

INTERNATIONAL FOOD ASSISTANCE

HEARING
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE
ONE HUNDRED TENTH CONGRESS
FIRST SESSION

SPECIAL HEARING
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INTERNATIONAL FOOD ASSISTANCE

THURSDAY, MARCH 15, 2007

U.S. SENATE, SUBCOMMITTEE ON AGRICULTURE, RURAL
DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND
RELATED AGENCIES, COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Herb Kohl (chairman) presiding.
Present: Senators Kohl, Durbin, Bennett, and Cochran.

STATEMENT OF SENATOR HERB KOHL

Senator KOHL. This hearing will come to order.

The World Health Organization reports that 25,000 people die each and every day from hunger related causes. That's an enormous number.

The World Health Organization further reports that of that 25,000 people who die, 18,000 are children. That means that in less than the time that it took me to say that last sentence; a child somewhere in the world has died of hunger. It also means that before I finish this sentence another will have died.

According to the World Food Programme, 850 million people are hungry or malnourished around the world on any given day. This is one in six of the world's population, which is more than the combined populations of the United States, Russia, Japan, Germany, Britain and France.

The subcommittee has many important responsibilities but of all the programs we fund there are none that literally mean the difference between life and death on a daily basis as much as the programs related to humanitarian food assistance.

Of the three major U.S. programs for international food assistance, Food for Progress Program, McGovern-Dole Program and the flagship Food for Peace Program, the last two are directly supported by discretionary spending on the Agriculture Appropriations Bill.

At this time the Congress is considering a supplemental request of \$350 million for the Food for Peace Program. This is important but we should not have to rely on supplemental spending. We should fund these programs through the annual budget process where long term planning is more effective. Still the President's request shows the urgency that we all share in fighting food hunger.

Last fall, Senator Bennett and I sent our staffs on a mission to sub-Saharan Africa to investigate first hand the situations in refugee camps in some of the most desperate slums in the world and

efforts being made to turn around the cycle of poverty in that region.

The purpose of this hearing is to build on the information they brought back from that investigation. We intend for our hearing today to achieve three major objectives.

First, this hearing will help raise public awareness of the dire hunger conditions around the world and our moral and legitimate responsibilities to provide assistance.

Second, this hearing will provide the Congress with a better understanding of how food aid programs work as we will hear from actual food aid recipients, the U.S. farmers who produce the food that make our contributions possible and the people in between.

Finally we will learn more about the current food and policy issues and problems so that we can work together to improve these programs and make them more efficient and better able to fight hunger and to save lives.

This hearing will have three panels. First we will hear from Mr. Jim Morris, the current director of the World Food Programme. Mr. Morris brings with him the experience of his years of service and his deep understanding of what works and what does not work. His advice and suggestions will be extremely helpful.

Along with Mr. Morris we will also hear from two very special guests. The first one is Abass Hassan Mohamed. Abass is from Somalia. Along with his family he had lived in the Dadaab refugee camp just across the Somalia border in Kenya since 1992. A few years ago, Abass, his scholastic skills were recognized. He took the SAT exam and was admitted to and is now attending school at Princeton University on a full scholarship. His is an amazing story of survival and success.

Also with us today is Daniel Kuot. Daniel is a member of a group of young people who have become known as the Lost Boys of Sudan. Daniel is currently working his way through school at Truman College in Chicago, Illinois. This is a young man of incredible courage, talent and determination and it is an honor to have him with us today.

Our second panel will consist of people on the front line. Those who produce, ship and administer the food programs and finally we will hear from the Federal agencies that carry out these programs.

In short, people have literally traveled from the far corners of the world to be here today for this hearing and so we thank each and every one of them for being with us. That fact alone tells us how vitally important this hearing is.

We have many good witnesses here this morning. We're eager to hear from their testimony but first I would like to ask my good friend, the ranking member, Senator Bennett, for his opening remarks and then Senator Durbin for what he would like to say and then we will turn to Mr. Morris.

Senator Bennett.

STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you very much, Mr. Chairman and thank you for your decision to focus the subcommittee hearings this year on particular issues rather than just the items in the budget. I think that's a very useful thing to do and this hearing will edu-

cate the subcommittee and I hope, through the press, educate some other people.

The United States is the world's major provider of international food aid. Over the last 10 years the United States has been responsible for 60 percent of all food aid shipments by major donors and I think this is something that the country should be proud of. The aid goes into the most insecure areas of the world and it helps millions of people in drought and war stricken places.

Now a substantial portion of that aid is channeled through the United Nations food aid agencies, the World Food Programme, which Mr. Morris administers. Mr. Morris, we are glad to have you here and look forward to your testimony.

The President has requested \$1.2 billion in the fiscal 2008 budget for Public Law 480 title II and an additional \$350 million for title II as part of the emergency supplemental appropriations bill that we will be dealing with here in the Senate fairly soon and that's one of the food aid programs that this subcommittee oversees.

Now there are many issues currently impacting the United States' role in international food aid, from increased commodity and transportation costs to debate over cash versus commodities. I hope we will get some of those issues discussed here today and get further insight into them.

So again Mr. Chairman, thank you for holding this hearing and for your leadership in setting the agenda for the schedule of hearings this year and I look forward to hearing our witnesses both this panel and the panels to come. Thank you.

Senator KOHL. Thank you, Senator Bennett. Senator Durbin.

STATEMENT OF SENATOR RICHARD J. DURBIN

Senator DURBIN. Chairman Kohl, thank you sincerely and Senator Bennett, thank you both.

I really appreciate this. We have hearings on Capitol Hill about a lot of issues. When we have hearings on war, we fill rooms with Senators and others because it's a very critical topic and America's soldiers' lives are at risk. Our national security is an issue.

When we have hearings on international food aid, the crowds are not as large but I think they're very sincere and committed and I thank you, Mr. Chairman for giving us a chance to come down today.

My special thanks to Jim Morris. Jim, you've given, I don't know how many years, 4 years, 5 years, of your life to the World Food Programme. Starting with Senator Lugar and then coming to this program. Jim has been a great leader in helping people all around the world. I understand you may be moving to some other station in life soon, but I can just tell you that many of us appreciate what you've done for the World Food Programme, representing our country and helping a lot of innocent and helpless people around the world.

In Nairobi there is a slum known as Kebara. Kebara was featured in the movie Constant Gardener. You might have seen a few clips from that. I visited there. They estimate there are about a million people living in Kebara. They're not sure. For 40 years, refugees from failed rural towns have been streaming into this slum,

just setting up lean-tos and tiny rooms and trying to survive with limited water, almost no sanitation and few creature comforts.

When you visit Kebara, you can't get over how many children are there. It seems that it is alive with children, crawling and running in every direction, next to dangerous railroad tracks and trying to fill their day with amusements and activities.

I visited there a little over a year ago to a school right there in the Kebara slum and they welcomed me during their Christmas break. They had announced to the children, who were on break, that there was a big shot coming in from America and they asked the kids to put on their uniforms and come to school.

I understand they didn't get a very good reception until they promised to give them something to eat, 150 children showed up in uniform. They sang. They danced and then they waited patiently in line as we ladled out this porridge type of mixture to them in plastic cups. The kids stood in line as if they were at Baskin Robbins in Springfield, Illinois or Chicago, waiting for this cup of porridge that probably represented the only real meal of the day for them. That cup of porridge was brought to them by the World Food Programme by the inspiration of George McGovern and Bob Dole.

It was George McGovern who 7 or 8 years ago, finally said it's time to start feeding children around the world at school and if we offer them a meal, kids will come to school and more importantly, young girls will come to school. Educated girls are less likely to become mothers too soon, more likely to become leaders in countries that desperately need their talents.

We are now engaged in a battle around the world, as we have been, for many years. A battle that frankly is one which we struggle to find the right tactics to use and I guess the legitimate question is, what is America's future in this troubled world, a world where many are not being educated and some are being educated in hatred, hatred for the United States and rejection of our history and our values.

We want to win the hearts and minds of those people, but I think first, we have to help fill their stomachs. When they receive food from the United States it defines us. It tells who we are and what we stand for and that we care.

I hope, I just hope, that some of those children and their parents in Kebara, who were fed that day will come to appreciate and understand better who we are and I thank you Mr. Chairman for giving us a chance to address these programs today.

STATEMENT OF JAMES T. MORRIS, EXECUTIVE DIRECTOR, WORLD FOOD PROGRAMME

Senator KOHL. Thank you very much, Senator Durbin. Mr. Morris.

Mr. MORRIS. Thank you very much, Senator Kohl, Senator Bennett, Senator Durbin.

Senator Durbin, I promise you that the people in Kebara will be eternally life long grateful for the support the United States has given them through Food for Peace and the World Food Programme in giving their children a chance and given a chance, the children of Kebara can do all of the great things that a child from Chicago or Milwaukee or Salt Lake City or Indianapolis can do. They just

need to be given the opportunity at the beginning of life and if that's compromised at the beginning of life, no matter what the remedial action is later on, they will never catch up. Their lives will be compromised. I believe that the life of a child wherever he or she is, is equally precious anyplace on the globe.

This is essentially my final; I don't want to say performance, but my final act really, publicly as the Executive Director of the World Food Programme. I have been in this position now 5 years and have done it because my country asked me to do it. People thank me, in fact, like most good things; you get so much more out of it than you put into it. It's been the greatest blessing of my life. Every day for 5 years, I have been so incredibly proud to be an American. What the world expects of America, the leadership, the entire world expects from our country is overwhelming.

Today we have a chance to think about, to acknowledge what, in my judgment, is the most powerful, successful, valuable, sustained piece of American overseas development assistance of American foreign policy in the history of our country and maybe, likely, the most important humanitarian commitment the world has ever known.

In the early 50's, President Eisenhower said the world will be changed with wheat, not weapons and he put in place, Food for Peace. In the last 50 years, this program has fed more than, almost 4 billion people in 135 countries, providing more than 111, 115 million metric tons of food. Many of the countries have become our very good friends or very good trading partners. We've changed the lives, through the sustained effort, of billions of people.

It's been supported by agricultural interests, transport interest, people from every State in the United States. It's had remarkable, solid, bipartisan support in the White House and in the Congress and when you couple it with the efforts, the success of our land grant college program, the Peace Corps, the McGovern-Dole education efforts, USAID and the U.S. Department of Agriculture, collectively; all of this has changed the world, all for the better.

The World Food Programme is the largest humanitarian agency in the world, the largest program of the United Nations. In 2004, we provided food, in conjunction with about 2,300 NGO partners for 114 million people. We are heavily involved with natural disasters, with conflict, with health issues. The World Bank would tell you that in the last 30 years, there has been a four fold increase in natural disasters in the world, 400 last year.

The World Bank would also tell you that the most powerful investment any country in the world, be it the United States and Canada or Bangladesh and Malawi, can make in its future is to be sure that children are born to healthy mothers and nourished substantially the first 24, 36 months of life. If that happens, they have every chance in the world.

The World Health Organization would tell you that hunger and malnutrition, the most serious health problem in the world and the people that deal with the HIV/AIDS issue would tell you that food and nutrition is the single most important factor in the fight against HIV and AIDS. 854 million hungry people in the world, the number's increasing about 5 million a year, half of them are children.

Mr. Chairman, you correctly stated that 25,000 people die every day of malnutrition, 18,000 of them, children. In 2007 it's just simply not acceptable for that tragedy to be occurring.

We talk about the tsunami. The tsunami lost 250,000 people to death. The fact of the matter is because of hunger and malnutrition, there are three tsunamis in the world every month of every year. The numbers are overwhelming.

Food for Peace is the bulwark, the backbone of the work of the World Food Programme. You made it possible for us to feed 26 million people for 1½ years in Iraq. You made it possible for us to feed 6 million people last year in the Sudan and Darfur, the same number in Ethiopia, overwhelming numbers of people in the Horn of Africa, in southern Africa, but not so far from home, in Haiti, in Guatemala.

Guatemala has the highest percentage of chronically malnourished children. Half the kids under five in Guatemala are chronically malnourished and if you go into the indigenous population you will approach 60, 70 percent of the children. Their lives are at risk. That country's at risk if the kids aren't fed and have a chance to go to school.

Hunger is at the base of making progress on education, on health issues, on economic issues, on prosperity. It's at the base of making progress on the millennium development goals. It's at the base of giving people hope and opportunity for their lives and I simply say to you that the sustained commitment to Food for Peace, representing the best of American agricultural prosperity and productivity and the generosity of the American people is extraordinary.

My hope is that as you look at title II of the Ag bill that you would consider thinking about the Administration's request for adding \$300 million in cash. We raise every penny of our \$3 billion budget on a voluntary basis every year. We receive no core funding from the United Nations January 1, we go out to raise the money and when I came we were raising it from 50 countries and as I leave we're raising it from 100 countries.

It's been a remarkable spreading of the base but given the fact that the price of corn has doubled in the last 6 years. The price of wheat and rice has increased by 60 percent the same time frame. The cost of transport and shipping has increased dramatically primarily because of competition for those services but also because of the price of oil.

The same dollars buy about half as much today as they did 6 years ago. So it would be my hope that you would find a way to increase the title II allocation. My hope would be you might even look at a \$.5 billion, that you would consider part of it in cash, that you would consider doing it up front as opposed to supplemental appropriations.

We know that money committed in the very beginning, the same dollars, feed 30 percent more people if the money is available at the beginning of a crisis as opposed to the end. The Bill Emerson Trust, remarkably important. We would encourage you to be more flexible, have more accessibility and make it easier to replenish the Trust.

The McGovern-Dole program, so important, we fed 22 million children in 70 countries in school last year, 56 million children

overall. There are 400 million hungry kids in the world; 150 million of them have no help.

My fondest hope and I believe it's an earned and deserved opportunity is for the United States to take the lead in saying that we are going to eliminate child hunger in the world.

Just a few weeks ago, Iceland said we are going to feed a child in Africa for every child we feed in Iceland. Luxemburg has made the same commitment. Canada has made an extraordinary commitment inspired by McGovern-Dole.

My last comment in the larger context, so important, investment in basic agricultural infrastructure, the percentage world wide of ODA going for simple, basic, agricultural infrastructure has gone from 11 percent to 3 percent and the fact of the matter investment in roads to get goods to market and investment in irrigation and investment in implements in seeds and fertilizer, really important. And the leverage of these small investments is enormous.

So, Mr. Chairman, I apologize for going beyond my 5 minutes. I can hardly say good morning in 5 minutes.

Mr. MORRIS. The record of our country, the generosity, the sustained commitment, I believe there is no country in the history of the world that has ever cared more deeply about doing the right thing and making life better for every person who is at risk.

PREPARED STATEMENT

The most powerful investment we can make is in eliminating hunger among children, seeing they have a chance to go to school, that they're nursed by a healthy mom, and everything about their life changes for the better and our country's record is extraordinary but the fact of the matter is we all have to do more and it's just unacceptable in 2007 for 18,000 kids to die every day when we can solve that problem. We have the food. We have the know-how. We have the good will and it's not complicated to do. Thank you, sir.

[The statement follows:]

PREPARED STATEMENT OF JAMES T. MORRIS

Thank you for this opportunity to address you on an issue that is critical to our future peace and prosperity: conquering hunger and malnutrition among the world's poor.

I stand before you near the close of my 5-year tenure as Executive Director of the United Nations World Food Program, or WFP—the world's largest humanitarian organization and provider of food aid to the hungry poor. These five years have been ones of unprecedented challenge to WFP and other organizations fighting world hunger. We've had to confront a rising tide of need, especially from natural disasters and conflict, sharp increases in commodity and fuel prices—and the cold fact that resources are simply not keeping pace. High-profile emergencies like Darfur and the Indian Ocean tsunami have significant costs, while chronic hunger among the poor is growing by more than 4 million per year since the mid-1990s; it persists in places as close by as Haiti and Guatemala. We are also seeing the toll of a lethal mix of AIDS and malnutrition, especially in southern Africa.

I am deeply proud of what WFP has accomplished. In Iraq, we fed each and every one of 26 million Iraqis for a year and a half—the largest humanitarian operation in history. Even at the height of the war in 2003, we were moving 1000 tons of food an hour, 24 hours a day, 7 days a week. The devastating 2004 tsunami was also without parallel—as was the tremendous logistical operation that followed; WFP was distributing food in Sri Lanka within 48 hours, one of the first to deliver to those whose lives had been ripped apart.

Africa, where one person in three is malnourished, continues to be a major challenge. Africa has faced ever-greater waves of drought, conflict and displacement—pushing millions of people into crisis in Sudan, the Horn of Africa, the Democratic

Republic of Congo, Niger and other countries. Worse yet, climate change now threatens to make drought and desertification semi-permanent in many parts of Africa. Meanwhile, the hard-won economic gains of southern Africa—once breadbasket for the continent—are under extreme pressure from the “triple-threat” onslaught of HIV/AIDS, worsening drought and declining government and civil capacity. The disease has decimated the ranks of farmers and other productive sectors of society in that region: some 8 million farmers have died of AIDS in the past two decades. And while 2006 was comparatively calm—without a sudden, headline-grabbing natural catastrophe—the number of the hungry just keeps going up. We are also worried about prospects for the coming cereals crop: prices are spiking as South Africa, the major regional supplier, is expected to have a poor harvest this year.

WFP is feeding close to 100 million people a year and our NGO and other international partners feed another 100 million. While the world has seen significant progress made in fighting poverty, especially in China and India, we are actually losing ground in the battle against hunger. Foreign assistance budgets in the developed world are at historic levels, but decreasing proportions are devoted to dealing with chronic hunger or long-term agricultural development. This is an untenable situation we ignore at our own shame—and risk. Especially at a time when food and wealth are more abundant—and technology unsurpassed—than at any point in human history.

Let me lay out a few sobering facts.

There are more than 852 million people today who go to bed unsure of their next meal—half of them children. The World Health Organization (WHO) describes hunger as the world’s No. 1 public health threat—killing more people than AIDS, malaria and tuberculosis combined. Few people know that 25,000 people—18,000 of them children—die each day of hunger and related ailments. That’s one person dead, because of hunger and malnutrition, every 4 seconds—365 days a year. At that rate, the entire population of Wyoming would be wiped out in just 3 weeks.

Even when hunger and malnutrition don’t kill, they sap the vitality and productivity of individuals—especially children—with lasting negative impact on their countries as a whole. Good food and nutrition are essential for pregnant mothers, newborns and children in the first 2 years of life. Under-nutrition in those first years can permanently stunt mental and physical growth—dropping IQ levels by as much as 15 points. A new study by WFP and the Economic Commission for Latin America and the Caribbean spotlights the economic costs of child under-nutrition in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and the Dominican Republic: it estimates combined economic losses due to under-nutrition among children at a staggering \$6.6 billion for the region in a single year (2004)—or about 6 percent of GDP for those seven countries.

Imagine the implications for economic development in even poorer countries like Ethiopia—where stunting rates among children exceed 60 percent—or North Korea, where the average 7 year-old is 20 pounds lighter and 8 inches shorter than his 7-year-old peer across the border in South Korea. Tragically, these children will never “catch up” with those more fortunate. Neither will their countries, so long as we allow this terrible misfortune to persist.

Fact is, resolving the problem of chronic hunger is fundamental to tackling all the major challenges of the poor world—in education, health, the socio-economic and agricultural spheres. It’s self-evident that development is simply not possible on an empty stomach. If you look at America’s own experience, the incredible post World War II boom was accompanied by a vigorous bipartisan effort to combat malnutrition, spearheaded by dedicated leaders like Senators George McGovern and Bob Dole. The World Bank believes that investing in the proper nutrition and health of a young child is the single most powerful investment one can make in a better future for the poorest nations. Here in the United States, we need look no further than the amply documented successes of the Federally funded WIC program to know that this assessment is correct.

At the turn of this century, the world’s leaders sat down together to establish the Millennium Development Goals they felt were vital to our collective well-being and security in the future. The head of every country voted “yes” to make eliminating poverty and hunger the No. 1 target—and they set 2015 as the deadline for slashing the proportion of hungry people in the world by half. Unfortunately, that goal is slipping rapidly from our grasp.

President Eisenhower once said you can change the world with wheat—and not weapons. Eisenhower launched Food For Peace—which has grown into the greatest humanitarian instrument the world has ever known.

