

CRS Report for Congress

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International Food Aid: U.S. and Other Donor Contributions

Charles E. Hanrahan
Senior Specialist in Agricultural Policy
Resources, Science, and Industry Division

Carol Canada
Technical Information Specialist
Knowledge Services Group

Summary

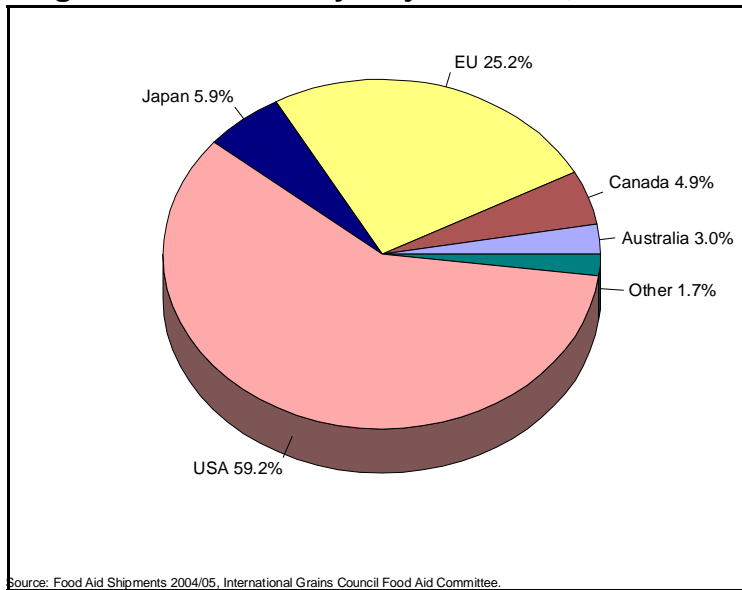
The United States is the world's major provider of international food aid to low-income developing countries. This report provides three indicators of the U.S. contribution to global food aid: (1) shipments of major donors compiled by the International Grains Council, (2) U.S. contributions to the United Nations World Food Program (WFP), and (3) the U.S. commitment under the Food Aid Convention (FAC).

U.S. food aid accounted for 59% of food aid shipments by major donors during 1995-2005. A substantial portion of U.S. food aid is channeled through the WFP. During 1996-2004, around 48% of the food aid distributed by the WFP came from the United States. The Food Aid Convention (FAC), now expired, was an agreement among donor countries to provide a minimum amount of food aid to low-income developing countries. The food aid commitment by all FAC signatories was approximately 4.9 million metric tons (mmt). The United States pledged to provide 2.5 mmt or 51% of the total commitment.

Contributions of Major Donors to International Food Aid

The United States is the major contributor to international food aid, supplying on average, since 1995, around 59% of the annual total food aid (see **Figure 1**) donated by members of the Food Aid Committee of the International Grains Council (IGC) and signatories of the 1999 Food Aid Convention.¹ U.S. contributions increased from around 2.8 million metric tons (mmt) measured in wheat equivalent in 1995/1996 to about 5.4

¹ Information on the International Grains Council, the Food Aid Convention, and the Food Aid Committee is available at [<http://www.igc.org.uk/>].

Figure 1. Food Aid by Major Donors, 1995-2005

mmt in 2004/2005 (see **Appendix Table 1**).² U.S. contributions averaged 5 mmt annually. Food aid from the European Union (including food aid provided by the European Commission and by individual EU member countries) has been more stable and averaged around 2.1 mmt or 25% of average annual food aid shipments. Japan and Canada provided 6% and 5%, respectively, of the total from major donors. Japan's contributions are provided as cash rather than commodities.

