

**MODERNIZING FOOD AID: IMPROVING
EFFECTIVENESS AND SAVING LIVES**

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WEDNESDAY, FEBRUARY 14, 2018

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10:10 a.m., in room 2172, Rayburn House Office Building, Hon. Ed Royce (chairman of the committee) presiding.

Chairman ROYCE. We will ask now that the committee comes to order. This hearing today is on food aid reform and this committee's long work to strengthen foreign assistance, and we do that in order to have an effective way to advance our interests and our values around the world. Properly implemented, these relatively small investments can strengthen our national security and can support the development of democratic governments and strong market economies overseas.

So last month with committee leadership, the House passed the African Growth and Opportunity Act, and the MCA Modernization Act off the floor, which promises to create new opportunities for U.S. trade and investment. It has the promise of sparking private sector-led growth, particularly in Africa. And last Congress, we enacted the Foreign Aid Transparency and Accountability Act to identify what is and what is not working. And I want to, again, thank Judge Poe for his leadership on that bill.

This committee also led the way on pushing for reforms to one of the central elements of our foreign assistance, and that is the Food for Peace Act. These reforms enabled USAID to chip away at monetization and provided limited flexibility for NGOs to use market-based tools.

But much remains to be done to truly modernize the Food for Peace Act. We must, in my view, completely end this inefficient process known as monetization, where local aid groups sell donated U.S. food to support their operations. This policy, along with requirements that all aid provided through Food for Peace be purchased from U.S. farmers and sent overseas by U.S. shippers, that process harms local markets. And more importantly, it slows our response to emergencies.

These restrictions also needlessly drive up costs by modernizing the Food for Peace Act and prioritizing flexibility and efficiency, we can free up \$300 million, and this will enable us to reach almost 10 million more men, women, and children, who would otherwise

face starvation in places like Syria and Yemen, northern Nigeria and Somalia.

Hunger in countries such as these fuels conflict; it fuels instability. So helping people get the food they need not only helps save lives, it also strengthens U.S. national security. Modernizing U.S. food assistance will also help reach people immediately after disaster strikes. It does that by allowing us to purchase food closer to the areas in crisis.

Under current law it takes about 14 weeks for U.S. food to reach those in need. As I saw with many members of this committee when we traveled to the Philippines right after the cyclone—it was that typhoon Haiyan, as I recall—we don't have 14 weeks. Certainly, the people there did not have 14 weeks to wait for us to respond to the disaster of that magnitude. So we saw the flexibility that had been put in place with a pilot program we had supported in this committee, where people were able to get that food immediately. As we were landing, they were being fed. We need the flexibility to purchase food in the region and get it to impacted areas within hours, not within 14 weeks. Saving time means saving lives.

Additional reforms are also worth considering. In South Sudan, committee staff here saw how others provide assistance through secured debit cards, which recipients use to purchase the food locally in a crisis area like that. Providing assistance this way helps build economic infrastructure that can endure after aid ends. That said, no one is talking about completely cutting the American farmer out of their food aid programs.

Our food aid programs are here to stay, and in places that suffer from cyclical drought, like Ethiopia, then food grown in the U.S. is critical, but this is not always the case, and that is what we are talking about here today.

Sometimes we need to provide U.S. commodities. Other times, we will need to buy local, or we will need to use vouchers. More often than not, we will need to do both, but we cannot keep supporting outdated, unnecessary, expensive requirements. Such deliberate, unjustified waste does not serve our national interests. It certainly doesn't save lives in the types of crisis we most often see. So I now turn to our ranking member, Eliot Engel, who has been a partner in these aid efforts for his remarks.

Mr. ENGEL. Thank you very much, Mr. Chairman, and thank you for calling this hearing. And to our distinguished witnesses, welcome to the Foreign Affairs Committee. I want to welcome all of you, especially my good friend and former colleague, Secretary Glickman. It is nice to have you here again, and we are grateful for all the witnesses' time and willingness to share your expertise with our members.

I am glad we are focusing on food aid today, because this is an effort on the administration's chopping block, unfortunately, like so many of our other diplomatic and developmental priorities. The administration's budget eliminates the Food for Peace account. I think that is a terrible idea, it would hurt hungry people, that shows a lack of understanding about why the Food for Peace program is so important to our foreign policy.

Since 1954 Food for Peace has fed more than 4 billion people, that is billion with a “B” in 150-plus countries all over the world. With our country’s tremendous blessing of agricultural resources helping famine-stricken and malnourished people around the world is simply the right thing to do. Perhaps no better effort shows America’s generosity of spirit than Food for Peace. For decades, it has been a model of what American leadership should look like. There is also a tremendous amount of goodwill that flows from those helping those in need. People who benefit from this aid understand that they have a friend in the United States, that we want people everywhere to thrive and get ahead.

Well-fed populations are healthier populations. Healthier populations mean stronger countries. Better partners for the U.S. on the global stage. At a time when our standing in the world has plummeted, and American leadership has taken a back seat, the idea of slashing investments and diplomacy and development, frankly, is just baffling. I think Congress should reject the proposal to eliminate the Food for Peace program. I think we should, frankly, take the administration’s entire international affairs budget proposal and look at it very carefully and toss it if we have to.

Now does this mean that the Food for Peace program is perfect? Of course not. I agree with what the chairman said about things that we need to do to make it better. For instance, even though it is the largest food program in the world, Food for Peace lags behind other countries in terms of response time in crisis situations. When we ship food from the U.S., it can slow down the delivery of assistance by as much as 4 months, and cost up to 50 percent more than sources of food closer to those in need.

So we need to take stock of what is working and what isn’t so that we can streamline and modernize this effort. We need to strike the right balance among a number of factors, quickly getting food, as the chairman pointed out, to those who need it most, making good use of the taxpayer’s dollars and keeping the American farmer at the center of things when it comes to how we source food aid.

So we do need to modernize the Food for Peace Act, but we must be careful not to throw the baby out with the bath water. So I look forward to hearing from our witnesses. I know you all have a wealth of ideas that will help us improve this program and policy going forward.

Thank you, Mr. Chairman, I yield back.

Chairman ROYCE. I also thank, just for the record here, Mr. Chabot and Joe Wilson and Congressmen Sherman, Kennedy, Messer, Randy Webber, for going with us on that trip to the Philippines right after the typhoon, and also, on our subsequent trip or another trip to the Philippines, Mr. Engel, Mr. Meeks, Mr. Marino, and Mr. Salmon, as we worked on this issue.

This morning, we are pleased to be joined by a distinguished panel. Professor Andrew Natsios currently serves at Texas A&M as executive professor at the Bush School of Government and Public Service. He is director of the Scowcroft Institute of International Affairs. And from 2001 to 2006, of course, he served as Administrator of the U.S. Agency for International Development. Having served on the front lines of some of the deadliest humanitarian

emergencies of our time, including the 2004 Indian Ocean tsunami, the 2003 genocide in Darfur, Sudan, the cyclical famines in the Horn of Africa. He became one of the earliest advocates for food aid reform, and I am very proud to welcome this distinguished public servant back to this committee.

Dr. Erin Lentz is an assistant professor of public affairs at the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin. And, of course, Mr. Dan Glickman is currently a Distinguished Fellow of Global Food and Agriculture for the Chicago Council on Global Affairs, and previously, he served as our Secretary of the U.S. Department of Agriculture. Welcome, again, to this committee.

So without objection, the witnesses' full prepared statements will be made part of the record, and members are going to have 5 calendar days to submit any statements or questions or any extraneous material for the record. So if you would, Mr. Natsios, we will begin with you. Please summarize your remarks, and then we will go to questions.

STATEMENT OF THE HONORABLE ANDREW NATSIOS, EXECUTIVE PROFESSOR, THE BUSH SCHOOL OF GOVERNMENT AND PUBLIC SERVICE, TEXAS A&M UNIVERSITY (FORMER ADMINISTRATOR, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT)

Mr. NATSIOS. Thank you, Mr. Chairman, Ranking Member, thank you for the invitation to speak today. I would like to say, Mr. Chairman, those of us in the aid community are very upset that you are retiring. We understand why, but we are still upset, so it will be a great loss for this institution to have you retire. You have been a leader in this fight for a very long time, and I actually think this year may do it because of some shift in the interest groups' opinion on this legislation, which I will get to in a moment.

This is a critical subject at a critical moment in world affairs. The world order, as we have known it for the past 70 years, has been unraveling for a decade now, and it is a function of history. We are not the hegemon anymore, we can't direct things we used to. I am not sure how I would function if I were still USAID Administrator, since they were afraid of the United States, and bad people stopped doing bad things because of America intervening to stop them.

And that is—we are seeing the consequence of that, because we are going through the worst refugee and internally displaced crisis in post World War II history; 65 million people 2 years ago were displaced. I think it is up over 70 million now, because there are four famines going on, and I might add, it is going to get worse. America cannot stop what is going on. We used to be able to. We can't do that anymore. And what we need to do is have new tools, stronger tools, to use the resources we have now to save more lives faster.

I want to, just for a moment, tell you a personal story why this matters to me. During World War II, the Nazis occupied Greece, my ancestral home where my grandparents came 100 years ago, but my great uncle still lived there, and he was a factory worker in Piraeus. The Nazis stripped the country of food to feed Rommel's

Army, and ½ million Greeks starved to death, 7 percent of the population. Next to the Holocaust, it was the worst death rate, and Poland, worst death rate in Europe.

Oxfam was created at an Anglican church in Oxford, England to bring food to the starving Greeks. By the time it got there my great uncle was dead. They found him in a field eating grass, and he was buried in a mass grave along with many other hundreds of thousands of other Greeks. My father told me that story over and over again. Every time we had a famine and USAID was responding to it, I remembered my great uncle, the story of what he went through and what our family went through. People do not starve to death quickly. They starve to death slowly, painfully.

The United States Government is the leading humanitarian power in the world, and has been since World War II. It remains so in terms of the aid budget, in terms of the humanitarian part of that budget, the emergency response, which has had broad support in the Congress from very conservative, very liberal Members, Democrats and Republicans from the beginning. Even people who would be regarded as isolationists, like Patrick Buchanan when he ran for President in 1992 against President Bush in the primary, said he would abolish aid, but he would leave the emergency response system in place.

And that bipartisan support allowed the agency to have a profound effect, and I saw it up close because I ran the program for 9 years in two administrations. And I took care to watch exactly what the humanitarian bureaus were doing, the Office of Foreign Disaster Office, the Office of Food for Peace, and the Office of Transition Initiatives.

There are three reforms that I endorse strongly and that I gave a speech in 2005 in Kansas City. I have to say, it was not one of the best-received speeches I ever gave. In fact, I had two security people with me who were worried I was going to get assaulted before I left the building, in which I announced that President Bush would be proposing a 25 percent set-aside in Title 2 for local purchase of food aid, and there was stunned silence when I gave it.

Without going into all of politics of that, the Food Aid Coalition, which met annually, was composed of the shipping companies, the NGOs, and the farmers. And they were the support behind the Food for Peace program, which we appreciated. I think if some of them had been a little bit more broad in their thinking, a little bit more flexible, we could have got these reforms through much earlier. Three reforms. One is that up to 50 percent of Title 2, and I would not support more than 50 percent. We need a base to use to intervene in emergencies when there is massive crop failure as Congressman Royce just said. There are instances where we need a large volume of food from the United States that we can inject into the system before the food economy collapses. But if we put 50 percent of it into local purchase, we can save hundreds of thousands of people's lives. We can move much faster. And we can get into areas that if we tried to move food aid into, the security situation would make it impossible to do anything.

The second reform is to repeal the cargo preference law, which, in my view, is a scandal. It is simply an oligopoly at this point. There are just two or three companies that ship most of the food.

Sometimes they don't even bid. USAID will put a bid out to ship food, and no company bids on it. That is a delay in and of itself. They have to go back and rebid it. And the law does not allow flexibility.

And the third reform is to prohibit the modernization of food aid to produce local currency for NGO programs, which is a terrible practice. However, and I want to add this in, because this is not widely known, even in the Congress—there are situations where USAID and WFP will ship food in, auction it off to stabilize hyperinflation of food prices. Hyperinflation kills as many people in a famine as the lack of food because people—my great uncle had a job. He had money. The problem is the price of food was so high he couldn't buy enough to survive on. And so, we will go in when prices have gone up 700 percent as they did in Somalia in 1992, and auction food off, which is what CARE did with USAID food in 1993 to stabilize prices. We need to allow that option there. But that is not for local currency, and it is not to run other programs. It is to intervene the markets when prices are out of control.

So, Mr. Chairman, I think because the NGOs now are all on board in this. World Vision, the last NGO holdout, last year enthusiastically endorsed these changes. Number two, we now have the American Farm Bureau endorsing these reforms. The last holdout is the shipping industry, which is basically an oligopoly. They are using the Federal Government to protect almost a monopolistic control over this shipping system, and I think it is scandalous, frankly, that this has been allowed to go on this long.

So, Mr. Chairman, I hope this year is the year that we can get these reforms through. Thank you.

[The prepared statement of Mr. Natsios follows:]

**Testimony of Andrew S. Natsios, Professor
George H.W. Bush School of Government at Texas A&M University
House Committee on Foreign Affairs
Hearing on February 14, 2018
“Modernizing Food Aid:
Improving Effectiveness and Saving Lives”**

Mr. Chairman and members of this committee, I am grateful for the opportunity to speak today regarding the proposed reforms of the U.S. food aid program. My comments today are my own; I am not representing the George Bush School of Government and Public Service or Texas A&M University.

The Food for Peace program provides emergency food aid to populations facing famine, civil conflict, natural disasters, and development programs. These programs are important for saving lives, and building stability around the world, especially in the context of the current migration crisis engulfing virtually every region of the world.

Since I last spoke to this committee in June 2013, we have witnessed the most massive refugee and internal displacement crisis in world history. The number of displaced persons reached a record high of 65.6 million people in 2016, and, while the UN High Commissioner for Refugees has not released 2017 figures, the famines in Nigeria, Somalia, South Sudan, and Yemen have likely made this number considerably higher still over the past year. The UN classifies the current situation as the worst humanitarian crisis since the institution’s founding following WWII.

Though this is a humanitarian crisis, it has substantial political implications as well. Individuals frequently cope with famine by migrating, either within their home country or outside its borders. As a famine grows more deadly, refugee and internally displaced camps form and develop their own, often violent, systems of internal governance, and past experience shows us that allowing these camps to fester over time results in extremist groups taking root. For example, in Somalia in 1992, famine and conflict forced families into displaced camps under the control of warlords, who actively recruited unemployed, angry, and hungry young men for their militias.

Similarly, after the Russian invasion of Afghanistan in 1979 drove millions of Afghans to neighboring Pakistan, refugee camps formed which became the birthplace of the Taliban. We are all aware of how this led to the worst terrorist attack in U.S. history and the seventeen year effort by the United States government to stabilize Afghanistan. In histories such as these, we can see the unfolding of humanitarian crises that threaten not only human rights, millions of people’s lives, but also United States national security.

Severe and prolonged food insecurity, particularly for great powers with large militaries, has a history of leading to wars among the great powers. In the lead-up to World War II, Adolf Hitler executed a foreign policy that sought to overthrow the existing international order. One of his motivations for German expansionism was to secure land to cultivate food for the German population. He believed Germany lost WWI because it could not feed its own population from its own resources. Similarly, the Nazis carried out the horrors of the Holocaust and attempted the extermination of the urbanized Slavic peoples of central Europe to shrink these populations, which

Hitler believed would ensure food for German Aryans by killing off what the Nazi regime called “useless eaters”. The Japanese suffered localized famines in the early and mid-1930s because they could not produce or import enough food to feed their growing population: the expansion of the Japanese empire that led to WWII in Asia was partially driven by this fear. Over the past decade, Asian powers, concerned by their rising food needs over the next century, are leasing hundreds of thousands of acres of land in Africa on ninety-nine year leases to grow food in the future because they believe themselves to be at risk of food crisis in the event of a break of the international food system.

In non-democratic countries lacking feedback and accountability mechanisms for citizens to express discontent to government in a peaceful manner, famines heighten the risk of conflict. For example, during the West African famine of 1968-1974, most governments in West Africa fell to coups or uprisings driven by the famine. In the mid-2000s, this pattern repeated itself when rising food prices caused riots in urban areas across the Arab world and Africa. One of the major factors driving the Arab uprisings of 2009 and 2010 were food insecurity caused by rapidly and steeply rising food prices. We are living with the ongoing chaos in the region driven by these uprisings nine years ago. While famines or severe food insecurity are not the sole reason for these upheavals, they can be the straw that breaks the camel’s back in a context of popular discontentment with welfare and governance issues.

Over the next century, food will become an increasingly important matter to people in poor countries across the globe. This will affect the national security of Great Powers such as the United States. Roger Thurow, who has written a great deal on modern famines, notes:

“After World War II, eliminating hunger was seen to be a bulwark against the extremism of the day: international communism. Today, eliminating hunger would be a bulwark against the extremism of the twenty-first century: global terrorism.”

Food issues will determine war versus peace, and security and stability versus chaos. We must equip policymakers and aid administrators with the tools to manage the crises coming our way. U.S. food aid reforms are no longer simply a peripheral debate on an obscure issue; they will affect our national security interests more than Washington policymakers realize. These reforms will allow us to more quickly, efficiently, and effectively respond to famines, civil conflict, and food crisis.

The crises we are facing are occurring at such a rapid rate that USAID senior managers cannot run to the Congress after each crisis to get additional regulatory relief or to request more funding. We need a food aid program with a high level of statutory and regulatory flexibility to allow field officers to make programming decisions at the lowest possible level closest to the crisis. I managed humanitarian programs under both Presidents George H.W. Bush and George W. Bush, and can confidently say that our USAID program officers are highly competent, dedicated, and capable. When we grant them the leeway to make decisions in managing our food aid programs, they will make the right decisions in a timely fashion. Give them the tools and they will do the job.

Indeed, ample research points to the benefits of decentralizing decision-making. In James Q. Wilson’s classic 1991 book, *Bureaucracy*, he argues that “authority [to manage projects] should

be placed at the lowest level at which all essential elements of information are available.” The current regulations governing our food aid programs are rigidly enshrined in law, and have been held hostage by special interest groups that have no regard for the national security interests of the United States or of the humanitarian consequences of the PL 480 law in its current form.

More recently, Daniel Honig of the Johns Hopkins School of Advanced International Studies, whose research focuses on the relationship between organizational structure and program performance in aid agencies, finds that greater organizational autonomy and flexibility by program managers leads to higher success rates, especially in developing country contexts with high levels of unpredictability. Research increasingly shows that centralized decision-making in Washington, whether by law (in the case of PL 480), regulations, or regulatory oversight, significantly increases program failure rates.

The legal constraints imposed by law on Food for Peace programs have been generated by pressure from narrowly self-interested domestic political interests that have stonewalled reform for a decade and a half now. In a very real sense, these special interest groups threaten the national security interests of the American people by slowing down the humanitarian response programs of the United States government.

Mr. Chairman, I know that the House and Senate Foreign Affairs authorizing and appropriating committees have not only supported but led the efforts in Congress to reform our food aid statutes. I would like to commend you for your leadership on these issues for more than a decade. I deeply regret your decision to retire though I certainly understand it; it is a great loss for the humanitarian community.

