

**Statement by Philip Karsting
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Mr. Chairman, Members of the Committee, I am pleased to come before you today to discuss U.S. international food aid and capacity building programs with my colleague and partner, Thomas Staal, of the U.S. Agency for International Development (USAID). The U.S. Department of Agriculture (USDA) endeavors to strategically utilize our programs, in concert with programs of all U.S. agencies, in the Administration's efforts to combat global hunger and increase food security through the whole-of-government, Feed the Future initiative.

In addressing the global food security challenge, the United States is the world's leading food assistance provider. In fiscal year (FY) 2013, the U.S. government provided \$1.7 billion of food aid, or 1.4 million metric tons (MT) of food, to more than 46.2 million beneficiaries in 56 countries.

USDA Current Food Aid and Capacity Building Programs

I welcome the opportunity to talk about not only what USDA food aid and capacity building programs deliver, but how they can deliver more with modest, proposed change and the judicious use of the funding requested for fiscal year (FY) 2016. USDA programs established by Congress include: the Food for Progress program (FFPr), the McGovern-Dole International Food for Education and Child Nutrition Program (McGovern-Dole), the Cochran Fellowship Program (Cochran), and the Norman E. Borlaug International Agricultural Science and Technology Fellowship Program

(Borlaug). USDA also looks forward to implementing in FY 2016 the new Local and Regional Purchase (LRP) program. We appreciate the food aid reform in the 2014 Farm Bill, which included authorization of the new LRP program and flexibilities to the P.L. 480 Title II, Food for Peace program that provide USAID options to help achieve more sustainable results and reach about 600,000 more people annually.

If you have not done so already, I encourage Members to visit USDA and USAID project sites around the world to see the impact of providing U.S food assistance, improving nutrition, increasing school attendance, and building agricultural and trade capacity.

The Feed the Future initiative has strengthened our programming and coordination among federal agencies. Importantly, the collaboration is not just in Washington. As Administrator of the Foreign Agricultural Service (FAS), I see firsthand the benefit of FAS attachés collaborating in embassies around the world with colleagues from USAID, the State Department, the Department of Commerce, the Office of the U.S. Trade Representative, the Millennium Challenge Corporation, and numerous other agencies. Our implementing partners, including U.S. private voluntary organizations (PVOs) and the United Nations food agencies, bring expertise and talent that directly address global food security efforts. Drawing on the wealth of agricultural expertise throughout USDA and in U.S. land grant universities, our programs assist developing countries around the world address agricultural productivity, malnutrition, and trade challenges.

Food for Progress Program

Since Congress established the Food for Progress program in 1985, it has been a cornerstone of USDA's efforts to support sustainable agricultural production in developing nations that are committed to free enterprise in the agriculture sector. USDA can enter into agreements with developing country governments, private voluntary organizations (PVOs), nonprofit agricultural organizations, cooperatives, and intergovernmental organizations.

In FY 2014, FFPr provided 195.9 MT of U.S. commodities valued at \$79.7 million. FFPr projects funded in previous years continue to operate throughout the world. Currently, FAS oversees \$636.69 million in programming in 23 countries that were funded in 2011-2015. For FY 2016, FAS expects to announce solicitations in the next few weeks for our agreements. We also have the ability to respond to requests by governments.

For example, at the request of the Government of Jordan, USDA announced last month an agreement to provide 100,000 MT of U.S. wheat, valued at approximately \$25 million. The Jordanian government will use proceeds from the sale of the commodities to improve the country's agricultural productivity, specifically through water conservation (over 20 percent of Jordanians are water insecure). As one of our most steadfast partners in the Middle East, the Government of Jordan will be able to access the expertise of USDA to improve its agricultural productivity and therefore relieve some of the economic burden that it is facing as a result of nearly 630,000 refugees from Syria living in Jordan.

This latest 2015 agreement builds off a previous FFPr project, where \$10.6 million of proceeds from the sale of donated U.S. wheat are helping fund the construction of the Al-Karak Dam located in the southern region of the Jordan Valley. Once completed, this project will help support economic growth and job creation in the agricultural sector by increasing agricultural productivity through water conservation and stewardship.

