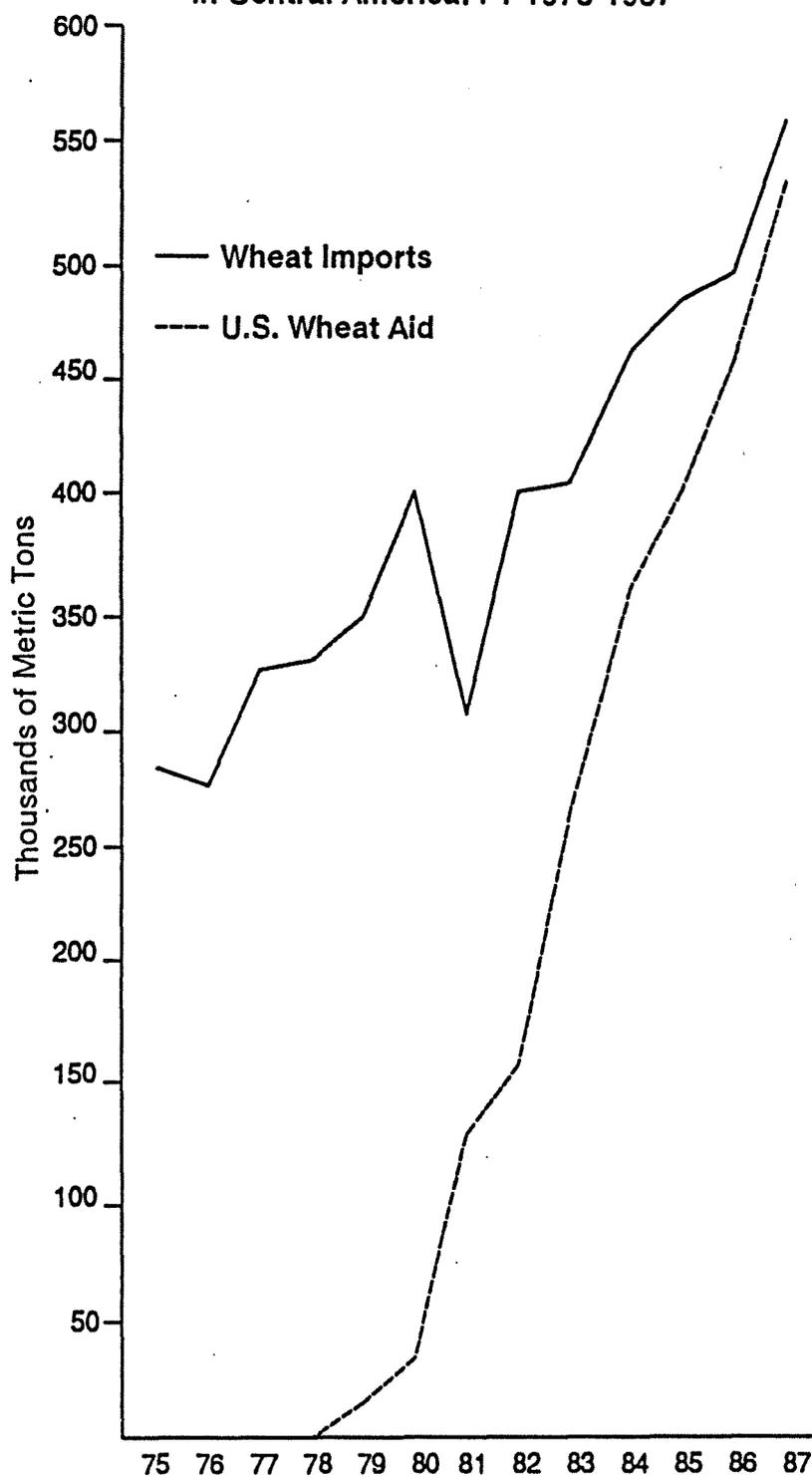
Poverty, and the hunger this brings, are on the rise in the Central America. Even before the 1980s, when economic crisis hit the region, at least half of all Central American families were living on a diet that did not meet their basic caloric needs, and two out of three Central American children showed stunted growth due to insufficient food intake.<sup>10</sup> Today, with the rising unemployment and falling real wages brought on by crisis and austerity, nutritional levels are even worse. One measure of this is the decline in per capita availability of basic grains.<sup>11</sup>

Central America is becoming less and less food secure. With per capita grain production stagnant or declining, local food production is insufficient to meet rising demand. Food imports have increased despite the precarious economic state of the region.<sup>12</sup> Today, cereal imports to Central America represent over a quarter of annual regional production of basic grains.<sup>13</sup>

#### **Increasing Import Dependence**

By making the import option more attractive, food aid has allowed Central American governments to avoid facing deepening food-production problems. Allocated largely on strategic grounds, food assistance may boost food imports even beyond what the internal market is prepared to absorb, depressing local prices and production.<sup>14</sup> Food aid exacerbates the problem of competition that cheap imports can offer to local food

**Wheat Imports Compared to U.S. Food Aid in Wheat  
in Central America: FY 1975-1987**



Data does not include Nicaragua.

**SOURCES:** For Imports 1975-1987: SIECA (NAUCA: 041/01/00 Unground Wheat); for Imports 1986-1987: USDA Agricultural Attaches. For Title I imports 1978-1987: USDA, *Food for Peace Annual Report on Public Law 480*, various years. For Section 416 imports, USDA Agricultural Attaches.

production. Food aid also encourages the consumption of U.S. wheat, and thereby fosters a long-term import dependency.

Responding to concern that the U.S. food-aid program was negatively impacting agricultural production in the third world, the U.S. Congress in 1977 passed the Bellmon Amendment. This legislation stipulates that no food aid can be delivered until the USDA determines that the projected aid will cause no disincentive effects in the local farm economy and that the country has sufficient storage capacity and other needed infrastructure to handle the food.<sup>15</sup>

In Central America, this legal obligation is being performed in a most perfunctory manner. Every time a new food aid deal is signed, USDA officials cable Washington stating that there is sufficient storage capacity and the planned aid will not significantly affect local agricultural production because the internal production of that commodity is insufficient (or in the case of wheat, nonexistent).

