

**AS PREPARED FOR DELIVERY**

**Michael Scuse  
Acting Under Secretary for  
Farm and Foreign Agricultural Services  
U.S. Department of Agriculture  
Remarks at the International Food Aid and Development Conference  
Tuesday, June 28, 2011  
Westin Crown Center Hotel  
Kansas City, Missouri  
8:15 a.m.**

**INTRODUCTION**

- Thank you, Jim [**James Monahan, Deputy Administrator, Commodity Operations, Farm Service Agency, USDA**], for your kind introduction.
  
- I am pleased to be here in Kansas City at this important conference.
  
- I am especially honored to be sharing the stage with many distinguished speakers, including:
  - Bangladesh's Ambassador to the United States Akramul Qader [*ah-KREY-mool CAW-der*];
  - Mozambique's Ambassador to the United States Amelia Sumbana [*Ah-meal-yah Sum-ba-na*];
  - the U.S. Agency for International Development's Administrator Rajiv Shah;
  - the U.S. Department of Transportation's Maritime Administration Deputy Administrator Orlando Gotay [*Or-land-oh Go-tay*],
  - the President of Catholic Relief Services Ken Hackett,
  - and all our guests to talk about the critical issues of food aid and development.

- As a farmer from the great state of Delaware, I know first-hand the satisfaction of growing food, from seed to harvest, that provides nutrition for families here and overseas.
- As the Acting Under Secretary for Farm and Foreign Agricultural Services, I oversee three agencies: one handles domestic farm programs, another administers international trade and capacity building programs, and the third helps producers manage risk through effective, market-based risk management solutions. These agencies are partnered within USDA because we seek to use and strengthen the mutually beneficial relationship between U.S. agricultural producers and people who are hungry worldwide.
- I appreciate the work of academia, private-voluntary, non-governmental, and international organizations and agricultural and transportation industry representatives gathered here today. All of you are working to improve the health and nutrition of people in developing countries while creating commercially sustainable solutions and opportunities for U.S. agricultural products.
- Before I go further, I have been asked to introduce a welcome message from Agriculture Secretary Tom Vilsack, who could not be here in person today.
- Throughout his distinguished career in public service as mayor, state senator, and Governor of Iowa, Tom Vilsack has a remarkable record of making positive change in the lives of those he has served.

- Under the Secretary's leadership, USDA is working to ensure that America's forests and private working lands are conserved, implementing new strategies to restore our forests and clean our water supply.
- Secretary Vilsack's USDA is promoting American agriculture production and biotechnology exports by conducting cutting edge agricultural research and maintaining an appropriate safety net for America's farmers and ranchers.
- President Obama and Secretary Vilsack are committed to improving the health of America's children by targeting child hunger and obesity with efforts to encourage balanced meals, nutritious eating, and increased physical activity and improving our food safety system.
- And USDA is revitalizing rural America by investing in critical infrastructure such as homes, fire stations, water systems, and health clinics that will create jobs and improve the quality of life for rural residents.
- With that brief overview, let's watch Secretary Vilsack's welcoming address.

**[THE SECRETARY'S WELCOME REMARKS WILL PLAY. AFTER IT ENDS, YOU RETURN TO THE MICROPHONE.]**

- The Secretary has certainly laid down the gauntlet.

## CHALLENGING TIMES

- It's true. This conference is taking place during a particularly notable time. Here in the United States, the Congress is deliberating the U.S. Government's budget for fiscal 2012. Within the recently passed House appropriation bill, USDA's McGovern-Dole Program would face about a 10-percent reduction in funding. USAID's Food for Peace Title II international food aid program would face serious cuts that, if implemented, could greatly reduce emergency food aid.
- Meantime, commodity prices and demand continue to rise, squeezing food assistance dollars further and forcing us to feed fewer people.
- In addition, in the coming months, Congress will also take up the renewal of the U.S. Farm Bill that is scheduled to expire next year.
- Internationally, the Food Aid Convention—a treaty that dates back to 1967 under which donors pledge a certain amount of food aid—is being renegotiated. The issues that are up for renegotiation are important ones for the future of food aid and for food security in general. These include the level of donor food aid commitments and the way that donor commitments are counted.
- And finally, negotiations continue in the World Trade Organization's Doha Development Round, where monetization of food aid by the United States has been a controversial topic for many years.

