

Fifty Years of International Food Aid – Time To Change?

Daniel E. Shaughnessy

Fifty years ago, on July 10, 1954, President Dwight Eisenhower signed Public Law 480 – the Agricultural Trade, Development and Assistance Act – popularly known as the Food for Peace Program. Remarkable for its longevity as well as its consistency in providing food to those in need throughout the world, the program has endured changes in emphasis, variations in commodity supply, major legislative revisions, and controversial approaches to its management.

Originally enacted as a means of using American food surpluses to feed those in need, PL 480 supplied massive quantities of food aid to India in the 1960s for famine relief. In the early 1970s, the Nixon Administration made it a part of the Vietnam War, attempting to support the South Vietnamese government with large and often unneeded shipments of rice. PL 480 Title I “sales” were a key component of U.S. foreign policy for developing countries from the 1960s to the 1980s, and Title II humanitarian programs reached millions in need then as they do now.

Legislative changes in the 1980s and 1990s provided a “developmental” emphasis to PL 480 programs, adding considerable complexity to program planning, but retaining appropriation levels that to this day exceed \$1 billion dollars (US) annually. Title I, now at reduced levels, continues to be managed by the U.S. Department of Agriculture (USDA), and recent years have seen a renewed emphasis on Title II famine relief and development programs, managed by the U.S. Agency for International Development (USAID).

True to its original intent, PL 480 has an extensive list of participants, ranging from victims of famine and malnutrition to U.S. commodity suppliers and shippers, American relief and development agencies, and the United Nations. Despite its overseas focus, the program maintains strong links to U.S. agriculture and the agriculture committees of the U.S. Congress. Over its 50 years, practically every major U.S. commodity has been shipped under PL 480 (even tobacco and cotton, in the early years). The totality of the program is enormous. In its 50 years of existence, PL 480 has provided over 106 million tons of food aid, valued at more than \$33 billion (US)– all from American agriculture, shipping mostly on American ships– in addition to feeding the hungry abroad.

But five decades of absorbing changes and serving multiple purposes and interests have transformed PL 480 and additional, separately authorized, USDA programs - Food For Progress and Food For Education – into formidable and complex management challenges, and despite the best efforts of their USAID and USDA administrators, who must cope with and implement these changes, these programs are now subject to a seemingly endless array of rules, regulations, and bureaucratic process. Preoccupation with process has created a myopic view within these agencies that has one inevitable result– delay in all aspects of program development and implementation. Delay in obtaining approvals for food aid programs is often more the rule than the exception for most American relief and development agencies, and unfortunately, each year brings new changes.

This 50th year, what should be cause for greater celebration of the "golden jubilee" of PL 480 is no exception. Worldwide food reserves are extremely low; demand for food throughout the world has increased; and the past 12 months have seen a general tightening of commodity supplies and increased prices for both commodities and ocean freight. These factors all signal a reduction in food aid levels and increased complexity in PL 480 and other food aid decision-making. In the World Trade Organization (WTO), European delegates have raised concerns about the levels of U.S. food aid exports and their alleged distortion of world markets. The U.S. government, in

return, has expressed its own concern about European agriculture subsidies and U.S. food aid proponents worry about the potential for a WTO subsidy agreement that would reduce PL 480 and other U.S. food aid programs and make their administration even more complicated.

A half-century of experience says that it is time to step back and examine how PL 480 and other U.S. food aid programs can meet 21st century challenges in a way that simplifies, rather than complicates, their administration. These programs are urgently needed, but they may be close to falling into a procedural abyss from which they cannot be rescued without major legislative change. Innovative and perhaps radical change is needed. The revised approach to foreign aid that uses a government corporation, the Millennium Challenge Corporation, may be a model. But whatever the solution, finding an efficient way to provide food to those who need it is as important now as it was in 1954.

Daniel E. Shaughnessy is Chairman of the Board of Directors, World Hunger Education Service, and President, TCR Services, an international consulting firm, located in Arlington, VA. Shaughnessy has had extensive experience in food aid. He directed the Food For Peace Program in USAID and food aid activities in the U.S. Department of Agriculture. He was also the Executive Director of the Presidential Commission on World Hunger and in the State Department, he helped to coordinate U.S. involvement in the World Food Conference. He also worked on food aid issues as a member of the U.S. Senate staff. In addition to his government experience, Mr. Shaughnessy was the CEO of Project Concern International, an NGO with extensive food aid programs. In the private business sector, Shaughnessy has directed trade associations involved in food aid commodity processing, nutrition, and shipping.