Because the IGC's food aid data are reported on a July/June marketing year basis, they do not correspond, for example, to fiscal year food aid data reported by the U.S. Department of Agriculture in budget documents or by the U.S. Agency for International Development in annual food aid reports. The source of the data in **Figure 1** and **Appendix Table 1** is the annual report *Food Aid Shipments*, prepared by the Food Aid Committee of the International Grains Council.³

Food Aid Contributions to the World Food Program

Most U.S. food aid is provided on a bilateral basis, but a substantial portion is channeled through the United Nations World Food Program (WFP), the intergovernmental agency that provides food aid for development projects and humanitarian relief in low income countries. More than 56 donors, mainly countries, but also some non-governmental organizations and private corporations, contribute to the WFP. The United States is the major donor, providing over the last ten years around 47% of total WFP contributions (see **Figure 2** and **Appendix Table 2**). Over that same ten-year period, the EU (again combining European Commission with EU member countries' contributions) accounted for around 30% of total WFP contributions. Japan, whose contributions are in cash, provided around 6%. The remaining donors combined provided about 16% to WFP food aid resources. Donor contributions to the WFP are not in addition to, but are included in, the data reported in **Figure 1** and **Appendix Table 1**.

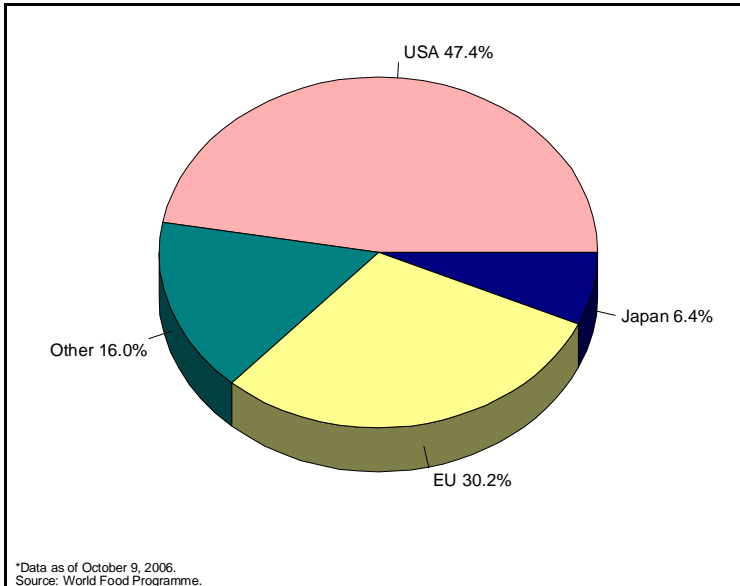
² Data on food aid shipments provided by the International Grains Council are reported on a marketing year basis (July-June).

³ International Grains Council, Food Aid Committee, *Food Aid Shipments 2002/2003: Report on Shipments by Members of the Food Aid Convention*, July 2004.

Commitments under the Food Aid Convention

The Food Aid Convention (FAC), first agreed to in 1968 during the Kennedy Round multilateral trade negotiations held under the auspices of the General Agreements on Tariffs and Trade (GATT), was an international agreement that constituted a framework

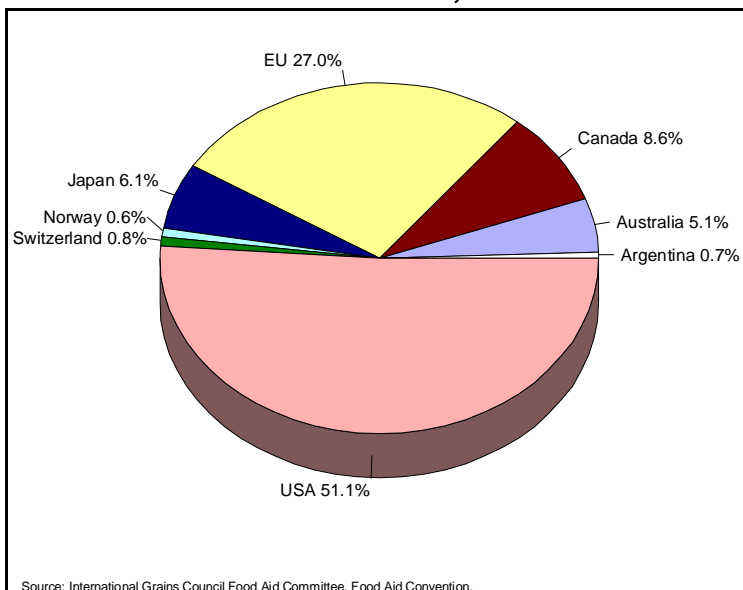
Figure 2. Food Aid Contributions to the World Food Program, 1996-2006*