- So the timing and theme of this conference “Food Aid: Results that Matter to Hungry People” could not have come at a better time. This week offers us an excellent opportunity to review our long history of providing food assistance and will help us frame the issues we must consider as we look to an uncertain future.

## **LESSONS LEARNED**

- No doubt, many of you in this room can provide numerous examples of valuable lessons learned from providing food aid and development assistance to hungry people. Later today I will have the honor of recognizing Ken Hackett, President of Catholic Relief Services, for his 40-year contribution to alleviating global poverty and hunger. USDA’s relationship with Ken and CRS goes back nearly 20 years. His knowledge and dedication to helping those in need inspires us all.
- I think Ken would strongly agree that our food aid and development assistance serves a dual purpose: meet the immediate needs of the hungry, but also show individuals and their neighbors in rural villages how to sustainably develop their agricultural sectors. Through technical assistance and training, these individuals learn to feed themselves and their communities, open village banks and obtain micro-credit loans, increase incomes, and eventually expand their own operations or, through farmer associations, reach beyond their local communities to regional and international markets.
- Unfortunately, these types of investments in global agriculture and food security by donor countries fell sharply between 1979 and 2004, creating a greater chasm between

rich and poor, hungry and well-fed. In 2008-2009, global food prices rose steeply, the global economy receded severely, and the number of hungry, malnourished people reached nearly one billion—a number that has only declined slightly since then.

- As a result, the Group of Eight industrialized nations responded by establishing a framework for coordinated worldwide action. And last week at the G-20 Agricultural Ministerial in Paris, Secretary Vilsack and other world leaders reached an historic agreement to combat the pressing challenges of hunger and food price volatility confronting our world with greater regularity. A report released today by USDA's Economic Research Service outlines some of the factors contributing to a 60-percent rise in global commodity prices since last June, and the G-20 action plan addresses many of those factors. The action plan commits nations to increasing agricultural production through use of improved practices and technologies and to new and expanded research and development. Pledges to invest in this effort were made at the G-8 in L'Aquila, Italy, two years ago and support is beginning to flow to the World Bank Trust Fund. The ministers also supported the launch of an International Research Initiative for Wheat Improvement to help nations coordinate research efforts on this crucial staple crop.

## **FEED THE FUTURE**

- Here in the United States, Agriculture Secretary Vilsack, Secretary of State Clinton, and USAID Administrator Shah launched the U.S. Feed the Future Initiative. This Initiative supports the international effort to increase both the sustainability and productivity of global agriculture so that food is available and accessible to people worldwide.

- The Initiative is bringing together the capabilities of multiple parts of the U.S. government, as well as PVOs, NGOs, the private sector, and multilateral partners. USDA is closely coordinating its efforts with USAID. Many of USDA's existing programs already aimed at enhancing food security are being used to complement our Feed the Future activities.
- The Feed the Future Initiative will be the first topic up for discussion today after Administrator Gotay's [*Go-tay's*] keynote remarks. And USAID Administrator Shah will discuss the Initiative in detail at lunch this afternoon.
- Through the Feed the Future Initiative, we are focused on building capacity in countries like Tanzania, Ghana, Bangladesh, Haiti, Kenya, and Guatemala, as well as regions like East Africa and Central America. These initial focus countries and regions were selected because of the strength of their political institutions and vision for confronting hunger. They have all committed to increasing their own investment in agriculture so our investments generate significant leverage.
- Ghana, for example, loses about 20-30 percent of its cereals and legume crops annually because of inadequate storage and handling practices and facilities. To help tackle this challenge, USDA is collaborating with several land-grant universities to develop and deliver training programs to improve handling and storage systems, on and off the farm.

