

Witness Statement of
Dan Glickman, Vice President and Executive Director, Aspen Institute Congressional Program before the
House Foreign Affairs Committee on
“Reforming Food Aid: Desperate Need to Do Better”
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I would like to thank Chairman Royce, Ranking Member Engel, and all of the Members of the House Foreign Affairs Committee for inviting me to testify. Under the leadership of the chairman and the ranking member, this Committee has shown tremendous leadership on issues of global food security, whether through the promotion of agriculture internationally as a poverty alleviation tool or in trying to identify the best means of delivering food aid to hungry people. I am honored to join you today.

I strongly believe that development, alongside defense and diplomacy, is necessary to secure America’s national security and economic interests. When countries are less afflicted by poverty and hunger and more economically prosperous, they are more secure and offer greater long-term opportunities for US businesses. Recently I led a congressional delegation to Tanzania where US government investments and nongovernmental organizations (NGOs) are having positive impacts while opportunities for US growers and agribusinesses abound. Although Chinese investment in Tanzania is pervasive, the people viewed America far more favorably. America’s engagement in the developing world - particularly to root out poverty, hunger, and malnutrition - is key to our future geopolitical strength.

To improve the lives of people in poor nations, we must look holistically at the linkages between foreign assistance tools whether they include food aid, supporting emerging farming systems, improving nutrition, providing adequate power and electricity, or building out rural infrastructure. In that vein, my remarks will focus on the role food assistance can play in advancing global food security and responding to emergencies. Offering more flexibility in how food aid is distributed will allow the US to to feed more hungry people, more quickly while also empowering them to, over time, feed themselves.

In the last decade, changes in the number and nature of conflicts, humanitarian disasters, and massive migration and refugee crises are forcing the United States to re-think how it can deliver food assistance effectively and efficiently. Today, millions of people are hungry because of war, natural disasters, or pandemics. Many are refugees or are internally displaced. These emergency situations are happening more frequently and affecting more people. In FY14 alone, the Nepalese earthquake left more than one million people in need of emergency food assistance; the conflict in South Sudan caused one third of the country’s population to become food insecure; and the civil war in Syria has engendered the largest refugee crisis since World War II.

Non-emergency food aid is also needed to address chronic hunger. Nearly 800 million people are hungry more often than they are full, and many of these people, ironically, are smallscale farmers in Africa and Asia. These people are hungry because of limited food supplies in rural areas and also because they are not able to grow or sell enough food to make a livable wage.

To alleviate short-term hunger in both emergency and non-emergency situations, the US needs a range of food aid tools including food vouchers, local and regional purchase, in-kind support, and in some limited cases, direct-cash assistance. These tools have all been introduced on at least a limited basis over the past decade. However, statutory limitations often prevent policymakers from choosing the tool that will best meet food needs for the greatest number of people.

Traditionally, US food aid has been sourced from American growers, shipped on US flag carriers, and delivered in the field by NGOs. In food aid’s early days, this approach helped meet food needs overseas while

also creating a market for American producers and giving US flag carriers business, which helped keep skilled mariners at work during peace times. Through a process called monetization, NGOs would sell the food once it reached its destination, and use the proceeds to cover the costs of distribution and other development activities.

The complex nature of emergencies today and the circumstances driving chronic hunger have rendered this approach more inefficient than other delivery methods. Further, the food aid program no longer yields the same benefits to America's agriculture and shipping industries as it once did. The whole scheme of humanitarian assistance and its resources and infrastructure is not up to the task of today's problems. Evidence suggests, however, that an important step in the right direction is to make America's food aid program far more flexible and to favor a cash-based approach to ensure we get the most mileage out of every food aid dollar invested.