While the United States remains the greatest humanitarian power in the world, it is because of the highly competent USAID career staff, time-tested business systems for carrying out programs, and a strong aid budget provided by strong support from the U.S. Congress. Because of these assets, the U.S. continues to succeed despite some of the dysfunctional and counter-productive provisions of PL 480. Our humanitarian leadership as a country could be so much more than it is does, today if we reformed our food aid laws.

What reforms are needed to save more lives at a lower cost and protect American interests abroad?

- First, the statute should allow up to 50% of the PL 480 appropriation at the discretion of the USAID Administrator to be used for local and regional procurement of food aid.
- Secondly, the Cargo Preference Law should be repealed entirely and under no circumstances should the 50% requirement for US ships be increased.
- Thirdly, the monetization of food aid to produce host country currency to manage aid programs, regardless of the programs, should be phased out, while protecting the ability of USAID officers to use US food aid to intervene in markets to stabilize rapidly rising prices, which are often the cause of famines.

The reforms under consideration would increase the return on taxpayer dollars devoted to humanitarian relief efforts. By making the system more efficient, we can feed more people with

the same amount of funds. These reforms will also increase the speed with which we provide aid, which is of utmost importance in crises to avoid high death rates, high levels of population displacement, and unintended and unpredictable political consequences.

First, we should repeal the cargo preference law. This is a provocative subject in the Congress, and I recognize that the maritime unions and shipping companies are putting pressure on this body. Nonetheless, the notion that the cargo preference law is maintaining our merchant fleet is utter nonsense. We lost our competitive edge in shipping long ago, and this law is constraining the reach of our food aid by imposing astronomically high costs on our programs and slowing the delivery of food aid. The Cargo Preference law has, in fact, facilitated the decline of our merchant shipping fleet by protecting inefficient and uncompetitive shippers. Whenever the federal government protects particular businesses and industries from the competitive pressures of the marketplace, they inadvertently sentence these businesses to a slow, inexorable decline.

Under the current law, fifty percent of U.S. food aid must be shipped on U.S. flag carriers. This system is expensive, slow, and diminishes quality, while providing little in the way of military readiness. The shipping rates paid by Food for Peace programs are estimated at 23 to 46 percent higher than global market rates, and in some cases can be more than double, according to Food for Peace staff. For example, Catholic Relief Services testified to you last October that if they had been able to use foreign carriers, the organization would have spent 24 million dollars less on ocean transport over three years, which would have paid for food aid to an additional half a million hungry people. Because of the cargo preference restrictions, the majority of taxpayer dollars devoted to food aid are financing not food, but inefficient shipping companies. In fact, only 35 to 40 cents of each taxpayer dollar that goes to food aid actually buys food. In comparison, 70 cents to the dollar on Canadian food aid goes toward the food itself.

Even among American carriers, the current system reduces price competition. As the percentage requirements must be met for certain types of vessels, companies game the system by arguing that they fall into a certain class, such as dry bulk carriers, dry cargo liners, or tankers. Furthermore, vessels must have a "U.S.-flagged" designation for three years before qualifying under the cargo preference restrictions, which is a barrier to entry and diminishes competition. Additionally, the astronomical rates paid by the U.S. government often benefit foreign, not U.S., shipping owners: between 2012 and 2015, nearly half of food aid was shipped on U.S. subsidiaries of three foreign companies from Denmark, Germany, and Singapore. Thus, the cargo preference restrictions largely benefit foreign, rather than American, companies. Why are we as a country protecting foreign shipping companies?

Beyond the wasted taxpayer funds, the cargo preference regulations make aid delivery unacceptably slow. It is not uncommon to face situations in which the U.S.-flagged fleet cannot provide the service necessary to deliver food to required locations due to a lack of available ships or regular service to certain destinations. When a U.S.-flagged vessel cannot service the destination port directly, USAID relies on a hub and spoke system to deliver the food aid. These added steps slow the delivery of food assistance to hungry people. Additionally, USAID does not always receive appropriate U.S.-flagged offers for commodity shipments when it issues a request for proposals. In these cases, the Agency must seek out a foreign-flagged vessel to transport the food aid. Thus, even when it is clear to staff that a U.S.-flagged vessel is unlikely to be available, they

must waste time and resources going through the procedure of seeking one out. Where U.S.-flagged vessels are available, timeliness continues to be an issue, as the regulation destroys the incentive for quality. Awarding contracts is conducted first on the minimum tonnage requirements to be shipped on American flag carriers, and secondly on cost. Because of this, American carriers have an automatic advantage and little incentive to provide superior services, and thus shipments are often damaged and arrive late.

The cargo preference rules have long been justified on the grounds that shipping food aid on U.S. flag carriers helps maintain a merchant marine fleet for emergency transport of military cargoes. A cursory look at the evidence, however, shows that using food aid cargo vessels for military readiness is both infeasible and unnecessary. In the sixty years that cargo preference has been in effect, the Defense Department's reserve sealift fleet has been sufficient for its needs in times of emergency. To prepare for emergency needs, the Defense Department maintains the Maritime Security Program, under which approximately 60 privately-owned and military-ready vessels are registered to be mobilized if needed. The Defense Department has never fully activated the MSP, and has never mobilized a non-MSP vessel. Recent studies show that the vast majority of the U.S. agricultural cargo preference fleet fails to meet the Defense Department's minimum standards for military usefulness. Between 2011 and 2013, only 18 percent of food aid was carried on MSP-qualified ships. Thus, it should be obvious that there is no legitimate defense-related rationale for shipping food aid on U.S.-flagged vessels.

Why is my testimony so focused on cargo preference? An unholy alliance of a small cartel of shipping companies and maritime unions, which are now the last remaining interest groups stonewalling food aid reforms. The NGOs, which helped stopped these reforms 15 years ago when USAID first proposed them, have now embraced them. U.S. farmers, in the past, have also opposed the reforms, but I understand that some farmers associations may shortly endorse the reform legislation. This leaves the shipping companies and maritime unions as the sole special interest groups trying once again to scuttle the food aid reforms.

Secondly, we should allow 50% of the PL 480 Title II appropriation to be used for local and regional purchase of food aid. While cargo preference restrictions waste taxpayer funds, the Title II requirements for domestic procurement of commodities is also wasteful of funds, causes delays in getting food to the recipients, and damaging to foreign markets in poor countries. I support a food aid reform package that would allow up to 50% of PL 480 Title II appropriations to be used for local and regional purchase of food aid. The 2014 Farm Bill allowed Section 202(e) funding to be used to enhance Title II programming through local and regional procurement (LRP) and other measures such as cash transfers and vouchers. This is a step in the right direction, as it has allowed USAID to blend food aid with other measures to respond more quickly in some circumstances. Still, the effect of this change was quite limited, as the great majority of funds must still go toward purchase of U.S. commodities, constraining the speed and effectiveness of U.S. response to emergencies. For example, a major surplus of grain in Tanzania last year offered the opportunity for 25% savings, but USAID was forced to respond with U.S. in-kind food aid instead. Over three-fourths of PL 480 Title II funds go toward emergency aid for disaster relief in protracted crises such as famines, civil wars, and severe food insecurity. The speed and efficiency of U.S. humanitarian aid is of the utmost importance, as delays kill people, allow chaos to fester and spread, and unintentionally lead to mass population movements.

Local and Regional Procurement is regarded by virtually every humanitarian assistance manager I know to be best practice for managing food aid, and all donors except the United States allow the practice for 100% of their food aid programs. This is particularly embarrassing, given that the United States is the greatest humanitarian power in the world today, despite (not because of) these regressive provisions of PLO 480. Both international NGOs and U.S. government agencies have carried out pilot programs that demonstrate that local procurement is cheaper and faster than shipping and monetizing U.S. commodities in foreign markets. The World Food Program has been managing local and regional purchase of food aid for nearly twenty years with high success rates. For example, a USDA pilot in 2012 found that the average response time to a food crisis under a Local and Regional Procurement system was 56 days, while under the current system, it was 130 days. This makes a crucial difference in the long-term health and livelihood outcomes of young children. Additionally, rapid and decisive action through emergency aid programs is the best way to prevent the politically destabilizing effects of mass population movements caused by famine, and such rapid action is best achieved through locally purchased food.

Frederick Cuny, a well-known disaster relief practitioner from my home state of Texas argued in a book discovered in his papers after he was murdered in Chechnya, "the chances of saving lives at the outset of an operation are greatly reduced when food is imported. By the time it arrives in the country and gets to people, many will have died." This was the case in Ethiopia in 1985, when imported food aid took four to six months to reach the rural areas of the country. By this point, it was too late, as the death rate had peaked and had already begun to decline.

Furthermore, introducing large amounts of free or inexpensive food aid into foreign markets may undermine local farmers by depressing prices. When I was Administrator of USAID, we launched several programs aimed at decreasing opium production in Afghanistan by creating alternate sources of livelihoods for farmers. Famine conditions were beginning to appear in several parts of the country in the summer of 2001 before 9/11, so we instituted an improved wheat seed program in early 2002 to encourage production of this staple. Wheat prices dropped dramatically when an unexpectedly good rainy season, combined with the higher yielding wheat, resulted in local farmers producing far more than expected. Excessive supply and limited demand led to a sizable drop in food prices which sent the disastrous signals to farmers to grow less, not more, food.

Not surprisingly, many Afghan farmers returned to poppy farming for opium production. If the United States had purchased food locally by buying up the surplus rather than importing more U.S. commodities, we could have ensured that the local Afghan farmers earned enough money to make the continued production of wheat economically viable. Many have wondered why Afghanistan is still the world's largest producer of heroin despite our efforts to eradicate poppy production. Indirectly, food aid played a role in the limited effectiveness of the eradication program. Locally-sourced food aid could have been used to discourage opium production by making wheat farming more attractive as an alternate source of income. USAID could not pursue that option because the PL 480 would not allow it.

In many cases, countries that have been hit by natural disaster have specifically requested that the U.S. not send them food. After the 2004 tsunami hit Aceh, Indonesia, the Indonesian foreign

minister asked the world to refrain from sending rice, because there was plenty of food to be bought in Indonesia. Of course, we did not have the flexibility in our food aid program to do that. After the Haiti earthquake in 2010, the president of Haiti asked the world not to send food aid out of concern it would damage local rice production. Aid agencies sent food anyway, and local rice farmers businesses were damaged. When we put local producers out of business, we have a longer-term development problem on our hands. These problems of poverty often turn into security problems, as unemployed males turn to gangs, drug trafficking, and violent extremism.

We have considerable evidence that purchasing food locally provides additional support to farmers and helps boost the local economy. In one particular study examining the World Food Program's local purchase program in Uganda, the author found numerous favorable secondary effects of purchasing the food locally, including improved farmer knowledge of local markets, improved reliability of the markets, the absence of a middle man which led to higher prices for the farmers, improved housing, and higher cash income.

Even where local or countrywide crop failure occurs, regional procurement can cut costs and make delivery quicker. For example, in 2017, surpluses of staple foods existed in Northern Uganda. It would have been cost effective to purchase this food in Uganda (which, as an added benefit, would support local income generation for Ugandans) and ship it a short distance to beneficiaries in South Sudan. Instead, because of Title II procurement regulations, we had to pay to ship the food to east African ports, then ship it inland to South Sudanese beneficiaries.

We can save money, respond faster, and increase flexibility by improving the Food for Peace statute. I must emphasize, however, that while the system can be improved, it is not broken and should not be abandoned. We must protect the Food for Peace account against unwise and imprudent budget reductions. The three billion dollar cut in the USAID and State Department humanitarian relief budget just announced by OMB is imprudent, shortsighted, and will, if approved, result in widespread deaths across the world in crisis and famines. I hope Congress will overrule the Administration and restore the cuts as they did this year. Because of food aid, more people are surviving food and health crises that would have, in earlier years, killed them. Of the one hundred million people who died in famines between 1870 and 2010, most died before 1980. In his book *Mass Starvation*, Alex de Waal acknowledges that, while humanitarian operations are sometimes guided more by domestic political interests than by the needs of the hungry, the programs are generally effective in saving lives. But these humanitarian programs can be improved, and the food aid reforms are one way of doing that.

A few years ago, I sat on a commission of The Overseas Development Institute (ODI) in the UK to examine the effectiveness of cash and vouchers as a replacement for all types of food aid. Humanitarian aid vouchers are increasingly being used in emergencies, as they ought to be, but they should be one of many options available to disaster relief managers. Unfortunately some in European aid agencies have used the report to try to eliminate all food aid programs which is an ideological, rather than pragmatic approach to programming emergency aid funding. Food vouchers are an important, but not exclusive, approach to emergency management during famines and conflicts, and they are not a panacea.

In most cases, monetization of U.S. commodities for the purpose of raising local currency to support INGO programs should be phased out, as it is counterproductive in building local agricultural markets, and in any case does not generate the funds needed to cover program costs. However, in some, select cases, monetization of U.S. commodities may be appropriate to stabilize food prices on markets during a famine. For example, in the example of price hikes after a major, regional crop failure, introducing additional supply by shipping US food aid to the market can help stabilize prices, thus making food accessible to those who otherwise could not afford it. As Amartya Sen, the Nobel-prize winning economist and renowned scholar of poverty and famine issues, wrote, "Starvation is the characteristic of some people not having enough food to eat. It is not the characteristic of there being not enough to eat. While the latter can be a cause of the former, it is but one of many possible causes." The causes of any given famine must be carefully assessed before sending U.S. food aid into foreign markets. Unfortunately, under our current law, it is usually the first policy choice.

Nonetheless, there are still famine deaths, and the system must become more efficient. I am unaware of any serious scholar or practitioner of emergency of food assistance who advocates maintaining the system in its current form. Nobel Prize winning economist Amartya Sen writes in his book *Hunger and Public Action*:

"The case for scrutinizing alternative entitlement protection strategies is all the more important because, apart from not being particularly ingenious, the strategy of direct delivery is intrinsically vulnerable to severe administrative and logistic failures. The requirement of transport makes the provision of relief dangerously contingent upon the successful and timely movement of food, sometimes all the way from the other end of the world to the very mouths of the starving, and often in painfully adverse conditions. The disruption of relief efforts as a result of the failed or delayed arrival of food is one of the most widely observed (and predictable) defects of the strategy of direct delivery."

These reforms have a history of bipartisan support, among Democrats and Republicans, liberals and conservatives, and have been advocated by diverse stakeholders in the food aid system. President Bush introduced reforms to allow Local and Regional Procurement for 25% of the Food for Peace Title II budget. He was the first American president to propose these reforms, and urged support for food aid reform in his 2008 speech to the General Assembly of the United Nations. President Obama similarly supported Title II reforms in his FY2014 budget request.

In my 2003 address, which began the current effort to reform PL 480, to a Food Aid Coalition annual meeting of donor agencies, NGOs, trade unions, shipping companies, and American farmers in Kansas City, MO, I argued, "The fact that U.S. farmers and shippers are able to benefit from the Food for Peace program is an important, but secondary benefit. The primary objective is to save lives." While this message was met with hostility in 2003, the situation has since changed. The primary NGOs carrying out Food for Peace programming, including CARE, Catholic Relief Services and World Vision, were originally opposed to reforms as they represented an adjustment to their ways of doing business, but all of them now support the reforms. This is telling, as these are the professionals most closely acquainted with the costs of food aid and its effects in recipient countries. Some agricultural groups, which have opposed reform previously, may now be poised to endorse them.

Given the humanitarian and national security issues at stake, our country cannot afford to delay reform any longer. Herbert Hoover's words as he led U.S. relief efforts during and after World War I, the Volga Famine in Russia, and then after World War II ring just as true today:

“Hunger brings not alone suffering and sorrow, but fear and terror. He carries disorder and the paralysis of government, and even its downfall. He is more destructive than armies, not only in human life but in morals. All of the values of right living melt before his invasions, and every gain of civilization crumbles.”

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Chairman ROYCE. Mr. Natsios, thank you very much. Dr. Erin Lentz.

STATEMENT OF ERIN LENTZ, PH.D., ASSISTANT PROFESSOR OF PUBLIC AFFAIRS, LYNDON B. JOHNSON SCHOOL OF PUBLIC AFFAIRS, THE UNIVERSITY OF TEXAS AT AUSTIN

Ms. LENTZ. Chairman Royce, Ranking Member Engel, and honorable representatives on the committee, thank you for inviting me to testify today. I have been researching food aid and food assistance policies for the past 14 years, and please see my written testimony for my full remarks.

Today, I will highlight two budget-neutral policy changes that can improve the effectiveness of U.S. food aid and market-based food assistance. These two policy changes could save millions of lives, stem forced migration, and ensure that American tax dollars do more to help hungry people around the world.

First, relax or eliminate requirements that food aid be procured in the U.S.; second, relax or eliminate cargo preference requirements on U.S. food aid shipments. As Mr. Natsios stated, the U.S. has long been a leading provider of food aid. U.S. food aid and market-based food assistance, such as vouchers and locally and regionally purchased foods, save lives and livelihoods, but the need for continued U.S. leadership and food aid programs is stronger than ever. Recent estimates indicate 815 million people worldwide are undernourished, more than double the U.S. population.

At the same time, U.S. food assistance is an increasingly scarce resource. In inflation-adjusted terms, funding has been dropped 76 percent since the 1960s. This means we must find ways to do more with the resources we have. Two budget neutral strategies for doing this are as follows: First, relaxing or eliminating requirements that commodities be purchased in the U.S. would help food aid programs reach more people and faster. Food aid purchased in the U.S. and shipped abroad is the slowest form of food assistance, and most often, the most expensive. For example, a study I co-authored found that market-based food assistance is usually substantially cheaper than purchases in the U.S. Buying grains in or near the country where the U.S. donates food aid saved 53 percent. That is 53. And in the case of legumes and pulses, it saved 25 percent.

As the chairman and ranking member noted, compared to food aid from the U.S., market-based food assistance also shaved 14 weeks off of delivery time. Saving time matters. Hungry families on the verge of migrating in search of food cannot afford to stay in place and wait those extra months for delivery of assistance.

Further, the 14 weeks saved when buying food closer to beneficiaries works out to be approximately 10 percent of the so-called first 1,000 days. This 1,000-day window between a woman's pregnancy and her child's second birthday is the most critical window for a child's cognitive and physical development. Delivering food assistance faster during this crucial period can, therefore, have lifelong benefits. In sum, halting the wasteful practice of buying food aid in the U.S. and shipping it abroad is perhaps the single most effective change that could be made to current U.S. food assistance policies. It could allow the U.S. to reach an additional 4 million to 10 million people more per year at no additional cost.

The second proposal I would like to highlight is to relax or eliminate cargo preference requirements. These rules require that half of all food aid purchased in the U.S. be shipped on U.S.-flagged vessels regardless of cost. This, essentially, adds a 23 to 46 percent surcharge on food aid shipped on U.S.-flagged vessels, a cost of about \$50 million per year.

Since 2015, this surcharge has been paid for entirely by U.S. taxpayer-funded food aid programs. To make matters worse, it generates a windfall profit for a few ship owners, often foreign corporations operating U.S. subsidiaries. For example, three foreign shipping lines accounted for nearly half of all food aid carried by U.S.-flagged ships from 2012 through mid 2015. Though often claimed that food aid cargo preference contributes to military readiness, no credible evidence supports this claim. Indeed, the majority of food aid shipments are on U.S.-flagged vessels that the U.S. Government has deemed not militarily useful. Removing cargo preference rules would enable U.S. food aid programs to feed an estimated 1.8 million more people per year.

