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FACT SHEET

The Future of Food Assistance: U.S. Food Aid Reform

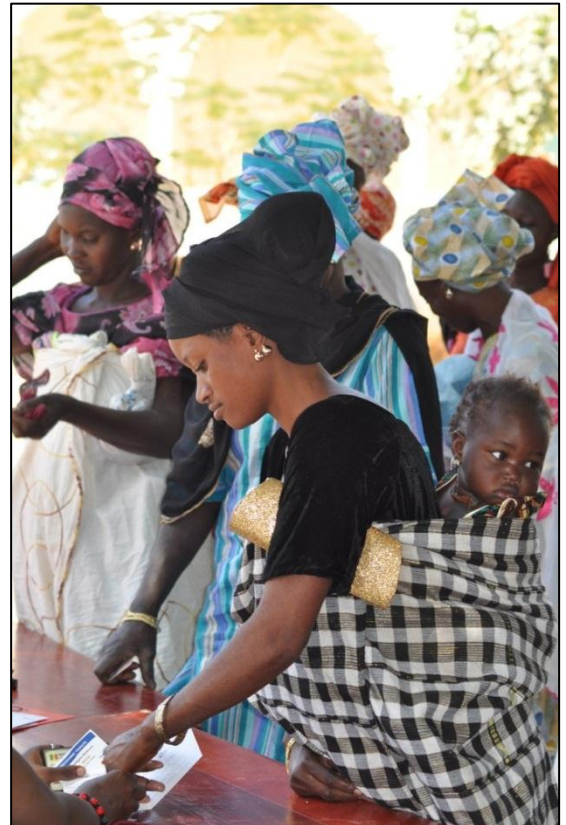
Last year, President Obama proposed common sense reforms that would enable us to reach up to four million more people in food crises around the world with the same resources, by making the successful USAID Title II program more flexible, efficient and effective. This year, the President's request builds on positive reforms enacted in 2014 that will enable USAID to reach more people annually with the same resources in chronically food insecure communities, including about 600,000 more people through the 2014 Farm Bill, and another 200,000 people in the Consolidated Appropriations Act of 2014.

The flexibility provided in the Farm Bill will allow USAID to practically eliminate monetization (the sale of commodities overseas to fund development activities) above the 15% floor required by law, while also providing additional flexibility for use in all Title II programs. These changes reduce costs and offer USAID a wider range of programming options that can improve program outcomes and help achieve more sustainable results, particularly within development programs.

In the FY 2015 budget request, the President seeks to build on these important changes, and further expand the reach and impact of life-saving emergency food operations. The FY 2015 request seeks additional flexibilities within the Title II account that will allow USAID to reach about two million more people in emergency crises each year.

In the FY 2015 proposal:

- **\$1.4 billion is requested for Title II to provide emergency food assistance to save lives** and reduce suffering worldwide as well as address chronic food insecurity and build resilience.
- **The Administration is proposing additional flexibility for Title II emergency programs by requesting that up to 25 percent of Title II resources** be available for interventions such as local and regional procurement of commodities, food vouchers or cash transfers.
- **Agricultural commodities shipped from the U.S. will still make up a significant majority** of Title II resources and play a critical role in Title II responses.
- **The request represents the Administration's effort to reach more people with humanitarian food assistance in a more effective manner:**
 - **Feeding More People:** Difference in cost per beneficiary between cash-based and commodity-based programs would likely lead to about two million additional people in crises reached by U.S. assistance per year.
 - **Saving Money:** Research shows commodities purchased locally and regionally can result in savings of between 25-50 percent compared to commodities purchased in the United States.



Voucher distribution in Senegal
Credit: USAID

- **Faster and More Effective Response:** U.S. food aid typically takes four to six months to reach beneficiaries. Studies show significant time savings for local and regional purchase versus purchase in the United States. Food can reach those in need as much as 11-14 weeks sooner with local and regional procurement. Prepositioning has been an effective tool in reducing initial response times; however, it can be logistically difficult and less timely than local responses, and adds to the cost of food aid, reducing the number of people in crises who can be helped.
- **Assisting Affected Mariners:** The pro-rata impact of the proposal based on last year's Department of Defense estimates may affect an estimated 4-6 non-militarily-useful vessels and 200-275 mariners. The Budget proposes \$25 million per year through the Department of Transportation's Maritime Administration for additional targeted operating subsidies and incentives to facilitate the retention of mariners who may be affected by the proposal.

"South Sudan and the Central African Republic are just the latest examples of the acute humanitarian need that exists around the world today. From Syria to Sudan to Ethiopia, from Yemen to the Democratic Republic of Congo to parts of the Sahel in West Africa, we are working swiftly to reach hungry people and save lives. But as conflicts continue and the world sees more recurrent and dramatic weather events, we will need to meet ever increasing demands on our emergency food accounts with flexibility and speed," says Dr. Rajiv Shah, USAID Administrator.

The President's food aid reform proposal means USAID can reach more people in need with the most appropriate tools to serve emergency relief and recovery needs.

Responding to Typhoon Haiyan

USAID's quick response to emergency food needs after Typhoon Haiyan reached three million people with food assistance, and provides a vivid example of the benefits of having a full spectrum of tools and flexible resources. USAID responded to needs within 72 hours, with locally-purchased rice and regionally purchased high-energy biscuits. Additional support followed, with airlifts of prepositioned Title II special emergency ready to eat foods, and a shipment of Title II pre-positioned rice from Sri Lanka arriving four weeks after the disaster. Additional U.S.-purchased rice followed, and U.S. cash contributions supported a rapid shift from direct food distribution to cash transfers where commercial food markets were reestablished and adequate stocks were available. The flexible resources were not only faster, but less expensive. The circumstances where these flexible resources are critical are growing. Increased flexibility will not only ensure that USAID adequately respond to similar crises, but can also help about two million more people in emergencies within the same resources.