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# U.S. FOOD AID:

## *Give Priority to Human Needs*

—by Larry Minear—

It's omnibus farm bill time again. The new administration, congressional committees, and interest groups are gearing up. Current law expires a year from September.

International food aid, along with price supports, export subsidies, and domestic nutrition programs, will be under review as new farm legislation is crafted. P.L. 480 is likely to draw more attention this round than in 1977, 1981, or in 1985—thanks to pressure to reduce federal expenditures and to major changes in world agriculture, trade, finance, and weather.

### Multiple Objectives, Multiple Confusion

P.L. 480 has had an array of objectives: developing markets for the United States, moving U.S. farm surpluses, advancing U.S. foreign policy goals, and alleviating world hunger. These objectives make for a diverse constituency among government agencies, Members of Congress, and outside interest groups. Narrowing the objectives, conventional wisdom holds, will erode the broad support U.S. food aid has traditionally enjoyed.

But can P.L. 480 be all things to all people? Korea is its most oft-cited success story. After more than \$2 billion in food aid, the U.S. has become Korea's dominant supplier of wheat, corn, soybeans, and cotton. Yet relations are now buffeted by growing anti-Americanism—a harvest in part of past food aid policies, as well as recent U.S. pressure for expanded access to Korean agricultural markets.

Several years ago two Korean farm groups wrote an impassioned letter to President Reagan. Acknowledging the importance of U.S. food aid in earlier years, they also lamented that food aid had "not been used to develop Korean agriculture—the basis of national self-reliance. Instead, as American farm goods have continued to pour in, Korea's income from its own crops such as wheat and cotton has dropped, destroying Korea's agriculture. Today, with half of our people's food coming from overseas (90 percent of this from the U.S.), our former self-sufficiency is being lost."

When P.L. 480's various objectives clash, human needs in developing countries generally give way to U.S. commercial or political considerations. The challenge for hunger groups in the new farm bill should therefore be to insulate P.L. 480's humanitarian, development, and food security objectives more tightly from such considerations. If that means a narrower constituency for P.L. 480, that is, I believe, a risk worth running.

### Food Aid and Ongoing Food Needs

Developing countries still welcome food assistance for emer-

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gencies. Last year the United Nations World Food Program, which receives many such requests, provided the largest tonnage in its history (839,000 metric tons) in response to myriad natural and human-caused disasters. Yet chronic food-short countries see limited utility in food aid in the service of the longer term development and food security objectives delineated by John Mellor in the first 1989 issue of *CHOICES*.

Sub-Saharan African governments, for example, now place higher priority on technical and financial assistance, debt forgiveness, and improved terms of trade than they do on food aid. The UN World Food Council, international watchdog over world hunger, recommends non-emergency food aid only when carefully integrated into a comprehensive set of national food policies.

To be sure, food aid could be used more creatively to help developing countries adjust to economic austerity and ease the transition to more appropriate food and economic policies. Yet the problems historically associated with food aid in the service of these objectives suggest the need for caution. Past efforts to accomplish broad-based, sustainable economic development with food aid have also proved difficult.

Food aid, to its credit, has accomplished human capital development through nutrition, education, and food for work activities. Title II grant food aid programs have had positive impacts on the lives of the poor, far outdistancing such benefits from Title I concessional sales. In fact, classical food aid risks—disincentives to agricultural development, undesirable changes in consumption patterns, dependency on food imports, and assorted logistical complications—are more frequently associated with large-scale Title I than smaller scale Title II transfers.

While there is no substitute for food when people are starving, the cost-effectiveness of expanded food aid transfers in the service of development objectives is dubious. More-

over, the checkered history of food aid renders highly questionable John Mellor's proposal for twenty million additional tons annually of world food aid (current levels are about ten million tons). Since U.S. food aid, first and foremost, serves U.S. objectives, it is likely to remain an unreliable and perhaps disruptive element in the complex dynamics he describes as necessary to alleviate hunger and poverty.

In short, food aid should not be expected to play a major role in addressing the structural food and development problems of poorer countries. Instead, the new farm bill should provide food aid in smaller and more dependable amounts, more focused on specific structural problems, and better supported with associated inputs.

### A Changing World Food Economy

Since the advent of P.L. 480 in 1954, U.S. food aid has not kept pace with changes in the world food economy. Originally a reflection of U.S. food dominance, P.L. 480 needs rethinking as American agricultural and economic preeminence continues to erode.

U.S. food aid as a percentage of U.S. agricultural exports has fallen from a high of more than 27 percent in 1963 to a current level of around 3 percent. During the 1980s, the U.S. has launched other subsidized agricultural export programs—Section 416, the Export Enhancement Program, and the special export credit programs—which could free P.L. 480 from some of



its traditional trade and market development objectives.

In the quarter-century since the creation of the World Food Program (WFP), food aid has also become a responsibility more widely shared by other countries. To be sure, the United States continues to supply half of world food aid. However, more than 70 countries now provide commodities or cash contributions to WFP activities. WFP manages one-quarter of the world's food aid and operates in some 90 countries.

At the 1974 World Food Conference, with high food prices and critical food shortages in many parts of Asia, Africa, and Latin America, governments agreed on a new policy framework for food aid. They pledged to avoid using food aid as a political weapon and committed themselves to develop a more multilateral food aid regime with multiyear grants and a preference for developing country-produced food aid whenever possible.

Unfortunately, 15 years and 3 U.S. farm bills later, the new regime has yet to become a reality. The United States has proceeded as if food aid were still a wholly owned U.S. subsidiary. It is time to rewrite P.L. 480 so as to acknowledge food aid as a shared international responsibility and to harmonize U.S. food aid policies with those of other countries.

Recrafting P.L. 480 to make human needs objectives controlling is a formidable challenge. Such efforts will encounter opposition from those with other agendas for U.S. food aid, themselves not without merit in their own contexts. Yet, as federal budget austerity forces hard choices, P.L. 480 could well become not only smaller and less expensive, but also a more effective instrument in addressing human needs in developing countries.