The evidence is clear: Two policy changes, both of which are budget-neutral, would greatly enhance food assistance programs. First, relax or eliminate domestic procurement restrictions on food aid; second, relax or eliminate the food aid cargo preference rule. These two policy reforms matter. American taxpayers deserve to not have their tax dollars and goodwill squandered supporting special interests and complying with burdensome restrictions. These reforms would also allow U.S. food assistance programs to reach more people in need more quickly and at no additional cost. Ending these two restrictions could offer relief to an estimated 5.8 to 11.8 million more people per year. Thank you for your time and attention to this very important issue.

[The prepared statement of Ms. Lentz follows:]



LYNDON B. JOHNSON SCHOOL OF PUBLIC AFFAIRS
THE UNIVERSITY OF TEXAS AT AUSTIN

Erin C. Lentz, University of Texas Austin*

**Testimony before the House Foreign Affairs Committee
Hearing on Modernizing Food Aid: Improving Effectiveness and Saving Lives[#]
February 14, 2018
Room 2172, Rayburn House Office Building**

Chairman Royce, Ranking Member Engel, and Honorable Representatives on the Committee:

Thank you for the opportunity to testify today about United States international food aid and food assistance. My name is Erin Lentz. I am an assistant professor at the Lyndon B. Johnson School of Public Affairs, University of Texas Austin. I have studied United States (US) and global food aid and food assistance policies for fourteen years, including publishing 16 peer reviewed articles and 4 book chapters on the topic. My work and other high-quality work in the field, drawing on the best available evidence, all point to the same conclusion: through budget-neutral policy changes, the United States Government's international food assistance and food aid programs can more effectively address global food insecurity. Today, I will highlight three significant policy changes that can improve the effectiveness US food aid and market-based food assistance. These policy changes could save millions of lives, stem forced migration, and ensure that tax dollars do more to help hungry people around the world.

US food aid and market-based food assistance, including vouchers, cash-based mechanisms, and locally and regionally procured foods, save lives. The US has been leading provider of food aid during its current programs' 60-plus year history. In recent years, the US has contributed 40 percent of the global food aid that helps to feed the hungry, making the US the world's largest provider.¹ However, food aid is also an increasingly scarce resource. In inflation-adjusted terms, US funding for food assistance has dropped 76% since the 1960s.²

The need for continued US leadership and involvement in food aid programs is stronger than ever. Recent estimates indicate 815 million people worldwide are undernourished – more than double the US population.³ The US-funded Famine Early Warning System Network (FEWS Net) estimates that approximately 76 million people will need emergency food assistance in 2018. That is 60% more people

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[#] In addition to the works cited directly, this testimony draws significantly on Erin C. Lentz, Stephanie Mercier, Christopher B. Barrett (2017). *International Food Aid and Food Assistance Programs and the Next Farm Bill* (Washington: American Enterprise Institute), and Christopher B. Barrett and Erin C. Lentz (2017), "How to Feed More People Worldwide," *US News & World Report*, June 30.

¹ World Food Programme (2015) "Contributions to WFP in 2015" <http://www.wfp.org/funding/year/2015> Accessed August 29, 2017.

² Randy Schnepf (2016) *U.S. International Food Aid Programs: Background and Issues*, Congressional Research Service, September 14.

³ Food and Agriculture Organization of the United Nations (2017), *The State of Food Security and Nutrition in the World*. Rome: FAO.

than in 2015.⁴ As recently as December 2017, FEWS Net warned that four countries: Nigeria, Somalia, South Sudan, and Yemen are at risk of famine in 2018.⁵

Facing this tremendous level of need and with fewer resources provided, we ought to use available food aid funds as efficiently and effectively as possible. In other words, we must find ways to do more with the resources we have. The upcoming Farm Bill offers an opportunity to further advance the humanitarian impact of ever-scarcer US food assistance resources.

Three changes to current Farm Bill legislation would help reach more food insecure people and reach them faster, thereby maximizing every taxpayer dollar spent. First, expand flexibility of sourcing by relaxing or removing procurement requirements that compel 100 percent commodity purchase in the US. Second, raise the share of resources that can be used as cash for non-commodity costs under Section 202(c). Third, relax or eliminate cargo preference requirements on shipments of food aid commodities procured in the US.

Too much of the available Title II funds authorized through the Farm Bill (approximately \$1.8 billion in fiscal year 2016) is spent meeting burdensome policy restrictions. For every tax dollar spent on US food aid, a number of studies estimate that only \$0.35 - \$0.40 is actually spent on food commodities that feed hungry people.⁶ Much of the rest is spent meeting agricultural cargo preference requirements, which mandate that a portion of US food aid be shipped on uncompetitive US-flagged vessels, and on procuring food aid from the US, even when local market-based assistance would be more cost efficient and faster. These provisions keep American food aid and market-based food assistance from quickly and cost effectively reaching those who need it most.

To reiterate, reforming these provisions matters because food aid and food assistance save lives and livelihoods. A colleague has estimated that roughly 40,000 children's lives are lost annually due to outdated policies, including meeting cargo preference requirements, monetization,⁷ and reliance on in-kind shipments sourced from the US.⁸ One 2016 study estimates that eliminating major constraints on US food aid policy, including cargo preference and US procurement requirements, could reduce child mortality in northern Kenya by 16 percent during severe drought episodes.⁹

⁴ Famine Early Warning System Network (2017) "Large Assistance Needs and Famine Risk Continue in 2018." Accessed February 7, 2018. http://www.fews.net/sites/default/files/Food_assistance_peak_needs_2018.pdf

⁵ Famine Early Warning System Network (2017) "Very large assistance needs and famine will continue into 2018." <http://www.fews.net/global/alert/november-28-2017>

⁶ USAID (2014) *Food for Peace: Behind the Numbers*; US Governmental Accountability Office (GAO) (2014) *International Food Aid: Better Agency Collaboration Needed to Assess and Improve Emergency Food Aid Procurement System*, GAO-14-22. Erin C. Lentz and Christopher B. Barrett (2014) "The Negligible Welfare Effects of the International Food Aid Provisions in the 2014 Farm Bill," *Choices* 29, no. 3.

<http://www.choicesmagazine.org/choices-magazine/the-mc-articles/3rd-quarter-2014/the-negligible-welfare-effects-of-the-international-food-aid-provisions-in-the-2014-farm-bill>

⁷ For a discussion of food aid monetization and its well-documented inefficiencies, see Lentz, Mercier and Barrett (2017); Christopher B. Barrett and Erin C. Lentz (2009) *U.S. Monetization Policy: Recommendations for Improvement*, Chicago Council on Global Affairs Policy, December.

<http://barrett.dyson.cornell.edu/Papers/Chicago%20Council%20-%20Policy%20Development%20Study%20on%20Monetization%20-%20December%202009.pdf>; and US GAO (2011) *International Food Assistance: Finding Development Projects Through the Purchase, Shipment, and Sale of U.S. Commodities Is Inefficient and Can Cause Adverse Market Impacts*, June.

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⁸ Christopher B. Barrett (2017) "Testimony before the United States Senate Committee on Foreign Relations Hearing on 'Modernizing the Food for Peace Program.'" October 19.

⁹ Alex Nikulkov et al. (2016) "Assessing the Impact of U.S. Food Assistance Delivery Policies on Child Mortality in Northern Kenya." *PLOS ONE* 11, no. 12. <http://journals.plos.org/plosone/article?id=10.1371/journal.pone.0168432>

Food aid and assistance can also help families to stay in place and stem forced migration. A 2017 report from the United Nations World Food Programme found that a 1 percent increase in food insecurity increased forced migration by nearly 2 percent.¹⁰ This finding shouldn't be surprising. Hunger will cause us to go to great lengths – and distances – to feed our families. This becomes a vicious cycle where forced migration often leads to more food insecurity and impoverishment in different regions, which in turn causes more migration.

Relax or eliminate domestic procurement requirements

Increasing flexibility of food assistance sourcing would ensure that more of every taxpayer dollar goes to those who need it most and that assistance would arrive faster. Food aid purchased in the US and shipped abroad is the slowest form of food assistance and often the most expensive. In 2013, I co-authored a nine-country study of the USDA Local and Regional Procurement Pilot Program, which found that buying grains in or near the country where the U.S. donates food aid saved 53 percent relative to purchasing grains in the US, 25 percent in the case of legumes and pulses.¹¹ Market-based food assistance also shaved 14 weeks off delivery times compared to purchasing and shipping food from the US.¹²

Ending requirements that food aid must be sourced in the US could allow the US to reach an additional 4 to 10 million people, at no additional cost.¹³ In a four-country study examining Ecuador, Niger, Uganda, and Yemen, researchers found that if everyone received cash rather than food, 18 percent more people could be reached.¹⁴ With savings of between 25 and 53 percent on some products,¹⁵ increasing flexibility of sourcing is perhaps the single-most effective change that could be made to current US food assistance policies.

Beyond cost savings, saving time also matters, for at least two reasons. First, hungry families on the verge of migrating in search of food cannot afford to stay in place and wait those extra months for delivery of assistance.¹⁶ Second, the 14 weeks saved when using the faster market-based food assistance works out to be approximately 10% of the first 1000 days. This 1000 day window between a woman's pregnancy and her child's second birthday is the most critical window for interventions to positively impact a child's cognitive and physical development.¹⁷ Delivering food assistance faster during this crucial period of a child's life can have lifelong benefits.

There are times when food aid procured from the US will be the best option, underlining the importance of allowing for flexible sourcing.¹⁸ For example, in the same nine-country study that found grains and

¹⁰ World Food Programme (2017). *At the root of exodus: Food security, conflict and international migration*. Rome: WFP.

¹¹ Erin C. Lentz, Simone Passarelli, Christopher B. Barrett (2013), "The Timeliness and Cost-Effectiveness of the Local and Regional Procurement of Food Aid," *World Development*, 49(9): 9-18

¹² Lentz, Passarelli, Barrett (2013).

¹³ Kimberly Ann Elliot and William McKitterick (2013) "Food Aid for the 21st Century: Saving More Money, Time, and Lives." Center for Global Development, June.

¹⁴ Amy Margolies and John Hoddinott (2014) "Costing Alternative Transfer Modalities," *Journal of Development Effectiveness* 7, no. 1, December: 1-16.

¹⁵ Lentz, Passarelli, Barrett (2013); Overseas Development Institute (2015) "Doing Cash Differently: How Cash Transfers Can Transform Humanitarian Aid: Report to the High Level Panel on Humanitarian Cash Transfers," September. <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9828.pdf>; and World Food Programme (2016) "Annual Performance Report for 2015," May 25.

¹⁶ <http://documents.wfp.org/stellent/groups/public/documents/eb/wfp282360.pdf>.

¹⁷ World Food Programme (2017).

¹⁸ Zulfiqar A. Bhutta et al. (2013) "Evidence-Based Interventions for Improvement of Maternal and Child Nutrition: What Can Be Done and at What Cost?," *Lancet* 382, no. 9890: 452-77.

¹⁹ Stephanie Mercier (2014) "New and Unique Provisions in the Agricultural Act of 2014," *Agree, March*. http://www.foodaidspolicy.org/sites/default/files/Farm%20Bill%202014_Mercier.pdf.

pulses purchased locally were cheaper, we found that vegetable oil shipped from the US was often no more costly than vegetable oil purchased locally.¹⁹

There are two myths about flexible purchasing that I would like to address. One is that food aid is less at risk of corruption than market-based food assistance. Recent reviews found little to no evidence that market-based programs are more at risk.²⁰ In fact, well-designed market-based food assistance programs can often reduce the risk of corruption relative to in-kind donations.²¹ For example, electronic cash transfers and vouchers can utilize mobile phone technology to monitor and track funds, minimizing diversion and fraud while improving accountability. Flexibility to choose the most appropriate resource for a given context can help to minimize corruption.

A second myth suggests that US food aid programs benefit American farmers. There is little to no credible evidence that this is the case.²² A recent study found food aid procurement has no effect on the prices farmers receive, even for the commodities for which US food aid programs absorb 5 percent or more of domestic production (such as sorghum, lentils, dried beans, or peas). The reason for this is that the volume of purchases through US food aid programs is too small relative to the agricultural commodity markets to move world commodity prices.²³ But those volumes are enough to save lives in famine-stricken regions and to help families avoid migrating in search of food.

Research shows that there are significant cost and time savings when the right tool is deployed. US food aid programs need flexible sourcing, allowing food to be purchased closer to where it is needed and to distribute cash or vouchers when most appropriate to local conditions and needs. These savings translate into both reaching people sooner and meeting more people's needs.

Maintain or expand Section 202(e) funding

Nongovernmental organizations need cash for administrative, distribution and storage costs. One important source of cash for these costs is Title II funding that can be requested as cash under Section 202(e).²⁴ The 2014 Farm Bill raised the maximum share of 202(e) funds that USAID could make available to NGOs undertaking Title II programs from 13 percent to 20 percent. It also expanded the activities and expenses that Section 202(e) funds are authorized to cover. Cash requested under Section 202(e) now covers much of the non-commodity costs associated with food aid deliveries, effectively removing the need for operational agencies to monetize food aid above the statutory minimum.

Maintaining or increasing the maximum level of 202(e) funding can reinforce the proven positive effects of replacing monetization with cash. Monetization, that is food procured in US and then sold locally and

Overseas Development Institute (2015); and Cash Learning Partnership (2016) "An Agenda for Cash: Part of CaLP's '100 Days of Cash' Initiative." May. <http://www.cashlearning.org/downloads/100daysofcash-agendaforcash-final.pdf>.

¹⁹ Lentz, Passarilli, Barrett (2013).

²⁰ Upton and Lentz (2012) "Expanding the Food Assistance Toolbox" in *Uniting on Food Assistance: The Case for Transatlantic Cooperation*, ed. Christopher B. Barrett, Julia Steets, and Andrea Binder. London: Routledge; Sarah Bailey and Paul Harvey (2015) "State of Evidence on Humanitarian Cash Transfers: Background Note for the High Level Panel on Humanitarian Cash Transfers," Overseas Development Institute, March. <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9591.pdf>

²¹ Laura Gordon (2015) "Risk and Humanitarian Cash Transfer Programming: Background Note for the High Level Panel on Humanitarian Cash Transfers," Overseas Development Institute, May. <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9727.pdf>.

²² Christopher B. Barrett and Daniel G. Maxwell (2005), *Food Aid After Fifty Years: Recasting Its Role* (London: Routledge); Stephanie Mercier and Vincent Smith (2015), *Military Readiness and Food Aid Cargo Preference: Many Costs and Few Benefits* (Washington: American Enterprise Institute).

²³ Mercier and Smith (2015).

²⁴ Lentz, Mercier, and Barrett (2017).

often at a deep discount, is highly inefficient. A 2011 GAO study found cost recovery of monetized food was only 58 cents on the dollar and estimated that up to \$70 million was lost annually due to monetization.²⁵ While open market monetization is currently not heavily relied upon to support Title II projects, monetization nonetheless remains a source of considerable inefficiency and market distortion in the Food for Progress program that USDA runs. Expanding Section 202(c)'s share of funds was perhaps the most impactful reform of the 2014 Farm Bill.²⁶

Relax or eliminate food aid cargo preference rules

A preponderance of evidence indicates that relaxing or eliminating the cargo preference rules would stretch funds for food aid programs farther. No evidence suggests that ending these mandates for food aid programs would adversely impact the US-flagged fleet likely to be called upon during an extended US military deployment overseas.

Cargo preference rules require that 50 percent of food aid purchased in the US be shipped on US-flagged vessels – even when cheaper shipping options of comparable or higher quality are available. The stated goal of this policy is to ensure that US-flagged vessels continue to maintain the capacity to carry goods procured by the US military in times of war. 80% of the total value of cargo shipped under this requirement is military cargo; a relatively small share, 15%, is food aid cargo.²⁷ Thus, food aid programs contribute a small portion of the overall support to US-flagged vessels intended by the cargo preference rule.

However, cargo preference plays an outsized role in food assistance budgets, diverting funds desperately needed for purchasing food. It costs 23-46% more to ship food aid on US-flagged vessels versus competitive freight rates for foreign flagged vessels.²⁸ The most recent estimate of the cost of cargo preference to US food aid programs is about \$50 million per year.²⁹ Since 2015, this cost has been borne entirely by food aid programs. As a result of cargo preference rules, US food aid programs feed an estimated 1.8 million fewer people per year.³⁰

This policy discourages competition for food aid cargo and generates a windfall for ship owners, which are mainly foreign corporations operating US subsidiaries. Three foreign shipping lines, the AP Moller-Maersk Group from Denmark, Neptune Orient Lines from Singapore, and Hapag-Lloyd of Germany, accounted for 45 percent of all food aid carried by US-flagged ships from 2012 through mid-2015.³¹

A myth deployed by the special interests who benefit from this policy is that cargo preference rules support US-flagged vessels that, along with their crews, enhance military readiness in the event of an extended overseas US military engagement. No credible evidence has found that the cargo preference rule applied to food aid has stemmed the long-term decline of the US flagged fleet. Mainly that is because older, smaller, and slower US-flagged ships carry US food aid. Most shipments have been on vessels that

²⁵ US GAO (2011).

²⁶ Lentz, Mercier, and Barrett (2017).

²⁷ Mercier and Smith (2015).

²⁸ Elizabeth R. Bageant, Christopher B. Barrett and Erin C. Lentz (2010), "Food Aid and Agricultural Cargo Preference," *Applied Economic Perspectives and Policy* 32(4): 624-641; Phillip J. Thomas and Wayne H. Ferris (2015), *Food Aid Reforms Will Not Significantly Affect Shipping Industry or Surge Fleet*, George Mason University report; US Government Accountability Office (2015), *International Food Assistance: Cargo Preference Increases Food Aid Shipping Costs, and Benefits Are Unclear*, GAO 15-666; Mercier and Smith (2015).

²⁹ Mercier and Smith (2015).

³⁰ Christopher B. Barrett (2017).

³¹ Mercier and Smith (2015).

the USG deemed not militarily useful.³² Officials from both the Departments of Defense and Homeland Security have both recently expressed support for food aid reforms, indicating that cargo preference does not make a substantial contribution to military readiness.³³

Removing cargo preferences will end windfall profits for foreign shipping corporations, stretch taxpayer dollars further, save lives, and reduce forced migration.

Conclusion

The evidence is clear: three policy changes, all of which are budget neutral, would greatly enhance US food aid programs. First, relax or end domestic procurement restrictions on food aid. Second, maintain or expand the maximum level of Section 202(e) funding to provide cash for programming. Third, relax or eliminate the cargo preference rule for food aid programs.

These three policy reforms to US food aid and food assistance matter for American taxpayers who deserve to not have their tax dollars squandered supporting special interests with outdated practices. These reforms also mean US food aid programs can more quickly reach more people in need, at no additional cost. Ending these restrictions would allow the US to reach an estimated additional 5.8 – 11.8 million more people per year.³⁴ We can – and ought – to do so. The upcoming Farm Bill offers a unique opportunity to reform food aid and food assistance policies for the better.

Thank you for your time and attention to this important issue.

³² US Government Accountability Office (2015); Mercier and Smith (2015); Thomas and Ferris (2015). Consensus among these three separate studies is that the limited number of US-flagged vessels is not the bottleneck in a military surge. Rather, the real bottleneck appears to be the number of trained US mariners available for deployments. For example, in his 2014 testimony, Paul Jaenichen, the US Maritime Administration (MARAD) Administrator's testimony to the House Armed Services Committee presented the attitude of mariners' unions, which is that without berths on oceangoing ships their members would have no incentive to maintain certification in their professional skills (Paul N. Jaenichen (2014) "Logistics and Sealift Force Requirements and Force Structure Assessment," testimony before the Subcommittee on Seapower and Projection Forces, Committee on Armed Services, US House of Representatives, July 30, <http://docs.house.gov/nrcctings/AS/AS28/20140730/102432/HHRG-113-AS28-Wstate-JaenichenP-20140730.pdf>).

