Fighting World Hunger: U.S. Food Aid Policy and the Food for Peace Program

By Ryan Swanson

The numbers are startling. More than 800 million people go to bed hungry each night, and nearly 50 million people currently face acute hunger as a result of war, civil strife or natural disaster. Additionally, the United Nations estimates that malnutrition is a significant factor in the deaths of 11,000 children each day.

Even in the 21st century, with its technological advances, the quest for food security remains a daunting challenge. There is some reason for optimism, however, as the United States and many other countries have put in place programs to fight hunger throughout the world and significant success has been achieved. But even with these victories, there is still much work yet to be done.

Although fertile soil and proficient farmers have consistently provided for the United States' domestic food needs, U.S. leaders have long recognized that the problem of food scarcity knows no national borders. On one hand, basic humanitarianism demands that hunger elsewhere cannot be simply ignored. But also, and perhaps more practically speaking, today's international economy determines that problems rarely stay confined to one particular country or region. The reverberations of food scarcity in one country make their impact felt in food markets around the world. The U.S. government designates millions of dollars and tons of food each year for food aid.

The United States has a long history of providing assistance to needy countries around the world. Following World War I, the American Relief Administration, led by entrepreneur and soon-to-be President Herbert Hoover, distributed more than 4 million tons of food and supplies to starving people in Europe, especially the Soviet Union. The Berlin Airlift of 1948 came in response to Joseph Stalin's closure of all roads and railroads into Berlin in June 1948. For nearly one year, British and American forces responded by delivering by plane all food and other necessary materials to sustain the isolated city. The delivery of over 500,000 tons of food eventually broke Stalin's blockade.

Although food aid programs currently enjoy widespread political support, it took a war to open the eyes of many politicians regarding their importance. World War II pushed the United States to increase and formalize its food aid efforts. Throughout the years of fighting, Congress approved the donation of thousands of tons of food to European allies, especially the Soviet Union, to support both their armies and civilians. These food donations saved thousands of lives as famine spread throughout Europe. Following the war, U.S. involvement in food aid efforts continued to increase. The Marshall Plan, totaling nearly $13 billion,

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focused on feeding victims of the war and rebuilding the infrastructure and economy of Western Europe and Japan.

It was through this Plan, named for Secretary of State George C. Marshall, that U.S. government and military leaders first gained valuable experience in distributing food aid to destitute people. These leaders demonstrated to American politicians that a massive aid program could benefit both recipients and givers.

Chief among these rising leaders was a young army officer named Gwynn Garnett. Garnett served as the director of food and agriculture in the American zone of Germany and, on a daily basis, oversaw the procurement and distribution of extraordinary amounts of food to needy citizens. In this role, Garnett solidified an idea that changed U.S. food aid. Garnett proposed that the United States accept foreign currencies, many of which were virtually worthless outside their own borders after the war, in exchange for U.S. agricultural products. Although this approach seemed to suggest that the United States take a "loss" on its exports, Garnett focused on the larger ramifications.

The United States could use the local currency to rebuild the infrastructure and markets of war-ravaged areas that needed food. The United States could also fund the donation of food to the truly destitute. This investment would, in turn, facilitate the reopening of valuable markets for U.S. producers.

Leaders in both the Eisenhower Administration and Congress quickly embraced Garnett's plan when he presented it upon returning from Germany to serve as an American Farm Bureau official. The plan proved to be popular on two levels. It provided a structure by which the United States could meet the growing food needs of the world, and it helped put surplus U.S. agricultural production to good use.

WFP/Y. Yuge

School children in Bhutan.

The Foreign Agricultural Service and Food for Peace

The Agricultural Trade Development and Assistance Act of 1954 stamped Congress' approval on Garnett's plan. After the passage of P.L. (Public Law) 480 in July 1954, USDA received its marching orders. The law provided the means to offer needy countries low-interest, long-term credit to purchase U.S. agricultural goods. The President delegated the concessional credit authority under that Act to the Secretary of Agriculture, who re-delegated that authority to FAS.

P.L. 480, which has six program titles, continues 50 years after its origin to be the backbone of the United States' diverse food aid effort. Administered by FAS, Title I makes available long-term, low-interest

credit to needy countries so that they may purchase U.S. agricultural commodities. Title I allows the long-term debt acquired under P.L. 480 to be repaid in the currency of the borrowing country; however, since the early 1970s, P.L. 480 debt has been repaid in U.S. dollars.