For Central America, at least, Bellmon Amendment determinations contain no hard supply and demand data, nor any serious analysis of price effects.<sup>16</sup> Specifically, substitution effects between different commodities (like wheat substituting for rice or corn) is not acknowledged, thereby excusing wheat--the main component of U.S. food aid to Central America--altogether from consideration of disincentive effects. This routine method of complying with the Bellmon Amendment violates the intent of the law and ignores AID instructions on the matter.<sup>17</sup>

Government-to-Government Food Aid to Central America by Commodity FY1979-1987			
Product	thousands of metric tons	millions of dollars	percent of total \$
Wheat/flour	2269.2	\$485.6	69.1
Vegetable oil	126.3	78.4	11.2
Corn/sorghum	539.1	64.2	9.1
Tallow	119.0	47.8	6.8
Rice	38.9	11.9	1.7
Soybeans/meal	32.2	7.1	1.0
Corn meal	32.0	3.0	0.4
NFDM	3.6	2.8	0.4
Beans	5.6	2.1	0.3
<b>Total</b>	<b>3166.0</b>	<b>\$702.9</b>	<b>100.0</b>

Source: PL480 Title I Sales Agreement and U.S. Agricultural Attache Reports.

More than two-thirds of the total volume of government-to-government food aid to Central America is in the form of wheat. In recent years, Title I and Section 416 wheat deliveries to Central America have soared. Ten years ago, Costa Rica, El Salvador, Guatemala and Honduras bought all their wheat on commercial terms from the United States. Today, 95 percent of the wheat imported by these four countries is covered by U.S. food-aid loans. Between 1980 and 1988, overall wheat imports rose about 35 percent.<sup>18</sup>

Despite annual USDA determinations assuring that all is well--since most of these countries produce no wheat at all--there is compelling evidence that this abundance of concessional wheat is creating important disincentive effects for locally produced basic grains, particularly corn and rice. Traditional patterns of consumption and production are being significantly affected, and the region is becoming dangerously dependent on U.S. charity for its continuing food supplies.

Since the early 1980s, the pace of wheat consumption has accelerated. The 35 percent rate of increase during this decade, significantly higher than the region's 15 percent increase in population over the same period, is particularly striking given the economic recession depressing the area's economy. Throughout the region, per capita income has fallen by an average of 13 percent and the central banks have experienced a severe foreign exchange shortage.

Despite USDA and AID assurances in the Bellmon determinations that no disincentive effects result from wheat imports, an AID/USDA study in Honduras concluded the contrary. The study deduced that wheat imports were undermining the market price of corn for farmers, who, as a result, were cutting back on corn production. According to the AID study, the corn output growth rate may have been cut by more than half in recent years as a direct result of wheat imports.<sup>19</sup>

Disincentive effects are not limited to wheat imports. Substantial quantities of such items as corn, vegetable oil, and powdered milk--commodities that Central American countries can produce themselves--have recently been imported through food-aid programs. A 1984 study by AID of the basic-grains sector in El Salvador concluded, for example, that the level of corn imports from the United States was causing "a substantial decline in the production of yellow corn, which tends to be produced by small farmers."<sup>20</sup>

### **Agricultural Development Without Food Security**

Privatization and agroexport promotion are the two leading elements in AID's agricultural development strategy in Central America.<sup>21</sup> Both elements are drawn from a commitment to the principles of comparative advantage--itself being one of the main corollaries of the current economic development philosophy espoused by AID. For

proponents of this economic world vision, the market becomes the final arbiter. If Central American farmers cannot produce corn or beans more cheaply than their counterparts in the industrialized world, then they should switch crops or move to the city.<sup>22</sup>

There exists an unwritten assumption that the projected success of nontraditional agroexport production will not only spark widespread economic development but also eventually enable the region to pay for its ever increasing food imports. While there is nothing wrong in theory with a switch from basic grains to higher-income producing nontraditional exports, it is extremely dangerous in practice, especially for a region like Central America where income and resources are so unevenly divided.

Given the small role that nontraditional exports currently play in earning foreign exchange for the region and the alarming trends in local food production and food imports, this development scenario seems both unrealistic and risky. For it to work, the export of nontraditional vegetables and fruit (like broccoli and melons) would have to increase at a substantially faster rate to match the cost of imported food. The numbers simply do not add up, especially when one considers the increased costs of imported agricultural inputs needed to produce quality products for the U.S. market.

This development philosophy, leveraged by economic aid and food-aid packages, is shaking the structure of Central American food production and distribution systems. As part of its food-aid agreements with Central American countries, AID is:

- Channeling Title I local currency into private-sector financial institutions with the stipulation that the funds be re-loaned at market rates, a requirement that excludes the many small grain farmers unable to qualify for commercial loans.
- Specifying that government-to-government food aid be sold directly to private-sector companies rather than passing through grain stabilization institutes (government agencies established to guarantee stable grain prices for farmers and consumers).
- Obligating countries to operate grain stabilization institutes without losses and to bring local grain prices into line with international market prices, spelling the termination of subsidized guaranteed prices for grain farmers.
- Pressuring governments to privatize parts of the stabilization institutes and food distribution networks.
- Using Title I local currency to underwrite the expenses of a nontraditional agroexport offensive that includes increased credit for agribusiness investors, technical assistance, marketing projects, the construction of fumigation chambers and processing plants, and new government incentives and subsidies.

The agricultural development policy currently promoted by AID through food-aid and development-assistance agreements is not in the best interests of the poor majority of Central America. With an emphasis on agroexports and agribusiness, it represents little more than a refinement of the region's agroexport tradition that for decades back has left peasants and local food production out of the development picture. This policy also serves U.S. investors and traders by stressing the primacy of comparative-advantage economics and the elimination of protectionism for local production.

Food aid is serving to increase the dependence of Central America on food imports from the United States. Central America is a rich agricultural region that, with better distribution of land and resources, could easily meet its own food needs. Yet, to solve their food problems, these countries are looking more toward food donors than to local food producers.

Central American governments are not using food aid as a stop-gap measure to tide them over in the case of droughts or other temporary obstacles to increased food production. Instead, food imports are being adopted as a permanent solution to the region's agricultural deficiencies, allowing governments to continue to ignore the serious problems plaguing local food production. By boosting imports beyond what they would have been in the program's absence, food aid is enabling cheap U.S. wheat, as well as other products, to reduce the prices and production of local grains. Food aid, by encouraging new consumption habits that neither family income nor the national treasury can sustain, is undermining not only the region's food production system but also its chances for future economic stability.

*Recommendations:*

- AID and USDA should fully and seriously comply with the provisions of the Bellmon Amendment regarding disincentive effects.
- Food aid should be used to support local and regional food security goals, which means the following: promoting local grains production, assisting small farmers, and backing regional solutions to commodity shortfalls.
- The U.S. government should promote an agricultural development policy that seeks a balance between local and export-oriented production.
- Food aid should not be used to undermine or privatize the grain stabilization institutes and other programs designed to help basic grains growers and to guarantee national food security. Rather local currency should be used to support programs that provide technical, credit, and marketing assistance to basic grain farmers with the aim of increasing efficiency and a growing ability to meet national food needs.