There are lower cost, more effective ways of supporting the US merchant marine than relying on cargo preference rules. Direct subsidy payments to mariners or employment protections, similar to those offered to members of the National Guard, would be far more efficient than this indirect subsidy to primarily foreign-owned shipping companies, which costs taxpayers an estimated \$100,000 per mariner position (Bageant, Barrett, and Lentz (2010)).

³³ Frank Kendall, letter to Eliot L. Engel, June 18, 2013, <https://www.documentcloud.org/documents/814075-pentagon-letter-on-food-aid-reform.html>; and Brian de Vallance, letter to Jay Rockefeller, April 17, 2014, <http://www.scribd.com/doc/220264499/DHS-Coast-Guard-Letter>.

³⁴ Elliot and McKitterick (2013); Christopher B. Barrett (2017).

Chairman ROYCE. Thank you, Dr. Lentz. Secretary Glickman.

STATEMENT OF THE HONORABLE DAN GLICKMAN, DISTINGUISHED FELLOW OF GLOBAL FOOD AND AGRICULTURE, CHICAGO COUNCIL ON GLOBAL AFFAIRS (FORMER SECRETARY, U.S. DEPARTMENT OF AGRICULTURE)

Mr. GLICKMAN. Thank you, Mr. Chairman. First of all, let me say that when you referenced my time at USDA, my best time in public service was my 18 years in the House. And I was never a member of this committee, but I have told people it is, notwithstanding all the controversy that is going on now, still the best job in America, and we are very sorry to lose you as a leader. You and Congressman Engel and the members of this committee have done more to encourage U.S. engagement in the world than almost anybody else. I wear many hats, the Chicago Council, the World Food Program, U.S.A., U.S. Global Leadership Coalition, and what this committee has done to make America stronger by encouraging its engagement in the world, not disengagement, I think has really been important.

I generally agree with the comments of my colleagues. I would mention the first reform is to ensure that we do not go down the road of meat-axing the budgets of the State Department and USAID. It is interesting to look at the budget document of the President, and it says, "The budget acknowledges the importance of State and USAID to advance the national security interests of the United States."

And then it announces a \$9 billion cut, or about 26 percent, a cut of more than a quarter. Even General Mattis, our Secretary of Defense, has said, if you don't fund the State Department, I have got to buy more bullets. And I think there is a recognition that we need a strong military, but we also need a strong development and diplomacy side of the equation. And so, I hope that this budget does not go forward because I think it will hurt America and American engagement in the world.

In terms of the issues we are talking about today, the national security implications of food assistance are enormous. Food price spikes led to fights and protests over the price of bread in Tunisia, this is one of the primary causes of the revolutions that the negative side of the Arab Spring and snowballed into complete regional destabilization, and stoked all sorts of fears in terms of the world economy. And the national security interests of the United States in making sure that we stabilize destabilized areas by feeding hungry people with nutritious food is critical to our impact in the world. And if we are out of the game, somebody else will get into this game or nobody will get into the game, and I don't want to see that happen.

Second of all, as former Secretary of Agriculture, I am concerned about the impact of American farmers, and there is clearly a role for commodities as part of our business of providing assistance in the world. It just needs to be flexible. The op-ed piece in the Nashville Tennessean, which probably everybody has seen written by Senators Corker, Coons, and Zippy Duvall, president of the American Farm Bureau, could be my statement today. It basically says what you said in your opening statement. It encourages flexibility

to deal with different kinds of crises, and it also recognizes the importance of the developing world for American farmers.

Africa has some of the fastest-growing economies of the world. The African food and agriculture sectors projected to reach \$1 trillion by 2030. If America continues to invest in the next generation of agricultural entrepreneurs, we and not China, will be who they will turn to when looking for new seeds or fertilizer, technology, business partnerships, and high value products. But to meet that future, we have got to promote the entirety of the aid toolkit. So some of that is U.S. commodities, which Andrew Natsios and my colleague, Dr. Lentz, have said may be necessary in severe humanitarian crisis. But some of it is other things, including using EBT cards and paper vouchers in the host communities.

I, myself, went to the Zaatari refugee camp. I don't know if you have been there, which is on the Jordanian-Syrian border about 100,000 people. And I saw the use of e-cards, basically EBT cards and paper vouchers, about 100,000 people in that camp. And the conditions were frankly not very good, but they were getting food. They were using their cards to buy food. Some of that food came from the region where they lived in, but the cash was supported by the United States through the World Food Program, and I saw the branding when I was there, which is very important, that people know that it is coming from the United States of America.

In Lebanon, WFP supported 650,000 Syrian refugees mostly with cash-based assistance in a place where almost 25 percent of the population is comprised of Syrian refugees. And Lebanon is hosting 1 million of these refugees right now. Lebanon directly injected U.S. dollars, about \$1 billion into the Lebanese economy through these programings.

And so, you need a variety of things. In-kind commodities are critical to feeding local populations. This can include corn and soy, or protein-rich therapy foods like Plumpy'Nut for the severely malnourished, but when local markets are functioning, new techniques like vouchers and debit cards can be utilized to great effect. But in the cases of natural disasters, if you talked about it the Philippines, Nepal, and some places in sub-Saharan Africa right now, shipping food from the United States is still going to be critically important, and can't be out of the equation completely.

I agree that the use of monetization is not a good idea, generally disrupts local markets and impacts farmers in the region for decades, and Congress has recognized the need to scale this back.

I would say I was very concerned about the budget proposal to eliminate the McGovern-Dole school lunch program, a great bipartisan effort by two great Senators who were involved in these issues, as well as concerned about the efforts to diminish the Feed the Future Initiative. In 2016, the McGovern-Dole International Food for Education program reached 2 million children. In the face of famine in Ethiopia, farmers reached by USAID'S resiliency programs were significantly better at maintaining their food security, only experiencing a 4 percent drop, compared with those not reached by the program who saw a 30 percent drop. And this is the difference between being able to continue to feed your family and going hungry.

There are 500 million small holder farmers in the world. The U.S. is uniquely positioned to provide technical assistance, help build infrastructure, and help American farmers and ranchers at the same time. So again, I applaud your efforts here. Those of you who have traveled to these camps to see the incredible problems in Yemen, South Sudan, Ethiopia, and to see what the United States has done, and really, to be perfectly honest with you, I don't see anybody else filling the gaps. And it is a great addition to the American toolkit and American power, and I thank you very much for allowing me to testify.

[The prepared statement of Mr. Glickman follows:]

**The Honorable Dan Glickman, Distinguished Fellow, The Chicago Council on Global
Affairs
House Foreign Affairs Committee
Modernizing Food Aid: Improving Effectiveness and Saving Lives
February 14, 2018**

I would like to thank Chairman Royce, Ranking Member Engel, and Members of the House Foreign Affairs Committee for inviting me to testify. This Committee has shown steadfast leadership and vision on issues of food assistance, development, and food security. I am honored to join my voice with this distinguished group of witnesses.

In the wake of the President's FY2019 budget request, this Committee's leadership is more important than ever. Indiscriminate and disproportionate cuts to our international affairs and development accounts undermine our national security and long-term economic prosperity. I applaud the Committee's continuing support of robust development and diplomacy which invests in a safer, more prosperous world. The global food crisis of 2007-08 demonstrated how spikes in food prices can plunge millions into hunger and deeper poverty, sparking riots that can undermine stability for years. The US spends less than 1% of the total budget on international assistance, but thanks to reforms made by Congress, these programs are extremely effective. Mitigation of famine, through food assistance, and prevention of chronic hunger through food security programming promotes stability and limits food-related civil unrest.

Additionally, food security and development programs impact the economic future of American farmers, ranchers and agribusiness. Emerging markets, currently, make up only 20% of US exports, however, growth in low-income countries is expected to rise to 5.8% by 2019. In fact, Africa has some of the fastest growing economies in the world. The African food and agriculture sector is projected to reach \$1 trillion by 2030. With the right incentives and the benefit of rising incomes, these economies will blossom and the US will be well-positioned to expand into new markets.

The US has a bipartisan legacy of generosity. From the Marshall Plan to rebuild Europe following World War II to George W. Bush's Emergency Plan for AIDS Relief (PEPFAR), Americans believe in helping others. We remain the largest single contributor to the World Food Programme. This generosity is particularly true of our agricultural community. American farmers have always taken great pride in their ability to feed the world and we have made great strides in combatting hunger and malnutrition. There are currently almost 200 million fewer hungry people than 25 years ago. Over the past 60 years, USDA's Food for Peace program has reached almost 4 billion of the world's neediest in almost 150 countries.

Our modern approach to aid has showed that there cannot be a one-fit-all approach to food assistance. There are a variety of tools needed to address different circumstances. This includes a distinct difference in the way we think about food assistance and agricultural development. In 2016, the McGovern-Dole International Food for Education Program, reached 2 million children using over 50,000 metric tons of US-sourced commodities. Just this last fall, USDA's Food for Progress delivered 100,000 tons of US red winter wheat to feed refugees in Jordan.

Our food aid programs were established in the 1940s to provide friendly nations with surplus US commodities. It was mutually beneficial, stabilizing US agricultural commodity prices and feeding those in-need globally. There is a deep and abiding connection between the agriculture community and our food assistance programs. In-kind aid will always need to be a part of our food assistance tools and in some cases be the bulk of our effort. For example, in 2017, Food for Peace purchased agricultural commodities from 16 states across the US. A report by the American Enterprise Institute calculated that between 2006 and 2012, food aid programs are responsible for purchasing 8.7% of all pulse crops produced and exporting 18.7% of total pulses during that same period. Similarly, food aid programs consume 5.8% of all grain sorghum produced. However, over the past half century, Congress has consistently recognized the need to adapt these programs to reflect the rapidly changing nature of global humanitarian efforts and the modernization of the US agricultural sector to meet different types of need. Following a disaster, if markets have collapsed and there is insufficient local capacity, in-kind commodities are critical to feeding local populations. This can include commodities like corn and soy or protein-rich therapy foods like Plumpy'Nut for the severely malnourished. But when local markets are functioning appropriately, new techniques like vouchers and debit cards can be utilized to great effect. These new advances and the new nature of our current crises means our programs need to constantly assess how to be more efficient, effective, and adaptable while maximizing the use of tax payer dollars.

When I last addressed this committee in 2015, resources were already stretched thin. Just that year, agencies were addressing near-famine in South Sudan, a devastating earthquake in Nepal, the Ebola outbreak in West Africa, and continuing efforts to combat the rising humanitarian crisis in Iraq and Syria. Now, in 2018, an estimated 136 million people need humanitarian assistance and the United Nations predicts global needs to increase by 5 percent this year alone. Famine has been declared in South Sudan, and it looms in Somalia, Yemen, and Nigeria, threatening 20 million with starvation. The World Food Programme is facing six level-3 emergencies, which is the designation given to the largest and most resource-intensive crises. In the longer-term, shifting population demographics in Africa mean a rising youth population could threaten regional stability if economic opportunity and incomes remain stagnant. For example, about 70% of migrant flows are people younger than 30. Unfortunately, the biggest issue facing food assistance and humanitarian relief agencies is not technical expertise or diversion, but a lack of funding. For the last 10 years, on average, appeals for assistance were only 2/3rds funded.

Our current food assistance programs have done an incredible job addressing hunger, in all its forms, with less resources for an increasing number of crises. This is thanks to the flexibility granted by Congress over the past years and in the last Farm Bill. It has allowed programs to leverage a wide range of tools from in-kind commodities to mobile money and e-vouchers. The continued adaptability of our programs will be critical in the face of dynamic new challenges and the protracted nature of humanitarian crises. As with anything, improvements can be made to ensure the programs use the right tools at the right time to maximize beneficiaries.

1. In the case of acute and sudden disasters, a report by Government Accountability Office (GAO) found that shipping food from the United States to sub-Saharan Africa took 100 days longer than procuring food from local or regional sources. Additionally, GAO

reported that food from the United States can take four to six months to reach beneficiaries. In instances of natural disaster like an earthquake or typhoon, speed is critical to mitigate loss in the short term. Continuing to leverage tools like prepositioning, which places food aid at strategic sites around the world, and local or regional procurement can improve planning and efficiency of food delivery.

2. Monetization, the selling of US goods in local markets, often causes more harm than good. It can disrupt local markets and impacts smallholder farmers in the region for decades. Congress has recognized the need to scale-back monetization requirements in the past and it should again consider eliminating the current 15% requirement.

Finally, bridging the gap between development and food assistance programs will be necessary to not just limit ongoing disasters, but to prevent future issues. Programs like McGovern-Dole and the Feed the Future initiative work to bridge the gap between dependence and the transition to prosperity. With over 500 million smallholder farmers in the world, the US is uniquely positioned to provide technical expertise, improve nutrition, foster basic research advances such as better seeds and fertilizer, and help build infrastructure to decrease post-harvest loss or increase access to electricity. I have seen firsthand how these small advances can make all the difference to farming families struggling to get their crops to market.

In the last two years, USAID has worked with 11 other agencies, including USDA, to write the Global Food Security Strategy. This five year whole-of-government strategy lays out clear objectives for US agricultural development programs, which would supplement our food assistance and break the cycle of dependence. However, without the reauthorization of the Global Food Security Act, this strategy cannot be enacted. I urge my colleagues to continue the bipartisan leadership they have shown in the past and enact legislation that supports long-term US engagement on global food security issues.

Thank you again to the Chairman, Ranking Member and the Committee for inviting me to speak. I look forward to your questions.

Chairman ROYCE. Thank you, Mr. Secretary. We have seen in Sudan and South Sudan, food used as a weapon. We have seen it in Somalia. We have seen it firsthand in Syria as well. And Mr. Natsios is right. During the war, other than the Jewish communities in which men and women and children, the majority perished; the Greek community, because of the resistance; in the Peloponnese; in northern Greece; in Crete, because of the resistance, they had the highest share of losses of any resistance that engaged against the Nazis and the highest share of famine, a famine that was orchestrated by the Nazis during the occupation. And our ability in order to project our influence, not just for humanitarian interests, but for economic and security reasons as well, is articulated by Secretary Glickman is very important. I thought I would ask Dr. Lentz, I am particularly interested in key issues like maternal and child survival in situations like this, and given your research, maybe you could explain.

And the other thing I was going to say is the prepositioning of food is one of the things we often hear. Well, you could preposition food, but I just want to tell you, when our committee, after the typhoon were in the Philippines, we were surprised to learn that even the prepositioning takes weeks to get the food there, as opposed to what was being done, which was buying the food locally in the region in the Philippines and getting it there to the site in real time. And so, Dr. Lentz.

Ms. LENTZ. Thank you for those comments. I think you are exactly right about prepositioning. The best available evidence suggests that it costs between \$30 to \$60 per metric ton to preposition food because of the additional storage costs because of the additional fumigation costs, et cetera, so it is a little bit more expense. But you are right, that trade-off would be worth it if it could get there very quickly. And oftentimes, it is still slower than using other sorts of tools in the food assistance basket, so buying food locally, relying on vouchers, or electronic transfers. These sorts of things tend to be faster than prepositioned food, although prepositioned food is very much better and faster than food coming from the U.S. in terms of timeliness.

And that comes to your second point about the maternal child health implications around time savings. I think the best available evidence has indicated that this first 1,000-day period is absolutely crucial and can have lifelong effects on cognitive skills, on health, on earnings and even intergenerational impacts. So children who are undernourished when they grow up and have children, their children are more likely to be unwell, as well.

So the opportunity for us to intervene earlier is absolutely critical, especially in these cases where there is an emergency, and we need to respond quickly. Thank you.

Chairman ROYCE. And let me also talk about that growing effort for reform that Secretary Glickman referenced. So it was yesterday that the President, as you said of the National Farm Bureau, co-authored that op-ed that endorses these key reforms. And we know that Food for Peace has enjoyed strong support from American farmers and shippers and the NGOs implementing these programs. So, Mr. Glickman, can you speak to why so many farmers are coming out in support of the reform effort? And maybe Dr. Lentz,

should we be concerned by claims that changes to the Food for Peace program will affect U.S. maritime readiness? Maybe you can address that issue or any of the panel.

Mr. GLICKMAN. Well, I think that Zippy Duvall, who I don't know very well, took a courageous stand because there has been kind of a mantra in farm country for many years that the majority of our assistance ought to be in the form of commodities. And working especially with Senators Coons and Corker, both of whom share yours and Chairman Engel's views on a lot of these issues, I think was a gutsy thing for him to do, to come out with this, particularly because all of agriculture has not necessarily been unified on this particular point.

I want to make the point, however, that I don't think we ought to think this means 100 percent cash. It can't.

Chairman ROYCE. No.

Mr. GLICKMAN. But it does mean that somebody has got to be able to use good judgment, and not necessarily be bound by bureaucratic rules, which stovepipe the kind of programs that go out, so if we need to get cash, we get cash there for local market purchasing.

Chairman ROYCE. To quote Aristotle or Andrew Natsios, "balance in all things." Comment maybe on the issue of maritime preparedness.

Ms. LENTZ. So just to echo Mr. Glickman's point, I agree, flexibility is crucial. We want to provide USAID and USDA with the broadest set of tools possible so that they can identify what is appropriate for the right context.

Regarding military usefulness, I think claims that food aid cargo preference requirements somehow support military readiness are not backed up by any evidence that I have seen that I find compelling, frankly. First, there is no evidence that food aid helps in that food aid is often a very small part of the actual cargo preference laws. It is only about 13 to 15 percent of cargo carried is food aid. And so, what that means is the bulk of the cargo preference requirements are being met through military cargo.

So it sounds like, okay, well, what is the big deal for food aid? Well, the big deal is it costs a lot for the food aid program. And so it is a very high cost to need to support or need to kind of meet these cargo preference requirements.

Furthermore, officials at both the Department of Defense and Homeland Security have expressed support for food aid reforms. They have suggested that cargo preferences for food aid does not actually make a substantial contribution to military readiness.

Chairman ROYCE. Thanks, Dr. Lentz. Okay. Mr. Engel, my time has expired.

Mr. ENGEL. Thank you, Mr. Chairman. Let me ask a question. Let me ask all of you if you could please be concise in the answer. A question on a point I made earlier. The President wants to end the Food for Peace program. I don't think that is a good idea. He wants to eliminate it as a standalone program. He says that emergency food assistance will instead come out of the international disaster assistance account. Is this a good idea or a bad idea, Mr. Natsios?

Mr. NATSIOS. Well, Congressman, when I was the Assistant Administrator of the bureau in which the Office of Foreign Disaster Assistance and Food for Peace was, this was under Bush 41, 28 years ago, we considered merging not the accounts, but the staffs of Food for Peace and OFDA, because there are tensions. I understand they moved into the same building, and there has been a huge drop in the tension levels, the friction that exists between Federal offices since they are co-located.