In Liberia, FFPr is helping to revitalize the cocoa sector with funding through the sale of 11,900 MT of donated U.S. rice. Following Liberia's civil war, abandoned cocoa plantations were infected with black pod disease. In 2010, USDA began a FFPr grant with a PVO to help producers in Liberia establish sustainable cocoa trees to expand both production and market opportunities. The project established nurseries for farmers to access high-yielding hybrid seedlings and high-quality plants. In 2008, prior to the project, farmers produced 107 MT of cocoa, with sales of \$64,000. By 2013, farmers who participated in the USDA-funded project were producing 725 MT of cocoa, valued at \$1.2 million. USDA will also be implementing a follow-on regional program in Liberia and Cote D'Ivoire, which is the world's leading exporter of cocoa beans, so that Liberian farmers can learn best practices from its neighbor.

In Central America, we are helping to address the underlying factors that led to the spike in the migration of unaccompanied minors last summer. In Honduras, and throughout Central America, the agriculture sector stands as the top source of income for the poor. More than 1.7 million Hondurans, or 65 percent of the population, live below the national poverty line, with more than 20 percent living on \$1.25 a day or less. In April 2015, USDA signed, at the request of the Honduran government, a second

governmental FFPr agreement with Honduras for 30,000 MT of U.S. yellow corn and 18,000 tons of U.S. soybean meal, valued at approximately \$17 million. The Honduran government will use proceeds from the sale of the donated U.S. commodities to implement projects aimed at improving agricultural productivity, enhancing farmers' access to information and market skills, building government capacity, and strengthening local, regional, and international trade in agricultural products. The proceeds of this program will fund follow-on training in market information systems and food safety certification. Honduras has, through our program and ancillary programs such as the Cochran Fellowship Program, become a leader in the region for collecting, analyzing, and disseminating agricultural data. The beneficiaries include small farms, businesses, and producer organizations, particularly those that support rural women and youth.

USDA Deputy Secretary Krysta Harden recently visited several of our programs in Central America, including programs that continue to be successful after completion. This to me shows we are making real contributions to the development of our neighbors and sound investments of taxpayer monies.

McGovern-Dole Program

The McGovern-Dole Program provides agricultural commodities and technical assistance for school feeding and maternal and child nutrition projects in low-income, food-deficit countries committed to universal education. If funding is maintained as requested at this year's level, the program is projected to assist three million women and children worldwide in 2016.

McGovern-Dole is making an impact in literacy and improved nutrition. In Nicaragua, USDA is supporting a \$14 million project using nearly 5,000 MT of U.S. commodities, including beans, soy protein, vegetable oil, dehydrated potato flakes, rice, and dry milk for school meals. The program is feeding approximately 70,000 children and funding infrastructure improvements. By installing latrines, hand-washing stations, kitchens and stoves, and purchasing school furniture, the project has transformed schools into functioning learning centers. Complementary education activities in hygiene and preventative health care are taking place in over 670 schools, often alongside parent-teacher organizations. More than 1,100 Nicaraguan teachers have been trained in reading and math. Nicaraguan children, who would normally attend rundown schools without learning materials, are now becoming literate and gaining knowledge in health and nutrition.

By statute, Congress identified a priority of awarding McGovern-Dole grants for programs that foster local self-sufficiency and ensure the longevity of programs in recipient countries. In Bangladesh, FAS is witnessing success in obtaining local support. The Government of Bangladesh pledged that from 2015 onward it will spend \$49 million annually for school feeding programs in poor areas. By 2017, the Government of Bangladesh will manage school feeding in 50 percent of the schools currently receiving food under McGovern-Dole.

Based on USDA's experience implementing the McGovern-Dole program, the Administration's FY 2016 Budget proposes modest reform that can lead to improved attendance, meals reflecting local diets, and, ultimately, sustainability of projects. The proposal is to amend the definition of an eligible agricultural commodity so that meals

can be enhanced with locally produced foods. Through procuring local food such as fruits and vegetables, FAS will be able to offer nutritionally rich meals consistent with local diets, boost local farmer incomes, and build supply chains. These enhancements will maximize community support and increase the probability that local governments take ownership and maintain school feeding programs.

New Local and Regional Program

This year, we aim to implement an additional food assistance and food security tool that Congress provided in the 2014 Farm Bill; the Local and Regional Purchase (LRP) program, which is authorized through 2018. In implementing the LRP pilot program authorized in the 2008 Farm Bill, USDA demonstrated and reported to Congress that food assistance could in many cases be provided more economically and faster, while protecting and strengthening local markets. In emergencies, the report noted that WFP and PVOs participating in the pilot were systematically able to purchase more food aid and avoid pipeline breaks, thereby reaching more of those with urgent needs in an expeditious manner.