## V. WEAKNESSES OF HUMANITARIAN FOOD AID

Over the last decade, distributive food aid (through PL480 Title II and Section 416) has more than doubled in Central America. Most of this increase has been channeled through the World Food Program (WFP). Currently distributive food-aid programs from all foreign donors reach a third of the region's population.<sup>23</sup> But there is little evidence that this food assistance is having the intended positive humanitarian and developmental impact. There is, however, substantial evidence that food handout programs in Central America are creating widespread dependency, serving political and military objectives, and dangerously altering consumption patterns.

AID has been distributing food in Central America for over thirty years without having demonstrated that food aid is improving the nutritional status of its recipients.<sup>24</sup> Nutritional effect is limited to a large degree by the problem of targeting. In Central America, these programs generally do not reach the neediest and most malnourished. They tend to be concentrated in the most geographically accessible areas and in those which already have a social infrastructure to administer the program. Beneficiaries are rarely selected on the basis of objective criteria of need, such as anthropomorphic measures of malnutrition, but rather accepted on a first-come, first-served basis or through subjective judgment calls. Much food then, is given to people who do not really need it, while the poorest and most marginalized are often excluded.

Because of the difficulty in showing a positive correlation between supplementary food-aid projects and improved health and nutrition, AID and the "cooperating sponsors" (private organizations, like CARE, and recipient government agencies which manage U.S. food-aid distribution) rarely justify food-aid projects on the direct merits of the food. Instead, food aid is more commonly regarded as an incentive to attract recipients to health and nutritional education classes.

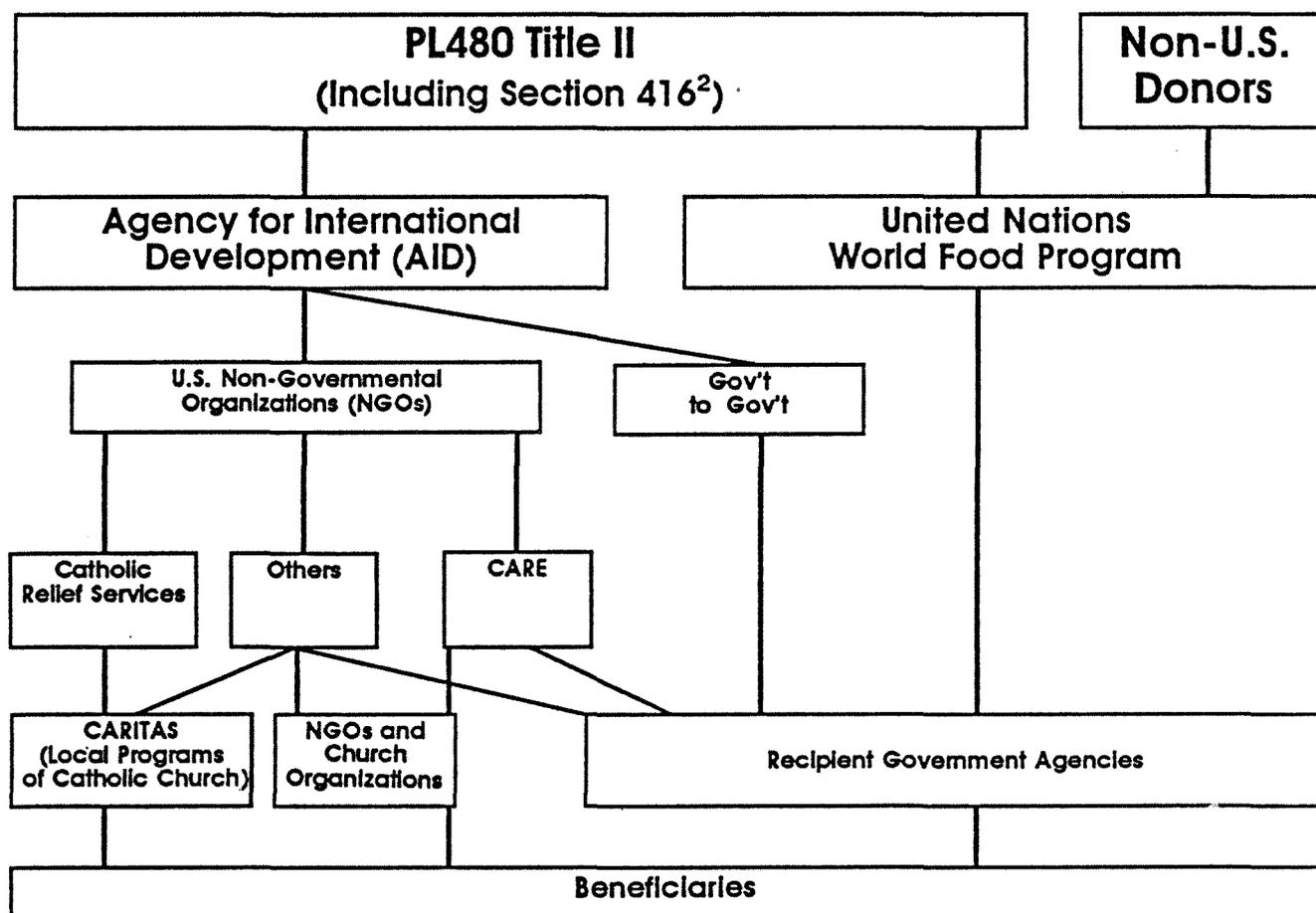
But even in this regard, food aid is failing. Most of the nutritional education that does exist consists of classes on how to prepare foreign foods like pancakes (with imported wheat and powdered milk) and Tex-Mex tacos (with Section 416 processed cheese), rather than on how to prepare balanced meals with locally produced food items. As a staff member of the U.S.-based SHARE admitted, "The people aren't used to eating the food we give them, so we have classes to tell them how to prepare it."<sup>25</sup> The nutritional and health education programs that do exist are largely a travesty. We were told by several NGO staff that these programs--which AID calls "essential"--simply do not exist, a fact that was amply confirmed by our own project visits.

Food-for-work (FFW) is another favored strategy for strengthening the impact of distribution programs. Here the nutritional justification is replaced by a focus on labor mobilization. But food-for-work can be justified only if the work project truly benefits the individuals involved--a condition frequently not met in Central America. Another problem is that numerous projects ignore the need for at least some cash income,

paying workers solely in food even for full-time work projects, thereby violating international and national labor regulations. Finally, by mobilizing labor in the short-term, FFW projects in the long term often undermine community organization and participation.

While AID stresses the community development objective of food-for-work projects, many FFW projects are imposed on the community from above by the army, government, or cooperating private sponsor. These projects, which have become popular with Central American governments, are often characterized by political manipulation and corruption, and they destroy the rationale for voluntary participation in future community development activities.