So I would actually support a merger of the two offices, which is under serious consideration, but not an abolition of the Food for Peace law or the appropriation level, or the expertise that Food for Peace has in food security. People think that all the Food for Peace staff does is ship food out. That is just not true. They are experts in nutrition. They are experts in the balance you need when you feed people. You can't just feed them all grain. You have to give them fat in the form of vegetable oil. You also have to give them protein in the form of beans, and you have to monitor that. You have to have set up systems for monitoring this to make sure that the food is getting where it is supposed to get. So that expertise cannot be lost. And so, I strongly support the continuation of the Food for Peace account, the Food for Peace program, but believe it should be more flexible.

Let me just add one piece of empirical evidence we have. Dan Honig is a young academic at SAIS, the Johns Hopkins School of Advanced International Studies here in DC. He has just come out with a book that studied 10,000 aid projects from nine different aid agencies, including USAID, DFID, the British aid agency, and he asked the question: Those which are highly centralized in their headquarters versus those that are highly decentralized, what is the failure rate of the programs? And he concludes that particularly in unstable and rapid changing circumstances, which is certainly the case in disaster response, that the failure rate increases dramatically if the decisions are made in the capital or the headquarters, and if they are highly decentralized and you give maximum flexibility to the offices in the field, you have a much higher success rate. So we now have enormous empirical research to support what seems to be common sense. Sometimes common sense can't be proved. In this case, we can prove it.

Mr. ENGEL. Thank you. Dr. Lentz?

Ms. LENTZ. I would agree that the Food for Peace program should be maintained. I think Mr. Natsios covered it really well.

Mr. ENGEL. Thank you. Mr. Glickman?

Mr. GLICKMAN. And I would add McGovern-Dole to that, as well. That should be maintained. But here is the problem: There probably are some bureaucratic problems in terms of implementation. You talk to the NGOs, and they really have to go through a lot of bureaucratic gobbledygook to figure out which account they are going into and which they are not. But if this were offered without a 29 percent reduction in money I might be willing to sit down and talk to them about some of these changes, but the elimination of Food for Peace and McGovern-Dole and others, frankly, is just a way to reduce the amount of money we spend in those areas. So that is one of the real reasons why I wouldn't support it.

Mr. ENGEL. I agree with you, and that is why I am so worried about it. Mr. Glickman, let me ask you this: Many would argue that the U.S. comparative advantage in responding to international food needs is through its ability to produce an abundant food supply. When America provides homegrown food, it is supporting the U.S. farmer, as well as U.S. food producers, processors, and shippers, and yet, in-kind food aid as we have heard here, is relatively slow to arrive and costly when compared with cash-based alternatives. So in your view, what is the appropriate balance here? What is the appropriate balance between in-kind and cash-based food assistance?

Mr. GLICKMAN. I think it depends on the nature of the purpose of where the food is going. So if it is dealing with a typhoon or an earthquake, the majority probably ought to be in the form of in-kind commodities. Just you got to get the food there as quickly as possible, and it still takes too long to get there. But if you are trying to build local economies or if you have refugee camps, like the Ethiopian camps, or the camps in Lebanon, and, of course, a lot of people in Jordan actually live in Amman. There are several hundred thousand people there, and they get most of their food through the voucher, the EBT. Then you almost have to go the way of using local purchases or EBT cards, that kind of thing. So it is just the whole thing you have got to be flexible with it. I think the American farmers want to help feed the world, and we provide the commodities to do that, but I think that more American farmers are realizing that there are many ways to skin this cat, not just one way.

Mr. ENGEL. Thank you. Thank you, Mr. Chairman.

Chairman ROYCE. Thank you, Mr. Engel. Next in the queue is Tom Marino of Pennsylvania.

Mr. MARINO. Thank you, Chairman. Good morning, and thank you for being here. I would like to start with Secretary Glickman. When U.S. international food aid programs were first designed 64 years ago, surplus agricultural commodities threatened to destabilize food prices, and negatively impact American farmers. Today, food prices are high, and exports of U.S. agricultural commodities are booming, exceeding the USDA's own forecast in fiscal year 2016. Food aid represents less than one-tenth of a percent of U.S. agricultural production. Reforms that this committee will be asked to consider would eliminate the requirement, but not the option, for all food aid to be procured in and shipped from the United States.

Mr. Secretary, how would a proposal to relax U.S. purchase requirements impact American farmers, and to what degree are American farmers dependent on U.S. food aid programs? I come from a very rural agricultural district.

Mr. GLICKMAN. Yes. You know, the biggest part of our exports in the world are in what you would call the row crop commodities, wheat, corn, cotton to some extent, rice, soy beans, and right now, actually, agriculture prices have taken a bit of a tumble during the last year or so in part because of world economic conditions and, in part, because of surpluses. Over the years, most farmers have supported these programs largely because they provided an avenue, although a small avenue, because we actually sell way more in

these products than we give away. This is a huge part of an American farmer's income is the sale of these products.

But I guess I would answer your question this way: A very, very small portion of what an American farmer produces actually goes for food assistance. But large enough that, and especially the countries in Africa that within the next 10 or 15 years, may be able to buy 20, 25 percent of their products from us. So this is more of an investment in the future as much as it is an immediate need. We don't want to lose those markets, and the best way to get those markets is to build local agricultural infrastructure and economies and as they grow, they begin to buy more stuff from us. That is a longer-term strategy, but that is the best answer I can give you.

Mr. MARINO. What arguments would you make to farmers in agribusiness to convince them that the United States should substantially reform the way in which it provides food aid? And believe it or not, I have my farmers ask me what is going to happen to my farm when changes are made and how can we survive?

Mr. GLICKMAN. Well, again, we don't want to do anything to jeopardize our global sales, because that is the big elephant is the ability to sell our agricultural commodities overseas, and that gets into a lot of other issues, like trade agreements, which is not part of this discussion. But that is far more important to farm income right now than the humanitarian relief that we provide.

But what I would tell farmers is that the big growth regions in the world are in the developing world. Africa will produce \$1 trillion worth of agriculture commodities and crops within the next 5 to 10 years. I mean, that is where the growth is, and the growth is in the developing world. And the more business we do with them the better we are, and when they suffer, our ability to help alleviate their suffering builds trust.

I think Andrew Natsios talked about branding, and when you deliver, when it is commodities, you deliver that aid with the USAID, what was it?

Mr. NATSIOS. Logo.

Mr. GLICKMAN. Logo on it, or even on the EBT cards, or the other forms that you provide electronically it says, "product of the United States of America."

Mr. MARINO. I would like to quickly hit two other areas. I have been to Africa, the continent of Africa, Liberia, Sierra Leone, Ghana, I see what it is like. I have been with the chairman on several trips, and the things that we have seen were just heart-breaking. But we also heard that the militants, there are groups of militants that confiscate, steal this food from where it is supposed to go. To what degree is that happening, and what are we doing about it? Anyone?

Mr. NATSIOS. Well, I have been managing off and on these programs for 28 years, and security particularly in unstable regions of the world, which is the majority of—75 percent of this food goes for humanitarian relief and in emergencies, and it is not in natural disasters. It is almost all in famines and civil wars.

Mr. MARINO. Agreed.

Mr. NATSIOS. We did a study when I was OFDA director in USAID 25 years ago, we asked the question, the previous 25 years, how did people die in disasters? Seventy-five percent of the people

who died in disasters died from famines or civil wars. Seventy-five percent. Not in natural disasters. So our program is focused on food security for that reason.

Now, how do you deal with the issue of security if you don't have American troops there, or U.N. troops to protect the food aid? Well, that is the problem. The reason I support going to the use of cash cards in unstable situations is you can't tell who has a cash card and who doesn't. But you can tell who has a bag of food and who doesn't. The bag is pretty big. It is a giant bull's-eye for anybody with a gun. And if you have a food truck going down and it is an unstable area, guess what they attack? A person—how do you know who has a cash card?

Chairman ROYCE. Okay. Mr. Brad Sherman of California.

Mr. SHERMAN. No one can quibble that we need flexibility, especially when time is of the essence, and if the goal was the cheapest calorie per cents measure, we wouldn't have a Food for Peace program. We might keep the staff. We would have a "Money for Peace program." We would tell the bureaucracy you get so much money, provide as many calories as you can, as many protein grams as you can to as many people as you can. This is close to what the President is proposing. He says, let's eliminate the Food for Peace program and move the money to situations where the bureaucracy is free. And what that does is it destroys many elements over time of the support for U.S. foreign aid.

We already have authorized the "Money for Peace program." We get dozens of programs that provide U.S. money to poor people, or people who are suffering for a variety of reasons. We have basically one Food for Peace program, which would have the support of American agriculture if the advocates of the program weren't busy telling farmers that it was unimportant to American agriculture. And now we are going to make it utterly unimportant, or less important to American agriculture. It has the support of the cargo industry, or an element of it, and the many millions of Americans who dream and honor the U.S. merchant marine and remember how important that was in the past, so we lose the support of those who are advocates of dealing with the trade deficit because now all the money is part of the trade deficit. We lose the support of those who are for agriculture by telling them it is unimportant, or by making it unimportant. We lose the support of those who are in favor of a strong U.S. Merchant Marine. And we rely exclusively on whatever political support we have from those who want to feed those who would otherwise starve, perhaps even die.

And I wonder whether it is right to say that it is clear that these restrictions cost money. Do they also generate money? I almost feel like we should be the witnesses and you should be asking the questions. You are strong advocates of feeding those who are hungry. But actually, we should have some appropriators here, and see whether the cost is more than made up by the political support.

But I was on the trip that the chairman references where it was important to have the flag on the bag. There is something very symbolic to the American people to say here we are, pose for a picture, bag of American food. And I think if we were sitting there posing with an EBT card where people were buying Australian grain, I am not sure that that would have built the support in the

United States, but what is even more important is the image to those who receive the aid.

Mr. Glickman, or Secretary Glickman, you have been talking about branding. The Australians provided aid, we provided aid. They had their flags on their bag. I presume we had our flag on our bag. How do we use some sort of debit card, put a flag on the card, but what if that card is used to buy grain from a variety of different sources. It could be recharged different ways. It may not even be a card, it may be on a phone. How do you brand American aid—how do you put a flag on a bag if there is no bag?

Mr. GLICKMAN. Let me just give you a couple things. Nobody is talking about getting rid of the cash program, period. We are just saying that in some cases it doesn't work very well, it can't get the food there fast enough.

Mr. SHERMAN. Oh, yes. Clearly the only argument here is the degree of flexibility.

Mr. GLICKMAN. That is right.

Mr. SHERMAN. Some have put forward the argument, Hey, you can be 20, 30 percent more effective if you just eliminate all these restrictions with a possible exception of vegetable oil shipped on foreign flag vessels.

Mr. GLICKMAN. But what is encouraging is when I saw this op-ed in the Nashville Tennessean, you had the head of the largest farm organization in the United States joined with two very senior Senators who are involved in humanitarian efforts to say flexibility is good, and we as farmers can support that flexibility.

The other thing I would just mention is the U.N. food program estimates that they are not able to fund one-third of the needs for famine and humanitarian relief every year. The United States is the largest funder in the world food program. And much of that is going to continue to be cash, and the better we brand it, the better we are. And so all I can say is that—

Mr. SHERMAN. Secretary Glickman, I asked a question about branding.

Mr. GLICKMAN. You did.

Mr. SHERMAN. I know I said a lot of other things you would like to respond to, but I am already on overtime. Can we have an answer on branding issues?

Mr. NATSIOS. Yes. I put the branding system in place when I was USAID Administrator in 2003 because of the war on terror, and we had to make it clear this was U.S. purchased food. Locally purchased, not U.S. food. There you see, "USAID from the American people." So the locally purchased food still has the USAID brand on it, not just the U.S. shipped food. And I might add, all of those cash cards—

Mr. SHERMAN. We were talking about the EBT cards, what if we are not—

Mr. NATSIOS. They also have the USAID logo. From the American people on each one of the cards.

Mr. SHERMAN. Then you have to have a separate card—if you are getting aid both from Australia and the United States you would have one card from one country and another card from another country.

Mr. NATSIOS. Well, the way we do it in the U.S. Government, we pay for the card, we put our brand on it, it is clear. Every time they use that card, they see U.S.

Chairman ROYCE. And just to clarify, the flag on the bag that we saw when we were in the Philippines when we were assisting there, that was locally purchased food from the Philippines that was in that bag.

Mr. NATSIOS. And let me just add one thing to make clear. I completely agree with Secretary Glickman's comments on these budget cuts. You cannot delegate to the States or municipalities—I am a Republican, which I normally, in domestic programs, support—you cannot delegate American foreign policy, and you cannot privatize it. Cutting \$9 billion out of the 150 account is a terrible idea. I do not support it, and I wish the administration would stop doing that.

Mr. SHERMAN. Amen.

Chairman ROYCE. Okay. So we go to Mr. Ted Yoho of Florida.

Mr. YOHO. Thank you, Mr. Chairman. I appreciate all three of you being here and your patience. Mr. Natsios, you were talking about America losing its hegemony in the world, and I think that is something that is going to continue. Unfortunately, we are going through a tectonic shift in world powers that we haven't seen the likes since World War II, and I think that is one of the reasons we are seeing the amount of refugees that we are seeing.

Saying that, with the budget restraints that we are seeing as a Nation, all you have to do is look at what has gone on since September with the six resolutions, continuing resolutions, we are facing severe budgetary constraints, and we are going to continue, and they are going to worsen in this country. Therefore, how do we tighten up the program to make it more beneficial, and if you look at the different agencies and departments giving out food aid, or some form of foreign aid, we have to streamline this. And so my question to you is how well are we coordinating with other countries when there is an emergency famine? I agree we have to respond to that. And I came up here to get rid of foreign aid, but I have become more knowledgeable after 5½ years here that I agree with General Mattis. We have to use a certain amount, but we have to use it more effectively. So how well do we coordinate with other nations so that we are not duplicating efforts? Is that going on now?

Mr. NATSIOS. If I could, we have been coordinating better, actually, in the emergency area than any other area of foreign aid, and we have been doing it for three decades now. The evidence we have for this is in a new book written by a good friend of mine, Alex de Waal, a British scholar who teaches at Tufts. It is called "Mass Starvation." And he looks at a number of people who have died since 1870 from starvation, and he goes through that 110-year period. And he concludes that since 1980, there has been a dramatic drop in the number of people who die of starvation. And he said the reason for this in part is the growth of the world economy, globalization, which everybody is attacking now, and the second reason is the emergency response system. Even though it has got its weaknesses, it is actually working. Now, we have a meeting—not "we," I am not in office anymore. The emergency managers

from Europe, Canada, the United States, Australia, and Japan meet on a regular basis, and they will say, look, the United States can put more money in Liberia, not so much in Sierra Leone because of the historic relationship. The British say, no, we will do Sierra Leone if you do Liberia.

Mr. YOHO. All right, but we are talking about money, but what about the coordinating of the efforts like, all right, you guys bring this to the table, we will bring this. Is someone coordinating this?

Mr. NATSIOS. Yes, that is exactly what goes on.

Mr. YOHO. Secretary Glickman?

Mr. GLICKMAN. First of all, let me tell you we have a great new head of the World Food Program, David Beasley, the former Governor of South Carolina.

Mr. YOHO. Yes, I know him. I met with him.

Mr. GLICKMAN. He is outstanding. And you talk about a real genuine humanitarian, and this is not to castigate anything on previous WFP directors, but he cares very much about it, because most of this food aid is run through the World Food Program, the U.N. The U.N. is very bureaucratic. You talk about bureaucracy in the United States.

Mr. YOHO. That is why I say, how can we do it better?

Mr. GLICKMAN. His job, his charge is to try to reduce some of this effort, and it makes it hard for the NGO community to be honest with you because they have to deal with different accounts in different countries, but my judgment is that based on my discussions with him, he is committed to do exactly what you are talking about, and that is better management.

Mr. YOHO. We have had several discussions with them. In fact, we are introducing the BUILD Act, which is Better Utilization of Investments Leading to Development—it will be coming out in near future—to streamline foreign aid. But then we have the emergencies of famine.

With the McGovern-Dole, we hear a lot of criticism of that, and with the austerity measures, the President, in his budget, was saying that it is an ineffective program. The school program, lunch programs. Do we have numbers to show what the results of those have been since 2002 when that program came out? Can we justify and say, “Since we started this, these are the results”?

I will give you an example. With GAVI, with Bill Gates, when they go in and vaccinate in countries, what they have seen is there is less money going for sickness, for the treatment of sickness because they have prevented it, and crime has gone down 40 percent. Do we have anything like that that we can say, with McGovern-Dole, the school program?

Mr. GLICKMAN. I don’t have anything specific, but I will do my best to get you that information.

Mr. YOHO. If you can get us that information, it will be very helpful.

Mr. GLICKMAN. Yeah, I referenced some of the things, little bit in my testimony, about the drop of food insecurity with those who were fed in school meals programs, but I will get you more.

Mr. YOHO. And you guys brought up a very important thing. If people’s bellies are empty, they are hungry, there is strife. And you can’t have world peace if you don’t have food security.

Dr. Lentz, you wanted to throw something in? I am out of time.

Ms. LENTZ. I would just to add to that, which is that a recent United Nations World Food Program study found that a 1 percent increase in food insecurity causes a 2 percent increase in forced migration.

Mr. YOHO. Thank you. I am out of time. Thank you, Mr. Chair.

Chairman ROYCE. Thank you. We will go to Bill Keating of Massachusetts.

Mr. KEATING. Thank you, Mr. Chairman. It is great to see Andrew Natsios here, my former colleague from the Massachusetts House. And his presence reminds me of the wisdom of former and the late Congressman Joseph Moakley, who used to say that if a person has served three terms of Congress, it might qualify them for their first time in the Massachusetts House.

So welcome, Andrew. I would like to thank the rest of our panel. I would note, Mr. Chairman, once again, we have a panel and no representative from the Trump administration here on these important issues, something I hope we can look forward to in the future, although the panel is a terrific one. And I think it speaks to the commitment to this program and our national effort. You have Mr. Glickman, dating back from the Clinton administration; you have Dr. Lentz who is here representing the Johnson School of Public Affairs, and you have Mr. Natsios who is here with the Bush School of Government. And I think it shows the bipartisan nature and commitment to this issue, something that I hope we can move forward to, given the fact that Food for Peace was eliminated and supplanted, at least, in terms of budgetary issues.

I am also the ranking member on the Foreign Affairs' Subcommittee on Terrorism, Nonproliferation, and Trade. And on the terrorism aspect, I would like to ask Mr. Glickman, you touched on it, I think, with your remarks, but we could really rename this, instead of Food for Peace, we could say it is "food for national security." And I think it would be as apt as calling it that.

With terrorism and the threats that not only affect global security, but affect us back here at home, can you tell us of the importance of that program in that regard?

Mr. GLICKMAN. I will give you one example. When I was at the Zaatari refugee camp on the Jordanian-Syrian border, I met with a family. We sat on the floor. There was nothing, it was concrete. The family, the father, he was an automobile mechanic. And most of the time we spent with him, he was crying. And he had five children, and one of them was a 17-year-old boy. And this doesn't go exactly to your question, but it goes to the issue of refugee status. They had been there for 5 years in this place.

And he said, look at my son. He said, You don't think he is a candidate for ISIS? He says, there is nothing here for him. Zero. Yeah, we have enough food to eat because the U.N.—and then I said, And the U.S.—I wanted to make sure I got that in there—provides that kind of thing.

There is no question that poverty, hunger, and economic instability is one of the major factors in terrorism in this world. I think it is clear.