Initially created in 1954 to share America’s rich harvests with those in need in postwar Europe and other countries, Food For Peace has helped more than 3 billion people in 135 countries—saving millions of lives and transforming those of millions

more. During its first half-century, Food for Peace shipped more than 110 million tons of commodities. Put into trucks, that amount of food would encircle the globe, bumper to bumper, right around the equator.

Commodities that Food for Peace sends around the world come from virtually every state of the union—engaging thousands of American workers en route. These American working men and women range from farmers and millers, to stevedores and freight forwarders, all guiding an unbroken chain of production and distribution to feed the world's hungry. The United States government—and by extension, the American people—is WFP's most generous donor, funding more than 40 percent, or around \$1.2 billion, of our operating budget. Food for Peace provides the lion's share of these contributions—enabling us to reach out to countless millions of people every year. We are so grateful for your help.

Food for Peace is a powerful expression of American generosity and goodwill around the world. It not only saves lives in big emergencies like Afghanistan or last year's Pakistani earthquake, but gives hope to the millions of families living lives of quiet desperation in refugee camps around the world. You will hear today from two extraordinary former refugees—Abass Mohamed of Somalia and Daniel Kuot of Sudan—eloquent testimony to the fact that a well-timed intervention of food aid can not only rescue a life, but propel it in a positive new direction.

Food for Peace's support for WFP programs in Sudan has done both—providing a record \$1.51 billion to Sudan emergency food operations over the past five years. The U.S. government also has funded crucial support operations to ensure effective delivery of food: over the past five years, USAID's Office of Foreign Disaster Assistance, for example, has provided \$41 million for air operations, surface transport fleets, food warehousing and telecommunications facilities. Further, the U.S. government has been the largest supporter of a unique and vital WFP operation to demine and rehabilitate nearly 1,300 miles of roads in southern Sudan—not only opening up the South to better food delivery and commercial trade, but providing one of the first tangible “peace dividends” in southern Sudan.

The United States has not only supported our humanitarian work in Sudan with money, but has gone the extra mile to divert vessels, expedite food procurement, accelerate apportionments and exercise diplomatic influence around the world to ensure the food “pipeline” remains strong and reliable. The bottom line is: without U.S. support, it is impossible to imagine how we would have continued to feed the desperately hungry in one of the toughest operating environments in the whole world.

Sudan is only one of a long list of countries where WFP operates that would have been in deep trouble without American assistance. In Ethiopia, home to one of our consistently largest operations, the U.S. government has supplied nearly 80 percent of current funding. In Chad, hard-hit by escalating conflict and displacement, the United States is our most generous donor—supplying three-quarters of the emergency food aid received so far. In Afghanistan—still beset by turmoil and huge needs—the U.S. government has provided roughly half of resources received over the past year.

Over the years, American food aid has also helped change the outcomes for many countries. South Korea—once heavily dependent on Food for Peace—is now a reliable, multi-billion dollar importer of U.S. food. In the 1960s, Food for Peace dispatched millions of tons of cereal grains to India. Today, India feeds itself and is a net exporter of food—and a donor to WFP. This is in large measure due to food and agricultural development assistance from the United States and the United Nations—notably including the Green Revolution led by our own Nobel Laureate, Norman Borlaug. Sometimes people worry about food aid fostering dependence, but our experience is proof to the contrary. More than 20 countries receiving food aid in the last 15 years no longer do so.

Our Land-Grant College system is yet another wonderful example of how Americans have worked to make a difference for those less fortunate in the world—spreading not only knowledge, but goodwill. For decades, Land Grant Colleges have brought in foreign students for agricultural training; those students then returned home to implement the theories and practices they absorbed there. For example, Iowa State granted Masters in agricultural economics to former Sudanese Vice President John Garang as well as former Taiwan President Lee Teng-Hui. The U.S. Peace Corps has also deployed American skills and know-how in the field in the developing world to great effect.

The United States has helped the hungry in other significant ways—notably via the McGovern-Dole International Food for Education and Child Nutrition Program. School feeding is a simple yet incredibly effective instrument in breaking the cycle of poverty—perhaps as close to a “magic bullet” as I know. Providing a meal in school not only attracts hungry children to school, but keeps them there: research

consistently shows how the introduction of school feeding boosts enrollment, attendance and academic performance. For girls, often left out of education in the developing world, school feeding offers potentially dramatic life change: even 5 years in school means that girl will marry later, have fewer children, while those children will be healthier and better-educated. She will also be less likely to contract HIV/AIDS, since education is the only vaccine we have against that deadly epidemic.

Beyond the positive outcomes, school feeding is a bargain: just 19 cents a day, or \$34 a year, provides a meal at school for a hungry child.

School feeding is a “win-win” for everyone—as we have seen through America’s own experience. Senator George McGovern likes to recount how a University of Georgia dean credited the American school lunch program as doing more for the economic development of the Southern States than any other Federal program. McGovern applied that logic when, along with Senator Bob Dole, they rallied bipartisan support for U.S.-supported school feeding abroad—winning an initial investment of \$300 million. Funding for this year’s McGovern-Dole program currently stands at \$100 million.

Today, the United States has a wonderful opportunity to capitalize on its investment in school feeding through bipartisan initiatives now under way to significantly expand and regularize funding for McGovern-Dole. If realized, these initiatives would ensure the continuity of these absolutely vital school programs, so that we keep our promise to the schoolchildren of the world. This relatively modest investment would reap enormous benefits not only for the recipient countries—which get a solid foundation for fighting poverty and instability—but for all of us in the long run.

These five years have been the most meaningful, educational and, frequently, the most heart-rending time of my life. Although foreign assistance budgets including that of the United States have continued to rise, there is so much more to be done. The challenges are ever more daunting.

War and political instability continue to rage, from Darfur to Afghanistan—while Iraq’s neighbors are now coping with a rising influx of refugees from that conflict. The latest “Global Hunger Index” from the Washington-based International Food Policy Research Institute (IFPRI) says the five countries with the worst rate of hunger are all either caught up in war, or emerging from long years of conflict (Burundi, Eritrea, Democratic Republic of Congo, Ethiopia and Sierra Leone). The World Bank, meanwhile, estimates that natural disasters have risen an astronomical 400 percent over the past 30 years, while U.N. scientists predict that climate change will cause alarming increases in food insecurity across Africa in the next 50 years.

HIV/AIDS has taken a devastating toll on food security in places like southern Africa, and again, resources are not meeting the needs. In particular, we must recognize that adequate food and nutrition are vital to tackling this epidemic. Experts predict there will be 25 million AIDS orphans by 2010 and child-headed households are growing astronomically. These young people need food support to survive, but so do the poor people who receive AIDS medication—but take it on empty stomachs. This is especially true in Africa, where one in three people are malnourished. Good food and nutrition means HIV-positive people can continue productive and active lives, because they’re able to stick to their drug regimens, and those regimens can be successful. Drug therapy without adequate food and nutrition simply does not make sense—but the world has yet to grasp that reality.

On the response side, we are also facing tremendous challenges. Fuel and commodity costs have shot up alarmingly over the past 5 years, which means that every food aid dollar buys less. Last month, maize cost almost double what it did in 2001. The export price of both rice and wheat rose some 60 percent over the same period. Higher transport costs, due to the price of oil, also mean we buy still less food with the same amount of cash. These trends pose a great risk to our work and to the poorest people around the world whom we serve.

As noted, foreign assistance from the developed world is at an historic high: Bread for the World says poverty-focused development assistance has grown from \$4 billion in fiscal year 1999 to \$10.6 billion in fiscal year 2006. WFP itself received record contributions in 2006 of \$2.8 billion. Yet these impressive numbers mask the rising supply-side costs as well as the hidden costs of the significant lag time between a pledge of food aid—and its actual materialization on the ground. This not only means higher operational costs for WFP—since crises often expand in the interim—but for the hungry poor at the receiving end, these delays can mean loss of livelihoods, precious household assets as they sell them off to survive, and in the very worst scenarios, loss of life.

Record contributions also mask the fact that many of our programs remain woefully under-resourced, from Guatemala—with the Western Hemisphere’s highest

rate of child malnutrition—to North Korea where mothers scour the hills for acorns and bark to feed their families, to areas of the Philippines where conflict has pushed high numbers of people into displacement and serious hunger. And any budget deficit for the World Food Program is more than just an accounting conundrum. Insufficient funds mean we face two choices: either we take some people off our ration lists, or we give everyone less food. This is a horrific choice at least one WFP country director faces every month. Even in a year of record contributions, we have had to cut rations in Darfur and halt nutritional support to some 90,000 HIV/AIDS and TB patients in Cambodia.

The good news is that the solutions are within our reach: we have not only the food, but the know-how to conquer the scourge of hunger that has bedeviled us since the dawn of human history. It is also affordable. Targeting the roughly 150 million underweight children in the world with an “essential package” that would enable proper nutrition and health practices would cost some \$8 billion a year—more or less what the American school lunch program costs per annum. That’s a cost that would undoubtedly be graciously shared, were America to lead the way. Further, these children are not only identifiable, but relatively contained in geographic terms: three-quarters of them live in just 10 countries, while more than half of underweight prevalence in Africa is in just 10 percent of administrative districts. Like school feeding, this is not a “pie in the sky” concept. It is doable—doable, that is, if we summon the political will to make it happen.

How can America demonstrate its humanitarian leadership in the near term?

- Increase allocation for Title II by \$500 million above the administration’s 2008 request for \$1.2 billion, to cope with not only the rising tide of human need—but with significantly higher commodity and transport costs. Funding at the “front end” as opposed to the supplemental process will enable these much-needed funds to be planned and programmed—a far more efficient and effective use of U.S. food assistance;

- Urgent review of the Bill Emerson Humanitarian Trust, to make it more flexible and accessible, and more easily replenished. The Emerson Trust is a wonderful, life-saving mechanism, but it may be used in an even more effective way;

- The language of McGovern-Dole—which as I’ve noted should be expanded itself—should become the template for American food assistance across the board. McGovern-Dole provides commodities, transport and cash where needed—underwriting remarkable programs that can achieve lasting results—the best use of U.S. taxpayer money;

- All donors must find a way to restore meaningful levels of longer-term agricultural development assistance in the rural areas that are home to 75 percent of the world’s poorest and hungriest citizens—the ones who live on less than a dollar a day. Agricultural development aid plummeted from 11 percent of global foreign aid 20 years ago to just 3 percent at present—a trend that can—and must—be reversed. The World Bank estimates that a mere 10 percent increase in crop yields would reduce the proportion of people living on less than a dollar a day by up to 12 percent. This is an excellent investment sure to bring an excellent return. The United States, with its successful history of domestic agricultural investment and education, is uniquely equipped to lead the way on this front;

- I would like to add here that WFP supports President Bush’s budget plan that would allocate up to 25 percent of Title II funds for cash in humanitarian emergencies. While we cannot do our work without U.S. commodities, cash is a wonderfully flexible instrument in crises where we can’t afford to wait for pledges to materialize on the ground. However, we and our partners would like to see this money as additional to current Title II levels.

- Such cash donations could, of course, be targeted to purchases only from least developed countries so as not to influence normal patterns of commercial trade, and we would also urge that WFP be allowed to use U.S. cash for twinning operations. Just recently, we were able to restart feeding programs for 90,000 people affected by AIDS and TB in Cambodia—precisely by combining a commodity donation of rice from the Government of Cambodia with a cash donation from the Government of Dubai. Twinning is an incredibly efficient mechanism and encourages a spirit of “self-help” in those countries receiving aid. This is something that all Americans can value and appreciate.

Finally, thank you, Senator Kohl, for your outstanding leadership and the dedication of you and your staff. U.S. food assistance saves lives, builds hope and goodwill, and lays the foundation for sustainable development around the globe. We at WFP—and the millions of people who are reached by this assistance—are forever grateful.

Senator KOHL. Thank you, Mr. Morris for that moving testimony and for your service to our country.

Mr. Morris, food aid has been criticized for creating dependence in certain parts of the world and not allowing people to become food secure. A lot of food aid goes towards emergencies and that takes away from problems of chronic hunger and developing the local markets. What approaches are there to deal with chronic hunger as opposed to emergency operations and does food aid lead to food aid dependency?

Mr. MORRIS. Sir, I do not believe that food aid, properly administered leads to dependency. Most people don't want to have a dependency on anyone. They want to have the capacity to take care of their families and be economically on their own.

Our food, in the first place, 80 percent of it, and 80 percent of the Food for Peace, responds to emergencies. Six, eight years ago, it used to be 50–50. Given the growing number of emergencies in the world, the world has made a decision that it has to save the life that's at risk today.

We know that an investment in development, in mediating a problem, preventing a problem, the leverage is 5 or 6 times. If we spend that money to help that little town in Ethiopia get prepared for the next drought. A very small investment can save that community.

The impact on lives is enormous, but we work very hard. About half of what we have to work with, we buy locally. We work very hard at not effecting markets. We don't want to move the price up or down. Our job, through our food for work, is to give people the capacity to be on their own, to manage their own productivity, but the people we worked with, they are so completely at risk of tough health issues, of no education, of no productivity. You invest a little bit of money in providing a meal for a child to be drawn to school, to stay into school and to learn. Suddenly everything about that child's life changes and he or she is able to take care of themselves.

We have closed our office, by the way, in 25 countries that no longer need us. We want to get out of business. We are not trying to sustain this effort but the fact of the matter is the numbers of hungry people so overwhelming and the lives lost and the lives that are compromised. We know if we feed that family, that HIV positive person, and they have the anti-retroviral treatment, in a matter of months, their life can be almost back to normal. That's not building a dependency relationship, that's giving a person the opportunity to be on their own.

And you address this issue with children. You change their lives early in life. Investment in someone my age is marginal and the investment in a child 5 to 15 has a lifetime to pay off.

Senator KOHL. But.

Mr. MORRIS. Thank you.

Senator KOHL. Before we go any further I'd like to hear if you wish, Mr. Mohamed, Mr. Kuot, any remarks you would like to make. Mr. Mohamed.

You want to turn your mike on. Press that button.

**STATEMENT OF ABASS MOHAMED, FORMER FOOD AID RECIPIENT
FROM SOMALIA**

Mr. MOHAMED. Good morning ladies and gentlemen. My name's Abass Mohamed. I'm originally from Somalia. I currently live in Kenya. I was born in town called Abu Aline in southern Somalia. I'm 25 years old.

I remember being in Somalia enjoying my childhood and at the age of 10 everything was disrupted by the toppling of the then government of Somalia and plunging the country into chaos. In the months that followed we had to move from town to town looking for a place to seek refuge, a place where we can get protection. We went to a small town called Harun Tasheirka, which is a town regarded as holy and therefore we thought we could be safe in that town.

When things got tougher and we couldn't even be safe in that holy town and my father's safety, especially, was in danger. We decided it was time to go to Kenya where we had, the United Nations was accepting refugees. We had to walk on foot from that town in central Somalia for like 2 days, without food and water. We didn't have any money. We were lucky to find some water and food left behind by other fleeing people. We used that to reach our next destination which was a small town in Somalia which is closer to the Kenyan border.

In that town, my father sought monetary aid from family and friends to use of the transport, of the fare, to get to the Kenyan border. When we came to the Kenyan border, weak, hungry, thirsty, we were met by staff from the United Nations Refugee Agency and we went through vetting and registration and we were moved to a camp in Northeastern Kenya called Ifo.

Ifo is one of three camps that are commonly known as the Dadaab. I remember coming to the Dadaab and one of the first things I remember was people building makeshift houses using plastic sheets provided by UNHCR and the place was dusty. There were storms of dust. It was very, very hot. There were barely any trees. Also, people were trying to establish themselves, to get food, to get water, the United Nations, with other agencies, of providing those basic necessities.

There were no honor schools at the moment, at that time and therefore I couldn't enroll in school at that time. I went to school a year later when the foster school was established. I went to school and I was the first to be enrolled and I remember there was no blackboard, there was no chalk, there was no classroom. We had to remember that tree, using the sun, using the sun as the blackboard and chalk.

Interest developed and very many refugee students came and it was overwhelming for the teacher. Then the NGOs intervened and classrooms were built, more teachers were employed. I went through that system and in 1997 the system of education was changed to a Kenyan system and I had to repeat a year to accommodate the changes.

In 1999, I sat for a national exam, which is taken after 8 years of school in Kenya, called Kenyan certificate of primary education. I did well, so was my brother, so were other kids. The United Nations, together with other NGOs build a secondary school in each

of the three camps and I was one of the first to be enrolled in that secondary school in February 2000.

Those of us who graduated from primary school were 70 in number and those who were eligible to be admitted to secondary school were 44. The rest could not make secondary.

The school was relatively young and it was seriously under resourced. Teachers were very, very few and they just had to teach more than one subject because there was no one to teach. All those subjects would go untaught. There was no lab to talk of at the moment. At that time it was just a building with no chemicals or with nothing inside but with time, NGOs good funds and they started putting in stuff bit by bit, but we couldn't do experiments because always one thing or another was missing which was important for the experiment.

Going through that I did my national exam for secondary school in 2003, October/November 2003 and I was lucky to have performed well. Within that same year came a professor from Canada, a Howard Adelman, who was also teaching in Princeton for a year and he met the NGO heads and they discussed the possibility of some of us who graduated from high school to get a higher education and when Professor Howard Adelman came back to the United States, to Princeton, in particular, I think he just cast the possibility of some of us joining Princeton and when the results came out, two of us were asked to apply to Princeton.

We went through the normal admission process. In 2004, I was interviewed by a Princeton professor in Nairobi, Kenya. In January 2005, I did my SAT's and some time in April/May I got my admission with full financial aid. My other friend was not admitted. He's actually now, he got admitted to Toronto University. He's to move to Canada to join Toronto University, a university in Canada this fall.

I remember when we came as refugees we believe that education is very important because when we have to go back 1 day, back to our countries for example, I being from Somalia. We would leave all these structures behind, but what would go back home with is education. We can't go to school without eating food.

I remember when I was finished high school; I was a teacher for 2 years. You would know what it means to teach hungry students. They won't be able to pay attention. They sometimes, some tension and it is very difficult to keep discipline in the school when you have to deal with the students that are hungry. Because we believe that education is important, parents, refugee parents stress on the importance of their children going to school. So whenever the opportunities are available, the refugee kids go to school.

The school feeding program which was started in the primary schools in the camps was especially very successful. My sister who is in the standard age this year is a beneficiary of that program and it has been very successful, but the secondary schools are not covered by the school feeding program. I would hope that funds could be found that the school feeding program be extended to the secondary schools.

The kids in Somalia, at least in southern Somalia, they don't have any education system to speak of at the moment and therefore the Somalis and the Diaspora, especially the ones in the

camps, the sorts of hope for Somalia. I believe education is the solution to the problem in Somalia. Therefore the international Committee needs to prepare these young people so that they can face the challenge of rebuilding their home countries when they go back.

So, that's an onerous task that's facing them. What we also need is an alternative form of leadership which can be provided by these people. They are the only source of hope.

Senator KOHL. Your time is up.

Mr. MOHAMED. Therefore I would like for example, I wouldn't be here speaking to you today if that day when I was at the Kenya-Somalia border trying to get into Kenya, if food aid or if aid was not delivered to me, I wouldn't be here today speaking to you. I wouldn't be in Princeton today seeking knowledge and empowering myself.

There's so much that can be done to help and empower the young people, especially in the camps. They have so much talent, that talent is getting wasted. If someone can help them then they will be able to help themselves and their families and their communities and their countries.

PREPARED STATEMENT

I would especially send a personal appeal to the honorable U.S. Senate to continue supporting, to stand by the people in the Dadaab. They need your help. They need your help so that they can make a better future for their children and so they can make a better tomorrow for their countries back home.