- The Feed the Future Initiative also sees nutrition as a critical driver for economic growth and poverty reduction. Integrating agriculture and nutrition programs contributes to healthier and more productive communities.
- Strong nutrition in early life leads to improved learning and productivity and to a robust, capable workforce. It also promotes gender equality and opportunities for women and girls.
- Two reports recently released by the General Accountability Office and Tufts University examine the quality and nutritional content of U.S. food aid products. These reviews provide guideposts to actions we can take to improve our international food assistance programs, while keeping in mind that we are spending taxpayer dollars. Three separate sessions during this conference will discuss these reports.
- Improving the nutritional content and packaging of food products would raise both the quality and quantity of food rations received in-country, ensuring better health outcomes for recipients and more food available for distribution.
- In recognition of this, USDA proposed a new licensing program under the U.S. Warehouse Act for Export Food Aid Commodities. This program would cover warehouses at ports that handle food destined for export and would include vegetable oil, corn soy blend, and pulses such as peas, beans, and lentils. The program would continue the oversight of quality standards for food, which requires that the products be packaged

for shipment to their overseas destinations. We will discuss this proposed program on Wednesday.

## **SCIENCE AND TECHNOLOGY'S ROLE**

- Advances in science and technology have a huge role to play in enhancing the nutritional content of food and making it safer to eat. Earlier this month, USDA and USAID were proud to announce that through the Feed the Future Initiative, the U.S. government will support an African-led partnership focused on controlling aflatoxin. Over 4.5 billion people in the developing world consume dangerous levels of aflatoxin, which are toxic and carcinogenic.
- USDA is also funding research projects to look at heat and drought tolerance in beans, new corn and potato varieties that address vitamin A and other nutrient deficiencies in children and adults, and improve fruits, vegetables, and specialty crops like cacao and table grapes. This sort of advanced development holds incredible potential for improving sustainable production and nutrition and raising farm incomes both at home and across the globe.
- This research is not just a domestic effort. Much of the best research is being done in conjunction with international partners and non-profit funding. And, as tight budgets threaten funding for this work at home and abroad, it is critical that we not only advocate for continued investment in this sort of innovation, but that we encourage private and non-profit sector funding as well.

- To meet future challenges, we must help farmers adopt the latest seed technology, improved irrigation systems, and land and animal management techniques. We must help them appropriately apply fertilizers, pesticides, and herbicides, if need be. We must help them regulate the safety of their food systems, and engage in the global trading system so that food supply can reach demand.
- We want to engage smallholder farmers in villages to learn their ideas about developing the agriculture sector, so that we can help them with technologies, techniques, and crops that fit their culture and lifestyle. Our focus must reflect an understanding of the role of women in farming, who account for between 60 and 80 percent of food production in most developing countries.
- In a short while, we will talk further about building value chains from smallholder farmers to businesses, highlighted by remarks from Bangladesh's Ambassador to the United States Akramul Qader [*ah-KREY-mool CAW-der*].

## **TRADITIONAL PROGRAMS**

- National and regional governments have an enormous role to play in this effort. In the United States, our land-grant universities and extension agents have helped producers practice successful farm management and marketing techniques and helped them form cooperatives. Internationally, USDA has employed our land-grant universities to expose foreign policymakers, academics, business representatives, scientists, and researchers to

American agricultural systems and innovation through our Borlaug and Cochran Fellowship Programs. These programs support the critical human capacity that underpins growth.

- USDA is working to expand its collaborative efforts with academia to include minority serving institutions, including Hispanic serving institutions, historically black colleges, and tribal colleges. Tomorrow, representatives from these institutions will discuss the value they can bring to the learning experiences of international counterparts who participate in our programs. We hope this session will create an environment where the panelists have the opportunity to network with other conference attendees to discuss opportunities for further collaboration in international agricultural development activities.
- USDA food aid programs are also driving agricultural productivity increases and raising incomes of farmers. This year alone, they will benefit more than 5.2 million people in the developing world.
- The Food for Progress Program provides U.S. commodities to developing countries and emerging democracies, for donation or credit sale, to support democracy and an expansion of private enterprise. The program helped improve and expand electric distribution systems, helped women entrepreneurs market agricultural products, and developed farmers' clubs where small-scale farmers learn how to increase incomes.