Mr. KEATING. It really creates a system of incubation for terrorism. Would any of the other—

Mr. NATSIOS. Let me just to make a comment on this, because I think there is a lot of comments being made—not just here, but everywhere—and there is a subtlety to this. When people feel threatened in their home villages, either from violence, from epidemics of disease, most importantly from severe food insecurity and famine, they leave, en masse, their villages. They don't normally like to do that. They will do it when they are desperate and they think they are going to die otherwise. When people leave their village, their social hierarchies collapse. A large number of them die because they are already malnourished along the way. They form refugee camps and internally-displaced camps. Every extremist movement that we are dealing with started in a refugee—almost all, not every single one of them—but where did al-Qaeda start? And where did Taliban start? It started in the Afghan refugee camps in Pakistan. Why were those camps there? Because of the Russian invasion in 1979. Wide-spread food insecurity. There were starvation deaths in 1990s in Afghanistan. And those people, millions of them, I think there 3 or 4 million Afghan refugees in Pakistan that were there for 15 or 20 years. And Ahmed Rashid wrote a book called “The Taliban,” and he traces the development of the Taliban that led to the attack on the United States in those camps.

If we get food quickly and efficiently to the villages before people leave, those camps won't form, unless they are leaving because of violence. That is a different matter.

Mr. KEATING. Thank you. I enjoyed cutting you off a little bit, Andrew, because I never was able to do that in the Massachusetts House.

But Dr. Lentz, quickly, this is important, too. How it gets there. If you could touch on the fact—and I think you did this with your remarks—quickly. What is the role of women and mothers, in terms of the management and disposition of these resources. I think that we have found through so many studies, the more they are involved in their own country in this regard, more of the resources and the food would go to children as well. And it gets better dispensed. Can you quickly comment on that?

Ms. LENTZ. I think you are absolutely right. I don't think this kind of speaks to earlier comments made about the importance of Food for Peace's staff in terms of their abilities to identify what are the right sets of resources for people who are in need. And those needs differ, of course, by family members. So children and their moms often have different nutritional requirements than the rest of the household.

So I think that you are exactly right. To kind of care for mothers, women who are pregnant, and young children, we need a lot of different tools out there, including ready-to-use therapeutic foods. We also need to figure out what the best ways possible to get them there faster. And I think that you are right, when women have some ability to make choices more broadly with, say, for example, using vouchers, many folks end up trying to buy healthier foods, right. So not necessarily more calories, but oftentimes, more nutrient-dense foods, like leafy greens and eggs, and things that are really important for children's nutrition that, frankly, are very hard to accomplish with food aid purchased in the U.S.

Mr. KEATING. Great. Thank you. I am over my time. And I yield back, Mr. Chairman.

Chairman ROYCE. To respond, though, if I could, Mr. Keating, you mentioned the Secretary of State. He will be here in 2 weeks, on the 27th. And the week after, or at least March 7th, we will have USAID Director Mark Green here. And they just presented the budget, so that is why they are not here today. But I think this was a good forum here today, that we took the opportunity for some very experienced presenters, or witnesses, here.

We now go to Adam Kinzinger from Illinois.

Mr. KINZINGER. Thank you, Mr. Chairman. And I will say, just to say further on that, this administration has actually reached out more than I have ever experienced in my 8 years in politics. So, but let me just, at the risk of reiterating reiterations and piggy-backing and all those annoying terms, I want to make the quick point that we have talked about branding and the branding issue. I think it is essential to remember food as not just a humanitarian tool, which it is and it is important, but it is also a tool of national security. It is soft power. And we are in the business of figuring out how to bring people better lives through great influence of our country. And I think that is important to remember.

I think we all can agree—I will ask this first to the Administrator, Mr. Natsios, and then we will go down the line, if anybody has answers or thoughts. We can all agree that the Syrian conflict has reached epic proportions, in fact, that news over the last couple weeks is, I mean, we now have basically all the parties of the world fighting over land. Over 500,000 people are dead, and 50,000 of those are children, which people need to continue to let that sink in.

Last year, I wrote about how hunger is used as a weapon in Syria. We see daily instances of these actions by the barbaric Assad regime to hold food assistance hostage in order to starve the people of Eastern Ghouta. By the way, Russia and Iran bear equal responsibility in that, too.

Furthermore, I fear that if we are not helping these people feed their families, as you guys talked about, those 7- and 8-year-old Syrians in refugee camps, or those besieged in Syrian cities, will become easy recruits for terrorists who manipulate their hunger and fear. It is very hard to recruit somebody out of a village. For instance, a village I went to in Africa, in which the United States built a milk co-op and helped them, helped the village learn how to feed the cows and produce more milk. And they will always remember the United States changed their lives. But if you find yourself hopeless in a refugee camp, it is really easy for some extremists to come in and tell you, the West is at fault for your misery, and you should blow yourself up in a cafe. Syria continues to be a difficult place to have an impact with food aid.

Starting with you, Mr. Administrator, if you were advising the President, what would you recommend in terms of how we can effectively provide food aid to the people that need it while not benefiting the Assad regime?

Mr. NATSIOS. Well, that is the question, Congressman, that is the question. And more even in Syria than almost anywhere else because there is so many great powers involved, as you pointed out,

at the same time. Russia; the United States; Iran is involved; Turkey is deeply involved in a destabilizing way, in my view. So that is the problem.

The use of cash cards has been more extensive in Syria than almost any other emergency for that reason, because we—the United States—did not want the Assad regime or any of the groups to hijack the aid effort for their own political purposes. And the more chaos there is, the more the risk increases for that to happen.

And so, they have used cash cards, vouchers, and what I would call more innovative approaches to relief in Syria because they are more immune to manipulation in a highly politicized circumstance than traditional food aid. That is not the case in other places, but it is particularly the case—

Mr. KINZINGER. So you would have no further recommendations? You think it is going kind of swimmingly?

Mr. NATSIOS. Well, I personally supported it a long time ago, and signed a letter 7 years ago during the Obama administration saying there should be safe havens established—

Mr. KINZINGER. Sure.

Mr. NATSIOS [continuing]. And we should provide air cover, and we wouldn't have had all this population movement, which is a disaster.

I just want to say—and maybe I shouldn't say it—King Abdullah of Jordan, who is an ally of the United States and one of my favorite heads of state, Jordan is doing very well, surrounded, it is, by chaos.

Mr. KINZINGER. Sure.

Mr. NATSIOS. He said, he told a group of U.S. Senators, that Turkey was driving refugees to Europe, pushing them across the border, and he used the term “weaponized refugees.” And the chairman of the Joint Chiefs and the Supreme Allied Commander of NATO said the same thing. They are weaponizing—different powers. Russia is doing the same thing.

Mr. KINZINGER. Yeah.

Mr. NATSIOS. They are trying to destabilize Europe.

Mr. KINZINGER. I have no doubt that we see what we are and, you know—fine, if you are non-interventionist, I get it, and you think America plays no role in the world, that is fine, I get that. But there is no doubt that our inaction in Syria is extremely responsible for what we are seeing today.

And, look at this. I mean, it is funny, just to bring up the politics of it for a moment. A lot of the times people criticize the current administration's actions or lack of actions, or whatever. We are in this situation in Syria because we were paralyzed and didn't do anything. And now you have every major power of the world trying to gain something in Syria, and we end up having to defend our allies, and in the process, kill many, many Russian mercenaries, which, I think, Vladimir Putin has been notoriously quiet on. So I would be curious as to what his thoughts were on that and why they were there.

I am sure, you don't leave Russia as a mercenary without some kind of tacit approval. But I digress. I had more questions, but we got on to the Syria issue, which I am especially passionate about.

So Mr. Chairman, I will yield back.

Mr. GLICKMAN. Mr. Chairman, can I make just a comment? First of all, Congressman, your leadership is well known in this area.

I want to reinforce what Andrew said about Jordan. One-fourth of the people in Jordan are Syrian——

Mr. KINZINGER. That is right.

Mr. GLICKMAN [continuing]. Syrian refugees. They have inundated the country because there is no other place to go. A lot of them are in refugee camps. Most of them are in the cities. And I can't answer your question about Syria, but I can and say this: If we don't understand and help the Jordanians deal with this problem, we will lose one of our closest friends, not only in the region, but in the world.

Mr. KINZINGER. I agree.

Mr. GLICKMAN. They are key to this.

Mr. KINZINGER. The King made a point to us. He said, I think it was, at that time, he said, "It is the equivalent of all of the nation of Canada moving into the United States without a job." We like the Canadians, but we want them to have jobs. Thank you, Mr. Chairman.

Mr. NATSIOS. Mr. Chairman, could I just——

Chairman ROYCE. It would actually be twice that percentage.

Mr. KINZINGER. Yeah, that is right. Yeah.

Mr. NATSIOS. Could I just add one thing?

Chairman ROYCE. Mr. Natsios.

Mr. NATSIOS. I am Antiochian Orthodox Christian, and our patriarch is in Damascus. One of our archbishops was kidnapped by the terrorists, and one of our bishops. And we have not heard from them in 3 years.

The largest number of people killed in Syria, disproportionate to any other, are Antioch, are my church members. And we get terrible stories from our priests in the villages about the atrocities being committed against Orthodox Christians, and also, eastern right Catholics as well. But there is a particular focus on attacking the eastern church that has been there for 2,000 years, so I have to say, this is a very personal thing for me.

And I might add, when people attack Arabs in the United States, they make these comments, a lot of Arabs are Christians, and they have been for 2,000 years. And so, I get upset when people make these generalizations. It is inappropriate. The fact of the matter is, the great bulk of people who are getting killed are, in fact, Christians in Syria, but also, many of the minority traditions of Islam are also being attacked and being victimized. And you know that from your own experience. It is horrendous, the atrocities that have been committed.

Mr. KINZINGER. Thank you.

Chairman ROYCE. We go now to David Cicilline of Rhode Island.

Mr. CICILLINE. Thank you, Mr. Chairman. I want to thank you for this hearing on this very important issue that is quite literally a matter of life and death. Without proper access to food and nutrition, children cannot attend school, men and women cannot work, and families cannot feed their children. And we all understand the conflict and national security challenges that flow from food insecurity. And that is why I am very proud that the United States has been the largest supplier of food aid in the world, and committed

to ensuring that we continue to lead the world in efforts to ease hunger and establish self-sufficiency and food security.

And like many of my colleagues, I am deeply troubled about the President's budget, which really abandons that role. I am also particularly proud that in Rhode Island, we are helping to lead this effort. I was happy to hear Secretary Glickman talk about Plumpy'Nut. And I really want to recognize the work of Edesia Nutrition, a wonderful food aid and global nutrition nonprofit based in my home State. It uses an innovative and targeted approach to ensuring that populations around the world have access to healthy, nutritional food by producing and introducing into local markets ready-to-use therapeutic and supplementary foods.

Each year, millions of their miracle packets leave Edesia's Rhode Island factory, and are delivered by large humanitarian organizations such as UNICEF, the World Food Program and USAID into the hands of malnourished children all over the world in some of the hardest-to-reach places, in most inhospitable places on the planet. And their incredible state-of-the-art factory is this incredible example of a public-private partnership that is producing peanut, milk-based, ready-to-use supplemental and therapeutic foods with ingredients sourced from over 15 States.

These products are really saving the lives of millions of starving children around the world, at the same time, providing good paying jobs to middle class workers in our State, and as well as refugees who have settled in America. So I just want to acknowledge their work and say how proud I am of them.

There are two things that I think that their presence in Rhode Island has kind of focused my attention on. And the first is, as we talked about food reform, food aid reform, it seems to me that one of the things we have to be careful about is this sort of U.S. manufactured-based food aid that Edesia represents and others, that if we ship too much to just cash, we lose the whole kind of stakeholder advocacy that has been so critical to protecting U.S. food aid and our leadership role in that. And I think it becomes very easy if it is just a number in a budget, a lot easier to cut, and, maybe someday, eliminate. I just wonder what your thoughts are on that?

And secondly, with particularly specialized nutritional products that were created by research that was funded by USDA and USAID, that really meet the specific nutritional needs in some of the most fragile populations, children under 5 and pregnant mothers, nursing mothers, for example. There are some local and regional producers who can make these types of products, but they don't have the capacity to reach all the areas of need, and particularly in the times of acute crisis.

So I wonder how we preserve this important capacity that it makes the food supplement that arrives really effective and that may not be capable of being generated in the host country. Do we do a carveout? Do we do a percentage? But how do we protect that so we don't lose both the advocacy and the very specialized capability of places like Edesia that are making a real difference?

Mr. NATSIOS. Could I just comment on that? First, the nutritional supplements are actually not funded by Food for Peace. The corn-soy blend is, but a lot of the intensive feeding is funded by the

Office of Foreign Disaster Assistance. It is an entire budget. It is the 150 account as opposed to the farm bill.

We hear this argument made. And the advocacy groups, the shipping companies keep making it, that the——

Mr. CICILLINE. No, no, I am not talking about the shipping companies.

Mr. NATSIOS. No, no, I understand.

Mr. CICILLINE. I am talking about the production.

Mr. NATSIOS. I know. I know. But let's just talk about the farmers. Okay. They are saying, without us, there would be no Food for Peace. That is just not true. The office——

Mr. CICILLINE. With all due respect, that is not my question. I have limited time. I am talking about specialized products that are produced——

Mr. NATSIOS. Right.

Mr. CICILLINE. That are manufactured in the U.S.

Mr. NATSIOS. Those are not paid for, for the most part, by Food for Peace. They are paid for by the Office of the Foreign Disaster Assistance that has a \$2 billion budget because of the generosity of this Congress, I might add. By the way, I ran that office 30 years ago, and it had a \$20 million budget with 45 staff. It has 700 staff and a \$2 billion budget. And the food that they do—they don't do food, that is the Food for Peace; however, nutritional supplements are done by OFDA. The corn-soy blend, which you may also be talking about, that is funded by Food for Peace.

So it is a careful arrangement, but it is not entirely done by Food for Peace, is what I am saying to you.

Mr. CICILLINE. Mr. Glickman?

Mr. GLICKMAN. A couple things. I think your point about political support is interesting. As you know, only 1 percent of the budget is in foreign assistance, but it is still a chore to get people to support it. I understand that. And that is why it is so important to have farmers and rangers in this country continue to support these programs. And I work on that as much as I possibly can.

With respect to the issue of the specialty foods, one interesting phenomenon is, Africa now has the highest rate increase of non-communicable diseases in the world. So what are those? Diabetes, hypertension, cardiac disease. And I mean, we know about of the pandemics and the communicable disease. And a lot of studies show it has to do with what they eat, and that their diets are not fully enriched and don't contain the broad variety of nutrients that are needed. And so I now see the World Food Program is beginning to get much more interested in the subject.

I will go back to David Beasley, who is the chairman. And you are going to have Mark Green, the head of USAID. You ought to ask him the same question. It is really important.

Mr. CICILLINE. Can I just ask one last question? On the branding, do we brand also in the native language? The only thing I remember when I was at Zaatari in Jordan, there was some language about a gift from the people of the United States. But my guess is that 98 percent of the people in that camp did not speak English.

Do we also do it in the native language of the recipient?

Mr. NATSIOS. Well, I can tell you what the rules say that I put in place when I was Administrator. And it is in the Federal Acqui-

sition Regulations, written down. And it says it must be in the local language. I have noted, however, that that is not always what is done.

Mr. CICILLINE. As have I.

Mr. NATSIOS. They usually keep the words in English. However, the red, white and blue and the "U.S." is pretty clear, even to people who can't read where it comes from. And I will give you an example how we know that. After the tsunami in the Indian ocean in December 2004, the end of December, just after Christmas, 125,000 people were killed in Aceh. We ran a huge relief effort. And we branded everything with the brand that I showed you earlier.

We didn't do it for any other reason than we just wanted it on the aid to show what we did. Bin Laden's poll ratings in the largest Muslim country in the world, in Indonesia, were 58 percent approval rating. The U.S. had a 28 percent approval rating, before the tsunami. Four months later, according to five different polls in five different newspapers, bin Laden's polls collapsed from 58 percent to 26 percent, and the U.S. went up from 28 percent to 63 percent approval rating.

The CIA told me bin Laden was extremely upset that his poll ratings collapsed. All the newspapers in Indonesia said, where is our friend bin Laden? He is our friend. We didn't like the United States, but who is helping us in our time of need, the United States is. They are everywhere.

So if you think this doesn't have an effect, let me tell you, it does. And President Yudhoyono, who is the President of Indonesia, said privately, I am an ally of the United States, but sometimes it is kind of hard to be supportive of you guys, since you are not very popular here. After the tsunami, it was easy for him to associate with the United States.

Chairman ROYCE. Ann Wagner of Missouri.

Mrs. WAGNER. I thank you, Mr. Chairman, for hosting this important hearing on international food aid. As noted, America's generosity to victims of disasters, atrocities and poverty across the world, has been an integral part of our foreign policy, and certainly, our national security and such. Like all Federal programs, our food aid programs should be smart, they should be efficient, and they should be streamlined. Our food programs require commonsense reforms, as I think noted today, that ensure that food assistance complements local markets, finds the right balance between U.S. commodities and market-based programs, like vouchers and electronic transfers and end the unnecessary losses through modernization. We all have been looking for ways, as a committee, to better support Rohingya victims of ethnic cleansing in Burma. This entire conflict is man-made, and has resulted in the murders of so many innocent men, women, and children.

Just one of the tragedies of the past few years has been the food aid has been recurrently suspended due to safety concerns and because the government and military have blocked access to the Rakhine state. Last year, the Office of Food for Peace provided \$13 million for atrocity victims and IDPs. My understanding is that much of this funding went to locally and regionally-purchased food, as well as cash transfers for food.

Mr. Natsios, what unique challenges do our food aid programs face in areas that are experiencing mass atrocity crimes, and how can we improve the food assistance in those areas?

Mr. NATSIOS. Well, there are a number of things. One, it is very hard to put, because of the very strict rules of the State Department Diplomatic Security Office that controls the security for the Embassy and the aid missions, to put officers in the middle of these emergencies where they could get kidnapped and killed. And so, we have DART teams, USAID has what is called a DART team, Disaster Assistant Response Team, which actually was put in place when I was the OFDA director, 28 years ago. The first DART teams were deployed when I was director in 1989, actually. And so, they are very effective.

But now, because of the level of atrocities, Diplomatic Security is very reluctant to allow them to go in. So that is the first challenge, is we have to have officers on the ground. And our system is highly decentralized. The DART team has enormous authority in the field to make quick decisions, almost overnight. They have a notwithstanding clause in Federal law, which means they don't have to go through the Federal procurement laws. All the regulations, all the bureaucracy, OFDA is exempt, so is Food for Peace from those rules, that is why they are so effective. They don't have to comply with all these rules.

Third, there is a huge problem in security where warlords will prey on relief groups, NGOs, the U.N., and attempt to divert resources. And so, the third big challenge is to make sure that these resources get where they are going. And not so much as get where they are going, to make sure they stay there.

So what happens, sometimes as you leave the village, and the extremists group will go in and then take the food or whatever we have given them.

Mrs. WAGNER. Thank you, Mr. Natsios. I have very limited time.

Dr. Lentz, how do you think cash transfers have worked in Burma? Are we using cash transfers because vouchers or electronic transfer system is untenable? And is the cash transfer system more common in these conflict areas, you think?

Ms. LENTZ. That is a great question. And I can't speak directly to the case of Burma. I can say that as a former Fulbrighter to Bangladesh, I think thinking about this situation of their refugees is something near and dear to my heart, and I would just suggest that I think with the monsoons coming, things are going to get a lot worse before they get better.