[The statement follows:]

PREPARED STATEMENT OF ABASS MOHAMED

Dadaab Refugee Camp

My name is Abass Mohamed. I was born in Bu'alle, southern Somalia in 1982. My father worked for the government as a typist and my mother was a self-employed shopkeeper. My family is comprised of nine members: My paternal grandmother, my parents and 5 of my siblings and I. I enjoyed happy childhood and was standard two when everything was disrupted by the toppling of the then government and thus plunging the country into civil war. My family was displaced within Somalia from Jan 1991 to Feb 1992. We were held up in a small town in southern Somalia called Harunta-sheikha where we sought refuge for 4 months. During this time, we were all the time on the look out for possible escape out of the town since we were under constant fear for our safety especially of my father. There was daily killing, looting and raping. Militias of warring clans would from time to time force into people's homes and interrogate them on their clan affiliation and killing anyone who claimed to belong to enemy clan. One day, we were able to escape on foot carrying whatever of our meager belongings we could on our backs. We did not have food or water. We also did not have money to buy food. Luckily on the way we found food and water left behind by other fleeing people. Fortunately too, along the way we found a truck ferrying fleeing people especially women and children. The truck driver agreed to give a lift to my grandmother, my mother, my siblings and I. My father was very thankful for this humanitarian gesture. We arrived at the town of Afmadow where my father joined us a day or 2 later. We stayed in Afmadow for a couple of weeks as my father looked for monetary help from friends and relatives which we could use to reach the Kenya-Somali border where word reached us that UNHCR was accepting refugees. We traveled to the Kenya-Somalia border by public transport and we passed through Dhobley, a town on the Somali side of the Kenya-Somali border. After going through vetting and registration, HCR transported us to the newly set up Ifo camp. I remember, Ifo, as a dry, dusty place with people building make-shift houses for themselves using plastic sheets provided by UNHCR. My father started to work using a wheelbarrow he has made himself to transport people's luggage for payment. Most of what was transported by my father was the fort-

nightly food ration distributed for the refugees by WFP. After like 6 months of work, my father used his savings to start a small business which he used to provide for our most basic needs. I did not go to school until a year after our arrival because there were no schools established at the time. I was one of the first to be enrolled when the first school was opened. With no classroom, blackboard or chalk, the teacher would use the sand to write on. I went through the education system in the camps and finished primary school in 1999 and then was lucky to be admitted to Ifo secondary in Feb 2000. I graduated from Ifo secondary school in 2003 and performed extremely well in the national exam being the best in the Northeastern Province of Kenya and 8 in Kenya.

As refugees we believe that life in the camps is temporary and that we will have to go back home some day. Because of this refugee parents emphasize on their kids the importance of making maximum use of the education and other opportunities in the camps. I believe education is the solution to the Somali problem. There is no education system to speak of in Somalia (at least in southern Somalia) at the moment. The Somalis in the diaspora such as the ones in the camps are one of the few hopes for Somalia. I believe the kids in the camps will form an important component of the next generation of Somali leaders. The international community needs to prepare these young people for the onerous task of helping rebuild Somalia. The refugee kids at least go to school even if schools that are seriously under resourced. But they cannot go to school if they can't find food to eat. They also cannot concentrate well in class if they are hungry or haven't eaten enough (this was a particular problem in the schools in the camps before the introduction of the school feeding program in the primary schools). The food basket in the camps has been shrinking and shrinking over the past few years. There is concern of the rise of malnutrition especially among children under the age of 5. The school feeding program has been a success by increasing enrollment especially of girls, providing nutritional meals and snacks and helping children concentrate on their studies. This has in turn led to the remarkable performance of refugee kids in national exams in Kenya. Thankfully, one of the beneficiaries of the school feeding program is my younger sister in standard 8 in Midnimo primary school in Ifo camp. She will be sitting for her national exam later this year.

We as refugees have to entirely depend on external assistance. The camps are located in an area that is a semidesert characterized by scrubland, intense heat and very low and unreliable rainfall. These conditions make farming almost impossible. The inability to grow our own food is compounded by rampant insecurity. Insecurity is evidenced by UN and other NGO staff traveling within the camps under heavy escort. Cases of refugee women being raped and families robbed are common with murders occurring sometimes. For example my house was raided by bandits or "shifitas" as they are known in a fateful night in 1997. They terrorized my family, pointing a gun at my father several times and placing a sharp knife on my neck. Thankfully, no one was killed except that they took away clothes and some money which was my father's modest savings.

Therefore given this unusual condition of ours as people who have left their homes of origin and who cannot grow their own food or find employment in their country of asylum (except for a few of the refugees who are employed by the NGOs) it is critical that funding continues for the food aid to the camps and the school feeding program in particular. It would be a huge boost for the education in the camps if the school feeding program can be extended to cover the secondary schools in the camps as well.

I would conclude by urging the Honorable Senate of the United States to stand by the people living in Dadaab camps and the young people in particular so that they can realize their dreams of becoming the source of hope and alternative leadership for their countries of origin.

Senator KOHL. Thank you very much. That was a beautiful statement. Mr. Kuot.

STATEMENT OF DANIEL KUOT, FORMER FOOD AID RECIPIENT FROM SUDAN

Mr. KUOT. Thank you ladies and gentlemen. My name is Daniel Kuot. I'm a Sudanese Lost Boy. I'm one of the Sudanese who has been fully away from Sudan since 1987. We had to way up all to Ethiopia and we had to walk like a thousand miles all the way to Ethiopia and at that time we were at like the age of 10 to 15 years

old but there a few who were like 6 to 10. I was one of those from 6 years old to 10 on to 15 also.

We made it like a long journey all the way to Ethiopia. We had a tough life in Ethiopia. Incidentally at that time we went to Ethiopia there was no NGOs at that very moment but we were there for some months, the United Nations knew there was refugees in Ethiopia, so most of the UNACRs, like NGOs, they came over there and they interviewed the lead over there at that time. They started the feedings over there that Ethiopia like a little like 1991 and from there we went from Ethiopia back to Sudan where Ethiopians started their revolutions against each other.

So we came back to Sudan and in Fruscella and for that the war was still pretty tough in Sudan. We went again on a long journey about 400 to 600 miles. We walked by foot all the way to Noruz which is a Sudan border. That's the location of Sudan's border to Kenya. We tried to settle down a little bit there but we couldn't make it. The war was still intensive so we run all the way to Kenya.

We made it to Kaukoma and that was 1992, I mean end of 1991, so our life in Kaukoma for almost 3 years until 1993. The United Nation's situation was very critical over there. In Kenya and Kaukoma the life was very hard. It was a dry location where we were. It was very dry, no water. You can't cultivate. You can't grow anything.

There was like about 87,000 people in refugee camp in Kaukoma. Life was so tough. You can't do anything. There was a lot of deaths. It was same as desert exactly. Life was critical so the United Nations came over there and there was a lot of different organizations who showed up over there.

UNACR was one of the first people who came over there and they tried to help a little bit but there was a lot of people from Sudan, especially large population from Sudan and some Burundis and Rwandans and Somalis and Ethiopians. By this time a lot of refugees come to Kaukoma, so their lives become more critical.

The UNACR said it can't take the situation so the World Food Programme is able to show up over there and the NGOs and they show up over there to assist our UNACR for the back up. The situation was getting worse and until World Vision show up and also at the end it was still tough. There was like 16,000 boys from Sudan who can't do anything for themselves at all, they have to have some teachers or some elder people to be around them so they can show them what to do for their living, especially I was one of them.

So we had 24 zones at schools exactly for the minor groups at the age of 16 to 17 so we tend to that age at that time and their lives were so critical but more so hard to focus about education exactly. Even though with the loss of our families, where we belong, our country, exactly, more of us were thinking that education was a basic. That was a way that we could make it, our future lives and we were having a hope to go back to Sudan. We didn't even know that get enough to come over here or the rest of the people.

So the World Food Programme show up like 1994, exactly because the situation was worse and it was really tired and most of the time they were thinking about going back to school and try to

do better so the World Food Programme exactly, they did a lot of, they opened the feeding centers. There was no schools and there was no rest of the everything, no hospitals.

So the World Food Programme they showed up and build some clinics, hospitals and then they opened some schools. They changed the schools from the mud schools that we tried to go to. They changed them to concrete and with the iron sheets. They tried to keep the plastic sheets so we can build our own houses where we can live in a minor group.

So the life was tried to change better a little bit. The problem was still on the side of the food exactly. So the World Food Programme exactly still working hard. They do a great job on the side of the food. They open feeding centers and also distribution centers in each area zone. They have a distribution center and also a feeding center in every school, in each zone.

So most of us, we thinking about going back to school because there was no-where to go so the feeding centers, exactly bring us back to school or like a bowls of whatever you get from the schools. It can keep you doing whatever you're doing in school so the life gets better until we went to school in 1996 in Kenya primary schools. That was called KCP, exactly.

We tried to get acquainted with the area but the area was so hostile. There was a lot of winds and a lot of hangers all over especially we minors, we didn't give up like a lot of people were really suffering a lot. They been bolstered by the community, they took them to the community, especially the younger. Some teachers took care of them in the community. UNCR tried to give them, do some feeding to them and also the World Food Programme.

The situation seemed to be getting better a little bit and after that we made it up all the way with most of us through primary school was like one to eight. The situation was getting better for the foods. The World Food Programme decides to build some more secondary school, like three. They opened three secondary schools so we can go to finish high school, exactly, which is for four, so most of us went to high school that was from 1996 to 1997. Most of us that did very well and some of them they being sponsored went to London and some they went to Canada. The population did increase and increased all the time.

The situation of the minors group was getting worse. They tired to lose some hope especially when you finish from form four which is secondary schools. You've got nowhere to go and you can't do anything at all. So they give us a scholarship to come over here and the United Nations they read about it and the World Food Programme, they these kids that they seem to be thinking about their future to make their way up.

So we had an interview with the UNCRs and some of the American Congress, they come over there. They say that we have to take care of these kids to America. At that time, I think Bill Clinton was the one at that time so he approved everything and most of the minor groups; they came over here to America, about 3,000 kids. Most of them were in foster care and that was during 1999 to 2001, most of them in groups and then they bring them over here to the United States and after that the rest of the minor group that comes over one by one.

We made it all over and we've been traumatized by all the situations and the happenings exactly in Sudan. We tried to go where the safety and hope to be comfortable and most of the time we were thinking about having a hope to go back to Sudan. That's all what most of us were thinking. The majority of us didn't have a family at all. Most of us were orphans.

That's why a majority of us came over here to the United States of America. I'm glad to be here in America and to myself sometime I can say I'm really glad but also I feel sorry about the rest of my fellow school kids back in the refugee camp in Kaukoma but I hope they will do better and through the help of the World Food Programme and the same time I hope there will be a real help and do better and I can do my part like Mr. Morris. I didn't even know he's the one in charge of the World Food Programme at that time.

I'm real thankful for the World Food Programme and for the Americans for the situation I've been through and they helped most of the Lost Boys of Southern Sudan.

Thanks to all, everyone.

Senator KOHL. Thank you, Daniel. That was a very fine statement. Senator Bennett.

Senator BENNETT. Thank you very much, Mr. Chairman.

Mr. Morris, I'm concerned about distribution. We provide food. We can provide food. Do we make sure the water gets to the end of the ditch, to use a phrase that comes out of Utah's irrigation background? Particularly governments where there is a history of corruption.

I remember when Yasser Arafat died and he presided over one of the poorest organizations or countries, call it what you will, the Palestinians. The press reports were that he had made off with a billion dollars and I asked the Palestinian Finance Minister if that could possibly be true and he said well, we've recovered \$600 million so far and we're still digging.

Now you deal with some cash as well as commodities, give us an understanding of how. And you deal in parts of the world where quite frankly, the level of corruption in government is very, very high. Just give us a view into that world and what you do to try to deal with corruption to go around it, to prevent it from drying up food or siphoning off any of the cash. Help me understand that whole challenge.

Mr. MORRIS. Thank you, Senator. I could look you straight in the eye and tell you that our pilferage rate, our loss rate would be less than the large grocery store chain in the State of Indiana. We generally do not distribute food through governments. We distribute food through non-governmental organizations like World Vision or CARE, or the Salvation Army, the Red Cross, the Mormon Church. We have 2,300 partners who do much of the actual food distribution on the ground.

Our strength is assessing where a problem is, targeting those who are most in need, figuring out how to get food to people, wherever they are, in distress in a country, being sure that we tell the people who are receiving the food, who paid for it. Every bag of wheat we give from America has a flag of the United States on it and then we're very careful to monitor and evaluate every penny,

every bushel we distribute and we come back and tell the government of the providing country what it made possible.

Our policies, we, Zimbabwe might be a place that we could talk a bit about. I've had nine meetings in this 5 year period of time with President Mugabe. My second meeting with him and I'm an Indiana businessman. I was not prepared for this kind of diplomatic conversation but I said, sir.

Senator KOHL. You're very diplomatic to describe it as diplomatic.

Mr. MORRIS. I said, sir, I just need to have a good understanding right off the bat. We're not going to interfere with the politics of your country. We're here to see the people here who are hungry are fed, that women and children who are starving have food and nutrition available to them. We'll have no tolerance whatsoever for any political interference or any guidance on your part as to how we do our work. We expect to have universal access to every part of the country and we care the same about any person at risk regardless of any other criteria and we've been able to do our work. We fed 5.5 million people in Zimbabwe last year and by and large with no political interference.

The issue in North Korea is more difficult because there are no NGOs in North Korea. The only choice we have in this very difficult place to work is to work through the government. Our work is with the most at risk, people in orphanages and kindergartens, in hospitals, the elderly. We do the best job that we can in terms of monitoring and evaluating and trying to be accountable for the distribution in North Korea.

It would be my strong feeling that the elite in North Korea have no interest in the food we have to distribute. We would be at the low end of the food chain and that wouldn't be of interest to them for their diets. It might be of economic interest to them but we work very hard and I should tell you that it's also very difficult to work there but when you think that the average 7 year old boy in North Korea, at age 7, is 8 inches shorter and 20 pounds lighter than his South Korean counterpart, the humanitarian mandate imperative requires us to be there.

I have a great deal of confidence that the water gets to the end of the ditch, that we really work hard at targeting those who need it the most and we have extraordinary partners that we work with. We don't have the luxury, in Pakistan, of taking the food to Islamabad and leaving it there. We have the responsibility, when you have an earthquake to go to the top of the mountain peak where the person is most at risk and we're really good at that.

We are also the United Nations. We have responsibility for logistics for transport, for information technology, for communications, for much of the U.N. community, humanitarian community and much of the NGO community.

My friend from World Vision behind me in Lebanon when we were feeding 830,000 people during and after the conflict, we provided the air transport to deliver the food and products that World Vision had to take into Lebanon.

Where we work, it's not like working in Palm Springs. These are very difficult places to work but you would be overwhelmed with the commitment, the tenacity, the brain power, the focus of the

people who do our work and they're there to see the people who are hungry and at risk are helped.

Senator BENNETT. Thank you very much for that. That's very encouraging and reassuring. Thank you, Mr. Chairman.

Senator KOHL. We thank the first panel. You've all been terrific by way of what you've brought to us. Before we move onto the second panel, I'd like to ask Senator Cochran if he wishes to say a word.

Senator COCHRAN. Mr. Chairman, thank you very much. I came by to compliment Mr. Morris on the great leadership he has provided to the World Food Programme. I had the opportunity to visit him, with him most recently in Rome where I've had the benefit of wide ranging discussion of the challenges that the agency has faced and the successes it's had in the years and also I have to say that Judy Lewis, a former member of my staff has been a source of information and inspiration too.

Inspiring because of the challenges and dangers that people like her have faced all over the world in distributing food and making sure we save lives through our generosity and our commitment of our Congress to support these efforts and I'm confident that we'll continue to provide generous support for the World Food Programme.

We thank you especially for bringing the witnesses you have today and keeping us up to date on the challenges that the World Food Programme faces. Thank you, Mr. Chairman.

Senator KOHL. Thank you, Senator Cochran. Yes, Mr. Morris.

Mr. MORRIS. If I could just respond to Senator Cochran. Thank you for your extraordinary support of us for so long, no way to say thank you adequately.

I just want to conclude with a second or two to put in context what my two colleagues have told you. The World Food Programme, anytime there are more than 3,000 or 5,000 refugees in a country, we take on the responsibility for providing food for them. The good news is the number of refugees in the world has been decreasing yet we fed about 3 million refugees last year, something approaching 10 million internally displaced people. This would be 230,000 people from Darfur who have gone into Chad. This would be 150,000 Western Sahara refugees in Southern Algeria. This would be a huge number of refugees in Tanzania, the Congo, Rwanda, Burundi, the same in Sierra Leone, Siberia.

The life of a refugee is extraordinarily difficult. The camp where Mohamed was living, the Dadaab, 220,000 people there, we provide food for 220,000 refugees and the feel good for you is that much of it comes from the United States through Food for Peace.

So profoundly grateful to you as leaders of our country, profoundly grateful to the citizens of this extraordinary place we're fortunate to call home, the generosity, the caring, the ingenuity that has made the prosperity possible to have the food to work with. The fact of the matter is costs have gone up dramatically and the number of hungry people in an absolute notion have gone up substantially and we just all have to do more, as individuals, as a country. We have to solve this problem. It's at the base of making progress on the humanitarian agenda and we have the potential, the know-how, the wherewithal to do it. Thank you, sir.

Senator KOHL. Mr. Morris, we couldn't agree more.

Mr. MORRIS. Thank you.

Senator KOHL. We thank the first panel. We appreciate you being here.

Mr. MORRIS. Thank you.

Senator KOHL. Our next panel includes Walter Middleton, World Vision International's Vice President for food resources management group.

Mr. Middleton, we know you've come all the way from South Africa to be with us today and we thank you and we look forward to hearing from you.

We're also grateful to recognize Ms. Cindy Brown from my home State of Wisconsin. Ms. Brown is a farmer and dry bean producer from Menomonie, Wisconsin. Ms. Brown is also President of the U.S. Dry Bean Council and we thank Ms. Brown for being here.

Mr. Middleton, we'd be delighted to take your testimony.

STATEMENT OF WALTER MIDDLETON, VICE PRESIDENT, WORLD VISION INTERNATIONAL

Mr. MIDDLETON. Mr. Chairman, thank you for this opportunity to testify before the subcommittee today. My name is Walter Middleton. I am World Vision Vice President for the food resource management group based in Johannesburg, South Africa.

World Vision is a Christian humanitarian organization dedicated to helping children, families and their communities worldwide reach their full potential by tackling the causes of poverty and injustice.

My testimony today is on behalf of World Vision and the other members of the alliance of Food Aid, which is comprised of 14 private, voluntary organizations that conduct food aid programs overseas.

It is also a privilege as well to be here as well with Jim Morris. World Vision is one of the major partners with World Food Programme and is pleased to have endorsed the WFP UNICEF End Child Hunger Incentive.

Mr. Chairman, we thank you and the subcommittee for your unrelenting support for food aid over the years. On a personal note I have a long history with food aid, when I was about 8 or 9 years old, I attended primary school in a small railway town in Rajasthan, India. One day our principal announced that we would receive a daily snack donated by America. Even though the railway employed my father, we were poor. Most days I went to school only on a slice of bread and a cup of tea. The milk and porridge provided by the United States was a great blessing and that I will never forget.

The school feeding programs in India lasted 20 years or more. After which many were taken over by local governments or associations. Private voluntary organizations implement emergency and developmental Public Law 480 title II programs through agreements with U.S. aid. We implement food for progress, agricultural development programs and McGovern-Dole food for education programs through agreements with USDA.

In my written remarks I review several issues that are important conservations as you prepare the fiscal year 2008 Food Aid appropriations. I would like to call your attention to three in particular.

First, we ask the Committee to provide at least \$1.6 billion for the Public Law 480 title II program. If you look at the history of appropriations in recent years, this is the average appropriations for title II after supplemental appropriations are passed. Providing the funding at the beginning of the fiscal year, rather than piecemeal will allow better program planning and the orderly procurement and the delivery of commodities.

Second, of sums appropriate for title II, we ask that \$600 million be made available for nonemergency developmental programs.

And third, we ask the committee to provide at least 100 million for the McGovern-Dole Food for Education and Child Nutrition Program which provides an incentive for poor and hungry families to send their children to school.

I would like to explain why we seek \$600 million for the title II nonemergency programs. Making a lasting impact on food security is a difficult task. Areas where poverty and hunger endemic are often buffeted by multiple setbacks such as droughts, floods, disease and war, therefore programs need to be tailored to local needs and given enough time, often 4 to 5 years, to have a lasting impact.

Title II allows PVOs to double up multi-year programs to improve food security, working in cooperation with local communities. They are called nonemergency programs and they give us the greatest chance to have a lasting impact.