In a non-emergency situation, an LRP pilot implementing partner, Land O'Lakes, worked with local processors in Bangladesh who made cereal bars from chickpeas, peanuts, rice, and sesame seeds that supplemented a school feeding program. Land O'Lakes reportedly saw a 27 percent increase in overall school attendance. Today, this project is ongoing. According to Land O'Lakes, local processors have commercialized the cereal bar and are now sourcing from 15,000 farmers in Bangladesh, instead of importing ingredients. Reported production is up to 15 million cereal bars a month.

USDA's FY 2016 Budget proposes \$20 million in funding for the new LRP program. Funding is expected to support three to four development programs, such as the Bangladesh program and a pilot project in Nicaragua completed in 2012 where the addition of local fruits and vegetables in a school meals also correlated with increased attendance. The program will serve as a complementary tool to support existing food aid programs, especially for the McGovern-Dole school feeding program.

Unfortunately, the request for flexibility in operating the McGovern-Dole program and funding for LRP were not included in the FY 2016 agriculture funding bill marked up in at the appropriations subcommittee level last week. We ask that Congress examine ways to provide the requested flexibility and funding for these Farm Bill programs as the appropriations process continues.

Borlaug Program Promotes Food Security

Congress established the Borlaug Fellowship program to promote food security and economic growth by educating a new generation of agricultural scientists from developing countries. The program provides collaborative research opportunities with experts from U.S. land-grant colleges and similar universities, and organizations working in agricultural research. Often, the collaborative research extends beyond the typical, six-month fellowship award in the United States because of the relationships built by Fellows and academic hosts.

An illustrative example is the Borlaug Fellowship of a 2011 Moroccan fellow trained in improved citrus orchard management at Texas A&M University-Kingsville. The Fellow has since implemented a new Moroccan government laboratory for better citrus pest mitigation that utilizes training in technology to test for plant pests, bacteria,

and viruses. Production of oranges and lemons contributes significantly to the local agricultural economy and stand to benefit from best practices employed in pest mitigation.

Importantly, the collaboration continues, with benefits flowing both ways. In South Texas, U.S. collaborators are testing water-conserving, drip irrigation techniques employed in Morocco to improve Rio Red grapefruit production. A production design applicable for all citrus and orchard-based agriculture in the United States, which would reduce water irrigation usage, reduce pest pressure, and increase per-acre profitability, is being investigated.

Cochran Fellowship Program in concert with other programs

The Cochran Fellowship program was established by Congress to assist eligible countries develop agricultural systems to meet food and fiber needs and improve trade linkages with the United States. One country example, that shows how the Cochran program meshes with other programs in a unified approach to food security, is Honduras.

In 2011, the Cochran Fellowship Program helped coffee producers develop a coffee waste biomass digester in Honduras to produce biogas to fuel coffee dryers. That success was a catalyst for a 2012 Food for Progress program that assisted coffee producers in improving their production.

In 2013, Cochran funded a program on capacity building in school nutrition to enhance Honduran officials' understanding of how both U.S. international food aid programs and domestic school feeding programs function. This program will enhance sustainability of McGovern-Dole school feeding program by helping Honduran

government officials determine which type of school feeding program best fits their circumstances.

In 2014, the Cochran program trained Honduran participants on methods of identifying food borne diseases. This work dovetails with activities under the 2015 Food for Progress agreement that will strengthen the capacity of Honduran officials in sanitary and phytosanitary training. Combined, the training will help Hondurans apply appropriate sanitary and phytosanitary measures to imports, including those from the United States.

At USDA we coordinated with USAID, which helped identify opportunities and provided funding for training to meet a Cochran Fellowship goal of enhancing trade linkages. Nearly 1,400 Honduran government and private sector officials received training in certification and inspection. Due to the training, Honduras is now home to the only international supplier of Terra Chips, a snack food featuring a wide-variety of Central American vegetables.

From farm to port, from nutrition to food safety, from helping farmers to feeding children, USDA has used the full force of all of its resources to improve food security in Honduras.

Conclusion

Thank you for the opportunity to testify. USDA appreciates the support of the Committee for our food assistance and capacity building programs.

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