Mrs. WAGNER. And Mr. Glickman, or Mr. Natsios, 9 percent of our Burma Food for Peace assistance was through in-kind food aid in fiscal year 2017. What is the process for determining what percentage of aid in any particular country is given through U.S. commodity versus vouchers for instance? Perhaps, Mr. Natsios, you can—

Mr. NATSIOS. It is done based on the unique characteristics, each emergency, which are all different. So these are the factors. There is actually a manual on how to do this that CARE developed under contract by Food for Peace. It is called "the decision-making tree." And you go through a set of processes, and it will tell you how much to put in each area.

And the way it is done is how many people are in displaced camps or refugee camps which are secure enough so that you can send in the commodities and they can be properly distributed. Or, if people are on the move and things are very chaotic and you don't have security, then a cash card is more appropriate if you have ATM machines around.

What they are doing in South Sudan, which I did not know until recently, is they are putting ATM machines on the back of trucks, aid trucks, and they give the cash cards out. And then they drive the truck through the villages. And the people come in and put the cash card, and get the cash, go buy the food, because southern Sudan is not exactly a highly-developed area with a huge system of ATM machines. But you would be surprised in the area—and by the way, people also use their cell phones, can do cash transfers.

A million people in South Sudan within 2 years after peace broke out—I wish it could break out again—had cell phones when there were none before. Cell phones are a very, very useful way of doing cash transfers as well. And people have, surprisingly, they have accounts that they can use—

Mrs. WAGNER. And probably a much more safe avenue, also.

Mr. NATSIOS. That is correct.

Mrs. WAGNER. Well, I appreciate your testimony.

Mr. GLICKMAN. I just would add one other thing.

Mrs. WAGNER. Yes, Mr. Glickman.

Mr. GLICKMAN. One, is that I am glad you raised the issue of Burma—

Mrs. WAGNER. Yes.

Mr. GLICKMAN [continuing]. Because it is a gigantic issue and it doesn't get the attention—

Mrs. WAGNER. I feel the same way.

Mr. GLICKMAN [continuing]. Because it is not a political hotspot of the world. And for people who work for Save the Children just died in Afghanistan. And some of the more vulnerable people in the world are the NGO people that are on the ground doing the kind of things that you are talking about. And I think this is a question you ought to probably ask Mark Green when he comes here, because he is probably pretty current on how you deal with these very dangerous situations.

Chairman ROYCE. Secretary Glickman, if I could just intercede here. The circumstance, the reason, the in-kind food has to be taken into the camps is because basically, these are concentration camps with razor wire around them. The individuals inside are not permitted to engage in the market. So they will literally starve to death if we are not bringing that food into the camps. And at the same time, those reporters locally who report on the conditions on the ground that the Rohingya population face, they can face, as we saw this week, up to 14 years in prison for simply writing about the circumstances.

So hence, the circumstances in Burma, Ambassador, as to why, Ambassador Wagner, we are bringing the food into the camps or orchestrating the food to go into the camps.

We go know to Dr. Ami Bera of California.

Mr. BERA. Thank you, Mr. Chairman. Before I ask my question, I just wanted to reiterate a few things that were stated earlier.

Under the chairman's leadership, I think we have long suspected in Syria that there was specific targeting by the Russians to weaponize refugees. And I think that is an accurate terminology to drive refugees into Europe and destabilize refugees.

And Secretary Glickman, to your comment, I was in Jordan visiting Syrian refugees and visiting some of the camps this past summer, and Jordan is under tremendous strain right now. Like classroom size, unemployment, and yet, they are one of our closest friends. So the importance of finding resolution to the Syrian issue is paramount because the other impression I walked away with is most of the Syrian refugees did not have a side in this civil war. The war found them and drove them out. And they would like to return to their homes. Again, a monumental global challenge.

Now to my questions. Mr. Natsios, shifting from Food to Peace to Feed the Future, as one of our programs in terms of capacity-building, obviously, I think a lot of us are concerned about what is going to happen with climate change. We think there is going to be increasing water shortages, increasing mass migrations. Could you just describe a little bit of Feed the Future? How effective it is? What we ought to be thinking about in terms of supporting that capacity?

Mr. NATSIOS. One of the most successful aid programs in history, in the 20th century, was the Green Revolution in Asia, which was led by Dr. Norman Borlaug, who won the Noble Peace Prize in 1970. He is from Texas A&M, my university. And Bourlaug Institute is down the street, and his granddaughter works, Julie Borlaug, at the Institute itself.

So we know it works. It tripled, quadrupled in some cases, food production and productivity in Asian countries. There was an attempt in 1980s to transfer those lessons to Africa, it did not work for a variety of reasons. There weren't enough roads, there wasn't enough fertilizer. They are attempting to do that again. Not that all of that program is in Africa, but a disproportionate amount is, because that is most food-insecure area in the world.

And I am a very big supporter of this program. And I can't tell you the data, because I am not running USAID now. I think Mark Green would be more appropriate. But I do not support any cuts in that account, because I believe the greatest risk we face for a world war, and I mean a great power war in the next 20 or 30 years, is going to be over food. And we are playing with fire if we do not recognize that the international food system, which is mostly private, if that is disrupted, it will drive countries, big powers with big armies to war. And I am very worried about it.

And this Feed the Future program is designed to mitigate that, at least for poor countries.

Mr. BERA. Right. Dr. Lentz, do you want to add anything?

Ms. LENTZ. Thank you. Yeah, I would just add to what Mr. Natsios said. To say that food aid can't solve all problems at all, right? And so this is where there is a huge role for other forms of foreign assistance. And I think it is really difficult for programs like Feed the Future, because they are investing in long-term solutions, and it takes time, and it is harder to see results. But I think that just to echo sort of Mr. Natsios' point, it is worth the investment.

Mr. BERA. Right. Mr. Glickman.

Mr. GLICKMAN. Just two things: One, there has been some evidence of the reduction of stunting in children as a result of the Feed the Future program. It is a fairly new program. I think the last administration did a better job of targeting it, so it doesn't apply to every country in the world. It targeted countries, as I mentioned, that in Ethiopia—in my statement—in Ethiopia, there was a positive metrics on the farmers who had participated in Feed the Future versus those who have not. But I agree with Mr. Natsios, very important program.

Mr. BERA. Quick follow-up question. Mr. Natsios, I noticed in your bio that you wrote a book on the North Korean famine. And a little bit of side question, but we have not talked about if there is a conflict in North Korea, the huge humanitarian crisis that would be there. And I don't know if, in the remaining time I have, if you wanted to touch on how big a challenge that would be with the, you know—

Mr. NATSIOS. I just wrote an article for Foreign Affairs online, the Journal, on this very issue. And suggested that we might approach the Chinese to do some planning in the event of regime collapse in North Korea. Because it is not as stable a regime as people think.

And I suggested in the article—I wrote it with a colleague of mine from South Korea. If you give me your email address, I will send you a copy. But it just came out 2 or 3 weeks ago, and it suggested that what we need to do is prevent mass population movements, because the death rate is frequently 50 percent of the people, when they leave their villages, they die if they are severely food insecure.

So we can't prevent them from leaving, because that is a violation of international humanitarian law, but you can create the conditions where people don't want to leave. In other words, if you provide the food there—and what I suggest in the article, is that two-thirds of the population, I believe, in North Korea, lives within 50 miles of either coast—the central part of the country is relatively thinly populated. What we should be doing is thinking through a plan to move small amounts of food to all of the small ports all along the coast, because the road system is in terrible condition, they don't have enough gas. Even in the event of collapse, it will get worse. And so we need a logistics plan that will allow us to immediately secure the food system of the country so we don't have mass population movements in the event of collapse of the regime.

Chairman ROYCE. And if I could just clarify, because we did have the opportunity to talk to the defector who ran the propaganda program, Hwang Jang-yop. Adam Schiff and I had the opportunity to interview him after he defected some years ago. We asked him about the NGO estimate of 2 million North Koreans starving. He said, no, the internal number was 1.9 million. We then asked him about the circumstances of that starvation. And he said, well, a lot of those were the no-go areas. Those were areas where it was questionable whether people were really that enthusiastic about the regimes in those areas. And he said, what we were doing was putting the money into the nuclear weapons program and the support for the military.

And I think that when we talk about food as a weapon, we forget that regimes use it occasionally against their own population, especially if they have objectives that are higher on their list of things to do than feeding their people.

So we go to Brian Mast of Florida.

Mr. MAST. Thank you, Mr. Chairman. I think there were some great questions on both sides of the aisle today, great analysis by you all. I really enjoyed the hearing. I don't want to rehash everything that has already been out there. I just have one question, and that is for you, Mr. Natsios.

And it goes back to the idea of the hegemonic stability element of U.S. food aid. And in your opening remarks, you basically talked about how you felt the U.S. was not reigning anymore, or falling as a hegemonic stability. And I want to know, given carte blanche, if you had carte blanche, what would you change about the program to make sure that the U.S. reigns, in terms of food aid, doing its best possible work, to make the U.S. the continually reigning hegemonic stability?

I disagree with that analysis a little bit, but that is a different conversation. What would you change about it to make sure that we reign as that in terms of food aid? That is the only question that I have.

Mr. NATSIOS. I was referring, in terms of hegemonic dominance, to military and economic, not to our aid program. We are the greatest humanitarian power, and have been since World War II, but I would not use the word "hegemonic." And if I used the term to describe it or I confused people, I apologize because I wouldn't use that. That is a geo-strategic term.

So what I would do are the three reforms that we have all have been advocating: 50 percent of Title 2 for local purchase; eliminate modernization to provide cash-for programs, use it only for market interventions to stabilize prices; and three, exempt the Food for Peace office from the cargo preference law.

If we did those three things, we would go a long way. And we can't have these budget cuts. The budget cuts, to me, don't make any sense. They just don't make any sense.

Mr. MAST. Thank you, sir. I yield back, Mr. Chairman.

Chairman ROYCE. Thank you, Congressman. Gerry Connolly of Virginia.

Mr. CONNOLLY. Thank you so much. And thank you all three for being here. I spent 10 years on the Senate Foreign Relations Committee, and my primary assignment was foreign aid authorization. I am proud of the fact that we got the last foreign aid authorization bill passed when I was there in 1986, and we spent a lot of time on PL 480 working with our counterparts on the Agriculture Committee, where I met one, Dan Glickman.

And let me start by asking a question, Mr. Natsios. You talked about maybe a shift in interest groups that would support aid and food aid. And you have talked about the shippers who favor the use of cargo preference. You have referred to it as a scandal. So I wonder if you could elaborate?

What is the scandal and how would you characterize this shift? Because one of the things I always worry about up here is the coalition of support for foreign aid generally is fragile. And anything

that potentially unravels it makes me a little weary because we can get glib about oh, no, no, no. But as we just saw, and I welcome your remarks, the President zeroed out this entire program, and wants to cut foreign aid by a third, which, to me, is a massive retreat on the part of the United States.

But at any rate, I just wanted you, if you could, elaborate a little bit on those two things. What is this new coalition of support that presumably could have either augment or replace the old coalition support, and why is it you think cargo preference shippers, what is the scandal involved there?

Mr. NATSIOS. The scandal is that 60 percent of the companies are not American companies. They are German, Danish, and Singapore-based companies that bought an American subsidiary as a front. So if we are protecting American shipping because we need to control it for national security, we don't control it. Other countries do.

So we are subsidizing foreign shipping companies using the Food for Peace account, which is supposed to be for feeding hungry people. That is a scandal to me. If you make a national security argument, make the national security argument, but that is not who is bidding on these contracts. And I might add, Food for Peace puts out tenders, bids, for the ships and no one answers at all. Or they got one bid. Is that competition?

I think it is a scandal because it means it is monopoly-controlled. It means a small number of companies control the whole shipping lanes, which means we are very vulnerable, and I think that is scandalous.

Mr. CONNOLLY. Okay. I just want to understand the word, because, to me, "scandal" involves something illegal.

Mr. NATSIOS. No, no, I don't mean scandal—

Mr. CONNOLLY. Right. You mean, it is a sham.

Mr. NATSIOS. It is a sham.

Mr. CONNOLLY. Right. Got it.

Mr. NATSIOS. But also, the other issue is, they are the last remaining holdout to reform. The NGOs, the farmers, and the shipping companies formed the cartel that protected the—or the coalition. I like to use the word "cartel." The NGOs now have all dumped out on the cartel. They are now in favor of reform. World Vision was the last one.

Last summer, at a hearing here, I believe, they endorsed the reforms, very aggressively. The American Farm Bureau, I believe, is one of the largest representatives of American farmers. They have just endorsed the reforms. Who does that leave? Three foreign shipping companies that are hiding behind an American subsidiary trying to say, We want special preference, saying there is a national security issue here. And there isn't. It is a sham.

Mr. CONNOLLY. Okay.

Mr. NATSIOS. "Sham" would be the better term.

Mr. CONNOLLY. Got it. Because I think "scandal," one needs to be a little careful about that word.

Mr. NATSIOS. Absolutely.

Mr. CONNOLLY. I think that implies criminal activity, and I don't think that is what you meant. That is why I wanted—thank you for clarifying.

Secretary Glickman, the President's budget cuts foreign assistance by a third and eliminates, zeroes out the Food for Peace program. Any problem with that?

Mr. GLICKMAN. Yes, massive problem. I would call that a scandal. All right. And as I said, the fact of the matter is that your committee has been, and the leadership, recognizing we have a 3-tiered stool of diplomacy, development, and defense. And the fact of the matter is that funding the State Department, USAID and their functions, including the feeding programs are a part of those efforts. And they enhance America's national security.

So I find real problem with it. In the past, Congress has rejected that. And one other thing, too. And that is, America's engagement in the world—this is a signal to the world that we do not find it necessary to be as engaged.

Mr. CONNOLLY. But real quickly.

Mr. GLICKMAN. Yeah.

Mr. CONNOLLY. If we zero out the Food for Peace program—

Mr. GLICKMAN. Yeah.

Mr. CONNOLLY [continuing]. Does it actually affect people's lives? I mean, it is one thing about our prestige, but what about the potential recipients who could be at risk if we zero that out? Is that a concern?

Mr. GLICKMAN. Hundreds of thousands of people, if not more, would be impacted by that. Millions maybe.

Mr. CONNOLLY. You agree, Mr. Natsios?

Mr. NATSIOS. Absolutely.

Mr. CONNOLLY. And Dr. Lentz?

Ms. LENTZ. Yes.

Mr. CONNOLLY. I thank you. My time is up.

Mr. GARRETT [presiding]. I thank the gentleman from Virginia. I will tell you all as an aside, that it has been something that I laid awake at night, staring at the ceiling, wondering if I would ever have the opportunity to chair the House Foreign Affairs Committee. I did not know it would be today.

Mr. CONNOLLY. I have laid awake thinking about that prospect myself, Mr. Chairman.

Mr. GARRETT. Well, it is a great subject matter that brings us together today because it is one where myself and my colleague from Northern Virginia have a lot of shared passion. I want to sort of scold us collectively for politicizing something that shouldn't be political.

As someone who generally tends to support this administration, I am also deeply disappointed in these proposed cuts, which I would characterize as draconian and shortsighted. Having said that, no one is perfect, and this is why we have these hearings. I am hopeful that the administration will listen, both to myself and Mr. Connolly, and I apologize in advance by way of my line of questioning, which will take the form more of soliloquy, perhaps, than questioning.

It is through learning that we better ourselves. I hesitate to contemplate the outcome of a day that I spend without learning something. And so it was as a member of this committee that I became familiar with the McGovern-Dole school feeding program. And the more I learned, the more I fell in love with it. And I will tell you

why. And this may shock some people who think they know me politically, but they don't.

When you are a subsistence farmer in a Third World nation, and you have to do a cost benefit analysis on what happens when you send your children and, particularly, your daughters to school, versus putting them in the field to grow the food that they must eat to survive, then oftentimes, historically, we see these children in the field. School feeding provides a break in that paradigm which allows for the education of young people, and particularly young women, which we can demonstrably show leads to a decrease in radicalization, and increase in economic development, growth, and opportunity, which ultimately both of those things lead to what, I believe, my colleague, Mr. Kinzinger, referred to as "the prevention of someone without hope strapping a suicide vest to themselves and taking human lives."

Now, I worked as a prosecutor for a number of years, and we pursued people who preyed on children. And the greater satisfaction that I received when we locked these people up was knowing that there would be a number of children who were never victims because they were locked up.

There will be terrorists who are never terrorists if they have opportunity. It is not the sole responsibility of the United States to afford that; however, in the absence of leadership, there is a vacuum and power abhors a vacuum. The Chinese are more than willing to jump in. And when they do these things, they usually do them in a manner such that it exploits the local populace, particularly in terms of economic opportunity and resources; whereas, historically, we don't.

So, again, I apologize for the form of my questioning, but I would invite each of you to speak to the positive long-term and unquantifiable benefits of things like school feeding programs that I have elaborated on, in the hopes that people who make policies and vote on budgets will listen to what we say here today. And perhaps we can nudge this thing back in the right direction.

Mr. Natsios.

Mr. NATSIOS. There is another benefit from school feeding programs, which is not widely discussed, particularly during civil wars and the aftermath. Children need order in their lives. Regardless of how much they learn in the school, they actually need an ordered day, or they can get into a lot of trouble. And in most of these war zones, there are land mines everywhere, there are guns everywhere. And so if nothing more than to order the day of the children and keep them under adult supervision, the schools need to stay open.

And one way of making sure they go to school, is the parents knowing that they are going to get fed a lunch, because that means they won't have to feed them at home.

Mr. GARRETT. That is exactly it. And, again, it breaks the paradigm that has been destructive historically and helps us move forward as a global community. And human lives are human lives are human lives. I serve the American people of the fifth district of Virginia, but I care about people everywhere, regardless of how they look or worship, or what have you.

Mr. NATSIOS. Let me give you an example how we use food aid to get kids back to school in Afghanistan, particularly girls. This is just after we sent the troops in, so this is early 2002.

We did two things: We paid the 50,000 teachers. We had no cash to pay them. We paid them in vouchers that WFP then gave them food for. And I asked the teachers, do you want cash? They said, Well, there is no currency in this country because there is no government. There hasn't been a government for 15 years. And so we would prefer food. We don't know what currency you would give us because we could guarantee we can feed our kids. So teachers went back to school because they got a food voucher from USAID, the from World Food Program.

Secondly, to get more girls in school, we said, if you send your girls to school, at the end of each month, we will give you a liter of vegetable oil. Very valuable thing for cooking. And there was a substantial increase in girl participation because of the vegetable oil program.

Mr. GARRETT. I would ask my colleague, the gentleman from California, Mr. Lieu, if he would indulge me for another moment to allow Dr. Lentz and Mr. Glickman the opportunity.

Thank you. I don't want to be hegemonic.

Dr. Lentz.

Ms. LENTZ. Thank you. I think, Mr. Garrett, what you are saying is exactly why I became interested in food aid policy, because not only is there a military or is there security benefits to the U.S. and I think there is a moral, frankly, for me, a moral imperative. I don't want to live in a world where people die from hunger, especially when there is things that we can do here. And I really hope that many American taxpayers agree with me, that this is a huge thing that nobody, nobody wants to have stories like Mr. Natsios' about his great uncle. I think it is devastating.

Mr. GARRETT. Well, the problem I think—and I appreciate that. And the problem is that it is unquantifiable, right? But if we make a better tomorrow, then bad things don't happen. And it is hard to do an ROI on that, but it is real.