### PL480 Title II Distribution Channels in Central America<sup>1</sup>



<sup>1</sup> This chart is designed to illustrate the channels of Title II distribution, and does not represent proportional flow of the food aid.

<sup>2</sup> Section 416 is a small commodities distribution program of the U.S. Department of Agriculture.

If the intended nutritional, educational, and developmental benefits of distributive programs are more mythical than real, why then do these programs continue to thrive? For one reason, hundreds of private organizations and churches in Central America structure their social-service and development activities around food distribution, and the number continues to expand. Governments also sponsor distributive food programs as a way to demonstrate some concern for the poor and to extend the political influence of the party in power. Another reason is availability. Food is readily available, where as money and other resources often are not. As a CARE representative in Honduras quipped, "Why does CARE distribute food? Because the mountain is there!"

Not only are the benefits of these programs limited, but they also have a series of hidden costs and side effects. Food distribution is not free. Program administration requires surprisingly large amounts of both financial and human resources, which are then not available for other tasks. Throughout the region, the time and energies of literally thousands of nuns, nurses, teachers, and community leaders are taken up in the endless work involved in transporting, repackaging, and distributing food. Beneficiaries, meanwhile, spend endless hours simply standing in food lines.

Outside food aid shapes consumer tastes away from traditional diets towards high-cost imported products. Because distributive food now reaches such a large number of Central Americans, there is growing evidence and concern that this free food is creating disincentive effects for local food producers. Recent trends toward the increased monetization of distributive food (sale of food to support project costs) also pose a threat to local agriculture.

Food distribution, even under food-for-work projects, fosters a welfare mentality and hinders sustainable development projects. The population begins to depend on donors rather than their own initiative, and to wait for "help" to arrive rather than seek their own solutions. Free food can also foster divisions and corruption, as beneficiaries compete among themselves for handouts. Year after year, food handouts provide short-term help for long-term and deepening problems. They polish the government's image, enabling it to pretend it is doing something about mass poverty and hunger, while glossing over structural class and land-tenure injustices. A related concern is the degree to which distributive food-aid programs are used to attract and maintain church-goers and to support religious projects, both by Catholic and evangelical churches.

Distributive food projects are in some cases explicitly designed to cushion the social and political impact of structural adjustment programs.<sup>26</sup> Knowing that the economic policies it advocates will weigh most heavily on the poor, AID has instituted distributive programs designed to ease this impact and thereby reduce the likelihood of social upheaval.<sup>27</sup> This targeted use of food aid as a cushioning and pacifying device tends to make food aid into more of a political tool than a humanitarian response.

Local armed forces, too, have recognized the palliative and psychological nature of food distribution, and where they are able, direct these donations preferentially to conflict areas and use this food as a drawing card for civic action programs.

Like Title I, distributive food assistance programs must be guided by a strict set of conditions and regulations. Otherwise, the intended humanitarian benefits of distributive aid can be subverted by destructive political, social, and economic consequences and side-effects. Unfortunately, this is largely the case in Central America.

Recommendations:

- Food aid should be used preferentially for situations where people are cut off from their normal means of subsistence and must have outside support to survive, especially in short-term emergency situations.
- Food aid to achieve "developmental" ends, now so much in fashion, should be reevaluated. Given the importance of grassroots organization to successful social and economic development, there should be more concern about the possible negative effects of food aid on popular attitudes and organization.
- The benefits of supplementary feeding and food-for-work programs cannot be assumed. Their nutritional and income benefits should be clearly quantified and weighed against their financial and human costs. The alternative uses that could be made of these resources should be considered, as well as the negative effects on consumption patterns and community organization. Programs that cannot pass muster should be shut down.
- Monetization (the sale of donated food by recipient agencies to cover operating expenses) is an inappropriate solution to the resource problem. If food-distribution programs are deemed worthwhile, they should be supported by financial commitments from AID and the NGOs themselves. If continued, monetization should be closely coordinated and regulated.
- Supplementary feeding should in every case be accompanied by nutritional and health education. Sufficient financial and trained human resources must be earmarked for these tasks.
- Food-for-work should be limited to true self-help projects that directly benefit all of the workers involved, in accordance with International Labor Organization guidelines. Laborers in public-works programs--including road building--should under no circumstances receive more than half of their pay in food.
- The food provided by distributive programs should match local diet and spending patterns. In the case of Central America, this would entail eliminating the

distribution of cheese, and much of the powdered milk, wheat flour, lentils, and other U.S. surplus foods, concentrating instead on the provision of rice, beans, and yellow corn.

- Distributive programs should be based on a needs-assessment basis, not on political standards. Food aid should not be denied needy people living under governments, like that of Nicaragua, regarded as unfriendly by the U.S. government.
- Considering the vast extent of distributive food aid in Central America, and the presence of other donors, AID and USDA need to evaluate potential disincentive effects from Title II and Section 416 programs before approving annual allocations.
- Contributions to the WFP should be closely monitored to ensure that WFP projects abide by the conditions of Title II assistance: including respect for international and national labor codes, prohibition of military uses, restrictions concerning disincentive effects, and the targeting of food-short areas.

## **VI. MILITARY USES OF FOOD FOR PEACE**

Toward the end of the Vietnam War, Congress imposed restrictions against the use of PL480 food aid for military purposes. In Central America, these restrictions have been routinely violated, apparently with the knowledge and consent of AID. Central American armies transport and often distribute U.S. food donations. From Guatemala to Costa Rica, U.S. food aid can be found on the battle lines of Central America.

Recognizing the congressionally imposed restrictions against the use of food aid for military purposes, a 1986 AID policy statement affirmed that the agency would "not provide financing or supplies for civic-action activities controlled or implemented by the military."<sup>28</sup> Despite this and other declarations, AID is using food aid to assist military and war-related operations in Central America. This is happening in three ways: 1) food aid for civic-action programs implemented by the military, 2) food aid for military-controlled programs for the internally displaced, and 3) the use of local currency funds to support war-related pacification operations.

Armies in El Salvador, Guatemala, and Honduras all use U.S. Title II food aid as part of their civic-action programs. In no case, however, does AID directly hand food aid to the military. The food aid is generally distributed to military-controlled government institutions which then dispense the food to military civic-action and psychological-operations (Psyops) teams.

Since 1983, Title II food aid has been routinely distributed by the Salvadoran army as part of its civic-action programs. AID channels the food to DIDECO (Directorate of Community Development), which in turn transfers the food to CONARA (Commission for Restoration of Areas) and the army for civic-action programs and other elements of

the United to Reconstruct (UPR) counterinsurgency campaign. AID claims that the U.S. food aid distributed during civic-action programs is not handed out by soldiers but by civilians associated with DIDECO and CONARA. It terms these "combined civic-action" programs to signify joint civilian-military operations.