For countries where even the most generous credit terms are too heavy an economic burden, U.S. efforts take a different approach. Title II of P.L. 480, administered by USAID (the U.S. Agency for International Development), allows for the outright donation of U.S. agricultural commodities to meet humanitarian needs around the world. Donations can be distributed through government agencies, private charities or international organizations such as the WFP (World Food Program).

Commodities are currently obtained by purchase from private producers or from stocks held by USDA's CCC (Commodity Credit Corporation). In addition, the Title II program pays the transport, storage and distribution costs associated with the donations.

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Title III of P.L. 480, the Food for Development program, is currently inactive. Also administered by USAID, it provides government-to-government assistance grants to least-developed countries to support development.

Drawing on a Heritage of Aiding the Needy

P.L. 480 built upon the Agricultural Act of 1949, which allowed excess commodities held by the CCC to be distributed outside the United States when the need arose. In 1951 alone, Congress acted to help Yugoslavia and India through times of famine. The Yugoslav Emergency Relief Assistance Act in 1951 had particular significance because it sent an important message of support to Yugoslavia as it broke ties with the Soviet Union.

As is the case with most legislation, the true impact of P.L. 480 became evident as details became codified and action commenced. Initially, politicians argued over how exactly the program would function. Senator Hubert Humphrey, in particular, championed the idea that P.L. 480 must emphasize the donation of food to needy countries, and that such efforts must not exist only as a side-note to surplus commodity disposal. In his 1958 Congressional report entitled "Food and Fiber as a Force for Freedom," Humphrey took issue with farmers who he felt were interested only in surplus reallocation for the benefit of American agriculturalists.

Eventually, President Dwight D. Eisenhower pursued a middle road that took into consideration both the plight of American farmers and the vast potential of food diplomacy. The President supported Humphrey's call for P.L. 480 to be known as the "Food for Peace program," and in 1960 established both the position of Food for Peace Coordinator and the Office of Food for Peace.

U.S. food aid policy evolved continuously as new needs arose, new challenges cropped up, and different presidential administrations placed their stamp on aid efforts. In 1961, President John F. Kennedy established USAID. The new Agency partnered with FAS in the disbursal of food aid throughout the world, and it continues to administer Title II distributions. In 1962, in response to appeals that had been made by both Eisenhower and Kennedy, the United Nations established its WFP. At the suggestion of Senator George McGovern, who was then the White House Director of the U.S. Food for Peace program, the WFP began initially on a three-year trial basis before rapidly assuming a permanent, leading role in the fight to reduce hunger.

The Food Aid Convention of 1967 brought the question of how to confront world hunger to the forefront of international relations. For the first time, the United States and 11 other developed countries gathered to discuss their mutual commitments to food aid. The participating government leaders reached a formal agreement that set minimum levels of food support for needy countries each year, regardless of surpluses or commodity prices that might be in effect. The United States assumed by far the largest responsibility, originally providing over 75 percent of the commodities donated, but a precedent of international cooperation was established.

WFP/Farah Janjua

School girls in Pakistan.

Ever-Increasing Challenges

As support for food aid policies has expanded, logistical challenges have increased as well. Early FAS and USAID administrators faced the challenge of deciding which countries should be served; how excess commodities should be obtained; and which commodities were most suitable nutritionally. Other questions, such as how the cost of transport should be met and how aid should be distributed without altering the world trade balance, also presented significant challenges.

Food aid policy must be carefully constructed in order to preserve the normal flow of trade and to limit any price impact on agricultural commodities. FAS officials closely observe usual marketing requirements, mandating that countries receiving aid continue to trade even as they receive outside assistance. FAS prohibits the resale of P.L. 480 Title I commodities to third countries. P.L. 480 Title I requires that all purchases go through a rigorous bidding system. The recipient governments make the purchases. FSA (the Farm Service Agency) of USDA purchases commodities for Title II using an open competitive process. Additionally, P.L. 480 protects the ability of small businesses to participate by disallowing minimum order levels under Title II. These rules exist to create competition and integrity on the supply side in order that food aid needs can be met as efficiently and prudently as possible.

