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**OFFICE OF FOOD FOR PEACE
INFORMATION BULLETIN**

FFPIB 19-02

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TO: USAID/W and Overseas Distribution Lists; USAID's Office of Food for Peace (FFP) Awardees

FROM: DCHA/FFP

SUBJECT: Procedure to Determine Compliance with the Conditions of the Bellmon Amendment

I. Purpose

This Food for Peace Information Bulletin (FFPIB) supersedes FFPIB 18-03, which is hereby rescinded in its entirety, and provides guidance on USAID's Office of Food for Peace (FFP) process to make a Bellmon Determination, a requirement for all FFP Title II awards. The Bellmon Determination is a formal declaration by FFP that a proposed Title II food and nutrition security activity is compliant, or not, with the Bellmon Amendment. A Bellmon determination is required for both emergency and non-emergency awards.

Starting in 2019, a Bellmon Determination is required for any Title II food security activity that includes distribution of agricultural commodity, food procured outside of the United States, food voucher, or cash transfer for food. Market assessments provide critical information which enables FFP to make a Bellmon determination. They also assist partners to design food and nutrition security activities that are appropriate, feasible, objective and cost-efficient.

Separate from the formal Bellmon Determination, FFP requires market analyses, consistent with current practice, for all Title II food and nutrition security activities. As explained in Section C of this FFPIB, implementing partners are also required to provide appropriate information related to the local, national and regional markets when proposing food and nutrition security activities, to ensure local markets are not negatively affected by the proposed activities.

II. Analysis and Award Process

A. Independent Market Analysis

Based on consultation with the Mission or other delegated USG official, FFP/Washington (FFP/W) will conduct or commission an independent entity to conduct a market analysis to inform the Request for Applications (RFA) for a new development food security activity. The report will be country-context specific, and can include the following examples of type of basic information, as appropriate:

1. Overview of agricultural production and market system;

2. In-depth analysis of markets for key food security crops;
3. Policy issues relevant to agriculture, markets, and trade;
4. Logistics and storage profile.

This report, as well as any supporting data and other documents, will be made available to the implementing partners through the [FFP website](#). The report will also be used as FFP/W drafts the RFA in conjunction with Mission input.

For emergency activities, FFP/W will rely heavily on its implementing partners and other publically available market analysis for this information.

B. Implementing Partner's Application

For any proposed food assistance activity, application submissions should contain essential market analysis information that is informed by both the independent market analysis, if relevant, as well as the implementing partner's own analyses. Partners should reference the most recent development and emergency solicitation guidelines.

III. Bellmon Determination

This section provides guidance on the Bellmon Determination: when it is legally required, who is responsible, and what it entails.

A. Authorizing Legislation

Regardless of modality, Section 403(a) of the Food for Peace Act (7 U.S.C. § 1733(a)) requires that the U.S. Government (USG) make a positive Bellmon Determination. A positive Bellmon Determination indicates that the following conditions have been satisfied:

- a. No agricultural commodity, food procured outside of the United States, food voucher, or cash transfer for food shall be made available under this chapter unless it is determined that-
 - (1) in the case of the provision of an agricultural commodity, adequate storage facilities will be available in the recipient country at the time of the arrival of the commodity to prevent the spoilage or waste of the commodity; and
 - (2) the distribution of the agricultural commodity or use of the food procured outside of the United States, food voucher, or cash transfer for food in the recipient country will not result in a substantial disincentive to or interference with domestic production or marketing in that country.

In addition to the Bellmon Determination, USAID is required by Section 403(b) of the Food for Peace Act to ensure that the importation of United States agricultural commodities, the use of food procured outside of the United States, food vouchers, and cash transfers for food, and the use of local currencies for development purposes will not have a disruptive impact on the farmers or the local economy of the recipient country.

B. Bellmon Determination

FFP/W, in concurrence with the relevant USAID Mission or the delegated USG official, is responsible for the Bellmon Determination as part of its approval of a Title II-funded application before a final award is issued. For each Title II-funded award application under review, the relevant USG staff in the field and Washington will assess information available from all sources to reach consensus on the Bellmon Determination. This may include, among other things, consultation with market and development experts, internal FFP market assessments, secondary market reports and/or specially commissioned Bellmon Analysis.

Comments from the USAID Mission must specifically include a statement that the USAID Mission or the delegated USG official (such as the U.S. Diplomatic Post, if there is no USAID Mission) has determined that the proposed activity is in compliance with the Bellmon Amendment or, alternatively, a statement that the USAID Mission is unable to make that determination and why.

C. Expectations for Implementing Partners

The Bellmon Determination process complements, but does not replace the need for an implementing partners' own initial, and ongoing market analyses and surveillance to inform their understanding of the operational context. To implement sound food security activities, implementing partners must continue to stay abreast of the conditions of the markets in which they monetize and/or distribute food assistance. To be responsible stewards of FFP resources, awardees also need to maintain their vigilance of those relevant markets. For these reasons, while a Bellmon Analysis is not required in a food and nutrition security development activity application submission, the implementing partner will continue to be required to provide considerable information in its proposal related to the markets that could be affected by proposed food assistance activities.

IV. Market Analysis and Bellmon Updates

FFP/W understands that market updates will be required when there is compelling reason to question the validity of the findings of the prevailing analysis and/or Bellmon Determination. When an awardee, the USAID Mission, or FFP/W deems an update necessary, the awardee, USAID Mission or FFP/W should convey those concerns, in a written request, along with a justification and a suggested timeline, to the Agreement Officer, through the Agreement Officer's Representative for activities in that country. This request should include:

1. The date of the last market analysis and/or Bellmon Determination;
2. A copy of the last market analysis used to inform an understanding of compliance with the Bellmon Amendment (where applicable);
3. A description of the performance of the FFP award, indicating any potential issues; and
4. An explanation of what calls into question the validity of the current market analysis and/or Bellmon Determination, including specific references to changed market and programmatic conditions and/or issues related to the previous analysis.

All requests for updates will be reviewed and evaluated by FFP/W. FFP/W will then inform those requesting updates of its decision regarding the request. Updates may be conducted in any countries deemed essential.

V. Deviations

Consistent with the statutory authorities and requirements of Title II of the Food for Peace Act, the FFP Director reserves the right to deviate from the procedures specified in this FFPIB under extraordinary circumstances.