Notwithstanding the "combined civic-action" designation, U.S. food aid is being transported, unloaded, and distributed by Salvadoran soldiers in civic-action programs planned and directed by the military as part of its counterinsurgency effort.<sup>29</sup> During the food distribution, army Psyops teams lecture waiting villagers about the "communist subversives" and about the virtues of army-civilian unity. Not infrequently, the army uses these civic-action programs to terrorize recipients.<sup>30</sup>

AID claims that CONARA is a civilian agency, not a military one. CONARA is formally directed by a civilian, but there is little question that it is controlled by the military.<sup>31</sup> In 1988, CONARA's general coordinator, Luis Mejía Miranda, explained that food-distribution sites were selected by an army officer operating out of the CONARA office, on the basis of requests from local army commanders. Mejía also admitted that CONARA's civic-action programs are "basically psychological operations."<sup>32</sup> DIDECO itself--the channel through which Title II food flows to CONARA--describes this program as follows: "The Ministry of Defense carries out through CONARA the [project] component directed to the restoration of areas destroyed or damaged by the situation of violence in the country, with the support of food rations for the families in the conflict areas affected and that participate in the civic actions carried out by CONARA."<sup>33</sup>

Since their inception, distributive food-aid programs for the displaced in El Salvador have been highly politicized. With local currency from PL480 and Economic Support Fund (ESF) generations, AID financed the government's programs for the displaced through DIDECO and CONADES (National Commission for Aid to the Displaced). These agencies have exclusively attended the displaced in areas controlled by the Salvadoran army, while leaving large sectors of displaced people without relief. Both agencies have distributed Title II food, most of which has been channeled through WFP. Similarly, Title II food aid to private organizations working with the displaced has been very politicized.

While AID publicly declares that its food-aid program is mainly humanitarian, one gets a different picture at the hundreds of military roadblocks in rural El Salvador. Food aid distributed by AID contractors and government agencies passes easily through the roadblocks while truckloads of food from independent agencies like the Catholic Church's Social Secretariat sometimes never get through to the intended beneficiaries.

In Guatemala, army civic-action and PSYOPS operations have (since 1982) relied largely on donations of the World Food Program to the National Reconstruction Committee (CRN), a military-controlled reconstruction committee which channels

food and other supplies to the army's pacification efforts in the highlands or Altiplano region. Although the AID Mission in Guatemala has not itself channeled food aid through CRN, AID/Washington has repeatedly approved Title II food shipments for WFP/CRN joint programs. WFP food, most of which came from Title II contributions, allowed the military to proceed with such pacification programs as the army's "Beans and Bullets" campaign and the food-for-work programs that built the army-controlled "model villages" (military-controlled resettlement sites).<sup>34</sup> AID has repeatedly denied that U.S. food aid has been used for civic action and pacification programs of CRN and the Guatemalan army. Yet millions of dollars in food aid has been channeled to WFP-CRN projects which, as the WFP acknowledges, have been widely used by the army in its model villages and development poles.

The AID Mission in Guatemala is not as directly or obviously connected with the army's counterinsurgency campaign as is its counterpart in El Salvador. Nonetheless there are serious concerns about the use of U.S. food aid and Title I local currency in Guatemala. Indians displaced by the counterinsurgency war continue to be rounded up by the army and placed under military detention where they are fed with food aid that often comes from the United States. CRN, a key institution in the army's ongoing pacification efforts, has not only received Title II food aid but also local currency funds.<sup>35</sup> Local currency from PL480 Title I is also directed to a series of government ministries and agencies (like the agricultural development bank and roads department) which have provided critical support for the army's National Security and Development Plan in the highlands through inter-institutional coordinating committees and more recently through a multi-sector committee whose projects are controlled by the military.<sup>36</sup>

In Honduras, the army's civic-action programs are directed by its S-5 officer, the same official who heads the military-controlled National Emergency Committee (COPEN). Civic action programs regularly distribute AID food, according to S-5 and COPEN representatives. Working through COPEN, Honduran soldiers have distributed U.S. food during relief operations along the country's border with Nicaragua.<sup>37</sup>

Another questionable use of local currency is that of directing Title I funds for the Northern Zone Infrastructure Development Project along Costa Rica's border with Nicaragua. AID itself acknowledged that the project was given priority funding for "geopolitical reasons," and a 1984 study by the Society of Inter-American Planning concluded that the project's principal objective is "the neutralization of the ideological influence of the Sandinista Revolution."<sup>38</sup> Local currency from Title I resales has also been directed to civic-action programs (including road and bridge building) by U.S. military and National Guard units in Costa Rica.

Recommendations:

- AID should strictly abide by prohibitions against the use of food aid by military-controlled institutions or for military objectives.
- Food-aid legislation dictates that U.S. food donations be used to address the problems of malnutrition and rural underdevelopment. Directly or indirectly, distributive food aid should not be given to military or military-controlled institutions that use food programs to pacify or repress rural unrest.
- Title I local currency should be directed to government institutions that promote food security and help small farmers and not to government agencies or to projects that directly or indirectly serve military objectives.
- AID should ensure that no Title II contributions to the World Food Program go to military-controlled institutions like CONARA and CRN.
- No food aid should be distributed as part of civic-action programs in which Central American or U.S. troops participate.