- One three-year Food for Progress project in Mozambique is partnering the U.S. government, TechnoServe, and Cargill together to strengthen that country's poultry and feed industries. Our efforts are working—the poultry industry is thriving, creating jobs, increasing local farmer incomes, and providing consumers a safer food supply.
- This highlights the role that companies, trade associations, academia, and PVOs and NGOs play alone and in public-private sector partnerships to link markets, grow incomes, build capacity, and reduce food insecurity. The value these public-private partnerships provide to our international development efforts will be a topic for discussion during this conference.
- I am particularly proud of the McGovern-Dole school feeding program, which helps support education, child development, and food security for some of the world's poorest children. Between 2001 and 2010, it, and its predecessor, the Global Food for Education Initiative, have fed an estimated 4-5 million people daily during the school year. USDA currently has active programs in 30 countries.
- The McGovern-Dole Program provides a foundation for sustainability by encouraging projects to take root in host countries. By committing to longer-term funding cycles, the program enables the necessary support structures to develop around programming.
- McGovern-Dole program funds and donated commodities have accomplished much: helped establish school feeding programs around the world; increased elementary school

enrollment and attendance among girls by providing school meals; improved the health of pregnant and lactating women and children by offering monthly take-home rations; and improved school children's health and hygiene.

## **NEW APPROACHES**

- In Secretary Vilsack's welcoming remarks, he challenged us all to look at how we can take our programs and our partnerships to the next level—how we can better coordinate and target our efforts, improve transparency, embrace innovation, and increase our focus on long-term sustainability.
- Tomorrow morning we will have a panel discussion about developmental food aid and alternative approaches.
- Flávio C. Bettarello [*Fla-vee-oh Bet-a-rell-oh*] from the Brazilian Embassy in Washington, DC will be on this panel. He will talk about a partnership to provide in-kind food aid to Somalia and the Global Partnership Dialogue between our two countries, which includes a food security initiative in Mozambique. This partnership reveals that broadening our toolbox of options for providing food assistance is preferable to eliminating methods that have worked in the past.
- In this regard, I want to congratulate the Brazilian and Ghanaian governments for the naming of their former presidents Luiz Lula da Silva [*Lou-eez Lou-la de Sil-va*] and John Kufour [*John Koo-FOR*] as 2011 World Food Prize winners. They are recognized for

their leadership in creating and implementing policies that improved the food security and living conditions of millions in their countries.

- Another potential new tool is the Local and Regional Procurement (LRP) Pilot Project. LRP was authorized under the 2008 Farm Bill for five years with \$60 million in funding. PVOs and international organizations have been implementing LRP field-based projects in 19 countries for one-year periods. They were provided with cash grants to purchase food in surplus markets for distribution to people who are suffering from the aftermath of a natural disaster or other food crisis in another area. This concept protects against a decline in food consumption, builds local food systems, saves lives, and reduces suffering. As LRP draws to a close, each project will be independently evaluated to determine whether it can enhance U.S. government food assistance programs. We will discuss this pilot program in more detail on Wednesday.
- In addition, we are honored to have Mozambique's Ambassador to the United States Amelia Sumbana [*Ah-meal-yah Sum-ba-na*] as our luncheon speaker on Wednesday.
- Ambassador Sumbana's [*Sum-ba-na's*] remarks will be followed by a discussion of other forward-thinking endeavors, including the seasonal calendar for the Food for Progress Program, eVouchers, and USDA's Results-Oriented Management Framework.

- This discussion addresses our overall goal for this conference—to look more closely at what has worked, what has not, and what we can do in the future to improve our food assistance and program delivery.

## **CONCLUSION**

- I want to close by commending all of you for your efforts to feed hungry people, promote sustainable development, and provide technical assistance around the world.
- You understand what it takes to ensure that food aid reaches its final destination, that it is used as intended, and that the programs and activities to make this effort sustainable are put into action.
- You often endure hardship and danger to accomplish these tasks. USDA appreciates your dedication and idealism. Your actions make real and palpable the desire of the American people to answer the call of those in need and share our bounty with those less fortunate. Thank you for all you do.

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