of cooperation on food aid between major donors. The food aid commitment under the FAC was a minimum commitment and was intended to be a guarantee of food security for low-income developing countries. The signatories of the FAC were Argentina, Australia, Canada, the European Union and its member countries, Japan, Norway, Switzerland, and the United States. Signatories could provide more than their minimum commitment. The current FAC was negotiated in 1999 and expired in 2003.

Under the FAC, the donors could express their annual food aid commitments in either tonnage or in value, but most continue to use the former. Japan is the major exception, although the EU also provides some food aid in the form of cash. The total commitment under the most

Figure 3. Food Aid Commitments under the Food Aid Convention, 1999



recent FAC (1999-2003) was 4.9 mmt (see **Figure 3** and **Appendix Table 2**). The United States made the largest commitment, 2.5 mmt or 51% of the total. The combined EU commitment was around 27%. Commitments by Canada, Japan, and Australia were, respectively, 8.6%, 6.1%, and 5.1%. Only two of eight FAC signatories (Norway and the United States) have met or exceeded their FAC commitments on average over the life of the FAC (1999-2003).

Although the FAC expired in 2003, a working committee of the IGC has been established to prepare for its renegotiation.⁴ The Food Aid Committee of the IGC continues to meet periodically to review donor food aid contributions in relation to commitments under the 1999 FAC and to global food needs and agreed that the existing FAC should be extended for a further two-year period after July 1, 2005. Concurrently, trade-related aspects of food aid are being negotiated in the multilateral trade round known as the Doha Development Agenda (DDA). Renegotiation of the FAC, however, appears unlikely until the DDA trade negotiations have been concluded. Now that Doha Round negotiations have been indefinitely suspended, the future of the FAC is uncertain.

Table 1. Annual Commitments under the 1999 Food Aid Convention
(metric tons wheat equivalent)

	Annual Commitments	Percent	Average Food Aid Shipments 1999-2003	Percent
Argentina	35,000	0.72%	553	0.01%
Australia	250,000	5.11%	235,242	2.42%
Canada	420,000	8.58%	386,859	3.98%
EU	1,320,000	26.97%	2,072,822	21.34%
Japan	300,000	6.13%	550,945	5.67%
Norway	30,000	0.61%	109,318	1.13%
Switzerland	40,000	0.82%	62,217	0.64%
USA	2,500,000	51.07%	6,294,145	64.81%
Total	4,895,000	100.00%	9,712,101	100.00%

Source: International Grains Council Food Aid Committee, The Food Aid Convention.

⁴ IGC-FAC Press Release, 8 December 2004, available at [<http://www.igc.org.uk/press/pr041208.htm>].

CRS-5

Appendix Table 1. Food Aid by Major Donor, 1995-2005
(in metric tons wheat equivalent)

												Annual Average	
	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	Total	Percent	Metric Tons
Argentina	13,400			10,135	2,740		26				26,301	0.03%	2,630
Australia	298,146	305,127	293,221	273,064	296,713	251,865	245,828	203,820	177,984	168,083	2,513,851	2.99%	251,385
Canada	448,764	468,431	417,917	487,095	470,640	293,477	408,209	451,537	310,430	396,405	4,152,905	4.94%	415,291
EU	2,413,991	2,049,691	2,201,162	1,969,892	1,970,768	2,357,778	1,836,717	1,980,781	2,218,065	2,151,958	21,150,803	25.17%	2,115,080
Japan	474,870	326,835	302,626	561,643	337,357	637,749	531,755	666,910	580,953	578,261	4,998,959	5.95%	499,896
Norway	6,233	32,816	19,306	61,293	75,960	85,876	74,318	144,927	165,510	145,586	811,825	0.97%	81,183
Switzerland	75,479	38,636	57,915	38,939	61,295	54,169	58,042	67,892	69,689	71,854	593,910	0.71%	59,391
USA	2,849,384	2,553,283	2,818,500	4,734,121	5,692,116	6,798,280	7,124,407	6,054,197	5,801,724	5,363,186	49,789,198	59.25%	4,978,920
Total	6,580,267	5,774,819	6,110,647	8,136,182	8,907,589	10,479,194	10,279,302	9,570,064	9,324,355	8,875,333	84,037,752	100.00%	8,403,775