## REFERENCE NOTES

- <sup>1</sup> The 30 percent figure is calculated on data from USDA. *FAS Food for Peace: 1986 Annual Report on Public Law 480*.
- <sup>2</sup> "Report of the National Bipartisan Commission on Central America" (1984). Also see: U.S. Department of State; AID/OMB (1987) "A Plan for Fully Funding the Recommendations of the National Bipartisan Commission on Central America."
- <sup>3</sup> In addition to PL480, a small portion of food aid is donated from the surplus stocks of the Commodity Credit Corporation under Section 416 of the Agricultural Act of 1949. Some Section 416 food has been given to governments for resale while other Section 416 commodities are handed over to cooperating sponsors for free distribution.
- <sup>4</sup> Government-to-government food aid to Central America has increased dramatically in the 1980s. From 1954 to 1979, Central American countries received a total of only \$10 million in this type of aid. Yet from 1980 to 1988, over \$600 million in resale food aid was shipped to the region. USDA/FAS Food for Peace annual reports on PL480 (represents commodities shipped).
- <sup>5</sup> The main goals of the Agricultural Trade Development and Assistance Act are as follows: "The Congress hereby declares it to be the policy of the United States to expand international trade; to develop and expand export markets for United States agricultural commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in the developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production; and to promote in other ways the foreign policy of the United States." (Agricultural Trade Development and Assistance Act of 1954, as amended PL480, Section 2).
- <sup>6</sup> Title I sales agreements of Guatemala, Honduras, Costa Rica, and El Salvador, 1985-87.
- <sup>7</sup> An AID-Guatemala "Action Plan," for example, states that "Title I local currency generations will be used in a coordinated fashion with ESF generations to support GOG [Government of Guatemala] economic and financial adjustment packages to be put into place in May 1986."
- <sup>8</sup> AID, *Regional Strategic Plan for Latin America and the Caribbean*, (1983), p. 25.
- <sup>9</sup> This \$5 million came under the new Section 108 private-sector support program of Title I. It was part of a \$16 million Title I agreement with Costa Rica.
- <sup>10</sup> AID-ROCAP (1985) "ROCAP Project Paper: Technical Support for Food Assistance Programs," pp. 7-8 estimates that 60 percent of children under age five in Central America and Panama suffer from some degree of malnutrition and that moderate to severe malnutrition ranges from a low of 7 percent in Costa Rica to a high of 29.5 percent in Guatemala and Honduras.
- <sup>11</sup> The unweighted average of per capita availability (production plus net trade) of basic grains in the four countries under study fell sharply in the period 1980-1985: corn availability declined from 428.7 to 325.1 kg/year, rice from 80.5 to 67.7, beans from 41.0 to 40.5, and wheat from 111.9 to 110.7. INCAP, "Programas de Alimentación a Grupos," (1986), p. 39 citing national food balance sheets.
- <sup>12</sup> Grain production over the last few decades has barely kept pace with the increase in population, and has lagged behind the rise in demand, resulting in imports. Cereal imports have far outstripped increases in grain production in the 1950-1980 period. Cereal imports rose from 200,000 tons in 1961-63 to 600,000 tons in 1976-78 to 800,000 in 1981 to almost a million tons in 1986. In the 1970 to 1986 period, cereal production increased about 45 percent while cereal imports jumped 125 percent. Arias (1989) "Seguridad o inseguridad alimentaria," CADESCA-CEE, p. 35; CEPAL (1986) *Centroamérica: Crisis agrícola y perspectivas de un nuevo dinamismo*, p. 57.
- <sup>13</sup> INCAP, "Memoria de Labores, (1988); Arias, op. cit. (1989).

- <sup>14</sup> AID allots food aid that exceeds actual import needs. Sometimes these programmed shipments are cut back, but other times they are pushed through. In Central America, AID has begun to program 14-month levels for some countries as a way to provide more aid to the country that year. AID itself has acknowledged that it may be giving countries more food aid than they can absorb. In 1987 testimony before a congressional committee, AID official Thomas Reese said that AID was investigating possible problems of overprogramming food aid. "This problem," he said, "may be especially critical in Latin and Central America...commercial markets may not be able to absorb additional food without negative effects." U.S. Congress House of Representatives, Hearings before Select Committee on Hunger (1987), p. 46.
- <sup>15</sup> The Bellmon Amendment reads: "No agricultural commodity may be financed or otherwise made available under the authority of this Act except upon a determination by the Secretary of Agriculture that (1) adequate storage facilities are available in the recipient country at the time of exportation of the commodity to prevent spoilage or waste of the commodity, and (2) the distribution of the commodity in the recipient country will not result in a substantial disincentive to or interference with domestic production or marketing." (7 USC 1731).
- <sup>16</sup> The programming of food aid in dollars introduces an added element of uncertainty into this determination, since at the time the cables are sent exact tonnage levels still are not known.
- <sup>17</sup> According to the *AID Handbook 9: Food for Peace* (1986): "An analysis is needed of any substantial disincentive effect of supplying requested commodities...to the recipient country's domestic production....If the Country Team has reason to conclude that distribution of PL480 Title I commodities may have a substantial disincentive effect on domestic production of the *same or related* agricultural commodities in the importing country, the reasons should be fully explained and immediately reported to Washington." (authors' emphasis).
- <sup>18</sup> U.S. Agricultural Attache reports, various years; CADESCA/CEE, citing SIECA.
- <sup>19</sup> Roger Norton and Carlos D. Benito, "Evaluation of the PL480 Title I Program in Honduras," Winrock International for AID/Honduras, (1987).
- <sup>20</sup> Robert R. Nathan Associates, Inc. "An Inventory of Policies Affecting Agriculture in El Salvador," Main Report Vol I, Selective Policies and Alternatives, San Salvador (1984), p. 43.
- <sup>21</sup> These policies can be found, for example, in: AID, *Annual Congressional Presentation*, FY1983-1989; AID (1983) "Regional Strategy Plan for Latin America and the Caribbean," and AID Title I sales agreements with Costa Rica, El Salvador, Honduras, and Guatemala, various years.
- <sup>22</sup> Anthony Cauterucci, an AID Mission director, put it clearly: "We are looking at moving subsistence-oriented agricultural toward high commercial value agriculture and linking *campesinos* to the export process." *Frontline* (AID: August 1984).
- <sup>23</sup> AID-ROCAP (1985) "Technical Assistance for Food Assistance Programs," p. 10 and 13. ROCAP's 5.2 million beneficiary figure does not include refugees (Washington DC); Arias (1989) CADESCA/CEE "Seguridad o Inseguridad Alimentaria: Un Reto para la Región Centroamericana," p. 53, citing INCAP (1986) "Programas de Alimentación a Grupos," and CIDA, "An Assessment of Food Aid Needs for Central America," Vols. I and II. The Arias study reports 8.2 million Central Americans receiving distributive food aid.
- <sup>24</sup> The two studies that have evaluated nutritional impact showed disappointing results. A private 1984 study of a child-feeding program in Guatemala found no significant improvement in nutritional status, in part because most of the children participating in the program were not malnourished when the program started. Eleanor Price and John Townsend (1984: unpublished manuscript), "Supplementary Feeding Programs for School Age Children." A 1987 AID-contracted evaluation of the Title II maternal-child health program in Honduras, which AID/Washington has criticized for poor methodology, showed "some impact" on a woman's success in childbearing and the height (though not the weight) of her children, but noted that "this impact was not of the magnitude one would expect