New challenges arise each year. Recently, U.S. efforts to assist countries in need of food have been plagued by controversy over the use of biotechnology. FAS and USAID officials have taken on the role of educator as they explain why and how this technology is used. Adding to the changes, the scope of food aid has continued to evolve. The new goal of food security encompasses more than just donations in times of crisis. Rather, "food security" focuses on the access by all people at all times to sufficient food for active, healthy lives.

Adaptation and Flexibility–the Keys to Continued Success

Because of the constantly changing landscape of food needs around the world, U.S. food aid policy has come to be characterized by continual evolution of many different programs. While P.L. 480 still functions quite effectively, the U.S. government has added new programs to address previously unforeseen situations. In the 1980s, food aid officials recognized that in order for the United States to have

the freedom to address pressing international needs as they arise, an adequate reserve was needed. A commodity reserve, originally authorized by the Agricultural Trade Act of 1980 and now known as the Bill Emerson Humanitarian Trust, serves that purpose by allowing the United States to store up to 4 million metric tons of wheat, corn, sorghum and rice, to be used in case of a food emergency or to otherwise meet P.L. 480 program needs in a tight supply situation. The Secretary of Agriculture has authority to release up to 500,000 tons of grain each year for emergency assistance.

Numerous times throughout the 1980s and 1990s, presidents have released grain from the Trust in response to difficult circumstances. In 1984, President Ronald Reagan authorized the release of 300,000 tons of grain to help fight widespread famine in Africa. Presidents George H.W. Bush and Bill Clinton designated the release of grain to aid the Middle East and the Caucasus regions. In 2002, officials released 275,000 tons of grain to again aid starving people in Southern Africa. The drought in that region created a situation of unexpected severity, the type of unpredictable calamity that the Emerson Trust was intended to hedge against. The fund currently has a balance of over 2 million tons.

In the 1980s, another significant new food aid program emerged, this one with a more concerted diplomatic focus. The Food for Progress initiative, first authorized in 1985, made very explicit the connection between the donation of food and the recipient country's philosophy of government. Commodities came from CCC stocks or purchases from the market and may be furnished in the form of either financing or donations.

But most significantly, Food for Progress did just what its title suggested—it linked food and progress. Only countries that were emerging democracies or that made a significant commitment to free enterprise in their agricultural economies could receive aid under this provision.

Food for Progress donations have been made to countries all over the world. In 1999, for example, after Hurricane Mitch nearly crippled Honduras and Nicaragua, FAS, through the Food for Progress program, made direct food donations valued in excess of $13.5 million. The donations eased the hunger caused by the hurricane and helped with the rebuilding of the agricultural infrastructure in those countries.

Like the Food for Progress initiative, the most recent addition to the United States' array of food aid programs seeks to improve the societal conditions of the receiving country. In July 2000, President Bill Clinton committed the United States to providing resources worth $300 million to help establish school nutrition programs in needy countries. Strongly backing this move were two long-time proponents of food aid and increased school nutrition programs, Senators George McGovern and Robert Dole. In 2001, the pilot Global Food for Education Initiative began distributing commodities via the WFP as well as through many private voluntary organizations.

In the course of a two-year trial, the program provided nutritional meals for nearly 7 million children in 38 countries. The goal was not only to abate hunger, but also to increase the number of children who attend school. It is estimated that 120 million school-age children currently do not attend school because of lack of food and proper nutrition. Many are forced to work in the fields to maintain even a subsistence lifestyle.

This new initiative gained permanent status under the 2002 Farm Security and Rural Investment Act. As a result of the legislation, the McGovern-Dole International Food for Education and Child Nutrition Program was launched in 2003 to provide school meals, teacher training and technological support to foreign countries. The program will take different forms in different countries. In Eritrea, for example, plans call for a joint program to be conducted through Africare and Mercy Corps International to provide 65,000 students with high-protein biscuits and milk throughout the school year. In Guatemala, Catholic Relief Services and World Share will take profits made from selling U.S. goods and use them to purchase locally grown food in order to supplement students' diets. In addition to the program flexibility that allows different organizations to distribute aid, the McGovern-Dole program also pays transport and shipping costs.

Undoubtedly, new challenges will arise in the coming years. Changes in technology, the environment and the economy will cause food aid policymakers to seek new ways to help feed the hungry around the world. But the legacy of U.S. efforts such as Food for Peace and Food for Progress will provide a strong foundation to continue to work toward food security for the world's most vulnerable citizens. n

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