

October 20, 2009

Ms. Jamie Fisher
Food Assistance Division
Foreign Agricultural Service
U.S. Department of Agriculture
Stop 1034
1400 Independence Ave., SW
Washington, DC 20250-1034

Dear Ms. Fisher:

Thank you for soliciting comments on the Interim Guidelines and Funds Availability for Projects Involving the Local and Regional Procurement (LRP) of Food Aid. The undersigned organizations understand these guidelines are for a study, which will in turn provide valuable information about the USDA pilot LRP program. The comments highlight our concerns about implementation of the guidelines and the oversight USDA provides.

Our organizations strongly support the current highly successful U.S. produced in-kind commodity food aid donation programs. U.S. food aid programs are essential for the survival of countless people around the world. Through the P.L. 480 Title II program, we provide food to people facing emergencies. The McGovern-Dole Food for Education Program provides incentives for children to attend school by providing food and P.L. 480 Title II nonemergency and Food for Progress programs assist in the development of small business and infrastructure.

Because so many people around the world rely heavily on U.S. food aid assistance, the LRP study must carefully weigh how LRP will affect our ability to deliver nutritious, safe, reliable and recognized food assistance to those in need. These issues are all vitally important to the reputation of the U.S. food aid system and should be thoroughly considered when implementing this pilot study.

Nutrition

The U.S. can offer a wide variety of commodities to address the nutritional needs of food deficient populations. U.S. commodities have undergone many years of research to ensure proper nutrition. Many countries in Africa have a protein deficiency. These poor populations cannot afford to buy animal protein but few alternate proteins, such as those found in legumes like soybeans, lentils and dry beans, are grown in their countries. The white corn found in Africa does not have the beta-carotene that the U.S. yellow corn variety has, and there are few sources of wheat or rice available. Additionally, U.S.-donated processed foods are often fortified with essential vitamins and minerals adding to the value of the product.

Safety

The U.S. food safety system is one of the strongest and safest in the world. Unfortunately, many developing countries do not have comparable food safety systems in place. The U.S. government must be extremely vigilant in requiring the food provider to test local foods to ensure safety. It would be very dangerous and damaging for the U.S. government to be linked to contaminated food that caused harm to the local population rather than benefitting them.

Availability and Reliability

One of the key challenges with local and regional purchases is finding food in a food-deficit country. While the interim guidelines allow commodities to be purchased regionally or only require that the main ingredient is locally purchased, questions remain. The available food must be available in a supply that won't disrupt the local markets. Regrettably, some countries are exporting the agricultural products they grow while their own citizens are food-insecure. The local or regional participant must decide whether to buy the exported commodity or import another commodity from a third country. In addition, the participant that is responsible for obtaining the food must ensure that the supplier is reliable, that the food is supplied consistently and that the supplier will provide the proper quantity, labeling, pricing, etc., for the commodity. While the participants have extensive skills in providing aid to those that need it, their experience in addressing these complex issues may not be sufficient. Dealing with local vendors to buy and sell takes a skill set that most participants do not have without some type of additional training. The U.S. government must ensure that the participants are provided adequate training and assistance in how to provide the best product for that market.

There are also questions about the origins of the purchased commodities. There are many instances where the so-called "local" commodity purchased is actually imported from abroad. The World Food Program or other private voluntary organization (PVO) usually has no record of information on the original country from which the imported product came. In addition, if the commodity is not available in a country, USDA should clearly identify acceptable regional purchases that are not already well-developed agricultural markets.

The best way to show how the LRP purchases can work is to demonstrate how they can be combined with current programs to ensure the best outcome for all involved. However, it is questionable how this can be done if the other food aid programs have already been approved without taking into account a local purchase component or the same applicant cannot guarantee that they will be approved for a future U.S. government food aid program.

Recognition

U.S. food aid programs provide an opportunity to show developing countries that the United States cares about those in need. Having food aid arrive in a bag marked "Gift of the United States" is something in which Americans take pride. When local purchases are done, it is imperative that the recipients know who has provided the food. Anything provided by the United States should be well-marked and known to be a gift of the American people. If there are no such

markings, it is possible that those with interests contrary to the United States could take credit for these donations and could severely unravel the credibility that the United States has established overseas. By the same token, to avoid mistakenly attributing quality problems to U.S. products, locally purchased commodities should indicate country of origin in their labeling.

Conclusion

While LRP is seen by many as an opportunity to provide food in a quicker and cheaper way there are in fact many obstacles and reasons why this may not be the most prudent or effective approach. It also has the potential to cause significant damage to the credibility of the United States. The U.S. government and the providers of food aid must ensure that local markets are not distorted and nutrition and safety aren't compromised in an effort to reduce costs. U.S. commodities undergo intense scrutiny for both safety and nutrition content, and have developed a strong reputation over many years – a reputation which can be quickly unraveled and not easily replaced. As the U.S. government implements the pilot project for local and regional purchases, it should ensure that these areas are fully analyzed and considered. Finally, implementing, evaluating, and reporting about the LRP pilot must always be open, transparent processes and ones that are documented thoroughly and accurately. Thank you for your consideration of these points and we look forward to continued dialogue on the implementation of the pilot project.

Sincerely,

American Farm Bureau Federation
American Soybean Association
National Association of Wheat Growers
National Corn Growers Association
North American Millers Association
United States Dry Bean Council
USA Dry Pea and Lentil Council
USA Rice Federation
U.S. Wheat Associates, Inc.