- after almost 30 years of food distribution," Winrock International (1987) "Implementation and Impact Evaluation of PL480 Title II Program," p. 18.
- 25 Interview by Tom Barry with a SHARE-Guatemala staffer, May 1988. Recipes from a SHARE (which distributes Section 416 food) recipe book.
- 26 U.S. Congress, House of Representatives, Select Committee on Hunger (1987) "Enhancing the Developmental Impact of Food Aid," p. 97. Also see: Hope Sukin (1988) "U.S. Food Aid for Countries Implementing Structural Adjustment," *Food Policy*, p. 98. Not just AID but also the World Food Program and the World Bank are exploring the use of food aid in structural and sector adjustment.
- 27 A case in point is the use of distributive food aid to soften the impact of the U.S.-backed structural adjustment program in Guatemala. A recent AID evaluation of food aid in Guatemala concluded: "The political context, in which a new, more democratic government must increase taxes and cut spending to restore economic growth and financial stability, justifies use of title II to alleviate consequences of structural adjustment on the poor." James M. Pines, Joyce King, and Janet Lowenthal (1988) "Evaluation of the PL480 Program," John Snow Inc. p. i.
- 28 AID (1986) "LAC [Latin America and Caribbean] Policy in Support of Military Civic Action in El Salvador." Food-aid legislation makes no provision for AID's use of food aid for military purposes. Section 531(e) of the Foreign Assistance Act prohibits Title I local currencies from going to "military or paramilitary purposes." Section 1301 of the U.S. Code also explicitly prohibits the military use of U.S. food aid. Aid can go to military projects only if explicitly intended for that purpose.
- 29 Sometimes soldiers directly hand out the food while other times the local army commander selects a team of villagers to hand out the food under military supervision.
- 30 One such case in early 1989 was denounced by the Association for the Development of the Communities of Morazán and San Miguel (PADECOMSM). According to a PADECOMSM spokesperson, a detachment from the military base in San Francisco Gotera arrested 31 members of the small village of Estancia in the Morazán department shortly after having distributed food aid to the community as a part of a civic-action program. "While handing out corn and other cereal, they tried to terrorize the community, telling them that they should quit working with PADECOMSM if they didn't want problems," reported the informant. PADECOMSM, part of a national coalition of community organizations, claims the army's civic-action programs are really "civic-terrorist actions." PADECOMSM (press release, January 21, 1989).
- 31 Since 1986, CONARA has coordinated the government ministries working under the army's United to Reconstruct (UPR) campaign, a reconstruction and pacification effort focusing on contested and newly secured areas of the country. Where the military allows it, CONARA focuses on rebuilding public services and infrastructure. But, "in areas with poor security," reads an AID document, "CONARA is limited to coordinating relief activities such as food distribution, medical care, or restoring public services. These activities can be either civic action, using purely military resources, or humanitarian assistance provided by civilian agencies with the support and the assistance of the military." AID Briefing Paper on the National Plan, 1988. In another document, AID downplays the military's role in combined civic actions: "Often civic action and humanitarian relief through civil agencies and supported logistically by the military are undertaken...AID is not directly involved with civic action. However, AID-supported humanitarian assistance activities might be undertaken in conjunction with military civic action in conflicted zones in which the military provides security and logistics support." AID/El Salvador (1986) "The National Plan: Questions and Answers."
- 32 Interview by Rachel Garst with CONRA general coordinator Luis Mejía Miranda, San Salvador, November 11, 1987.
- 33 DIDECO (San Salvador: 1987) "Plan de acción para el proyecto GOES/AID: Ayuda alimentaria comunal de emergencia para comunidades marginales urbanas y rurales," p. 2, author's translation.
- 34 An estimated 80 percent of WFP food in Guatemala, El Salvador, and Honduras is supplied by the United States. Calculations based on USDA, *Food for Peace Annual Reports* (various years); tables

supplied by WFP, Rome: "WFP Shipments by Recipients for Development Projects and Emergency Operations" (1978-1987); *FAO Aid in Figures, 1987*, No. 5; and summary tables published by each WFP mission. For more information on the pacification campaign in the Guatemalan highlands, see *Security and Development in the Guatemalan Highlands* (Washington Office on Latin America, 1985) and *Guatemala: A Nation of Prisoners: Social and Economic Consequences of Repression* (Americas Watch, 1984).

- 35 In 1985, nearly three million *quetzales* (about \$1.2 million) were assigned to the CRN for rural development in the highlands.
- 36 See Title I memorandums of understanding between AID and the Guatemalan government, 1984-1988.
- 37 Interviews in August 1987, March 1988, and March 1989 with COPEN and S-5 officials. Army officials say they receive AID PL480 food from private organizations and government ministries.
- 38 AID/Costa Rica, "Northern Zone Infrastructure Development Project Paper," No. 515-0191; Carlos Granados and Liliana Quezada, "Los Intereses Geopolíticos y el Desarrollo de la Zona Norte No-atlántica Costarricense," *Primer Encuentro Centroamericano-Mexicano sobre Problemas, Perspectivas, y Planificación para el Desarrollo de las Regiones Fronterizas* (SIAP, 1984).

## APPENDIX

CENTRAL AMERICA<sup>a/</sup>

## U.S. Food Aid, by Program, 1980-1987

	Government-to-Government		Distributive Aid		Total Aid <sup>b/</sup>
	PL480 Title I/III	Section 416 SQ	PL480 Title II	Section 416	
1980	3.5		8.7		12.2
1981	17.0		19.3		36.3
1982	45.1		14.0		59.1
1983	78.9	—	18.5	—	97.4
1984	87.4	—	15.6		103.0
1985	74.7	—	17.3	0.3	92.3
1986	57.9	3.8 <sup>c/</sup>	19.1	3.6	83.4
1987	77.3	22.3	19.7	4.9	124.2

a/ Excludes Nicaragua. b/ Excludes small amounts of Mutual Security Aid for Costa Rica, 1984 onwards. c/ Contrary to usual practice in Guatemala \$2.4 million of this Super Quota shipment was distributed free to NGO's  
Source: USDA, *Food for Peace Annual Report on Public Law 480*, various years.

## COSTA RICA

U.S. Food Aid<sup>a/</sup> by Program, as Compared to Total Agricultural Imports from the U.S., 1954-1988

(In US\$ millions)

Fiscal year	PL 480		Section 416 <sup>b/</sup>		Mutual Security Aid	Total Food Aid	Export Promo. GSM-102	Total Ag. Imports from US	Food Aid Total	GSM 102 as o/o of Ag Imports
	Title I	Title II	Reg.	SQ						
1954-1979	—	15.8			0.4	<b>17.2<sup>c/</sup></b>	0.2 <sup>d/</sup>	321.0	5	0 <sup>d/</sup>
1980	—	0.3			—	<b>0.3</b>	—	64.2	0	—
1981	0.0	0.8			—	<b>0.8</b>	4.1	48.1	2	9
1982	17.2	1.5			—	<b>18.7</b>	15.7	53.9	35	29
1983	25.1	0.3	—	—	—	<b>25.2</b>	—	40.6	62	—
1984	23.0	—	—	—	0.3	<b>23.3</b>	2.8	51.8	45	6
1985	19.6	0.2	—	—	1.5	<b>21.3</b>	—	43.1	49	—
1986	11.9	0.3	1.4	—	0.7	<b>13.1</b>	—	35.8	37	—
1987	16.0 <sup>e/</sup>	0.1	—	—	n.a.	<b>16.1</b>	—	52.9	30	—
1988			—	4.4						

a/ Figures represent export value of commodities shipped. b/ CCC cost. Includes transportation. c/ Includes US\$1.0 million in barrier. d/ 12-month GSM-5 financing. e/ Agreements signed for FY87, as of October 26, 1987. f/ Could be more, depending on Mutual Security Aid figures.