A cash-based approach to food aid allows a range of tools to be deployed depending on the nature of the emergency and local context. There are three specific reforms that should be considered:

- 1) Current law requires that the majority of US food aid dollars be spent on in-kind assistance. According to the Government Accountability Office (GAO), food from the United States takes four to six months to reach beneficiaries. In cases of immediate need, waiting three months for food could mean the difference between life and death. GAO also found that shipping food from the United States to sub-Saharan Africa took 100 days longer than procuring food from local or regional sources. Shifting to a cash-based approach allows people to be served more quickly while stimulating local markets. In a cash-based system, in-kind support can still be provided when local food supplies are lacking or there are desperate nutrition requirements. Cash-based food aid also has the same safeguards in place as in-kind food assistance and can recognize America's contribution in the same way in-kind support does.
- 2) NGOs play an invaluable role in making sure food reaches hungry people. Yet the process of monetization is an inefficient way to cover distribution costs. It can also distort local markets, driving down food prices and negatively affecting local producers. In recent years, the US has expanded the ability of the 202(e) account to cover the costs of food distribution and, as a result, monetization has decreased. This flexibility should continue and the US should consider scaling down the share of food aid that requires monetization from 15% to zero.
- 3) In-kind food assistance should always be included in the range of food aid tools. To ensure it can be deployed efficiently, the US should review cargo-preference requirements. US law currently requires 50% of in-kind food contributions to be shipped on US flag carriers. GAO found that this requirement increased the overall cost of shipping by an average of 23%. Reducing or eliminating food aid cargo preference requirements and finding other means to address US interests in an adequate maritime capacity will free up monies to reach more hungry people.

As former secretary of agriculture, I want to emphasize that US agriculture can and should be seen as an important partner in meeting food needs. Introducing more flexibility into America's food aid program will not negatively affect the vast majority of US food producers, but a failure to leverage the strengths of the US agriculture and food sector will negatively affect our ability to advance global food security.

Today, from a market-share standpoint, food aid makes up a small fraction of total US agricultural production purchases and exports. Of the \$152.5 billion in commodities exports in FY14, food aid was responsible for just over \$1 billion. A recent report by the American Enterprise Institute calculated that, between 2006 and 2012, the share of US corn production used for food aid was less than 0.1%, and only 0.5%

of corn exports were due to food aid programs. Even so, some US growers see greater percentages of their crops go towards food aid purchases. Between 2006 and 2012, food aid programs purchased 8.7% of all pulse crops and were responsible for 18.7% of pulse exports. Similarly, food aid programs purchased 5.8% of all grain sorghum crops and were responsible for 12.7% of all exports.

Although US agriculture and food producers have been involved in global food security efforts through our food aid programs, there is an opportunity to leverage additional agricultural strengths to meet current and future food needs. In fact, food aid reform has the potential to dramatically reduce the number of people globally that are food insecure; even more so along with the long-term authorization of our efforts on sustainable agricultural development included in the Global Food Security Act and a re-think about the way we approach agrifood research.

Earlier this year, this committee passed the Global Food Security Act. As you know, this legislation institutionalizes an effort launched formally in 2010 to lift people out of poverty and chronic hunger through investing in agriculture in low-income countries. Ironically, more than half of those living on less than \$1.25/day depend on agriculture for their incomes. Through providing these people with better seeds and fertilizers, access to information and training, and links to markets, their incomes have increased and the rates of stunting and chronic hunger have decreased. Unlike food aid, which meets immediate needs, the Global Food Security Act will address the root causes of hunger and poverty and help by providing sustainable solutions. If the Global Food Security Act becomes law, it would authorize investments that have transformed the lives of millions and cement America's position as a global food leader.

Contributions from America's agriculture and food producers can increase the impact US investments have overseas. The US Department of Agriculture (USDA) can develop new technologies that will help farmers adapt to greater weather variability and disasters like droughts and floods, whether they live in Kansas or Kenya. USDA can help build out the capacity of developing countries' regulatory systems, ensuring that the food produced is also safe for consumers to eat. US agrifood businesses can partner with small- and medium-sized enterprises in low-income countries to aid in food production, processing, and retailing while also positioning themselves to take advantage of future economic growth. Finally, the US land-grant university system can train the next generation of agriculture and food leaders both in America and overseas and help build out the research, education, and extension capacity of developing country institutions. A greater role for American agriculture producers and businesses in global food security activities will position our food and farm sector for growth. The agriculture and food sector in Africa is expected to reach \$1 billion by 2030 and US exports to the continent have increased 200% in the last decade. The strengths of US agriculture have not yet been fully leveraged in the battle to end global food insecurity. This should change.

Thank you again to the Committee for inviting me to testify on this important issue.