Source: International Grains Council Food Aid Committee, *Food Aid Shipments 2001-2005*.

Appendix Table 2. Food Aid Contributions to the World Food Program, 1996-2006
(thousand dollars)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	As of October 9, 2006	Total
United States of America	494,980	408,380	876,284	718,856	795,676	1,210,543	933,217	1,459,324	1,044,168	1,174,918	932,164	10,048,510
European Union	603,981	550,522	522,397	461,800	442,495	436,559	560,653	620,929	692,984	876,111	638,761	6,407,192
EU Commission	196,873	237,254	184,645	168,098	117,509	118,411	179,205	201,463	200,501	263,940	225,163	2,093,061
EU Countries	407,108	313,269	337,752	293,702	324,986	318,149	381,448	419,466	492,483	612,171	413,598	4,314,131
Austria	4,774	4,910	3,853	3,710	2,854	1,117	3,302	2,199	2,189	4,344	1,839	35,091
Belgium	19,472	17,416	16,908	10,782	6,284	5,294	5,748	8,480	10,750	13,952	10,303	125,388
Cyprus*									5		400	405
Czech Republic*									98	1,236	308	1,642
Denmark	53,064	44,248	43,384	46,900	41,908	39,385	39,964	39,335	43,247	52,838	40,410	484,683
Finland	16,045	13,768	13,801	15,345	15,219	14,467	17,445	17,793	17,860	23,557	13,868	179,168
France	19,203	21,884	24,742	27,693	26,170	35,929	14,457	14,939	30,288	37,676	21,303	274,284
Germany	96,036	68,487	61,779	53,089	46,750	58,088	60,920	46,458	65,126	70,721	49,160	676,614
Greece	150	170	25	1	130			200	16	3,637	2,193	6,522
Hungary*									65	120	65	250
Ireland	3,149	4,284	4,378	5,021	7,639	7,317	10,390	11,815	13,684	19,708	23,934	111,317
Italy	34,876	9,112	10,632	20,817	19,936	36,060	38,016	40,480	47,613	47,908	7,333	312,784
Lithuania*											37	37
Luxembourg	218		270	130	1,205	1,735	2,919	3,913	5,413	10,681	4,759	31,243
Netherlands	78,804	45,972	45,532	55,003	62,801	59,481	58,795	50,422	77,738	115,348	71,551	721,447
Poland*									356	200	200	756
Slovakia*									25	30	49	104
Slovenia*									33	97		130
Spain	13,720	12,245	2,725	2,511	3,256	3,946	2,607	5,357	17,553	11,595	16,430	91,945
Sweden	33,164	35,985	29,511	28,415	30,778	27,711	31,167	42,341	44,540	84,259	57,873	445,745
United Kingdom	34,434	34,789	80,212	24,284	60,056	27,620	95,718	135,734	115,884	114,264	91,583	814,577
Japan	124,032	98,991	123,757	106,438	260,099	91,139	92,896	129,938	135,730	160,528	40,963	1,364,511
All Others	222,166	253,647	204,811	268,274	252,853	165,999	222,338	362,983	342,017	515,410	575,959	3,386,457
TOTAL	1,445,159	1,311,540	1,727,248	1,555,369	1,751,123	1,904,241	1,809,104	2,573,174	2,214,899	2,726,967	2,187,847	21,206,670

* Joined European Union in 2004.

Source: World Food Program.