Source: USDA, *Food for Peace Annual Report on Public Law 480*, 1980-1986; for 1987 (and all 416 figures), USDA.

## EL SALVADOR

**U.S. Food Aid<sup>a/</sup> by Program, as Compared to Total Agricultural Imports from the U.S., 1954-1988**  
 (In US\$ millions)

Fiscal year	PL 480		Section 416 <sup>b/</sup>		Mutual Security Aid	Total Food Aid	Export Promo. GSM-102	Total Ag. Imports from US	Food Aid Total	GSM 102 as o/o of Ag. Imports
	Title I	Title II	Reg.	SQ						
1954-1979	0.6	29.6			0.7	<b>31.7<sup>c/</sup></b>	0.9 <sup>d/</sup>	389.8	8	0 <sup>d/</sup>
1980	2.9	2.4			—	<b>5.3</b>	3.9 <sup>d/</sup>	50.2	11	8 <sup>d/</sup>
1981	11.9	6.9			—	<b>18.8</b>	14.3	62.2	30	23
1982	22.9	4.6			—	<b>27.5</b>	26.6	65.4	42	41
1983	42.7	8.1	—	—	—	<b>50.9</b>	19.3	84.9	60	23
1984	48.8	3.4	—	—	—	<b>52.2</b>	30.5	98.3	53	31
1985	33.4	8.7	—	—	—	<b>43.9</b>	23.0	85.1	52	27
1986	32.6	7.8	0.3	—	—	<b>40.7</b>	12.1	88.3	46	14
1987	30.4 <sup>e/</sup>	7.9	1.1	4.1	—	<b>43.5</b>	16.6 <sup>f/</sup>	88.8	49	19
1988			3.2	6.0	—					

a/ Figures represent export value of commodities shipped. b/ CCC cost. Includes transport costs. c/ Includes US\$0.8 million in barter d/ 12-month GSM-5 financing. e/ Agreements signed for FY 1987, as of October 28, 1987. f/ This year El Salvador also received US\$0.1 million in GSM-103 financing.

Source: USDA. *Food for Peace Annual Report on Public Law 480, 1980-1988*; for 1987 (and all section 416 figures), USDA.

## GUATEMALA

U.S. Food Aid<sup>a/</sup> by Program, as Compared to Total Agricultural Imports from the U.S., 1954-1988

(In US\$ millions)

Fiscal year	PL 480		Section 416 <sup>b/</sup>		Mutual Security Aid	Total Food Aid	Export Promo. GSM-102	Total Ag. Imports from US	Food Aid as o/o of	
	Title I	Title II	Reg.	SQ					Total	GSM 102
1954-1979	1.0	52.4			8.8	<b>66.6<sup>c/</sup></b>	10.8 <sup>d/</sup>	485.3	14	<sup>2d/</sup>
1980	—	3.2			—	<b>3.2</b>	—	71.2	4	—
1981	—	7.3			—	<b>7.3</b>	—	85.1	9	—
1982	—	5.5			—	<b>3.7</b>	0.5	65.0	6	1
1983	—	5.2	e/		—	<b>5.5</b>	32.1	67.1	8	48
1984	1.2	7.8	—	—	—	<b>6.4</b>	51.9	81.9	8	63
1985	11.7	4.6	0.3	—	—	<b>20.5</b>	39.4	86.6	24	45
1986	4.9	7.8	1.7	3.8 <sup>f/</sup>	—	<b>11.4</b>	20.5	73.7	15	28
1987	18.9 <sup>g/</sup>	7.8	3.8	13.9	—	<b>44.4</b>	9.2	91.5	49	10
1988			0.7	3.8	—					

a/ Figures represent export value of commodities shipped. b/ CCC cost. Includes transportation. c/ Includes US\$4.4 million in barter d/ 12-month GSM-5 financing. e/ Powdered milk of unknown value brought in this year and distributed to victims of the violence. f/ Contrary to usual practice, US\$2.4 million of this sugar quota shipment was distributed to PVO's. g/ Agreements signed for FY87, as of October 26, 1987.

Source: USDA. *Food for Peace Annual Report on Public Law 480*, 1980-86; for 1987 (and all 416 figures), USDA.

## HONDURAS

**U.S. Food Aid<sup>a/</sup> by Program, as Compared to Total Agricultural Imports from the U.S., 1954-1988**  
 (In US\$ millions)

Fiscal year	PL 480		Section 416 <sup>b/</sup>		Mutual Security Aid	Total Food Aid	Export Promo. GSM-102	Total Ag. Imports from US	Food Aid as a/o of	
	Title I/III	Title II	Reg.	SQ					Total	GSM 102
1954-1979	9.0	24.7			0.4	<b>34.4<sup>c/</sup></b>	1.4 <sup>d/</sup>	263.4	13	0 <sup>d/</sup>
1980	0.6	2.8			—	<b>3.4</b>	—	50.2	7	—
1981	5.1	4.3			—	<b>9.4</b>	1.0	44.7	21	2
1982	5.0	2.4			—	<b>7.4</b>	—	37.1	20	—
1983	11.1	4.9	—	—	—	<b>16.1</b>	4.1	37.5	43	11
1984	14.4	4.4	—	—	—	<b>18.9</b>	—	44.7	42	—
1985	10.0	3.8	—	—	—	<b>13.8</b>	5.7	45.6	30	13
1986	8.5	3.2	0.2	—	—	<b>12.1</b>	5.0	45.2	27	11
1987	12.0 <sup>e/</sup>	3.9	—	4.3	—	<b>20.2</b>	3.3	56.9	36	6
1988			—	—						

a/ Figures represent export value of commodities shipped. b/ CCC cost. Includes transport costs. c/ Includes US\$0.3 million in barrier.  
 d/ 12-month GSM-5 financing. e/ Agreements signed for FY87, as of October 28, 1987.

Source: USDA, *Food for Peace Annual Report on Public Law 480*, 1980-1988; for 1987 (and all section 416 figures), USDA.



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