The law sets a minimum tonnage for title II nonemergency programs, however due to the loss of section 416, surplus commodities and budget pressures. In recent years most title II resources have been shifted to emergency needs, displacing longer term developmental programs.

Nonemergency programs are being phased out in 17 countries and cutbacks in others and the amount provided has frozen at \$350 million. We believe this is counterproductive as developmental food aid helps improve people's resilience to drought and economic downturns. Giving people the means to improve their life also provides hope for a better future and helps stabilize vulnerable areas.

Let me give you an example of World Vision title II program in Kenya targeted 1,528 postulate families in the Tonkana region, an arid environment that is plagued by recurring droughts. Before our program, these families were dependent on emergency food aid yearly every year. Over a period of 6 years we used a combination of monetization and distribution. The funds generated from commodity sales supported food for work projects that improved irrigation and infrastructure, cultivation techniques and land management.

As a result income increased from a baseline of \$235 per year to \$800 per year. Families could afford to send their children to school and the communities no longer depended on relief. In fact, the program was turned over to the participants and they have spread their knowledge to 475 farmer families.

We were hoping to replicate the success for models in other areas of Kenya where postulates are still dependent on emergency rations yearly every year. However, U.S.A. is phasing out non-

emergency projects in Kenya as part of a larger effort to limit the scope of developmental food aid programs. Meanwhile Kenya remains a recipient of emergency food aid.

Report language in previous appropriations bill called on the Administration to meet the minimum tonnage for title II non-emergency programs. While we believe this might help stop the decline in non-emergency programs, it has not increased the availability of resources, thus we ask that of the sums available for title II, \$600 million be made available for non-emergency programs.

I am one of the fortunate ones who received help through a U.S. food aid program, completed my education and advanced my career, first, at CARE and now at World Vision. The continuation and expansion of Food Aid programs will provide the opportunity for a healthy productive life to others.

PREPARED STATEMENT

Hunger is a solvable problem. It has been my passion and career focus. Mr. Chairman, thank you for your support of these life giving programs. I would be pleased to answer any questions you may have.

[The statement follows:]

PREPARED STATEMENT OF WALTER MIDDLETON

Mr. Chairman, thank you for this opportunity to testify before the Subcommittee today on U.S. food aid programs. My name is Walter Middleton, and I am World Vision International's Vice-President for the Food Resources Management Group based in Johannesburg, South Africa. My testimony is on behalf of World Vision and the other members of the Alliance for Food Aid, which is comprised of private voluntary organizations and cooperatives (jointly called "PVOs") that conduct international food assistance programs.¹

World Vision is a Christian humanitarian organization dedicated to working with children, families, and their communities worldwide to reach their full potential by tackling the causes of poverty and injustice. Our overseas staff is familiar with and thankful for the work of this Subcommittee. Your efforts to provide adequate resources and to support developmental and humanitarian programs are humbling. We are most grateful.

As practitioners, PVOs focus on identifying the needs of poor communities and working in concert with local organizations and institutions to make improvements in people's lives that will last for the long run. For example, World Vision's overseas staff is primarily indigenous. Over 90 percent of all World Vision staff work in the countries in which they are citizens. Thus, through our food aid and other programs we aim to build local capacity and leaders, making lasting behavioral and institutional changes.

Making a lasting impact on food security is a difficult task and it often requires five or more years to ensure that changes take hold. Areas where poverty and hunger are endemic are often buffeted by multiple setbacks, such as droughts, floods, disease and war. In addition, when the economy of a developing country catches a cold, the poor people living in that country catch pneumonia. And when developing country governments institute regressive economic and social policies, more people fall under the poverty line and the poor suffer the most.

As you consider funding for food aid in the fiscal year 2008 appropriations bill, we seek your support for—

—At least \$1.6 billion for the Public Law 480 title II program, of which \$600 million shall be made available for implementation of non-emergency programs, as required under title II of Public Law 480 [section 204 of the Agricultural Trade Development and Assistance Act of 1954, as amended].

¹ Adventist Development & Relief Agency International, ACIDI/VOCA, Africare, American Red Cross, Counterpart International, Food for the Hungry International, Joint Aid Management, International Relief & Development, Land O'Lakes, OIC International, Partners for Development, Project Concern, United Methodist Committee on Relief & Development, and World Vision.

—At least \$100,000,000 for the McGovern-Dole Food for Education and Child Nutrition Program;

Personal Note on School Feeding Programs and Title II

As a personal note, I have been associated with title II food for the past 46 or 47 years. I was about 8 or 9 years old when I first tasted title II food through my primary school in Phulera, a small Railway town in the State of Rajasthan, India. One fine day the Principal, Mrs. Allen informed the children that we were going to start receiving a snack at school every day as they had received food donations from “Amereeka.”

We had little at home, and for us this was a great blessing. Even though my father was employed by the railway, his monthly salary was not more than \$35 per month. Most days I went to school on only a bland slice of bread and a cup of tea. The milk and porridge were a life line for those of us who sought education, but lived with hunger.

After a few months of receiving the title II snacks, I became involved in its preparation and helped serve, entitling me to one extra cup of milk and small extra portion of porridge. Sometimes we would scrape the pots to get the last remains.

As a reminder to all of us of the unplanned and additional benefits of food aid, I remember that 1 day I had the courage to ask Principal for the empty milk powder bags—the brown paper bags. I used it to put around the wire mesh of our poultry pen, providing protection for the winter months.

Public Law 480 Title II—the Core U.S. Food Aid Program

Overall funding level

Administered by the U.S. Agency for International Development (USAID), the title II program provides food aid donations for development programs and emergency needs through PVOs and the UN World Food Program. This is America’s main contribution toward the Millennium Development Goal of cutting hunger in half by 2015. Just to maintain minimal levels of food intake in 70 needy countries monitored by the USDA Economic Research Service, annual worldwide food aid needs are 15,200,000 metric tons (MT). The \$1.6 billion title II program would provide almost 20 percent of these annual needs.

Public Law 480 title II focuses on eliminating hunger and its causes through a variety of programs that are developed in cooperation and collaboration with local organizations, institutions and governments. The emphasis is on “non-emergency” programs that improve the food security of recipients in the long run—not just short-term emergency response. From 1999 through 2002, most emergency food aid was provided through the Section 416 surplus commodity program, allowing title II to focus on its primary developmental goals. However, as the attached funding chart shows, availability of Section 416 surplus commodities has diminished since 2001. While title II funding has been increased since fiscal year 2001, this increase is insufficient to make up for the loss of Section 416 and cannot maintain adequate levels for both emergency and non-emergency requirements.

Because Title II funding levels have not kept pace, there have been cutbacks in developmental food aid programs and increased reliance on supplemental appropriations to fill gaps in emergencies. Providing adequate funding in the regular appropriations process would allow the orderly planning and delivery of commodities throughout the year, without program disruptions. Moreover, commodity prices are escalating and with straight-lined budgets, this makes it even harder to maintain food aid levels.

We also support efforts to assure continuation and completion of the food aid product quality and enhancement project, which was authorized in the 2002 Farm Bill. Ensuring that products we deliver are safe and appropriate is important, particularly for vulnerable groups such as children under the age of two, women of child-bearing age and people living with HIV/AIDS. Formulations for the value-added products targeted for these groups have been static for decades and food aid distribution overseas has sometimes been disrupted due to quality concerns.

Non-Emergency Funding Level

A consequence of trying to provide all emergency food aid out of the title II budget is a reduction in non-emergency food aid programs—both the funding level and the number of eligible countries. Section 204 of title II states that 1,875,000 MT of title II commodities shall be made available for non-emergency programs, which are multi-year programs that address underlying causes of chronic hunger and vulnerability. They include mother-child health care, agricultural and rural development, food as payment for work on community infrastructure projects, school meals and take home rations as incentives for poor families to send children to school, and pro-

grams targeting HIV/AIDS-affected communities. Chronic hunger leads to high infant and child mortality and morbidity, poor physical and cognitive development, low productivity, high susceptibility to disease, and premature death.

The non-emergency minimum tonnage level can be waived by the Administration after the start of the fiscal year if there are insufficient requests for these programs, or if there are extraordinary emergency needs. However, this waiver is assumed before the beginning of the fiscal year and the Administration does not seek proposals for programs to meet the 1,875,000 MT requirement. Instead, USAID has limited the non-emergency programs to about 700,000–750,000 MT, or \$350 million for the cost of commodities, ocean freight, delivery costs (called internal transportation, storage and handling, or “ITSH”) and related support costs (called “section 202(e) funds”). This downward trend must be stopped or Public Law 480 will lose its most important objective: to promote food security in the developing world.

Concentrating food aid resources in areas where there is high prevalence of food insecurity and vulnerability is appropriate and is also anticipated in the USAID Food for Peace Strategic Plan, 2006–2010. However, USAID’s decision in 2006 to reduce the number of countries covered by title II multi-year non-emergency assistance from 32 to 15 was budget driven and eliminated too many areas where chronic hunger is prevalent and was driven by the decision to reduce the budget for non-emergency programs. Many poor, vulnerable populations will be excluded from receiving food aid, even though their needs are as compelling as those populations that will be served.

The capacity of PVOs to serve populations in non-eligible countries will be lost, making it more difficult to respond effectively at the early signs of an emerging food crisis, which runs counter to the intent of the Strategic Plan. As more programs are pushed into fewer countries, areas within priority countries may be targeted that are less food insecure than areas in non-selected countries.

We thank the Committee for supporting report language in appropriations bills emphasizing the importance of the non-emergency programs and the need for the Administration to take steps to meet the section 204-tonnage level. Unfortunately, this has had no perceivable effect on the management of programs. Therefore, we seek a specific level in the bill for title II non-emergency programs. Ramping up non-emergency programs to the level required by law will take more than one year. Requiring the Administration to make \$600 million available in fiscal year 2008 would be a step in the right direction, increasing the amount provided to about 1,100,000 to 1,200,000 MT.

Link Between Title II and the Bill Emerson Humanitarian Trust

Administered by USDA, the funds and commodities in the Bill Emerson Humanitarian Trust (BEHT) are needed to supplement Public Law 480 title II when there are urgent humanitarian food aid needs. The commodities are provided by the Trust and CCC covers the ocean freight and delivery costs. The Trust can hold up to 4 million MT or cash equivalent, but currently only holds about 900,000 MT of wheat and \$107,000,000 (which is available to buy commodities when needed). The BEHT has two weaknesses that need to be addressed so it can more effectively serve as a contingency fund for emergencies: the “trigger” for releasing commodities and the level of reimbursement.

First, the commodities and funds in the Trust should be made available for emergencies before the title II minimum tonnage for non-emergency programs is waived. Otherwise, as we have seen in recent years, there is disruption to and depletion of resources for developmental title II programs. Second, a method for regular and higher levels of replenishment is needed. Currently, up to \$20 million of Public Law 480 reimbursement funds in any one year may be used to replenish the BEHT. We thank this Committee for ensuring that no more than the \$20 million is reimbursed in any fiscal year and requiring these funds to be deposited into the Trust as replenishment. However, \$20 million per year is not sufficient to refill the Trust and higher levels of reimbursement are needed on a regular basis.

Monetization

Monetization is an important component of food aid programs, and we support its continued use where appropriate, based on market analysis and a coherent strategy to strengthen food security. Monetization is the sale of commodities in net food-importing, developing countries and the use of proceeds in projects that improve local food security. It can have multiple benefits and is appropriate for low-income countries that must depend on imports to meet their nutritional needs. Limited liquidity or limited access to credit for international purchases can make it difficult for traders in these countries to import adequate amounts of foodstuffs and amortization is particularly helpful in such cases. Amortization can also be an effective vehicle

to increase small-scale trader participation in the local market and financial systems, can be used to address structural market inefficiencies, and can help control urban market price spikes. In all cases, the proceeds are used to support food security efforts or the delivery of food in the recipient country.

Administration's Request for Local/Regional Purchase for Emergencies

In-kind food aid continues to be the most dependable and important source of food aid. The commitment of commodities sourced directly from donor countries, which have more than adequate production to meet their domestic needs, is required to ensure that sufficient levels food aid are available each year. However, there are situations in which purchases closer to the area of need could provide more timely response, diversity of the food basket, and benefits to local agricultural development.

While PVOs have experience using privately-raised funds and, to a limited degree, USAID International Disaster and Famine Assistance account funds for local purchases, information from these programs has not been systematically collected and therefore is inadequate to use for developing appropriate methodologies and best practices for future programs. Thus, as part of the 2007 Farm Bill we are recommending a field-based, pilot program for local purchases for famine prevention and relief—

- Within recipient countries or nearby low-income countries,
- In cases where the procurement is likely to expedite the provision of food aid,
- Where the procurement will support or advance local agricultural production and marketing, and
- Conducted by PVO implementing partners that have experience with food aid programming in the recipient countries.

To ensure that accepted practices for food aid programs are followed and to identify appropriate methodologies and best practices for future programs, each PVO implementing a pilot program shall—

- Prior to implementing a local purchase program, conduct an analysis of the potential impact of the purchase on the agricultural production, pricing and marketing of the same and similar commodities in the country and localities where the purchase will take place and where the food will be delivered;
- Incorporate food quality and safety assurance measures and analyze and report on the ability to provide such assurances;
- Collect sufficient data to analyze the ability to procure, package and deliver the food aid in a timely manner;
- Collect sufficient data to determine the full cost of procurement, delivery and administration; and
- Monitor, analyze and report on the agricultural production, marketing and price impact of the local/regional purchases.

McGovern-Dole Food for Education

The McGovern-Dole Program provides incentives for poor families to send their children to school. Requiring an appropriation of no less than \$100,000,000 each year will give certainty that funds are available for multi-year programs. These types of programs used to be included in title II, but with the establishment of McGovern-Dole in 2002, such programs under title II are being phased out. Increased funding would allow more multi-year programs, which would improve program impact, and would allow broader use of the authority in the law to support both educational programs and programs for children under the age of five, which is when malnutrition can have its most devastating impact on child development.

Loss of Title I Funds Impacts Food for Progress

The Food for Progress Act directs USDA through the Commodity Credit Corporation (CCC) to provide a minimum of 400,000 metric tons of commodities each year to developing countries that are introducing market reforms and supporting private sector development. These programs may be implemented by PVOs, the World Food Program and recipient country governments. The amount actually provided through CCC falls short of 400,000 metric tons because there is a cap on amount of funds that CCC can provide for delivering the commodities and administering the programs overseas. USDA has authority to use Public Law 480 title I funds in addition to the CCC funds to implement Food for Progress programs. In fiscal year 2006, about 75 percent of title I funds were used for this purpose. This has augmented CCC funding and allowed the program to reach 500,000 MT. As no funds were appropriated for title I in fiscal year 2007, and the Administration seeks no funding in fiscal year 2008, this means a cut in funding for Food for Progress programs.

Many poor, developing countries are undergoing economic reform and, therefore, the demand for Food for Progress programs is great. Forty-six different PVOs apply for Food for Progress programs. For fiscal year 2007, 100 proposals were submitted

by PVOs and 16 by governments, but only 11 new proposals were approved and 3 other programs were provided second year funding. We will seek additional funding through CCC as part of the Farm Bill to ensure that a minimum of 500,000 MT will be available each fiscal year and emphasizing the importance of providing assistance through PVOs.

PVOs implement Food for Progress programs in partnership with local communities, cooperatives and agricultural associations, increasing American visibility and assistance among the rural poor in countries that are transitioning to market-based systems. Food for Progress programs have been innovative, improving and expanding food processing, internal trade of processed products, livestock health and production, and creating agricultural financing mechanisms. While each program is fairly small, they introduce methodologies that can be adopted more broadly and provide a base for further growth and development of private cooperatives, farmer associations, farm credit, and local agricultural and fisheries related businesses.

Conclusion

In conclusion, Mr. Chairman, I am one of the fortunate ones, who received help through a U.S. food aid program, completed my education and advanced in my career first working for CARE and now as a Vice President for World Vision. I can see the many benefits U.S. food aid programs are creating for poor communities, improving incomes, living conditions and nutrition and sowing the seeds for a promising future. Along with my colleagues at World Vision and other PVOs, I deeply wish to see the continuation and expansion of food aid programs so the opportunity for a healthy, productive life can be offered to others.

Mr. Chairman, thank you for supporting these life-saving and life-giving programs. Attached are a few examples of the programs PVOs implement and the results. I would be pleased to answer any questions you may have.

PUBLIC LAW 480 TITLE II: APPROPRIATIONS COMPARED TO ACTUAL EXPENDITURES IN U.S. DOLLARS AND SECTION 416 EXPENDITURES FISCAL YEAR 2001-2008
 (Updated: February 5, 2007)

	Fiscal year 2001	Fiscal year 2002	Fiscal year 2003	Fiscal year 2004	Fiscal year 2005	Fiscal year 2006	Fiscal year 2007 (est.)	Fiscal year 2008 (admin. request)
Title II Appropriations	\$835,200,000	\$945,000,000	¹ \$1,809,575,000	\$1,185,000,000	¹ \$1,415,000,000	¹ \$1,632,000,000	² \$1,595,000,000	\$1,219,000,000
Title II Actual Program Level ³	925,900,000	1,039,100,000	1,881,000,000	1,670,100,100	1,668,000,000	1,773,000,000	1,655,000,000
Sec 416(b) ⁴	1,103,000,000	773,000,000	213,000,000	173,000,000	147,000,000	20,000,000

¹ Fiscal year 2003 includes supplemental of \$369 million; fiscal year 2005 includes supplemental of \$240 million; fiscal year 2006 includes supplemental of \$350 million.
² Fiscal year 2007 Final Continuing Appropriations of \$1,215,000,000 and assumes fiscal year 2007 Supplemental Appropriations request of \$350,000,000.
³ Actual levels include appropriations, maritime reimbursement and carry-in funds and represent the amount actually reported as expended by USAID.
⁴ Section 416(b) is funded through the Commodity Credit Corporation and is not subject to fiscal year appropriations. It is shown because until fiscal year 2003, the commodities were often used for emergencies, supplementing title II funding.

Senator KOHL. Thank you, Mr. Middleton. Ms. Brown.

STATEMENT OF CYNTHIA A. BROWN, ON BEHALF OF THE U.S. DRY BEAN COUNCIL

Ms. BROWN. Thank you, Mr. Chairman and members of the subcommittee. I appreciate the opportunity to be here today and my purpose in testifying is to support the continuation of in-kind.

Senator KOHL. Is your?

Ms. BROWN. Maybe I just need to bring it closer, there we go, I'm sorry.

My purpose in testifying is to support the continuation of in-kind U.S. commodity donations and to oppose transferring scarce program funds to overseas purchasing, to support maintaining the structure and delivery of existing food aid programs and to ask for funding levels that will maintain historical tonnage volumes.

I am the President of the U.S. Dry Bean Council which is the trade association representing farmers, processors and canners and all others involved in the U.S. dry bean industry and prior to having that position I had the opportunity to chair the Food Aid Committee for the U.S. Dry Bean Council and in that capacity I worked with all the partners within the food aid community from growers to government program administrators to PVOs in the field and I had the opportunity to visit various food aid programs throughout the world and of all of the programs that I saw, school feeding had the greatest impact upon me.

Growing up in a household where my mom was a teacher and my dad, a farmer, helped me understand the importance of both food and education. By providing a meal in school we help fight hunger and give children a chance at an education which we know is the key to breaking out of poverty and which we've heard a lot about today.

By using United States in-kind commodities in these school feeding programs we multiply the value of those commodities many times over because again, as we've heard, the benefits of school feeding go beyond fighting hunger and promoting education.

Over the last few years the administration has proposed in one form or another, the aspect of transferring scarce resources to overseas purchases and I'm very opposed to the elimination of 25 percent of title II funding for that reason.

We don't know the consequences of all of the overseas purchases. We haven't seen them studied enough. We don't know about restriction of local supplies, about market prices going up and about other people having enough money to buy food, the normal people that would buy food in that market. So we're very concerned about that and we're concerned that this proposal is unlikely to feed more hungry people.

I brought along a prop. This is the bag that we use to pack our dark red kidney beans in when we put them into the Food Aid Program. That bag represents the pride of our American taxpaying public, our farmers and agribusiness. The food in that bag and our country's name on it is what food aid means to most Americans. It represents our commitment to sharing our own good will and fortune with our very less fortunate neighbors.