Mr. Glickman—Ambassador, or Secretary Glickman, Congressman Glickman.

Mr. GLICKMAN. Whatever you want to call me. And I think you will be a terrific chairman of this committee one day. I want you to know that.

Mr. GARRETT. Well, Ed is retiring, and I have got a whole year here.

Mr. GLICKMAN. A couple of things. You mentioned the issue of girls in schools. This is an amazing success story. The fact that girls stay in school, they are less likely to be sexually abused and demeaned in a variety of ways, and that has been one of the success stories. The second thing has to do with high nutrition. The program does focus on the nutritional components.

And I was there, in fact, I was in the cabinet room when the President brought in Senators Dole and, I believe—McGovern, and I believe Dole. And this idea came from them. It shows you, again, the bipartisan foundation for most of these programs. And it grew out of this desire by these two great patriots of America to have some sort of foundation to use education, which we have learned

from our own experience in this country, to try to help the developing world.

Mr. GARRETT. Again, I thank each of you. And I would now recognize the gentleman from California, Mr. Lieu.

Mr. LIEU. Thank you, Mr. Chair. I want to thank each of the witnesses today, first of all, for your time and your expertise, and also for your work on these important issues.

I would like to talk about Yemen. USAID, in December 13th of 2017, released a fact sheet on Yemen. I am just going to read some of the highlights. They say that, "In Yemen, an estimated 22.2 million people require humanitarian assistance, including 17.8 people who require emergency food assistance. Due to ongoing conflict, Yemen faces the largest food security emergency in the world."

And as all of you know, the U.S. has a hand in this. We chose to take sides and we are refueling jets of the Saudi Arabia-led coalition that is doing air strikes in Yemen. There is also indications that these air strikes are striking civilians nowhere near military targets. I previously served in active duty in the military. They look like war crimes to me.

I am pleased that certain countries chose not get involved with air strikes in Yemen, so just the country of Qatar. I think they made the right decision. But nevertheless, the U.S. did get involved with refueling these jets. There has also been articles that some of these jets are targeting farms, directly attacking production of food. And then Saudi Arabia, to make things worse, did a blockade on Yemen. Because of the outcry, both from the international community as well as Members of Congress and others, they partially lifted the blockade. So now they have a partial blockade going on.

And so my first question to you is, do you believe Saudi Arabia needs to lift the blockade entirely in Yemen so that supplies such as fuel can get through and actually deliver the food to the people who need it?

Anyone can answer that.

Mr. NATSIOS. Anybody with a gun in a civil war eats. And so the notion that they are going to defeat the rebels, the Saudis are going to defeat the rebel movement is backed by Iran—Iran has a hand in this, too, a dirty hand in this—is being naive. I don't think the Saudis understand what they are doing.

I think the blockade is inappropriate. Whether it is a war crime or not, I am not a lawyer. And that is a harsh term, but it is unacceptable, in my view.

And the President did tweet it, and it upset the Saudis enough that they lifted it. And I know the Congress said things, but the thing that really upset them is one that someone they thought supported them did that little tweet.

Mr. LIEU. Right.

Mr. NATSIOS. And it shocked them.

I wrote an op ed with the former Director of the Office of Foreign Disaster Assistance under President Obama. It was a bipartisan column on this. We haven't placed it yet. I don't know, maybe people think because the blockade was partially lifted, the media, they are not running the column. But the article said exactly what you said, which is that this is not acceptable and it needs to be stopped.

Mr. LIEU. Thank you.

Ms. LENTZ. I would agree. I think that lifting the partial blockade would be incredibly helpful to get food to folks.

Mr. GLICKMAN. I concur but I also think this: That is, the role of the United States as a leader in humanitarian disasters is a multifaceted thing. It relates to food, it relates to abuse, it relates to improper treatment of prisoners, and we have to be a moral leader as well. It just can't cherry-pick: This country, not this country.

And I worry about the fact that if we don't recognize that special nature—and perfect example, bipartisan example—it is nothing like Yemen, which is a disaster—was after the Second World War when President Truman decided that we had to rehabilitate Europe, and we had to feed these people, who did he choose to do this for him? He chose Herbert Hoover, the former President. Who ironically, President Roosevelt had isolated because he ran against him and lost. And that bipartisan effort on bringing Europe out of famine is a disaster, along with the Marshall Plan, revolutionized the world forever.

Okay. Why did that happen? Because we had a couple of leaders who decided we needed to do that. And I think that is missing right now, to be honest with you.

Mr. LIEU. Thank you, I appreciate that. And let me, only short amount of time left, just conclude with my comments that I believe the conduct of Saudi Arabia in this Yemen war is not acceptable.

And the Washington Post reports that every 10 seconds, a child in Yemen dies. Saudi Arabia's conduct has lowered its standing in the international community. It has turned Members of the Congress against our ally. I urge Saudi Arabia to take another look at Yemen to get a political resolution, because the longer this goes on, the worse it will be for Saudi Arabia. I yield back.

Mr. GARRETT. Thank you, Mr. Lieu. They should have never given me the gavel because I am going to go into this a little bit.

Mr. Natsios really hit on this. It is tragic how often we can trace back bad outcomes to the Iranian regime, because what is going on in Yemen is nothing more than a proxy war between the Saudis and the Iranians. And I would like to point out that Hezbollah, which is a wholly-owned subsidiary of Iran, has the unique distinction of having murdered people on every single inhabited continent on the planet. Think about that for a second.

So without commenting, I think Mr. Lieu makes good points. I don't disagree with the members of the panel, but ultimately, you don't cut the branch of the tree off, you cut the tree down. And we need to act to support humanitarian outcomes and peaceful regime change in Iran, because you can trace Syria and Yemen and tragedies in Iraq all back to Tehran.

So with that, I will also echo the sentiments of Mr. Natsios, who pointed out that a person with a gun in a civil war zone eats. Contemplate, if you will, being a 14-year-old boy who has no food and told, if you carry this rifle and shoot at these people, we will feed you.

Mr. GLICKMAN. And often paid large amounts of money to do that.

Mr. GARRETT. Sure. So what we do matters.

With that. I want to thank each one of you. Again, this is important. This is important for who we are, this is important for how we will be judged by posterity.

Your testimony is invaluable as we pursue reforms that will enable us to better utilize world-feeding programs, whether it is Food for Peace, whether it is McGovern-Dole, et cetera, and this is important, I believe, to U.S. national security and world peace and stability.

With that, the committee stands adjourned.

[Whereupon, at 12:11 p.m., the committee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE RECORD

FULL COMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Edward R. Royce (R-CA), Chairman

February 14, 2018

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs to be held in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at <http://www.ForeignAffairs.house.gov>):

DATE: Wednesday, February 14, 2018

TIME: 10:00 a.m.

SUBJECT: Modernizing Food Aid: Improving Effectiveness and Saving Lives

WITNESSES: The Honorable Andrew Natsios
Executive Professor
The Bush School of Government and Public Service
Texas A&M University
(Former Administrator, U.S. Agency for International Development)

Erin Lentz, Ph.D.
Assistant Professor of Public Affairs
Lyndon B. Johnson School of Public Affairs
The University of Texas at Austin

The Honorable Dan Glickman
Distinguished Fellow of Global Food and Agriculture
Chicago Council on Global Affairs
(Former Secretary, U.S. Department of Agriculture)

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.



COMMITTEE ON FOREIGN AFFAIRS
MINUTES OF FULL COMMITTEE HEARING

Day Wednesday Date 02/14/2018 Room 2172

Starting Time 10:10 a.m. Ending Time 12:11 p.m.

Recesses 0 (to) (to)

Presiding Member(s)

*Chairman Edward R. Royce
Representative Thomas Garrett*

Check all of the following that apply:

Open Session

Executive (closed) Session

Televised

Electronically Recorded (taped)

Stenographic Record

TITLE OF HEARING:

Modernizing Food Aid: Improving Effectiveness and Saving Lives

COMMITTEE MEMBERS PRESENT:

See attached.

NON-COMMITTEE MEMBERS PRESENT:

N/A

HEARING WITNESSES: Same as meeting notice attached? Yes No

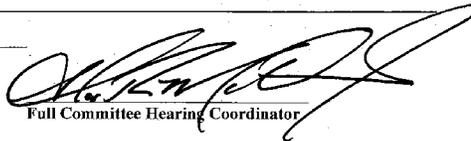
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

*Chairman Edward R. Royce - IFR
Representative Gerry Connolly - SFR*

TIME SCHEDULED TO RECONVENE

or
TIME ADJOURNED 12:11 p.m.


Full Committee Hearing Coordinator

HOUSE COMMITTEE ON FOREIGN AFFAIRS

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Mr. David Ray
Vice President of Policy and Advocacy
CARE USA

Statement for the Record before the House Foreign Affairs Committee
“Modernizing Food Aid: Improving Effectiveness and Saving Lives”

February 14, 2018

Chairman Royce, Ranking Member Engel, and members of the Committee, thank you for the opportunity to submit this statement on behalf of CARE, a humanitarian and development organization fighting poverty and hunger worldwide.

CARE traces its roots back to 1945, when 22 American organizations combined forces to rush emergency food rations in the form of 'CARE Packages' to the starving survivors of World War II in Europe. Since that time, CARE's work has evolved and now stretches across 94 countries, reaching more than 62 million people in 2017. Last year, CARE's projects provided more than 18 million people access to quality food and improved nutritional well-being.

At a time when global hunger is on the rise for the first time in over a decade, ensuring that our nation's international food aid programs achieve success at reducing hunger around the world is a critical challenge for all of us, and CARE shares your commitment to combating hunger by providing effective and accountable programming wherever it is needed.

CARE and U.S. Food Aid

CARE has been a proud implementer of the Food for Peace program for over 60 years. CARE's work, together with the U.S. government and implementing partners, has helped to save countless lives and improve the health, nutrition, and well-being of millions of people living in extreme poverty.

The 2014 Farm Bill amended the Food for Peace Program to allow NGOs to use a wider range of programmatic tools, such as vouchers and locally purchased food, in addition to U.S. commodities. This constituted an important step that allowed the program to reach hundreds of thousands of additional people at no extra cost, while significantly increasing the speed at which life-saving food assistance can reach people in extreme need.

Decades of field experience has shown us that different circumstances call for different solutions. When local markets are failing and the demand for food outpaces the supply, delivering U.S.-grown commodities may be the best way to combat hunger. When local markets are functioning but extreme poverty prevents families from purchasing adequate food, distributing vouchers can



both quickly provide food to families in need and also increase profits for local farmers and vendors.

Allowing NGOs to assess the situation in each country or region and tailor the response to those circumstances on the ground will assure program resources are used in the most efficient and effective way.

Global Hunger

CARE works in many of the most food insecure communities around the world, and we find that even though our programs have evolved over the years to become more efficient and better at building resilience and reducing vulnerability, the need continues to outpace us. According to the Famine Early Warning System Network (FEWS NET), at least 76 million people will require emergency food assistance in 2018. This is a 60 percent increase over 2015 and includes not only continued severe food insecurity in the four countries that faced risk of famine in 2017 (Nigeria, Somalia, South Sudan, and Yemen), but also increased needs in Ethiopia and emerging crises, such as in the Democratic Republic of the Congo, Myanmar, and Bangladesh.

In the Horn of Africa, droughts and consecutive failed rains have affected swaths of Ethiopia, Kenya, and Somalia, pushing millions into crisis and emergency levels of food insecurity. In severely drought-affected parts of Somalia, CARE partnered with USAID to rehabilitate old water systems to exponentially grow the number of people with access to water for their fields and livestock across targeted communities. As a result, not only was the local community able to withstand the worst effects of the first two seasons of drought, they also had the means to support displaced populations from nearby communities.

In South Sudan, we see food insecurity of a different type – food insecurity induced by conflict. As conflict spread through the country, farmers, fearing violence, did not have access to their fields to plant and harvest crops that often meagrely sustain them. Displacement further separated subsistence farmers from their means of survival. In February of last year, a famine was declared in South Sudan, and the international community, led by the United States, robustly responded.

The interventions required to meet the most basic needs to pull South Sudan back from famine required a comprehensive, yet flexible and nimble response. Food was needed to meet the most urgent needs, but to create sustainable assistance, the response had to be much larger. Markets in some communities collapsed, people's purchasing power eroded beyond levels that afforded them even the most basic meals, and malnutrition soared. Creative thinking led to a multi-modal response, including cash-based interventions, commodities, and even mobile health clinics stocked with Ready to Use Therapeutic Foods (RUTF) and staffed by local CARE employees who rode bikes into communities that had not been reached in more than three years.

The Horn of Africa and South Sudan best exhibit the spectrum of need in current humanitarian crises, and they show that a flexible policy and program response allows us to efficiently address that need. Yet these principles prove true in other countries as well, like Yemen and the



Democratic Republic of the Congo. Vouchers and locally purchased food support existing local markets and stabilize local economies. Commodities, in appropriate situations, can do the same.

Policies governing humanitarian and development assistance will be most effective when they work towards the goals of building resilience and reducing vulnerability. Placing these goals at the center of our programs will ultimately help communities to overcome and withstand shocks, ranging from severe climatic conditions to political instability.

Conclusion

In many countries facing conflict, severe food insecurity will remain a product of this violence until diplomatic solutions bring an end to the fighting and allow for a peaceful resumption of civilian life. For survivors of natural disasters and extreme weather events, food security will be jeopardized until communities achieve resilience against the effects of climate change.

In this world of continued vulnerability and need, food aid remains critical to the United States' foreign assistance programs. Generosity and compassion remain central to our identity as a nation. However, we are also innovative, constantly striving to efficiently and effectively achieve more, and our food aid programs embody this compassion and innovative spirit. Our goal remains to assist more people with efficiently mobilized resources.

At CARE, our mission is to deliver aid, relieve suffering, and build resilience for as many affected people as possible. That is why we support policy proposals that continue to advance our country's food aid programs and allow U.S. government resources to go further, reaching as many needy communities as possible with the right kind of assistance.

Mr. Chairman, Ranking Member, and members of the Committee, I thank you for your time and the opportunity to present CARE's perspective.

How U.S. can feed millions more hungry people around the world

Bob Corker, Chris Coons and Zippy Duvall | Opinion

Published 6:00 a.m. CT Feb. 14, 2018 | **Updated 10:17 a.m. CT Feb. 14, 2018**

<https://www.tennessean.com/story/opinion/2018/02/14/how-u-s-can-feed-millions-more-hungry-people-around-world/335002002/>

Today, more than 75 million people around the world are starving and 800 million lack enough food to live a healthy life.

Every year, poor nutrition causes more than three million children to die from hunger, nearly half of whom are under the age of 5.

Making matters worse, there are an unprecedented four countries – Yemen, Somalia, South Sudan, and Nigeria – experiencing near-famine conditions at the same time, and warring parties are, in many cases, deliberately blocking access to aid.

For decades, American farmers have played a critical role in reducing hunger overseas. Since the Food for Peace program was established by Congress in 1954, more than four billion people and more than 150 countries have benefited from U.S.-supported food security programs.

This relief is thanks in large part to the innovation, expertise, and unmatched capacity of American farmers to produce high-quality foods that are critical to meeting growing global needs.

Other developed countries have also spent billions of dollars in food aid to confront this global state of emergency, but no nation comes close to the United States.

Unfortunately, despite the American people's generosity, we are not currently able to meet the tremendous demand as conflict hinders access to those most vulnerable to famine.

What you may not know is that we have an opportunity to feed nine million more starving people each year without spending a single additional taxpayer dollar if we modernize the Food for Peace program when Congress reauthorizes the farm bill later this year.

But modernizing Food for Peace does not mean removing the mission-critical role of American farmers.

According to research from the U.S. Agency for International Development, the Government Accountability Office, and research institutions such as Cornell University and Montana State University, merely allowing the program to use a more flexible mix of American, local, and

regionally-sourced foods would save up to \$300 million, which could then be used to feed up to nine million more people and do so much faster.

Currently, Food for Peace requires almost all food aid to be sourced from the United States. In contrast, other governments provide much of their food aid from local and regional markets closer to starving populations.

In many cases, locally-sourced food can more efficiently reach those in need months sooner than food from the United States while still providing the opportunity for U.S.-sourced foods to help meet longer term needs when and where appropriate.

Furthermore, there are millions of starving people of all ages in war-torn regions where it is nearly impossible for American food products to reach.

Some have raised concerns that reducing the amount of food aid sourced from the United States might hurt American farmers.

The reality is that, while our country provides the lion's share of global food aid, it represents only 0.2 percent of total U.S. agricultural output. Modernizing Food for Peace will save millions of lives without undermining our farmers, who will continue to be a key component of the Food for Peace program.

Efforts currently underway in Congress that we support would do just that. American farmers have a long, proud history of feeding the world. You can join them in continuing to be leaders in the fight against hunger by encouraging your representatives and senators in Washington to make modernizing the Food for Peace program a priority in this year's farm bill.

Bob Corker, of Tennessee, is chairman of the U.S. Senate Foreign Relations Committee. Chris Coons, of Delaware, is a member of the U.S. Senate Foreign Relations Committee. Zippy Duvall is president of the American Farm Bureau Federation.



Statement for the Record
Submitted by Mr. Connolly of Virginia

An estimated 76 million people will require emergency food assistance across 45 countries in 2018. Two-thirds of the population in Yemen, and 56 percent of South Sudan's people, face life-threatening hunger. This is not a problem that can be solved overnight, or even over the course of one year. Meeting the needs of hungry people requires both emergency food assistance and long-term development programs that build resilience against recurrent food insecurity. Feeding tens of millions of starving people across the globe is a humanitarian imperative, not to mention there are benefits of doing so for the U.S. economy and our national security. However, the substantial case for U.S. development programs has not prevented an all-out assault on U.S. foreign assistance, which the Trump administration is trying to decimate by one-third. It is for this reason that I will continue to oppose changes to the program that threaten the fragile coalition that supports U.S. food aid. We do not operate in a vacuum, and must acknowledge the political realities of funding food aid long-term.

Admittedly, the main U.S. food aid program, Food for Peace, has an antiquated structure that limits its efficiency and effectiveness. All food aid must be U.S. commodities, which increases delivery times by as much as 11 to 14 weeks. At least 15 percent of all nonemergency food aid must be monetized, or sold in local markets for cash, an inefficient transaction that also disrupts local markets. Eliminating these requirements would reduce costs, increase response times, save money, and feed more hungry people. But doing so could also unravel the alliance of stakeholders that has consistently and successfully advocated for U.S. international food aid programs since 1954.

We must be clear-eyed about the conditions under which U.S. foreign assistance programs are currently operating. The Trump Administration has proposed cutting U.S. development programs by one-third two years in a row. In both the FY 2018 and FY 2019 budget, President Trump has zeroed out Food for Peace, and proposed shifting that funding to disaster assistance programs that would also be decimated. Fortunately, both the House and Senate have passed FY 2018 foreign operations appropriations bills that would maintain robust funding for Food for Peace. Right now, the bulwark against these cuts is the broad coalition of champions who pushed back against such draconian measures. Absent that bulwark, what leads anyone to believe that the Majority would fund this program at the same level in FY 2019 and beyond?

I began my professional career in the field of international affairs working on hunger relief and food aid programs for Heifer Project International and the American Freedom from Hunger Foundation. I take a pragmatic approach to food aid reform. I want there to be less waste and fraud, and I want the program to reach more people. But most of all, I want the beneficiaries of U.S. food aid to rest assured that the program will be there tomorrow.

