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Food Aid Emergency

By Sophia Murphy

When sudden food price increases started to make headlines last summer, an estimated 852 million people were already living with crippling hunger, which the United Nations defines as continuously getting too little food to maintain a healthy and minimally active life. The UN's Food and Agriculture Organization (FAO) estimates another 50 million people were added to the count in 2007. For people living with hunger, a long-term solution won't come quickly enough. Many of them will need emergency assistance. Clearly, the UN and donor nations need to plan and invest more strategically to ensure a more food-secure future.



Sophia Murphy

This catastrophe took few experts by surprise. Although the world as a whole grows more than enough food to provide every human being with sufficient calories for a healthy and active life (not a fact we can take for granted), in many countries local food production is failing. Sometimes this is because food has been displaced by commodities used for animal feed, biofuel feedstock, or exports destined to feed richer people elsewhere. Sometimes it's because decades of neglect have left water and soil resources depleted, roads and storage bins in disrepair, and rural credit schemes unfunded. The intergovernmental report from the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD), released in April, points out that global agriculture is in a deep crisis that will take hard work, significant investments, and new ways of measuring progress to fix.

Even the World Bank's World Development Report 2008 highlighted the neglect of agriculture in the last 30 years of development spending and the myriad problems this neglect had created. (The World Bank actually accepted some small measure of the blame for this neglect).

Food Aid Decline

Governments call upon agencies such as the United Nations World Food Programme (WFP) to address a growing number of emergencies, yet food aid programs have been suffering neglect, too. Food aid donations have fallen sharply while the number of people facing acute need in emergencies of different kinds has increased. Food aid deliveries in 2007 reached their lowest level since 1961. Food aid deliveries have decreased almost continuously since 1999, when they stood at 15 million tons. Only 5.9 million tons of food aid was delivered last year.

Today, with food and energy prices so much higher than they have been for the past decades, this collapse in food aid donations has even more serious consequences: the

WFP says that its costs of providing food aid have increased by 55% over the last year. The UN's Emergency Relief Coordinator, John Holmes, told Reuters recently that \$2.9 billion had been raised to tackle the food crisis so far this year, less than half of what is needed just for the most severely affected countries.

Cold War Roots

North America began distributing food aid in the 1950s. It provided a way to managing unwanted commodity surpluses in Canada and the United States, and governments used it to buy goodwill, especially from countries thought to be strategic in the Cold War. The United States was unabashed in its use of food aid for political ends. The desire to create future commercial markets by changing local tastes and preferences was explicitly written into the legislation.

Food aid has changed. Experts' understanding of hunger, and thus of the priorities for interventions, has evolved. The practice of food aid has improved markedly. Over time, some consensus has emerged on the best way to use food as a development tool.

Four key adjectives describe this consensus of best practice food aid: targeted, untied, cash-based, and timely. Targeting is important to make sure the food gets to the people who need it most. Untied means agencies can source the food aid in the best (cheapest and most developmentally appropriate) market rather than only in the donor country. A cash-based system is more flexible than using in-kind commodities and facilitates local and regional purchases. Finally, timely means avoiding food aid that comes too late and depresses demand for local producers, worsening the crisis the aid was intended to alleviate.

Untimely, Monetized U.S. Aid

The United States, donor of half the world's food aid, hasn't joined this consensus. The majority of its food aid programs fail to merit one or more of these four adjectives. For instance, the United States still sells food aid to governments, who then sell or distribute the food in local markets. This practice has been dropped by all other major donors (and most minor ones) because it is grossly inefficient and not remotely targeted to need. It also disrupts commercial markets, for both local producers and importers. Washington also continues to insist that most of its food aid be procured, processed, bagged, and shipped in the United States using U.S. firms. U.S. food aid thus costs on average twice what EU food aid costs to deliver. It also means U.S. food aid takes an average of five months to arrive, making it anything but timely.