When dollars are substituted for food the donation is no longer food aid, it's foreign aid and our public support will diminish. There is not a one to one tradeoff for cashing out food aid.

Now we can't argue that the current system might have some inefficiencies, but it seems to make sense that we could fix this delivery system and make it work better because again, if we substitute dollars for U.S. commodities, we will lose the resources.

We need to heed the lessons of what's happened in Europe. Ever since they switched to cash, they've been donating far less to fight hunger and their budget has dropped quite dramatically. Our annual donations exceed the donations of all other countries combined and it's important for us to make sure that we meet our historical obligation in providing food to the world's less fortunate.

In summary I would like to ask for this committee's continued support on in-kind food commodities from the United States and to oppose the cashing out of food aid dollars. To make sure adequate funding is available to support the title II budget and maybe consider raising it to \$2 billion a year, given all the things that we've heard today about the ongoing need within the world, that's not out of the question when we look at what the United States should be capable of doing.

PREPARED STATEMENT

I also think that McGovern-Dole is such an important program and has been so successful that we might consider taking it up to \$300 million as it was originally proposed.

One final comment, I know that budgets are limited and I know that resources have to come from one spot or another but on the basis of taking care of hungry people, I think we could spend less on homeland security if we made sure that we reached the people overseas and they weren't so concerned about being hungry all the time. Thank you.

[The statement follows:]

PREPARED STATEMENT OF CYNTHIA A. BROWN

Mr. Chairman, and Members of the Subcommittee. My name is Cynthia Brown. I am a farmer, processor, and a dry bean dealer from Menomonie, Wisconsin. I appreciate the opportunity to testify and to submit this statement for the record of this hearing regarding our international food assistance efforts.

My purpose in testifying is to strongly support continuation of time-tested and effective in-kind United States produced commodity donations; to strongly oppose the ill-conceived proposals that would diminish our present programs by transferring scarce program funds for the purpose of overseas commodity purchasing; to strongly support maintaining the structure and delivery of our existing food aid programs; and to ask that they be funded at levels, which, at a minimum, will maintain historical tonnage volumes.

By way of personal background, I am proud to note that my family has continuously farmed on our land in Menomonie since 1858. We presently farm about 4,000 acres, of which about 3,300 acres are devoted to dry bean production. My family started growing dry beans in the late 1960s, and has operated the Chippewa Valley Bean Company since the early 1970s. Chippewa Valley Bean Company processes dry beans, primarily kidney beans, and sells dry beans in both the domestic and international markets. We have been a supplier of dry beans to our international food assistance programs for a number of years.

Also, I currently serve as President of the U.S. Dry Bean Council, the trade association representing farmers, processors, canners, dealers, distributors, and others involved with all aspects of growing, processing, marketing, and distributing of dry beans produced in the United States. USDDB is composed of state and regional grower and dealer associations from all major U.S. production areas, as well as indi-

vidual companies involved in all aspects of the domestic dry bean industry. I should note that about 20 different classes of dry beans are grown in the United States, including pinto, navy, kidneys, black, great northern, small red, pink, lima, and other dry beans in about 20 States, including Wisconsin. In 2005, USDA statistics indicated that harvested U.S. dry bean acreage was nearly 1.57 million acres, producing about 1.37 million tons of dry beans. And, about 30 percent of annual U.S. dry bean production is exported with major importing countries being Mexico, the UK, and Japan.

I also serve as the Delegate to USDBC from the North Central Bean Dealers Association, and as a Member, appointed by Governor Doyle, of the Citizen's Advisory Board of the Wisconsin Department of Agriculture, Trade, and Consumer Protection.

Mr. Chairman, I am pleased to have this opportunity to present views on our international food assistance programs, from the joint perspective of a grower, processor, and shipper of dry beans. I take today's testimony very seriously because international food aid is a personal passion and commitment of mine. Prior to my current service as President of USDBC, I served for a number of years as Chair of the USDBC Food Aid Committee. In that capacity and since, I have had the privilege to work with all partners that make up our humanitarian food aid delivery system—from the grower through the government program administrators to the private voluntary and other organizations that deliver our lifesaving and life-sustaining commodities to recipients around the world. As such, I have traveled to Haiti, South Africa, Ghana, Ethiopia and Kenya and have seen U.S. commodities being distributed in a number of PVO programs ranging from food for work to school feeding.

School feeding programs have had the greatest impact on me. Growing up in a household where my mom was a teacher and my dad a farmer helped me understand the importance of both food and education. By providing a meal in school, we help fight hunger and give children a chance at an education—which is the key to breaking out of poverty.

Over 300 million children in the world suffer from hunger. Over 100 million of these children, most of them girls, do not attend school. School feeding programs provide food directly to children suffering from hunger. Many times a free meal in school is the only reason that parents send their children to school. This is especially true for girls. When school feeding is available, enrollment and attendance rates increase significantly; students stay in school longer and perform better. Girls that have the opportunity to come to school have fewer children, have them later in life and make sure their children receive an education.

The benefits of school feeding programs go beyond fighting hunger and promoting education. By bringing more children into the classroom, school feeding also helps expand the reach of a number of other programs. For example, more children and their families can receive education on HIV/AIDS prevention and proper nutrition. By using U.S. commodities in school feeding programs, we've multiplied the value of those commodities many times over.

Continue In-Kind Commodity Donations

Mr. Chairman, I would initially like to address two food aid issues that have received a lot of attention recently. First, is the matter of in-kind commodity donations for food aid. We know that there are those, particularly the European Union and certain international organizations, who have advocated that the United States move away from in-kind food aid donations. These critics allege that in-kind food aid is inefficient and can lead to wasting food aid resources, and they propose using cash only for local purchasing to recipients. While seemingly well-intended, such views are misguided, have not been clearly demonstrated in practice, and have great potential for diminishing the effectiveness and scope of our food aid programs. Though much of this advocacy has been emotionally driven, a very thoughtful and comprehensive study of cash versus in-kind food aid was recently conducted by Dr. Joel Toppen. In his resulting paper he concluded "Because the proposed policy shift would likely result in significantly fewer food aid dollars due to a loss of political support, there is little if any reason to expect more hungry people to be fed and/or long-term food security to be enhanced. While local and regional purchase can often bring cost savings, the contention that a U.S. shift to cash-based food aid would actually increase the amount of resources transferred to food-insecure populations rests on wishful thinking, not sound social science." Moreover, Toppen observed that the PVO community is not generally supportive of this radical change in food aid programming by noting the position of the Alliance for Food Aid, a major PVO coalition, when he stated "Meanwhile, the AFA observes that food aid needs are immense and not likely to decrease any time soon and contends that to address those needs, 'In-kind food aid continues to be the most dependable and important

source of food aid' (AFA 2006)." (Toppen, Joel J. (2006). Should the U.S. End In Kind Food Aid? Assessing the Case for Cash. Hope College, Holland, MI.)

Further, in some instances, such as the ongoing WTO negotiations, it Would appear elimination of in-kind food aid donation is advocated for purposes of negotiating strategy, rather than for improving international food aid. Indeed, it is ironic that the European Union has been the major advocate for replacing in-kind commodity donations with cash, especially since the EU's "cashing out" of its international food aid commitment has resulted in a sharp drop in tonnage attributed to it in such food aid. Recipients have been the big losers as a result—a circumstance we do not want to replicate with the U.S. continuing food aid program commitment.

In-kind commodity donations have been at the core of our very successful food aid programs since their inception. Historically and to this day, we have an unmatched agricultural bounty that, through the hard work of the American farmer and related agribusinesses, and the generosity of the American taxpayer, has literally fed much of the world's hungry, and its victims of natural disasters and other emergency situations. Humanitarian donation of U.S. grown, processed, and inspected agricultural products have insured that safe and uniform foodstuffs reach disaster victims, refugees, and recipients in ongoing programs, such as mothers, children, and the elderly. Annual commodity availability determinations by USDA and in-country determinations to avoid commercial displacement insure that little, if any, commercial market impact occurs due to the use of U.S. grown and processed agricultural products for in-kind humanitarian donation. Farmers, processors, shippers, and the tax-paying public have long strongly supported the United States being the leader in international humanitarian food aid, in large part because of the visibility of our in-kind donations. There is something comforting in seeing the U.S. marking on our in-kind commodity donations and knowing that it represents delivery of both safe and wholesome food and our commitment as a people to sharing our general wellbeing with our less fortunate world neighbors.

As a consequence, U.S. farmers, processors, shippers, and taxpayers, continue to strongly support our in-kind commodity donations. Congress has reflected this support through the years, and we would request that the subcommittee continue this support by requiring that funding provided be utilized to maintain the in-kind commodity donation character of our international food aid programs.

Resist Transfer of Scarce Food Aid Resources for Overseas Purchasing

In the last few years, a most disturbing matter to U.S. farmers, processors, shippers, and others who are committed to the continued success of our international humanitarian food aid programs, has been several Administration proposals to transfer or utilize significant amounts of the Public Law 480 title II budget for purchasing commodities overseas for program use. In their various forms, the proposals would take a percentage (as much as 25 percent) or a dollar amount (as much as \$300 million) of the appropriated title II annual budget and devote it to overseas purchasing. In past years, Congress has wisely rejected out of hand such proposals. This year, the budget proposal again proposes to allow the AID Administrator unfettered discretion to use up to 25 percent of title II dollars to buy program commodities overseas. This latest attempt to use scarce food aid funds for purchasing overseas remains unsubstantiated, is ill-advised, and should again be summarily rejected by Congress. Although, I can only speak for myself, I believe it would be fair to say that there is near unanimous opposition among farmers, processors, and shippers to this year's variation on this proposal. Among the many reasons to strongly oppose this proposal are:

—First and foremost, as a number of commodity and processor groups (including the U.S. Dry Bean Council) recently stated in a joint letter to Congress urging reauthorization of our current food aid programs, "We believe that U.S. food aid funds, provided by the American taxpayer, should purchase only U.S.-produced commodities for the nation's food aid programs. Therefore, we do not support the use of Public Law 480 title II funds for local commodity purchases overseas."

—There is a basic question whether, in the absence of statutory amendment, title II program funds can legally be used to procure for program donation an "agricultural commodity" that has not been produced in the United States. Throughout the title II statute, authority is provided to use and donate an "agricultural commodity" for the specific humanitarian purposes of the program. Yet, and appropriately so, "agricultural commodity" is defined to be "any agricultural commodity or the products thereof produced in the United States . . ." (7 CFR 1732(2)). The meaning of the statutory language is clear and unambiguous. So clear that general waiver authorities of the statute or justifications based on

emergencies should not be allowed to override the language. The subcommittee should resist providing any appropriated funds for overseas commodity purchases, based on the lack of specific authority for such purchasing in the Title II statute.

- As discussed earlier, Title II resources are already inadequate to meet normal emergency and non-emergency needs of the program. Title II can ill afford a transfer of 25 percent of total annual funds for AID discretionary spending.
- AID has not made a case with sufficient evidence that justifies the proposed overseas purchasing. In the past, AID has utilized funding from its own accounts to make overseas commodity purchases for limited time periods. Rather than decimate base funding for the Title II program, AID should first set out the need for, and circumstances under which, overseas commodity purchasing would only be utilized, and then propose funding in its own budget for that limited purpose.
- Traditional Title II in-kind delivery of U.S. commodities can be made in a timely fashion, accommodating most circumstances. When conditions warrant, government agencies can also invoke expedited tendering and shipping procedures that in many instances can cut delivery times in half. USDA and AID have effectively and efficiently diverted commodities that are in route for other programs to destinations where emergencies have arisen. AID's implementation of "prepositioning" commodities in strategic locations, both in the United States and overseas, has developed a stockpile of foodstuffs that can be rapidly sent to emergency destinations. Efforts should be undertaken to expand prepositioning, both in terms of locations and volume of tonnage stored, and to invoke other appropriate actions and procedures when expedited commodity delivery is required.
- The consequences of overseas purchasing have largely been ignored and/or not analyzed. Local overseas commodity purchasing presumes that sufficient commodities exist to be purchased. Yet, that logic seems counter intuitive. Rather, it would seem that such purchases would likely cause hoarding, further restrict scarce local commodity supplies, and cause price run ups and other market disruptions for the remaining commodity supply. Such results may occur locally, may be felt in different areas within a country, or may cause regional disruptions. Indeed, commentary from a representative of a major commodity trading company at a public session of last year's USDA/AID international food aid conference indicated that these types of targeted local purchasing had caused major commodity supply shortages and excessive price increases that distorted commercial markets on a regional basis in Africa.
- Overseas commodity purchasing runs the distinct risk of turning our accepted and widely supported international food aid programs into just another form of just as widely unaccepted "foreign aid". Taxpayer acceptance, as well as support of many Members of Congress, can be traced to our highly visible and understood in-kind commodity food aid programs. The same can not be said generally for many taxpayers or many Members of Congress when it comes to "foreign aid". As an individual who is personally passionately committed to the continued success of our international food aid programs, I fear that implementing the overseas commodity purchasing proposal would be the first step in the demise of this very effective and very valuable program.
- Beyond erosion of general taxpayer support, overseas commodity purchasing would greatly diminish support for these food aid programs among farmers, processors, and shippers, and other active program participants. Rightly viewed as a form of "cashing out" of the program, such loss of support would likely result in much lower program funding levels over time.

Maintain Present Food Aid Programs at Effective Levels

The United States has long been the world leader in providing international humanitarian food assistance. Typically, U.S. commodity donations under the 1954 Food for Peace legislation and our other food aid programs annually exceed donations of all other donor countries combined. This commitment, in the form of annual U.S. produced commodity donations under Public Law 480 Titles I and II, Food for Progress, the McGovern/Dole Food for Education Program, and Section 4.16(b), is a source of pride to the American farmer and agribusiness community who are able to see the good our agricultural abundance provides in emergencies and to the chronically hungry of the world. Unfortunately, contrary to well intentioned goals set by international agencies, estimates of the number of starving and chronically hungry populations in the world have continued to rise in recent years. At the same time, we have seen overall U.S. food aid tonnage declining, for example, from nearly 6 million, tons in fiscal year 2002 to less than 4 million tons in the past fiscal year.

Further, non-commodity costs of the food aid programs have risen significantly in recent years, and we fully expect that commodity costs across the board will continue to see a substantial increase this year. And, given a largely static funding level for our collective food aid programs in recent years, even when emergency supplemental food aid funding has been included in most years, we are left with erosion in the volume of donated commodities and reductions in the number of programs that can participate in our food aid efforts.

Given this situation, it is most important for Congress, through its Appropriations Committees, to take the lead in addressing this matter to see that adequate funding is available so that these outstanding U.S. food aid programs can continue to operate at levels that insure that we meet our historical obligation in providing food to the world's less fortunate. Although, it is recognized that the budget is tight, these humanitarian programs are so important that they should be acknowledged as a budget priority to insure that adequate funding is provided to them to secure annual minimum tonnage donations. The recent shortage of food aid program budgetary resources, and its reduced level of commodity tonnage available for donation, has disrupted our ability to adequately provide for emergencies, while maintaining multiyear non-emergency programs. These shortages have, unfortunately, resulted in having to choose between meeting commodity needs for emergencies, or for continuing successful non-emergency food aid programs that have been in existence for years. Certainty of an annual minimum tonnage availability would allow for greater foreseeability and continuity in maintaining valuable non-emergency programming. In an effort to achieve this goal, it is respectfully requested that the subcommittee consider:

- Maintaining flexibility in funding provided under Public Law 480, Title I, so that maximum utility can be achieved by allowing transfer of unutilized funds to Food for Progress for programming;
- Establishing annual Title II funding at a level that is predictable and sufficient enough to address needs for both emergencies and non-emergencies—a level of \$2 billion has been advocated by PVOs and other thoughtful food aid stakeholders, and I would urge the Subcommittee to give serious consideration to establishing it as the annual Title II funding floor;
- Maintaining Food for Progress allocations at least at current levels—in this regard, it is recommended that the Administrations proposal to decrease FFP funds by an amount projected to be transferred from Title I be rejected;
- Strengthening the McGovern/Dole Food for Education program. It has been a huge success, and certainly should be funded at least at its present level (\$100 million), and every effort should be made to increase its funding to the \$300 million level originally envisioned at the program's inception; and
- Funding provided under Title II should be sufficient to meet all statutory annual minimum tonnage requirements, i.e. the general overall annual minimum requirement of 2.5 million metric tons, the non-emergency programs subminimum tonnage requirement of 1.875 million metric tons, and the value-added requirement that 75 percent of non-emergency annual tonnage be in the form of processed, bagged and fortified commodities.

Mr. Chairman, in sum I commend the subcommittee for holding this hearing to address the important issues facing our international food aid programs. Again, I ask the subcommittee to strongly support continuation of in-kind U.S. produced commodity donations; to strongly oppose ill-conceived proposals that would undermine our present programs by transferring scarce program funds for the purpose of overseas commodity purchasing; to continue your strong support for maintaining the structure and delivery of our existing food aid programs; and to fund the programs at levels which will maintain minimum historical tonnage volumes.

Attached to my testimony are copies of the commodity and processor letter to Congress on food aid programs reauthorization that I referred to earlier, and the current food aid position paper adopted by the U.S. Dry Bean Council. I ask that they be included as a part of the record with my testimony.

Thank you for the opportunity to testify.

LETTER FROM CYNTHIA A. BROWN

MARCH 13, 2007.

Hon. TOM HARKIN,
Chairman, Agriculture, Nutrition and Forestry Committee, U.S. Senate, Washington, DC 20510.

DEAR SENATOR HARKIN: As you proceed with your Farm Bill discussions, we bring to your attention the U.S. Public Law 480 Title I, Public Law 480 Title II, McGov-

ern-Dole Food for Education, Food for Progress, and the Bill Emerson Humanitarian Trust food aid programs. Serving as a compassionate bridge between the United States and developing countries, the safe and nutritious U.S. food provided to starving populations abroad through these programs is a source of pride to American farmers, food processors, and agribusinesses.

We believe that U.S. food aid funds, provided by the American taxpayer, should purchase only U.S.-produced commodities for the Nation's food aid programs. Therefore, we do not support the use of Public Law 480 Title II funds for local commodity purchases overseas.

In light of the importance of these humanitarian U.S. food aid programs to their recipients overseas and to the U.S. agricultural community, we request Congress to:

—*Reauthorize Public Law 480 Title I.*—This government-to-government program provides U.S. agricultural commodities to developing countries on credit or grant terms. Concessional credit sales are available to those eligible countries that choose to participate in them for food aid purposes. In addition, Title I funds are a major funding source for Food for Progress, which is discussed more below.

—*Reauthorize Public Law 480 Title II.*—This program provides for the donation of U.S. agricultural commodities to meet emergency and non-emergency food needs in other countries, including support for food security goals. We support a program that is predictable and sufficient to address growing global needs for both emergencies and non-emergencies.

—*Reauthorize Food for Progress³ (FFP) Commodity Credit Corporation (CCC) Funding.*—The FFP program provides for the donation or credit sale of U.S. commodities to developing countries and emerging democracies to support democracy and to assist with the expansion of private enterprise. In addition to its CCC funding, FFP also has received as much as 40 percent of its funds from Public Law 480 Title I. In the President's fiscal year 2008 budget proposal total FFP funds have been decreased by the amount received from Title I, leaving only CCC as the program's funding source.

—*Reauthorize and Give Permanent Authority for Administration of the McGovern-Dole Food for Education (FFE) Program to the U.S. Department of Agriculture.*—The FFE program helps support education, child development, and food security for some of the world's poorest children. It provides for donations of U.S. agricultural products, as well as financial and technical assistance, for school feeding and maternal and child nutrition projects in low-income, food-deficit countries that are committed to universal education. In the 2002 Farm Bill, the President has the authority to designate the administering Federal agency. We believe this authority should be given to the U.S. Department of Agriculture permanently.

—*Reauthorize the Bill Emerson Humanitarian Trust (BEHT).*—This program provides for a reserve to meet emergency humanitarian food needs in developing countries. We believe the BEHT should be a more effective and timely tool for use in emergencies.

Thank you for your continued support for our industries and for the support of these programs.

