

October 4, 2013

Dear Farm Bill Conferee:

We write to request that the 2013 Farm Bill that emerges from conference ensures that life-saving emergency and development international food aid programs be strengthened through key reforms to maintain U.S. leadership in reaching millions of the most vulnerable populations around the world. The trade title of the Farm Bill includes authorizations of important international food aid programs that reach at least 65 million hungry people globally every year. These programs play a vital role in preventing famines, reversing acute and chronic child malnutrition, assisting those uprooted by conflict or natural disaster, and enabling vulnerable populations to build resilience against future food price shocks.

We urge you to pass a Farm Bill that increases the flexibility, cost-effectiveness and efficiency of the current food aid program structure so that it can better respond to the complex challenges of global hunger in the 21st century. We support the points raised by House Foreign Affairs Committee Chairman Royce and Ranking Member Engel in their letter dated September 17, 2013 to the Chairs and Ranking Members of the House and Senate Committees on Agriculture, which include decreasing the reliance on monetization and increasing the flexibility in funding for emergency food assistance programs. Specifically, as you finalize any conference agreement for the Farm Bill, we urge you to consider the steps proposed in that Royce-Engel letter and address the following priorities:

Increased Resource Flexibility and Reduce the Need for Monetization

For most food aid programs, limited funding exists to support the implementation of complementary food security activities alongside direct food distribution. In order to address current program limitations, we urge you to include the Senate provisions in the final conference agreement that provide greater flexibility and allow for more efficient programming. Specifically, we support the following provisions:

- **Authorization of Local and Regional Procurement:** Section 3207 of the Senate bill makes permanent the authority for local and regional procurement (LRP) projects at USDA at an annual authorized level of \$60 million. The 2008 Farm Bill authorized a pilot program to implement and study LRP activities in both emergency and non-emergency settings. The results of the LRP pilot showed savings in both money (50 percent savings for unprocessed grain and some pulses) and time (an average increase of 62 percent in timeliness). This provision adds an important and versatile tool that can be used to reach people in need.
- **Increased 202(e) Funding:** Section 3001 of the Senate bill raises the maximum share of project resources available as cash from 13 percent to 15 percent to help provide funding for important programmatic tools, such as scales to weigh children to measure progress in combating malnutrition or shovels for agricultural projects.

- **Increased Flexibility on Resource Allocation:** Consistent with existing authority within the McGovern-Dole program, Section 3008 and Section 3201 in the Senate bill allows cash funds within the Title II and Food for Progress programs to be used to pay the cost of up to 20 percent of activities. This would increase partners' flexibility in selecting between cash-based resources and in-kind resources and reduce reliance on the inefficient – and at times, inappropriate – practice of monetization. This reform would reduce losses involved in monetization and improve program delivery efficiency.
- **Monetization Transparency and Reporting:** The need to monetize should be replaced by other program options, recognizing the importance of a responsible phase out period to ensure program continuity. We support a requirement for transparent, public annual reporting on monetization activities for all food aid programs, building off of 3008(c) in the House Farm Bill. We also support ongoing efforts to identify mechanisms to supply additional cash in order to reduce the use of monetization (e.g., through the Community Development and Resiliency Fund (CDRF)).

Balance of Emergency and Development (Non-Emergency) Food Assistance

The House and Senate currently differ on how to address development programs funded by the non-emergency section of Title II. While this group does not have a consensus position on funding levels for Title II non-emergency programs, we do support protecting the core focus and effective elements of both development programs that address underlying sources of chronic hunger and emergency programs that bring life-saving food to people caught in the midst of droughts, floods, and conflict.

To create greater flexibility in the non-emergency programs, we recommend that when USAID uses funding from other sources to support Title II development programs, such as the Community Development and Resiliency Fund, that the bill adopts language crediting these funds on a 1-to-1 basis against the target funding level for non-emergency programs.

Resilience

We appreciate both the House and Senate bills' efforts to codify the importance of building resilience through food assistance. We recommend including bill language in the final conference agreement that creates the "Donald M. Payne Anti-Hunger Grants" (Section 3208) and authorizes the use of assistance to prevent and overcome hunger and malnutrition (especially for women and children in the first 1,000 days window between pregnancy and age two), reduce vulnerability to shocks and stresses, and build self-reliance of households and communities.

Improving Food Aid Quality and Nutrition Outcomes

Section 3002 of the Senate bill extends the authority from the 2008 Farm Bill to allow USDA and USAID to adjust food aid products and fortificants, accelerate the use of specialized products that have proven to be superior in improving nutritional outcomes, and continue to test new food aid products. Importantly, the Senate language maintains authorized annual funding levels at \$4.5 million, which will allow this program to operate at current levels.

We appreciate your thoughtful leadership on this issue and look forward to working with you to support the passage of a Farm Bill that improves U.S. food aid programs to ensure that they meet the humanitarian and development needs of the 21st century.

Sincerely,

1. ActionAid USA
2. American Jewish World Service
3. The Borgen Project
4. Bread for the World
5. CARE US
6. Catholic Relief Services
7. Church World Service
8. InterAction
9. Lutheran World Relief
10. Maryknoll Center for Global Concerns

11. Mennonite Central Committee U.S. Washington Office
12. Mercy Corps
13. Modernizing Foreign Assistance Network
14. Oxfam America
15. Save the Children
16. United Church of Christ Justice and Witness Ministries
17. World Food Program USA
18. World Learning

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Lutheran World Relief



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