

February 20, 2009

Tom Vilsack  
Secretary of Agriculture  
14<sup>th</sup> and Independence Av. SW  
Washington, DC 20250

Dear Secretary Vilsack;

As traditional supporters of the US Government food aid programs and their annual appropriations, the undersigned trade associations write to congratulate you on your confirmation as Secretary. We realize you have multiple priority issues awaiting you and your staff as the Administration takes form. However, we wish to call your attention to the important role US Government-sponsored food aid has played in conveying lifesaving nutrition to victims of chronic and emergency hunger around the world for 55 years.

As you and your Administration colleagues review the multiple objectives of US food aid initiatives, we urge you to remember the millions of lives saved and tremendous good achieved from using America's agricultural bounty to feed those who are less fortunate. As active stakeholders in these programs, we want to provide positive input to the Administration in all administrative and policy initiatives on international food aid and agricultural development.

Our participation in the farm bill discussions helped shape the renewal of the Food Aid Consultative Group, expansion of the McGovern-Dole International Food for Education and Child Nutrition Program, increases in overseas prepositioning, and other initiatives to streamline the procurement process with the ultimate goal of ensuring in-kind food aid is as high quality and nutritious as possible. We support all such efforts to increase the effectiveness and speed of delivery of US food aid.

One controversial idea that has been the subject of debate recently, is the concept that in-kind food aid, such as that provided through PL 480, Food For Progress and the McGovern-Dole Food for Education and Child Nutrition Programs, no matter how nutritious or beneficial, is somehow less-effective than locally or regionally produced foods or cash donations. Rather than accept that proposition without examination, the 2008 Farm Bill authorized a 5-year pilot program to examine the advantages and disadvantages of such Local and Regional Procurement (LRP). Our organizations believe strongly that in-kind food aid remains the most sustainable tool in the food aid toolbox. It is strongly supported by both the American people and their elected Members of Congress and is critical to our ability to maintain strong political support for global food security efforts.

USDA began the pilot project, with an initial report that was released just days before the transition to the new Administration. The legislation tasked the USDA to develop a report using existing literature and development organizations' experiences with LRP, as a stock-taking exercise. The intent was to set forth all the relevant issues confronting both LRP and in-kind food assistance and "to inform the development of the guidelines and methodologies that will govern the implementation of the pilot procurement program". However, the report seems to underestimate or overlook the potential negative aspects of LRP and supports an agenda and thesis that LRP and cash transfers are already successful enough to warrant significant expansion.

Too little attention is paid to exploring possible market effects on poor consumers in food deficit nations from purchases in their local markets, where food is already scarce. Further, the report had little focus on how LRP will work in coordination with existing U.S. government and other programs or the major problems cooperating sponsors have had in assuring food safety and reliability of supplies from local sources. Likewise, no discussion is made about the primary nature of LRP experience, which is to purchase large quantities of grain “regionally” from commercial multinational trading entities primarily in South Africa. While there’s nothing wrong with purchasing from such commercial sources, there’s little agriculture development value-added from such purchases, and there was no discussion of how long the US political system would support using USDA appropriated dollars to fund purchases of commercial cargoes from South Africa or other competitor nations. There is also little exploration of alternative procurement and delivery methods of achieving goals of timeliness, efficiency and effectiveness, such as prepositioning and procurement in advance of specific call forwards or other procedures proposed in previous dialogues on this issue.

Our organizations recognize that LRP can be a useful tool for addressing global food insecurity. However, we believe that the current level of LRP is nearing the maximum amount that can be achieved without causing severe unintended consequences to the needy populations we are trying to help. Considering USAID’s longstanding and continuing authority to use non- Title II accounts for LRP, we firmly believe that further expansion of LRP in USDA programs or Title II would be counterproductive to the long-term viability of these successful humanitarian programs.

In light of these concerns, we would like to request a meeting to discuss the study and the implementation of the pilot project to ensure that all the complexities of the food assistance alternatives are explored fully. We look forward to the opportunity to assist in this goal.

Mr. Secretary, we are eager to work with you and your staff as you establish the very important policies to implement these food aid initiatives in the most effective manner possible.

Your staff may contact Mr. Paul B. Green of the North American Millers’ Association at [pgreen@namamillers.org](mailto:pgreen@namamillers.org) or Phone 202-488-3566 to discuss meeting or follow-up to this letter.

Sincerely,  
American Farm Bureau Federation  
American Peanut Council  
American Soybean Association  
Global Food and Nutrition  
Illinois Soybean Association.  
National Association of Wheat Growers  
National Corn Growers Association  
National Oilseed Processors Association  
National Potato Council  
North American Millers’ Association  
United States Dry Bean Council  
USA Dry Pea and Lentil Council  
US Wheat Associates

cc. USDA FAS  
AID FFP  
State Department  
House and Senate Agriculture, Ag Appropriations and Foreign Affairs Committees