Regards,

American Farm Bureau Federation: American Soybean Association: California Association of Wheat Growers: Global Food & Nutrition Inc.: Illinois Soybean Association: International Food Additives Council: Iowa Soybean Association: Kentucky Soybean Association: Minnesota Soybean Growers Association: National Association of Wheat Growers: National Corn Growers Association: National Oilseed Processors Association: Nebraska Soybean Association: North American Millers' Association: North Dakota Soybean Growers Association: Tennessee Soybean Association: United States Dry Bean Council: USA Dry Pea and Lentil Council: and USA Rice Federation.

POSITION PAPER OF THE UNITED STATES DRY BEAN COUNCIL

FOOD AID PROGRAM

Summary

Sixteen million metric tons of food are needed each year to meet minimum food assistance requirements of the 60 poorest countries in the world. To meet these critical minimum humanitarian and nutritional needs, the United States Dry Bean Council urges the continuation of in-kind U.S. commodity donations, full funding of

our highly successful food aid programs—specifically Public Law 480 Title II, Food for Progress, and the Global Food for Education Initiative, and a return to historical levels of dry bean utilization in the programs. USDBC also opposes any proposals that would further reduce or transfer the present base level of funding for these valuable programs.

Background

These programs have historically met several important objectives: to utilize the bounty of U.S. agriculture and the humanitarian goodness of the American people to provide U.S. agricultural commodities for humanitarian relief to the world's hungry and starving people during emergencies; and to provide those commodities for use as a tool in developmental assistance programs that will lead, over time, to allowing less developed countries to achieve meaningful improvements in health, education, welfare, and their economies to join in being productive members of the worldwide society.

In recent years, however, we have seen a disturbing trend that is shrinking the scope, funding, and commodity tonnage of U.S. food aid programs, all to the detriment of the American humanitarian commitment, the American farmer, and the starving and downtrodden overseas recipient. Unfortunately, there still remain more than 850 million hungry people in the world with their needs and numbers growing greater each day. Consequently, USDBC is greatly concerned continued Administration proposals that would take as much as \$300 million, or as much as 25 percent, from the base Title II account that would have been utilized to supply U.S. origin commodities for donation, and would transfer such amounts to AID for spending at the discretion of the AID Administrator on overseas commodity purchases. USDBC is also concerned by increasing efforts of other countries, especially those of the European Community to attempt to utilize food aid as a negotiating tool in international trade agreements.

U.S. Dry Bean Council Position

USDBC favors policies that maximize food assistance to those in need. As such, USDBC strongly supports overall increases in funding for food aid programs, and specifically opposes funding reductions or transfers of base funding levels of these programs. USDBC could, however, support establishment of a separate discretionary AID fund for more rapid initial emergency response, provided that AID demonstrate the need for such a fund, that AID requests such funding as an original AID budget request, and that the base level of Title II and other food aid programs is not reduced as a result of such a fund.

USDBC supports an increase in annual tonnage for all food aid donations to a minimum of 7.5 million MT.

USDBC supports funding for the Global Food for Education Initiative of at least the original proposed level of \$300 million. Per the World Food Program, it only costs 19 cents per day to feed a child lunch.

USDBC believes that food aid is humanitarian assistance and should not be used as a negotiating tool in the WTO or other trade negotiations. As such, USDBC strongly supports the efforts of the U.S. Trade Representative to exclude food aid from such negotiations; to reject the "cash only" approach of the European community to food aid; to maintain the world leading United States in-kind commodity donation food aid programs as they have been successfully developed and delivered for years; and to continue the dual objective of U.S. food aid programs—to provide in-kind commodities for humanitarian relief for emergencies and for continuing development relief efforts.

USDBC is also concerned with the significant fall off in utilization of dry beans, both in overall volume and as a proportion of the donated food package, that has occurred in recent years. This trend is disturbing, especially at a time when the United States government and private researchers continue to affirm the superior nutritional qualities of dry beans. USDBC urges USDA and AID in managing the food aid programs to return dry beans tonnage to historical proportional commodity levels in the programs, so that the full nutritional impact provided by dry beans can continue to be realized by recipients.

USDBC encourages enforcement of the statutory mandate that 75 percent of Title II development donations be in the form of processed, bagged or fortified commodities. Enforcing this provision will enable domestic food processors and handlers a greater opportunity to participate in food aid programs.

USDBC encourages full funding for transportation so the program can utilize all the funding that was authorized for food aid purchases.

Senator KOHL. Thank you. Beautiful statement. Mr. Middleton, in order to break the cycle of poverty and hunger, people have to be helped to develop their own food systems as we know, but more and more emergencies are using up the available, emergencies are using up the available funds. If this problem continues we will do more emergencies and less development as we move into the future.

In your testimony you addressed a problem of decreased funding for development programs. Can you explain how shifting the focus to funding emergencies has disrupted non-emergency development programs in recent years?

Mr. MIDDLETON. Thank you, Mr. Chairman. Yes, the needs of emergencies has been rising and the governmental assistance for the Government programs has been going down and we are really concerned about it because we have seen that through Governmental activities there's been a lot of improvements funding agriculture, health and infrastructure Government projects, using proceeds for teachers creating a HIV counseling and catering monetization as well. There's also been the terrible causeway.

We have enhanced food security and agriculture production for that and we have seen this decline, especially in Bangladesh where we had a big development program and that program has now come to an end and some of the great capacity that we helped to build over there has diminished significantly.

Senator KOHL. Mr. Middleton, as you know the actual cost of food in some cases is only a small part of the total food aid costs. Things like transportation, logistics, handling and security are very expensive and we need to find ways to reduce those costs in order to make the programs more efficient and more productive.

How do you prioritize delivery of food aid among emergency and chronic hunger settings and to what extent does logistics such as transportation effect where you target aid?

Mr. MIDDLETON. Thank you, Mr. Chairman. Well, it is important to make sure that the emergency food aid that we get gets to the right people at the right time and yes, I do agree that transportation needs are rising but there's always ways of finding how we can address those needs because we use proper assessments of transport facilities and try to get the best quotations to make sure that the food is delivered in a timely manner and in the most appropriate way.

One region has been doing big food programs in Mozambique and Somalia and Ethiopia and Kenya and we have used local transporters, small transporters to make things happen. We've also used monetization proceeds to supplement some of those costs. Like in Mozambique when we did a monetization program, we used some of the proceeds to transport, purchase food in surplus areas and move it to deficit areas where we were feeding these people with their own food grown in their country and we gave money to local transporters to buy spare parts and start the trucks up and running and they were able to transport the food from the surplus areas to the deficit areas.

Senator KOHL. Thank you, Mr. Middleton.

Ms. Brown, as I've said, you are a farmer as we know and you're a dry bean dealer from Menomonie, Wisconsin and your family has

farmed the same land since 1858 and started the Chippewa Valley Bean Company in the 1970s. As I've said you're also President of the U.S. Dry Bean Council.

How do you see your role as a farmer in alleviating worldwide hunger?

Ms. BROWN. Thank you for the question. I see my role as a farmer in continuing to advocate for very hungry people and for being here today to express agriculture's strong support for making sure that people with less opportunities are taken care of. As this country has become more and more productive in agriculture over the last number of years, we've had ample supplies of food to share beyond our borders and I think in the aspects of advocating and making sure that food is available, that's how the American farmer can come forward to help.

Senator KOHL. Ms. Brown, U.S. food aid programs have been criticized for dumping U.S. commodities in foreign countries and displacing commercial transactions. It has become a major issue in the WTO negotiations. In your statement you say that little if any market impact occurs when U.S. grown foods are used as opposed to cash purchases. Now do you have any evidence of that, if there is no serious commercial displacement? Why do you think our trading partners like the EU are so determined to move food aid into a cash-based program?

Ms. BROWN. Well, I believe if I can reference Dr. Joel Toppen's paper that I talked about in my statement. As we look at the analysis of the criticisms over using U.S. donated food instead of cash, I don't think that there has been enough analysis done and that there have been very small studies that haven't looked at the broader picture and actually haven't taken studies within the title II program and compared them back to what our critics are saying.

I think too, that the aspect of taking U.S. commodities and having the EU come talk about them displacing local food comes back to a trading factor and the point of comparing the levels of subsidies between one country and the United States and Europe because in trying to negotiate within WTO there's a lot of concern over who will lower what subsidies and what will be pointed out as a market distortion.

Senator KOHL. Thank you very much. Senator Bennett.

Senator BENNETT. Thank you, Mr. Chairman. Ms. Brown, I agree with you that a lot of the criticism goes back to local politics in their own countries and their own subsidies for their own farmers and it has to do more with protectionism than it does with actually feeding people on the ground who need it and I think Americans have demonstrated that our purpose is not to affect the trade policies but to feed people.

None the less, I am a little troubled by the idea that there should be no cash activity involved in this which you've proposed. The administration has suggested 25 percent, which may or may not be the right number, but as I understand their rationale, it's not to be a standard thing; it's to be an emergency thing.

For example, Mr. Middleton has pointed out, Mother Nature, who is never stable, however much the Sierra Club would like her to be, Mother Nature is always changing things and always throwing us new challenges and right now we're in a period of increased

earthquake activity to a level that has not been seen for centuries previously.

When an earthquake happens it cannot be budgeted for in advance, it can't be planned, it can't be scheduled and there could be a time where people hit by the earthquakes desperately need food right now and the food that is on the dock in the United States in one of your bags which is scheduled for a planned, understood, predictable kind of pattern, is not going to do them any good. But there may be some food available for purchase much closer to the focus of the earthquake and the United States should have the flexibility.

This is the argument: the United States should have the flexibility to say, in this instance, in this emergency, instead of waiting for the food to arrive from the United States, the United States will take the money that it would have spent for that food and spend it in a manner that can get it to the emergency challenge immediately and then as the standard supply lines are rebuilt as things come back into normal, we'll withdraw the purchasing pattern and go back to supplying commodities. That's the rationale that has been given for this and quite frankly to me, it seems logical.

Can you comment on it? You made the statement there are not enough studies done on this.

Ms. BROWN. Right, well.

Senator BENNETT. And do you have studies that have done that and show that that argument is not legitimate?

Ms. BROWN. I can't argue with that, but the one point that I would make, Senator Bennett, is that rather than raiding or taking the money out of title II. It seems that USAID could use and develop a fund for local purchases.

The other thing that has been beneficial in the past has been our pre-positioning of commodities in various locations either here in the United States or throughout the world and it seems that that may be an option to help in some of the very short term, immediate need for emergencies and when the tsunami hit, we actually saw a ship that was headed elsewhere diverted and taken into that immediate need. So there are some other factors that can be employed at the same time.

Senator BENNETT. I think the crux of your statement, that we need to look at the whole thing a little more carefully, is probably where we will come down.

Senator KOHL. Thank you, Senator Bennett. Mr. Middleton would you like to say something or?

Mr. MIDDLETON. I don't know if the Senator would like me also to give a response to that.

Senator KOHL. Go right ahead.

Mr. MIDDLETON. Well, I have had some experience with local purchase and one region does support a pilot program on local purchases. It is important to start small and then scale up based on evidence.

I have a personal experience in Mozambique trying to do a local purchase at the same time I was also receiving title II food aid in Mozambique and it was quite a challenge because you have to know the markets. We had placed orders with transporters who claimed that they had trucks and could deliver right away but

when I actually placed the order, they had no trucks and they were not able to deliver and they were assuming we were going to get trucks from others.

We were given low tenders and the prices seemed very low so I thought suspicious so I said let us do some investigation and I found out that the maize that they were trying to sell us was actually stolen maize. Had we purchased that we would have been in some serious trouble and they also didn't want the consignment of about 2,000 metric tons of pure shock weight bags that weighed from 44 to 49 kilos instead of the standard 50 kilos and we had to redo the whole batch. So by the time the whole process, it took about nearly 4 to 5 months to get all of the food in and start distributing it.

At the same time I had also placed an urgent, gone forward with the U.S. Government of title II food and that came within 1½ months. So there are circumstances, evidence that we have to look, depending on the surrounding situations so we have to just be careful with that.

In closing I just want to say a big thank you to each one of you, a big thank you to the people of America for the contributions to the world you make, especially to my country, India which was a big recipient of food aid and I was a beneficiary and today I would not have been sitting here enjoying making this testimony and being the Vice President of World Vision food programs worldwide if I was not a beneficiary of the title II food program. So thank you very much from the bottom of my heart.

Senator KOHL. That's very good, Mr. Middleton and let me thank you and we thank you, Ms. Brown. You've done a great job.

Mr. MIDDLETON. Thank you.

Senator KOHL. We'll now move on to our last panel and it includes Dr. Mark Keenum, who is Under Secretary for Farm and Foreign Agricultural Services at USDA and Mr. James Kunder, Deputy Administrator at USAID.

We thank you both for being here and if you are ready, we're prepared to take your statement.

STATEMENT OF MARK E. KEENUM, UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES, DEPARTMENT OF AGRICULTURE

Dr. KEENUM. Thank you.

Senator KOHL. Dr. Keenum.

Dr. KEENUM. Yes, sir. Thank you very much, Mr. Chairman, Senator Bennett, members of the committee. I'm very pleased to come before you today to discuss the food aid programs operated by the U.S. Department of Agriculture.

One of the most significant and compelling challenges the world faces is chronic hunger and malnourishment. The United States continues its efforts to confront this challenge. We're the world's leading food producer, and provider of food aid. Through government programs, U.S. citizens supplied around 60 percent of total food aid assistance over the past 10 years. These programs strive to alleviate hunger and provide developmental assistance to lift millions of individuals out of poverty.

CURRENT FOOD AID PROGRAMS

Three food aid programs administered by USDA are making a difference in the lives of poor, hungry people—the Food for Progress program, the McGovern-Dole International Food for Education and Child Nutrition Program and the Public Law 480, title II program. These programs support international assistance and developmental activities that alleviate hunger and improve nutrition, education, and agriculture in some of the world's poorest countries.

FOOD FOR PROGRESS PROGRAM

During the past 2 decades the Food for Progress program has supplied over 12 million metric tons of commodities to developing countries and emerging democracies. Commodities purchased totaling nearly \$3 billion over this period have been handled through the Commodity Credit Corporation (CCC).

During fiscal year 2006, the Food for Progress program provided more than 250,000 metric tons of CCC funded commodities valued at \$131 million in 19 developing countries. More than 2 million people in 11 countries, including in Afghanistan and throughout Africa and Central America will be fed by this program this fiscal year and we expect to spend \$151 million.

In fiscal year 2008, the President's budget provides an estimated program level of \$163 million for the Food for Progress grant agreements carried out with CCC funds.

MC GOVERN-DOLE PROGRAM

Another highly successful program is the McGovern-Dole International Food for Education and Child Nutrition Program. It helps support education, child development, food security to low income, food-deficient countries that are committed to universal education. This year we will feed over 2.5 million people in 15 developing countries including Cambodia, Guatemala and Malawi, with the \$99 million appropriated funding level.

We appreciate the strong support this program has received from members of Congress. In fiscal year 2008 we're requesting \$100 million for the McGovern-Dole program. This amount will be supplemented by an estimated \$8 million to be received from the Maritime Administration for cargo preference reimbursements.

In the last 5 years the McGovern-Dole program has helped feed more than 10 million children in more than 40 countries. In addition, proceeds from the sales of commodities are being used to improve school sanitation repairs and also to improve the skills of teachers.

The project also includes a maternal and child health component which provides take-home rations to needy mothers with young children. By providing hot daily meals, the McGovern-Dole program is permitting students to remain in the classroom and learn for longer periods. Multi-year dimensions of this program are vital to address the comprehensive issue of chronic hunger. Moreover providing meals both at school and through take-home rations provides a powerful incentive for children to remain in school.

PUBLIC LAW 480 TITLE I PROGRAM

The Public Law 480 title I program has historically been geared primarily toward countries that experience shortages of foreign exchange and difficulties in meeting their food needs through commercial channels. Assistance has been provided on a government-to-government basis by selling U.S. agriculture commodities on credit terms. In recent years the demand for food assistance using credit financing has fallen, mostly because worldwide commercial interest rates have been relatively low.

For example in 2006, we signed only three government-to-government credit agreements compared to seven in 2002. As recently as 1993, 22 title I agreements were signed followed by a continuing decline in the use of this program in the last 14 years.

We're not requesting any additional funding for Public Law 480 title I in 2008. However the budget recommends using the savmapping from title I to boost title II donations.

BILL EMERSON HUMANITARIAN TRUST

USDA also manages the Bill Emerson Humanitarian Trust which serves as a commodity reserve for the Public Law 480 program. This reserve is available to meet emergency, humanitarian food needs in developing countries relying on the United States to respond to unanticipated food crises with U.S. commodities.

We currently have 915,000 metric tons of wheat in the trust and \$107 million in cash. Cash provides the flexibility needed to purchase appropriate commodities based on availability and the specific need. In holding commodities we incur storage costs; holding 915,000 metric tons of wheat is costing more than \$9 million each year or about \$10 per ton. Cash allows us to respond much more quickly to a food crisis because we can easily purchase commodities whereas swapping what we have in the trust for what we need to provide consumes precious time and risks the loss of lives to hunger and starvation.

UPCOMING ISSUES

This year several food assistance issues will come to the forefront of the domestic and international arenas. I chair the Food Assistance Policy Council, which is composed of senior representatives from USDA, USAID, the State Department and the Office of Management and Budget. Over the years this group has made significant progress in ensuring policy coordination with food assistance programs.

At our last meeting we discussed several issues including food aid quality, the administration's 2007 farm bill proposals and the challenges faced in the World Trade Organization. One of the topics addressed was whether current food aid formulations and product manufacturing processes address the needs of at risk recipients and reflect the best available science. We share the concerns of many stakeholders interested in the performance of these food aid programs, most notably the quality of commodities provided under the programs.

Some of the shared issues or concerns include delays in updating existing contract specifications, whether the use of current contract

specifications will result in the acquisition of desired products and adequate testing procedures designed to ensure purchased products meet contract specifications.

In order to address these concerns, USDA is taking the initiative to do an in-depth review of the types and quality of food products used in the administration of U.S. food aid programs.

We also plan to continue our efforts of reviewing the existing contract specifications used to obtain food aid commodities and improving our post production commodity sampling and testing regime based on sound scientific standards.

Recently I had the opportunity to meet with some of the leadership in the PVO community. We share the belief that both the quality and formulation of food aid products are crucial to delivering safe, wholesome products to undernourished populations, particularly vulnerable groups including infants and young children, women of child bearing age and people living with HIV/AIDS. Currently, we are reviewing our options for the nutritional quality and cost effectiveness of commodities being provided as food assistance.

Our goal would be to have consultations with nutritionists, scientists, commodity associations, the World Food Programme, the PVO community, SUSTAIN, and congressional committees to make sure that all viewpoints are heard. We want to ensure that the food aid we provide is the highest caliber and meets the nutritional requirements necessary to address chronic hunger.

On January 31, Secretary of Agriculture Mike Johanns unveiled the administration's 2007 farm bill proposal. This proposal recommends a significant policy change in food aid programs by providing the ability to use up to 25 percent of Public Law 480 title II funds each year to purchase commodities grown in the region experiencing an emergency situation.

The change would provide the flexibility needed to improve the effectiveness and efficiency of U.S. food aid assistance efforts. As you are aware, food aid is a subject of discussions in the WTO negotiations. In the negotiations, the United States continues to strongly defend our ability to use food aid in emergency and non-emergency situations. Cash and in-kind food aid should be treated equally and face the same operational disciplines and transparency provisions.

A variety of programming options must remain available to ensure that food aid programs can be tailored to local needs and that sales do not disrupt local markets or displace commercial imports. The monetization of food aid to create funds for supporting projects that result in increased economic activity and thereby directly confront poverty should also continue. As the United States has repeatedly stated, we seek to help lift poor families out of poverty by helping governments design projects that are self sustaining.

As you see, Mr. Chairman, Senator Bennett, there are a number of outstanding issues in the year ahead but through all of the discussions and debate we must remain focused on our primary goal, to ensure that food needs of poor, hungry people are met with the long-term goal of helping needy countries help themselves through capacity building and economic development activities.