Another practice unique to the United States and highly criticized by the food aid community is called monetization: the sale of food aid to generate cash for development projects. Sometimes the monetization is tied directly to food aid projects and the cash generated is spent on the costs associated with food aid delivery. Too often, however, the money is used for more general development projects. Monetization increases volatility in local markets and can cause abrupt, if temporary, price falls. While on a different scale and easier to target, the monetization of development food aid (the practice hardly exists for emergency food aid) is little different in effect from the program food aid that the United States has all but abandoned: it displaces commercial sales for local farmers as well as rival importers. These market conditions discourage local production: exactly the opposite of what is needed to meet the underlying purpose of all development assistance: the reduction of poverty. Livelihoods, food security, and rural development all depend on stimulating increased production in food aid recipient countries.

Farm Bill

The Bush administration has been trying to do something about bad U.S. food aid practices. In 2005, the administration proposed designating an additional \$300 million for food aid purchased from local or regional sources. Congress rejected the proposal. In the negotiations over the 2008 Farm Bill, the administration proposed a \$350 million pilot project for local purchases over four years. Congress authorized only \$60 million (a paltry \$15 million per year). This compares to a total U.S. food aid budget in 2007 of \$1.6 billion.

To date, the U.S. response to the emergency appeal from the UN has consisted of \$200 million in food from the Bill Emerson Hu-

manitarian Trust, a grain reserve managed for the government by private storage and warehouse firms. Up to four million metric tons of U.S. wheat, corn, sorghum and rice can be kept in the reserve, and up to 500,000 metric tons can be released a year. The food is intended for emergencies when the domestic supply might not be sufficient to meet demands for food aid. This donation is in addition to the \$1.5 billion provided for “food aid and related expenses” so far in fiscal year 2008. The government asked Congress for an additional \$770 million on May 1 and is still awaiting a response.

The food price crisis has made demand more acute and supplies even scarcer, but it hasn't really changed the underlying problems with food aid as a response to hunger. A strong multilateral framework that allows countries – recipients and donors – as well as multilateral agencies and NGOs to respond to crises is vital. Funding that system is also vital: triage with human life is unacceptable. But food aid funding will be wasted if communities and governments do not also invest in resilient and productive agriculture in every corner of the globe.

A Sensible Response

The only sensible response to the mounting numbers of emergencies is to match emergency donations, dollar for dollar or better, with investments in the long-term capacity of agriculture to provide us with the food, feed, and fiber we need. These longer-term investments must go to publicly held food reserves, investment in sustainable technologies, vast improvements in water management, investment in roads, storage, communications, and other infrastructure.

The principle framework for the food aid system is the Food Aid Convention (FAC). The FAC is the framework used by most food aid donors. For all food aid donors except the United States, the FAC provides the framework for all their donations. The FAC sets disciplines on food aid donors that would constrain U.S. food aid policy, so although the U.S. is a party to the FAC, it does not commit all of its food aid under the FAC's auspices. FAC donations are made in volume, not monetary terms, which gives recipients some guarantee that they will get the food they need even when prices are high and food aid is scarcer.

The Food Aid Convention expired last year and is overdue for renegotiation. It needs some important reforms to provide a stronger and more effective basis for multilateral cooperation on food aid (see *Renegotiating the Food Aid Convention*, a recent discussion paper by the International Food Policy Research Institute's John Hoddinott and Marc J. Cohen). U.S. leadership, in showing at least good faith efforts to end the most damaging of U.S. food aid practices, would contribute significantly to the overall multilateral effort required to strengthen this small but vital part of the global food security net.

Hunger isn't inevitable. In the 21st century, the world grows enough food, knows enough about redistributive economics, has the political tools to ensure inclusive decision-making, and can afford to provide the basic needs that protect every person's right to an adequate, nutritious diet. To realize this hope will take change. Not just in the countries where hunger is so prevalent, but also in rich countries, where waste of all kinds — of food, of energy, of natural resources — is compromising everyone's survival.

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