PREPARED STATEMENT

USDA is proud of the role it plays in helping developing countries overcome hunger and malnutrition. Again thank you, Mr. Chairman for allowing me to present USDA's budget and policies for food aid. I look forward to any comments or questions. Thank you.

[The statement follows:]

PREPARED STATEMENT OF MARK E. KEENUM

Mr. Chairman, members of the subcommittee, I am pleased to come before you today to discuss the food aid programs operated by the U.S. Department of Agriculture (USDA).

One of the most significant and compelling challenges the world faces is eradicating chronic hunger and malnourishment. The United States continues its efforts to confront this challenge. We are the world's leading food aid provider. Through our government programs, U.S. citizens have supplied around 55 percent of total foreign food assistance over the past 10 years. These programs strive to alleviate hunger and provide development assistance to lift millions of individuals out of poverty.

Current Food Aid Programs

Three food aid programs administered by USDA are making a difference in the lives of poor and hungry people—the Food for Progress Program, the McGovern-Dole International Food for Education and Child Nutrition Program, and the Public Law 480, Title I (Public Law 480, Title I) Program. These programs support international assistance and development activities that alleviate hunger and improve nutrition, education, and agriculture in some of the world's poorest countries. By using direct donations and concessional sales of U.S. agricultural commodities we are able to accomplish much. With our budget request for 2008, we plan to accomplish more.

Food for Progress Program

During the past two decades, the Food for Progress program has supplied over 12 million metric tons of commodities to developing countries and emerging democracies committed to introducing and expanding free enterprise in the agricultural sector. Commodity purchases totaling nearly \$3 billion over this period for Food for Progress programming have been handled through the Commodity Credit Corporation (CCC).

During fiscal year 2006, the United States provided more than 215,000 metric tons of CCC-funded commodities valued at about \$125 million under this program. This effort supported 19 developing countries that were making commitments to introduce or expand free enterprise elements in their agricultural sectors. Again this year, more than 215,000 tons of commodities will be provided. More than 2 million people in 11 countries, including in Afghanistan, throughout Africa, and in Central America, will be fed by this program this fiscal year. In fiscal 2008, the President's budget provides an estimated program level of \$163 million for Food for Progress grant agreements carried out with CCC funds.

McGovern-Dole Program

Another highly successful program is the McGovern-Dole International Food for Education and Child Nutrition Program. It helps support education, child development, and food security in low-income, food-deficit countries that are committed to universal education.

This year we will feed nearly 2.5 million people in 15 developing countries, including Cambodia, Guatemala, and Malawi, with the \$99 million appropriated funding level. We appreciate the strong support this program has received from members of Congress. In fiscal year 2008, we are requesting \$100 million for the McGovern-Dole program. This amount will be supplemented by an estimated \$8 million to be received from the Maritime Administration for cargo preference reimbursements.

In the last 5 years, the McGovern-Dole program has helped feed more than 10 million children in more than 40 countries. For example, last year, USDA awarded Counterpart International (CPI) a grant to provide more than 9,000 tons of commodities for use in Senegal. This McGovern-Dole project is using vegetable oil, textured soy-protein, and barley to feed nearly 18,000 primary school children and 1,800 preschool children over a 3-year period. The proceeds from the sale of soybean oil are being used to improve school sanitation, repair schools, and improve the skills of

teachers. The project includes a maternal and child health component, which provides take-home rations to needy mothers with young children. It also provides a growth monitoring and promotion program, along with a health education and assistance campaign. The leader of one of the villages in which the school feeding project is being conducted told the visiting U.S. Ambassador to Senegal that, "We have already seen immediate results from this program as students are able to stay in school longer and learn more each day." This McGovern-Dole school feeding program provides hot daily meals to students, permitting them to remain in the classroom and learn for longer periods.

The multi-year dimension of this program is vital to address comprehensively the issue of chronic hunger. Moreover, providing meals both at school and through take-home rations provides a powerful incentive for children to remain in school. Government-to-government partnerships coupled with the important resources provided by the PVO community are vital to sustain these programs and ensure success.

Public Law 480, Title I Program

Historically, the Public Law 480, Title I program has been geared primarily toward countries with a shortage of foreign exchange and difficulty in meeting their food needs through commercial channels. Assistance has been provided on a government-to-government basis by selling U.S. agricultural commodities on credit terms. In recent years, the demand for food assistance using credit financing has fallen, mostly because worldwide commercial interest rates have been relatively low. For example in 2006, we signed only three government-to-government credit agreements compared to seven in 2002. As recently as 1993, 22 Title I agreements were signed, followed by a continuing decline over the past 14 years. We are not requesting any additional funding for Public Law 480, Title I for 2008. However, the budget recommends that all Public Law 480 assistance be provided through Title II donations.

Bill Emerson Humanitarian Trust

USDA also manages the Bill Emerson Humanitarian Trust, which serves as a backstop commodity reserve for the Public Law 480 program. This reserve is available to meet emergency humanitarian food needs in developing countries, allowing the United States to respond to unanticipated food crises with U.S. commodities. We currently have 915,000 metric tons of wheat in the Trust and \$107 million in cash. Cash provides the flexibility we need to purchase appropriate commodities based on availability and the specific need. With commodities, we must pay storage costs. Holding the 915,000 metric tons of wheat is costing more than \$9 million each year or about \$10 per ton. Finally, cash allows us to respond much more quickly to a food crisis because we can easily purchase commodities, whereas swapping what we have in the Trust for what we need to provide consumes precious time and risks the loss of lives to hunger and starvation.

Upcoming Issues

This year several food assistance issues will come to the fore in the domestic and international arenas. I chair the Food Assistance Policy Council, which is composed of senior representatives from USDA, USAID, the Department of State, and the Office of Management and Budget. Over the years, this group has made significant progress in ensuring policy coordination of food assistance programs under the Agricultural Trade Development and Assistance Act and the Food for Progress Act. At our last meeting, we discussed several issues, including food aid quality, the Administration's 2007 Farm Bill proposals, and the challenges facing food aid policy in the World Trade Organization (WTO).

One of the topics addressed was whether current food aid formulations and product manufacturing practices address the needs of at-risk recipients and reflect the best available science. For more than 40 years, USDA and USAID have provided micronutrient fortified food commodities to vulnerable, food-insecure populations. We share the concerns of the large number of stakeholders interested in improving the performance of these food aid programs, most notably the quality of commodities provided under the programs. Some of the shared issues of concern include delays in updating existing contract specifications, whether the use of current contract specifications result in the acquisition of desired products, and adequate testing procedures designed to ensure purchased products meet contract specifications.

In order to address the concerns, we are taking the initiative to do an in-depth review of the types and quality of food products used in the administration of U.S. food aid programs. We would also continue our efforts of reviewing the existing contract specifications used to obtain food aid commodities, and improving our post-production commodity sampling and testing regime based upon sound scientific standards.

Recently, I had the opportunity to meet with some of the leadership in the PVO community. We share the belief that both the quality and formulation of food aid products are crucial to delivering safe, wholesome products to undernourished populations, particularly vulnerable groups including infants and young children, women of child-bearing age and people living with HIV/AIDS. Currently, we are reviewing options to review the nutritional quality and cost-effectiveness of commodities being provided as food assistance. Our goal will be to have consultations with nutritionists, scientists, commodity associations, the World Food Program, the PVO community, and SUSTAIN to make sure all viewpoints are heard. We want to ensure that the food aid we provide is of the highest caliber to meet the nutritional requirements necessary to address chronic hunger.

On January 31, USDA Secretary Johanns unveiled the Administration's 2007 Farm Bill proposal. The Farm Bill proposal recommends a significant policy change in food aid programs—providing the ability to use up to 25 percent of Public Law 480, Title II, annual funds to purchase commodities grown in the region experiencing an emergency situation. The change would provide the flexibility needed to improve the effectiveness and efficiency of U.S. food aid assistance efforts.

As you are aware, food aid is a subject of discussion in the WTO negotiations. In the negotiations, the United States continues to strongly defend our ability to use food aid in emergency and non-emergency situations. Emergency food aid should not be disciplined because flexibility must be maintained to respond to people in crisis. Non-emergency food aid should only be disciplined to ensure that it does not displace commercial sales. Cash and in-kind food aid should be treated equally in operational disciplines and transparency provisions.

A variety of programming options must remain available to ensure that food aid programs can be tailored to local needs and that sales do not disrupt local markets or displace commercial imports. The monetization of food aid to create funds for supporting projects that result in increased economic activity and thereby directly confront poverty should continue. As the United States has repeatedly stated in these negotiations, we seek to help lift poor families out of poverty by helping governments design projects that are self-sustaining.

As you can see, Mr. Chairman, there are a number of outstanding issues in the year ahead. But through all the discussions and debate, we must remain focused on our primary goal—to ensure that the food needs of poor and hungry people are met, with the long-term goal of helping needy countries help themselves through capacity building and economic development activities. USDA is proud of the role it plays in helping developing countries overcome hunger and malnutrition.

I want to thank you for allowing me to present USDA's budget and policies on food aid. I look forward to any comments or questions you may have. Thank you.

Senator KOHL. Thank you for a fine statement, Dr. Keenum. Mr. Kunder.

STATEMENT OF JAMES KUNDER, DEPUTY ADMINISTRATOR, UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. KUNDER. Thank you, Mr. Chairman. Chairman, Senator Bennett, on behalf of the men and women of the U.S. Agency for International Development, we very much appreciate your interest in this topic.

We have one of the toughest jobs, but one of the best jobs in the U.S. Government and that is to work in 90 of the world's most difficult environments both on the front lines of U.S. national security, and to project the humanitarian instincts of the American people. Food aid, we believe, is central, both to protecting our national security and projecting those humanitarian instincts.

The administration is requesting \$1.2 billion under title II, and also is requesting authority to use up to 25 percent for local or regional purchase. In my statement today, sir, what I'd like to emphasize is the centrality of food assistance to our work at USAID.

We have an objective, as part of our food aid strategy: "A world free of hunger and poverty where people live in dignity, peace and security." And food aid assistance, especially the title II program is central to that.

In my statement, which I'd like to briefly summarize, I make six basic points. Number one, the biggest challenge we face, as Senator Bennett was just mentioning, is the unpredictability of the disasters we face around the world. There are an increasing number of hungry people in the world and those natural disasters and conflicts make the delivery of food assistance to them particularly difficult.

Number two, we focus our assistance on what we believe are the most immediate, pressing emergency situations. I've tried to describe in my statement the difficulty, including the long supply line, of getting a ton of food from the Mississippi Valley to, for example, Darfur province, and the many steps along the way to do that.

Number three, we do take very seriously the statutory requirements to deliver a substantial amount of non-emergency food assistance so we can be looking over the horizon and trying to head off the next wave of hunger and famine around the world.

Number four, and this is one point I want to leave clearly with the committee, is that we take seriously the maximization of non-food resources towards ending hunger. For example, we use foreign assistance dollars provided by the Congress that are non-title II funds to directly address hunger problems around the world, such as through a very effective famine early warning system that allows us to target our food aid to the areas of greatest need.

That famine early warning system is not funded through the title II resources provided by the Congress. The many other programs that affect hunger around the world, such as HIV/AIDS prevention activities, and vaccinations for children who may be suffering from malnutrition, also come from non-title II resources.

Number five, we try to coordinate very carefully with our colleagues at USDA. We have an excellent relationship, working closely on issues such as food quality. I just came back from Afghanistan where I saw some of our USDA colleagues working with our USAID colleagues in provincial reconstruction teams out in the most isolated portions of Afghanistan helping to fight the war on terror there.

Number six, and my last point, is that I believe we need to make some critical changes to make food aid a 21st century program. We believe that local purchase is critical in this regard.

PREPARED STATEMENT

I know there's been some discussion about whether we need further study of this. While we have not done local purchase with the title II provided resources, the World Food Programme and Non Governmental Organization (NGOs) we work with, have substantial experience in local and regional purchase. So I would be glad to provide additional information to the committee but this is something on which there is a wealth of experience among those organizations.

Those are the points that I tried to make, sir. I'd be glad to answer any questions. Thank you.

[The statement follows:]

PREPARED STATEMENT OF JAMES KUNDER

Chairman Kohl, Members of the Subcommittee, I am pleased to have the opportunity to meet with you today to discuss the Administration's request for fiscal year 2008 funding for Public Law 480 Title II food aid.

I would like to take this opportunity to thank you and your staff for supporting the Title II program, which has been critical in the battle against hunger around the globe. Title II provides food aid in response to emergencies and disasters through Private Voluntary Organizations (PVOs) and the United Nations World Food Program (WFP) as well as through PVOs for development-oriented programs to address the root causes of food insecurity.

The U.S. Agency for International Development (USAID), an independent Federal Government agency that receives overall foreign policy guidance from the Secretary of State, provides economic, development and humanitarian assistance to over 90 countries around the world in support of the foreign policy goals of the United States.

Last year, Ambassador Randall Tobias was named as both the USAID Administrator and the first Director of U.S. Foreign Assistance. In this latter role, he has authority over all Department of State and USAID foreign assistance funding and is charged with ensuring that foreign assistance is used as effectively as possible to meet broad foreign policy objectives.

The security of the American people depends on global stability and prosperity. The foreign aid reform process that Secretary Rice and Ambassador Tobias have launched has resulted in an fiscal year 2008 budget request that aims to make more effective use of taxpayer's money in helping meet these goals. The budget request was a collaborative effort that drew extensively from the expertise found across agencies. It is focused on maximizing country progress by addressing specific, critical gaps in their development and to help recipient countries move from a relationship defined by dependence to one of partnership.

The Administration's fiscal year 2008 request for Title II food aid reflects this focus. The Administration has requested \$1.219 billion in Title II food aid, along with the authority to use up to 25 percent of appropriated funds for local and regional procurement in emergency and other food security crisis situations. This request continues our commitment to addressing the most severe and critical emergency food aid needs, while increasing funding predictability for non-emergency or development food aid programs.

Although the request is similar to previous years in many respects, I would like to use this opportunity to describe—in six points—our perspective on the changing context of food aid; our past practices using appropriated Title II funding; and our proposal for the use of the requested fiscal year 2008 funding. Integration is the common thread running throughout these remarks—integration of emergency and non-emergency resources, integration of food aid and other development resources, and integration of the efforts of USAID with other departments and agencies involved in development programming.

First, the greatest challenge we face is the unpredictable nature of emergencies and their increasing frequency

Devastating wars and natural disasters have often brought in their wake an emergency food crisis. However, over the last 5 to 10 years, we have seen a significant increase in the numbers of people affected.

Take drought, for example. There have been droughts periodically for thousands of years. But now droughts in Africa are affecting communities increasingly characterized by a deep and widespread poverty, an anemic agricultural base, a lack of access to markets, and poor governance and policies. Over the last decade, we have seen large population groups—pastoralists in East Africa, poor farmers in the Sahel, HIV/AIDS-affected populations in southern Africa—whose lives and livelihoods are at severe risk. These groups are increasingly unable to cope with recurring droughts that used to cause major food crises once every 10 years, then every 5 years, and now, possibly as little as every 2 or 3 years. The cumulative effect is that more and more people are becoming chronically vulnerable to major food crises now triggered by relatively small changes in rainfall. What represented a minor dearth of rainfall in the past now may trigger a food crisis.

Additional contributing factors include numerous continuing conflicts and poor governance. Entire generations in some countries have grown up in an atmosphere of civil unrest, if not warfare. Conflict-ridden societies such as Sudan and Somalia currently require food aid to sustain populations disrupted by insecurity and war.

Second, we will continue to focus emergency food aid on preventing famine and saving lives where the need is greatest

USAID puts considerable effort throughout each year into prioritizing the countries that receive emergency food aid. This is a difficult task because the situations in each country cannot easily be compared. A number of relevant factors come into play, including:

- Overall need, as measured by objective assessments of required rations and tonnage;
- Severity of the need, as measured by malnutrition rates and other factors;
- Ability of populations affected to cope with the emergency using resources at their disposal;
- The amount that other donors are planning or are likely to provide; and
- Ability of aid organizations—PVOs and WFP—to reach those most in need and monitor distributions, both of which may be hampered by insecurity, government actions or logistical constraints.

It should be underscored that emergency food assistance is extended to people in need regardless of the political regime they live under and the actions of their countries' leaders, provided that adequate access and monitoring of the food aid is allowed. Such a policy is a long and proud American tradition that spans administrations and one that this administration holds dear. For example, the United States was the largest food aid provider to Afghanistan during Taliban rule, and this is remembered by the people of Afghanistan.

To grasp the complexity of USAID's emergency food aid operations, consider Darfur and our efforts to deliver sorghum to over three million beleaguered people in numerous camps spread across an area about the size of Texas.

- In the United States, sorghum is grown primarily in Texas, Oklahoma, Kansas, Nebraska and California.
- Harvested sorghum is either stored by farmers or sold to grain traders.
- When WFP or a PVO identifies a specific need, such as in Darfur where people traditionally eat sorghum, USAID asks USDA's office in Kansas City to put out a tender for bids.
- Traders, or farmers themselves, bid to supply the sorghum, and USDA signs a contract to buy it on the open market.
- USAID and USDA jointly contract for the transport of the sorghum, frequently using rail and river barges, to U.S. ports, often to the Gulf coast.
- USAID, WFP and PVOs contract for shipping, the vast majority of which is on U.S.-flagged vessels, to deliver the food to Port Sudan.
- When the food arrives in Port Sudan, WFP takes possession and contracts Sudanese companies to truck it for thousands of miles to warehouses in the three Darfur states.
- From that point, WFP and PVOs, with their own fleet or local commercial truckers, carry the food through often dangerous areas to camps or other distribution sites, where it is provided to people who have received ration cards stating their family size and quantity of ration.

Geographically, El Geneina, the capital of West Darfur, is literally in the heart of Africa, further from any ocean than any other city on the continent. This operation is a complex, critical lifeline from farmers in the United States to the heart of Africa—fragile at certain points, and subject to disruption—that spells the difference between life and death for over three million people. As an operation in what the State Department's recently released Human Rights Report calls the worst human rights situation in the world today, our operation in Darfur is of critical importance to the United States.

In 2008, it is likely that some of the current food crises could still be with us. For example, there are likely to be continuing emergency food aid needs in Sudan and elsewhere due to conflict, and in the Horn of Africa due to the lingering impact of drought in the context of extreme poverty. We do not know at this stage how large the needs will be. In addition, the needs for Southern Africa are particularly uncertain due to flooding in some parts of the region and poor rains in other parts.

Third, we will continue to focus non-emergency food aid in the most food insecure countries

In 2005, USAID issued a new Food Aid Strategic Plan. This plan seeks to make the best use of Title II food aid resources by allocating resources to the most vulnerable people in order to help build resiliency, enabling them to withstand the next drought or flood and, therefore, decrease dependency on food aid in the future.

We are focusing the food aid resources available for non-emergency programs on the most food insecure countries. Resources that were historically spread across over 30 countries are now being concentrated. This will allow us to address the most

pressing food security needs on a scale that will have a greater impact (especially in the countries that continue to need emergency food aid) and to reduce the need for emergency food aid over time.

To avoid abrupt changes and disrupting on-going programs, the initial focus of the prioritization effort was limited in scope to countries with ongoing PVO programs. In 2006 and to date in 2007, grants for programs that were not in the most food insecure countries were not renewed, and funds were shifted to support programs in the most food insecure countries.

In 2008, under the new Foreign Assistance Framework and reform process, we anticipate taking the next logical step, reviewing the most food insecure countries receiving U.S. foreign assistance (not just Title II non-emergency funding) and considering, for example, where and how to implement non-emergency food aid programs that would be highly effective, regardless of whether they originally had ongoing PVO programs. In this way, we can take advantage of opportunities to assist people in the most food insecure countries at crucial turning points—for example, the transition from humanitarian relief to development in post-conflict situations—where concentrated food aid efforts could play a critical role.

The prioritization process has given us the ability to make a much stronger and tighter justification for the use of food aid resources in countries that have received priority designation. Since this prioritization effort started, the steady decline in funding levels for non-emergency programs has been reversed. We are confident that prioritization, coupled with increasing integration into country operational planning in the Foreign Assistance Framework and increasing emphasis on performance, will strengthen non-emergency food aid programs across the board.

In 2008, we anticipate our largest non-emergency food aid programs will be in Haiti, Bangladesh, Ethiopia, Uganda, and Mozambique.

Fourth, to have the greatest impact, we will increasingly seek to integrate food aid resources with other funding resources, to address both emergency situations as well as chronic needs

Despite the investments and the progress made over the past 50 years, nearly 850 million people are still food insecure. And though the Administration sees itself as playing a critical role in addressing short-term food needs and saving lives, it recognizes that simply feeding people from one day to the next is not going to end hunger. While Title II provides funds for transport and distribution of commodities, we and our partners also need cash to fund other components of development food aid programs. PVOs monetize some of our food aid, selling locally and using the proceeds to implement activities that are part of the broader Title II program, such as training agricultural extension workers. But there are limits to the extent this can be done and we need to be careful not to have negative effects on local markets and production.

USAID therefore draws upon funds from other accounts to complement Title II resources. To improve our emergency response, for example, we use non-Title II resources to:

- Manage a worldwide Famine Early Warning System, which has been instrumental in identifying those places likely to need food aid and helping us target that assistance within those countries; and
- Provide non-food assistance for those in need, such as vaccinations, health care, potable water, shelter and other necessities.

To forestall potential food crises in Ethiopia, we have used International Disaster and Famine Assistance funds designated for famine prevention and relief to help link pastoralists who had animals that were dying due to a drought to traders who were willing to purchase the animals that were still in a relatively healthy State. In this way, we were able to help prevent the pastoralists from becoming destitute and becoming dependent upon food aid for their survival.

To address the underlying causes of food insecurity in our non-emergency programs, we often seek to integrate Title II and other funding sources in the same programs, joint-funding PVOs. In Haiti, for example, we use Child Survival and Health funds to train health care workers to monitor the growth of young children who are receiving food aid under the Title II component of the program. In Mozambique, Development Assistance funds are used, in conjunction with Title II funds, to support road rehabilitation and help farmers get their products to market more quickly and get fair prices.

As mentioned above, under the new Foreign Assistance Framework, USAID and the State Department will work to integrate all foreign assistance resources toward a number of objectives designed to help host countries sustain their efforts at advancing development.

We anticipate that we will also accelerate the integration of Title II non-emergency programs with other resources that will improve the predictability of funding levels. While this is new and still a developing process, we have high hopes that over time we can significantly increase the impact of Title II programs.

Fifth, USAID works closely with the State Department, USDA, and our implementing partners in every aspect of the program

Under the foreign aid reforms, USAID continues to work closely with the State Department in focusing resources on important foreign aid goals.

USAID and State have begun to strengthen the coordination between the Office of Food for Peace and the Office of the Global AIDS Coordinator as linkages between food and HIV/AIDS have become clearer, and we will accelerate these efforts in the coming year. Our task is to find ways to integrate food aid and related resources into HIV/AIDS programs, and to adapt food security programs so that HIV-affected households participate in and benefit from activities aimed at reducing food insecurity at the community level.

We also continue to work closely with USDA to approve commodity specifications, purchase commodities, arrange ocean discharge surveys and investigate commodity quality issues. When unanticipated needs for emergency programs exceed available funding levels, USAID also works with USDA to access the Bill Emerson Humanitarian Trust.

Because we share the common objective of feeding the hungry and saving lives, we have a long tradition of close collaboration with the PVO community. This extends to technical issues as well as on monitoring and evaluation. We support PVO efforts directly through institutional capacity building grants totaling several million dollars each year.

In terms of emergency food aid, we have been focusing our efforts on encouraging other donors to increase their food aid contributions. We do this through extensive diplomatic discussions, bilaterally in capitals, in the field and through the Food Aid Convention, an agreement among 22 countries to commit to minimum levels of food aid. We are working closely with other food aid donors under the Convention to improve food aid assessments, and to help sharpen donor attention on the importance of reaching a consensus on food-related commitments that will reduce specific threats to vulnerable populations.

In addition, we strongly support, and are especially pleased with, the efforts of WFP to expand its donor base beyond its strong reliance on the United States.

—Over the past 5 years, the number of WFP donors has grown from 60 to 97, an increase of 62 percent.

—In 2006, 12 new donors provided support to WFP operations, making the majority of donors now non-OECD (Organization for Economic Co-operation and Development) countries.

As a result, while U.S. funding for WFP has increased in absolute terms, the U.S. share of all WFP contributions has decreased from 63 percent in 2001 (\$935 million out of a total WFP budget of \$1.81 billion) to 44 percent in 2006 (\$1.22 billion out of a total WFP budget of \$2.8 billion).

Sixth, to allow us to address the challenges of the 21st Century, we will need reform of the food aid system

While we are currently undergoing a thorough review of all food aid reform issues in anticipation of the Farm Bill, and look forward to the full findings of a soon-to-be completed GAO review of food aid, there is one issue that is so important that we have been seeking it in recent appropriation requests and will seek it in the Farm Bill this year—the authority to use part of Title II as cash for local procurement to address emergency needs.

The long lead-time required to order and deliver U.S. food aid—normally up to 4 months—means that we often need to make decisions well before needs are known. In some cases, the need is sudden, such as during a flood or an outbreak of fighting. In other cases, there is an unanticipated pipeline break, or even a short-lived cease fire allowing aid agencies to enter places previously inaccessible because of security issues where, typically, we find people that have been cut off from food for some time.

Even in the case of drought we are challenged to get food to people on time. There have been great advances in the ability to predict and track rainfall, undertake post-rains harvest assessments, and follow changing prices, resulting in better early warning. While we can often predict the impact of poor rains on crops, it is difficult to predict its impact on the ability of people to purchase enough food to eat. In the Sahel in 2005, for example, merely below-average rains and a marginally weak harvest, known well in advance, resulted in an unexpected major crisis because these

conditions were compounded by unpredictable trade flows among neighboring countries. This drew food away from regions with very poor populations, causing price spikes there and an urgent need for food aid.

While it is impossible to predict the location and extent of emergencies that would require local procurement each year, the Administration would have considered using this authority for the immediate response to Iraq in 2003, to the Asian tsunami in 2004, in southern Africa and Niger in 2005, in Lebanon in 2006 and in East Africa in 2006 and 2007. We anticipate that purchases would occur in developing countries (in accordance with the OECD Development Assistance Committee List of Official Development Assistance recipients).

Let me assure you that our U.S.-grown food will continue to play the primary role and will be the first choice in meeting global needs. If provided this authority by the Congress, we would plan to use local and regional purchases judiciously, in those situations where fast delivery of food assistance is critical to saving lives.

We ask that you seriously consider our proposal and the critical role this authority could play in saving lives of the most vulnerable populations. We are willing to work with you to address your concerns and move forward to provide the needed flexibility.

As we look ahead, let me assure you that the Administration remains committed to its role in supplying food aid to vulnerable people. We have fought and won many battles in the fight against hunger and malnutrition. Our programs have saved millions of lives, averted famine, and helped countries lift themselves out of poverty and dependence.

We at USAID are very proud to have played a part in the extraordinary story of U.S. food aid, and we are committed to making still more progress, with the support of the Congress and our partners, in achieving greater food security in the years to come. I would again like to thank you for the support that your Subcommittee has given to assist the Administration in addressing food security needs abroad, demonstrating to the world the great heart of the American people as well as furthering our national security at home.

Senator KOHL. Thank you for a very good statement, Mr. Kunder. Dr. Keenum, McGovern-Dole International Food for Education and Child Nutrition Program helps promote education, child development and food security for some of the world's poorest children, provides for donations of U.S. agricultural products as well as financial and technical assistance for school feeding and maternal and child nutrition projects in low income countries and nearly seven million children were fed from 2001 to 2003.

What effect has the McGovern-Dole program had on school attendance, especially for girls?

Dr. KEENUM. Thank you for the question, Mr. Chairman.

There's been a review of the status and the progress that has been made on the McGovern-Dole program. A study that was conducted last April and was actually submitted to Congress, reviewed the program since implementation, and it showed that attendance of schools that were participating in the program, increased by 14 percent and for girls, the increase was 17 percent. So we've seen a pretty significant increase in attendance in schools as a direct result of the McGovern-Dole program.

Senator KOHL. Thank you. What is being done to make sure that the levels of enrollment are sustained and are the recipient governments helping?

Dr. KEENUM. Yes sir. We're working very closely with our implementing partners. The McGovern-Dole program works with local communities, parent-teacher organizations, and the Federal Governments of recipient countries. When the applications are made for the McGovern-Dole program, the way I understand it, the applicant has to lay out a plan for how they're going to sustain themselves and not be continually dependent on the U.S. Government for this program. The organizations lay out a plan that shows how

they are going to sustain themselves and graduate from the McGovern-Dole program.

In fact, recently, we've had four countries who were participating in the McGovern-Dole program who have graduated—Kyrgyzstan, Lebanon, Moldova and Vietnam. USDA continues to go back and monitor these countries, in particular, Lebanon, which had graduated before the war episode happened this past year.

So we're going back and we're looking to see if Lebanon needs to be re-enrolled in the McGovern-Dole program based on the circumstances in their country now. So yes, sir, we're working very closely with the local leaders that are involved in this program.

Senator KOHL. Thank you. Dr. Keenum, a question on food aid quality. People with HIV/AIDS, the elderly and other vulnerable populations need food with special nutrients. The 2002 farm bill requires the establishment of a program to study food aid quality to make sure that the food is culturally appropriate and also nutritious.

We've had requests from members to study this issue. How important are nutrient fortified foods for improving our food aid programs?

Dr. KEENUM. I think very important, Mr. Chairman. I've been in this current job for about a little over 2 months and I've been learning a great deal about food aid and I'm asking a lot of questions.

The Farm Service Agency, has an office in Kansas City and it is responsible for procuring all the commodities that we use for international food aid. I've talked to leaders in the PVO community who have a concern about the quality of our products and I've asked our staff to put together a plan on what we can do to evaluate our food procurement programs both on our contract specifications, and having an adequate audit and testing provision in place. This will ensure that the products that we order are what we ordered. We want to test them and ensure that a sound system is in place.

There's also a third component of this that we're going to pursue and we're going to work with our colleagues in USAID to talk about the quality of the actual products for these different groups who are at risk as you mentioned. People dealing with HIV/AIDS, expectant mothers, the elderly, or young children, they all have different nutritional needs, and we need to develop the product that's cost effective and efficient to deliver and meets their unique nutritional needs.

That's one of the things that I'm going to be committed to working towards in my position. I've talked with members of the committee staff and even informed them of what we're doing and we're going to look to see if we can reallocate any funds within USDA to start this process. We will work with the stakeholders, SUSTAIN and other PVO leaders, work with academics to address this issue and I've committed to keep this committee fully apprised of what our plan will entail on this very important issue of food quality.

Senator KOHL. Alright. Dr. Keenum, in your opinion will eliminating the requirement that food must be purchased in the United States and shipped on U.S. flagships, would that effect the support in our country for food aid programs?

Dr. KEENUM. Well, Mr. Chairman, I try to put things in perspective. I wear a lot of hats at USDA. One of the other hats I wear is working with our promotion programs for exporting U.S. agriculture commodities. We export 200 million metric tons of U.S. grain and oil seed products in the commercial export market.

United States programs only contribute and I shouldn't say only because it's quite a bit, but we contribute only 2.8 million metric tons of grains and oil seeds through food aid. If you do the math, that's less than 1½ percent of all the grains and oil seeds that we export.

I think Senator Bennett described it very well. The administration's position is there for emergency purposes and if we need to go in and we need to respond immediately to save lives then we have another tool in our tool box to do that. If we can't find the commodities in the local community then we're going to buy U.S. commodities. If we use the 25 percent in a given year then that's only affecting 25 percent of less than 1½ percent of all the grain and oil seeds that we export in the commercial channels. So, in the scheme of things it's pretty small as far as an impact on our commodity industries.

Senator KOHL. Okay. Mr. Kunder, the President's budget proposes to allow up to 25 percent of food aid to be provided in cash for local in-country purchases. The budget has included similar language over the last few years and that has been rejected soundly by Congress.

If cash is used for local or regional purchases, how do you ensure that food is available for purchases and food purchases are safe, nutritious and proper for food aid assistance? Would local households manage cash better than they would actual food?

Mr. KUNDER. As we envision how this would work, the local purchase would still involve dealing with the NGOs or the highly competent international organizations, such as the World Food Program, and the International Committee of the Red Cross. They would be the people managing the pipeline.

So that the experts who are now ensuring access by the most disadvantaged groups and ensuring quality control would still be the ultimate distributors of the food assistance to the people who need it the most. It would just be where that food is coming from that differs. Also, we would require both local market analysis and quality control, as we would expect from these highly competent organizations who have been doing this for a long time.

I completely agree with everything Under Secretary Keenum just said. We do need to take a look at ways we can improve quality control but I do not believe that local purchase authority, up to 25 percent, would affect either quality or access by the poorest people in the country.

Senator KOHL. That's good to hear. Thank you, Mr. Kunder. Senator Bennett.

Senator BENNETT. Thank you, Mr. Chairman. You've asked some of the questions that I would have asked as well. So let me stray into a different area but I think it's related to what we're talking about and certainly it is long term.

Dr. Keenum, you talk about the importance of teaching someone to become self sufficient rather than just providing food, particu-

larly in the areas where we're talking about in Africa, one of the major ways that they could become more self sufficient would be if they adopted the use of genetically modified organisms.

A plant, with changing a single gene, as I understand it the average plant has about 50 genes which means it's very simple compared to the human genome project. By changing a single gene you can make it drought resistant. I think we're facing very significant drought conditions in the relatively short term.

Our European friends call this "Frankenfood." They've managed to scare the Africans into believing that their population will be poisoned if they allow this in and yet 25,000 people a day are dying and they could raise their own food that would be drought resistant or predator resistant, you change a single gene and the bug that eats this particular plant no longer likes it and you don't have to use pesticides because the pest is no longer there.

The implications of being able to feed those 25,000 people without major budget increases here, without some of the challenges we face, are enormous. Is USDA doing anything to try to convince somebody, somewhere that the introduction of GMOs into their local growing procedures could solve their problem and give us a poster child that we can point to in sub-Saharan Africa and say to the other people, look, nobody's dying, nobody's growing up with three heads or only two fingers, or any of the rest of kinds of scare stories that we hear about "Frankenfood."

Can't we find some partner somewhere to try drought resistant or pest resistant food genetic changes and then produce a harvest that can save these 25,000 people per day?

Dr. KEENUM. Well, I think you outlined the situation excellently, Senator. There's no doubt improvements in technology and production of agricultural commodities is remarkable. We see it here in the United States in our bountiful production capabilities and what we can do and it's directly, in a large part, attributed back to genetically modified improvements and developments we've made in the crops that we produce.

The USDA does do outreach work in developing countries in Africa and other parts of the world on technologies that we have available and I'll be honest with you, I'm not real familiar with all of the intricate details and what all we're doing in an outreach standpoint in that regard, but I do know it is ongoing. We do this type of work.

I think that the more examples as you described where we can show successes, I think it will catch on. We are seeing other countries that we compete with that are adapting to these new varieties and they're becoming more and more apt at it and we're having to be more competitive. Countries where there had been resistance in the past are seeing the light, as you say and are making these significant transitions.

We will continue our efforts. I do know in some of the food aid activities through Food for Progress when we can provide commodities to PVOs, who are working to help sustain local communities, part of that can also be monetized for economic development initiatives to address local needs. I'm hopeful that some of the activities involve training and educating farmers to be more productive. Then they can sustain themselves and not be dependent on a bag of

beans, as was presented here earlier, but they can be shown the techniques and technologies that we have available, using the existing tools that we provide through the monetization process.

These are some of the things that are ongoing and I applaud what you say and I could not agree more with your thoughts. Thank you, Senator.

Senator BENNETT. Thank you. I don't want to stop sending the bag of beans.

Dr. KEENUM. No, sir.

Senator BENNETT. I think there will always be a need or sufficient demand.

Dr. KEENUM. There will be a need for that, no question.

Senator BENNETT. We can do that, it's an important part of our foreign policy.

Dr. KEENUM. No question.

Senator BENNETT. Aside from our humanitarian activity but we're still seeing 25,000 people a day die, regardless of how many beans we send them and we should send them our technology as well.

Dr. KEENUM. I agree.

Senator BENNETT. Thank you, Mr. Chairman.

Senator KOHL. The subcommittee has received a statement from the American Dietetic Association that will be placed in the hearing.

[The statement follows:]

PREPARED STATEMENT OF THE AMERICAN DIETETIC ASSOCIATION

It is appropriate for the Senate Agriculture Appropriations Subcommittee to hold this hearing on International Food Assistance. Hunger is intolerable in a world of plenty. Still, more than 1 billion people worldwide currently live in poverty, earning less than \$1 per day.¹ As a result of poverty and the related problems in obtaining adequate, nutritious food, about 820 million people in the developing world are undernourished.² Hunger and malnutrition have negative effects on cognitive development, growth, and health which then lead to negative effects on labor productivity and a nation's development.

For decades, the United States has played an important role in addressing hunger around the world and our efforts have made it possible for millions of people to have survived famine (more often fanned by civil strife than crop failures). In addition, our food assistance contributions help save lives, lead to the education of children, create pluralism, build societies and forge friendships in our complicated world. International food assistance is far more than providing food—it is the connection of life and opportunity—from those in a position to give to those in a position of need. The benefits to everyone are incalculable—well beyond monetary measurements, although the monetary benefits are significant.

The American Dietetic Association (ADA) commends the committee for considering what our role can and should be in advancing nutrition and health, as well as addressing hunger. ADA is the largest organization of its kind and it is guided by a philosophy based on sound science and evidence-based practice. ADA members are sought-out participants in domestic and international discussions as they work on nearly every aspect of food, nutrition and health.

It is the position of the American Dietetic Association that it is a human right to have access to adequate amounts of safe, nutritious, and culturally appropriate food at all times. The Association supports programs and encourages practices that

¹ World Bank. 2006 World Development Indicators. Washington, DC: World Bank; 2006.

² State of Food Insecurity in the World 2006. Food and Agriculture Organization of the United Nations. 2006.

combat hunger and malnutrition, produce food security, promote self-sufficiency, and are environmentally and economically sustainable.³

In this farm bill, ADA recommends food should not be used as a sanction against other nations. The American agricultural community has led the fight against “food being used as a weapon.” ADA joins them in that stance.

ADA supports the continuation of emergency humanitarian food assistance. Donations should not undermine local food production or marketing systems or distort trade. Similarly, the structure of U.S. domestic programs should not undermine food production or marketing systems outside the United States or distort trade.

ADA supports the Dole-McGovern International Food for Education Program for its role in feeding children and encouraging education, and encourages its full funding.

We also bring to the committee’s attention that currently, there is no international initiative to deal with the most costly form of malnutrition—that is from ages 0 to 2. In all other stages of life, people can recover from malnutrition, but the impacts of nutrient deficiencies on children in the womb and up to age 2 can never be overcome. They include low birth weight, impaired cognitive development, impaired immunity and reduced earning potential and compromised life expectancy.

World Bank and others are proposing a global campaign to encourage breast feeding, to educate parents about nutrition and to make certain that every child—from womb to age 2—has the necessary nutrients to live and grow to full potential. As these discussions move forward, ADA encourages this committee to support efforts targeting those most vulnerable to malnutrition. The socio-economic effect of addressing malnutrition in the very young (and in their mothers) is greater than the whole impact of global trade liberalization.

Clearly, there is significant potential benefit in addressing international hunger, nutrition and health issues now, before circumstances deteriorate, and to ameliorate human as well as economic costs. We also encourage the Senate Appropriations Agriculture Subcommittee to support and fund U.S. international food assistance programs.

CONCLUSION OF HEARING

Senator KOHL. Thank you very much, Senator Bennett and we want to thank Dr. Keenum, Mr. Kunder and all of our witnesses who’ve come here some from long distances to make your statements, answer questions and offer us your wisdom and your experience.

We plan to take the information that you’ve presented us today and use it as we craft the fiscal year 2008 bill and again, thank you so much for your contributions. This hearing is recessed.

Dr. KEENUM. Thank you, Mr. Chairman.

[Whereupon, at noon, Thursday, March 15, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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³Addressing World Hunger, Malnutrition and Food Insecurity. J Am Diet Assoc. 2003;103:1046–1057.