

# FY2018 and FY2019 Agriculture Appropriations: International Food Aid

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## FY2018 and FY2019 Agriculture Appropriations: International Food Aid

The Agriculture appropriations bill—formally known as the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act—funds the U.S. Department of Agriculture (USDA) except for the Forest Service. This includes funding for certain U.S. international food aid programs.

In March 2018, President Trump signed the Consolidated Appropriations Act, 2018 (P.L. 115-141), an omnibus appropriations act for FY2018, into law. In February 2019, President Trump signed the Consolidated Appropriations Act, 2019 (P.L. 116-6), an omnibus appropriations act

## SUMMARY

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for FY2019, into law. The FY2018 and FY2019 Agriculture Appropriations Acts—Division A of P.L. 115-141 and Division B of P.L. 116-6, respectively—include funding for certain U.S. international food aid programs, such as the Food for Peace (FFP) Title II Program and the McGovern-Dole International Food for Education and Child Nutrition Program. Other international food aid programs receive mandatory funding and do not rely on discretionary funding provided through annual appropriations. Congress authorizes discretionary and mandatory funding levels for international food aid programs in periodic farm bills, most recently the Agriculture Improvement Act of 2018 (P.L. 115-334).

This analysis covers appropriations for U.S. international food aid programs that Congress funds through agriculture appropriations bills. It does not cover appropriations for international food assistance or agricultural development programs that Congress funds in State, Foreign Operations, and Related Programs (SFOPS) appropriations bills, such as the Emergency Food Security Program (EFSP) or the Feed the Future Program.

In FY2018, Congress provided a total of \$1.924 billion in funding for U.S. international food aid programs, a 7% increase from the \$1.802 billion provided in FY2017. In FY2019, Congress provided \$1.942 billion in funding for U.S. international food aid programs, a 1% increase from FY2018 enacted levels.

In addition to providing funding for U.S. international food aid programs, agriculture appropriations bills may also include policy-related provisions that direct how the executive branch should carry out certain appropriations. The FY2018 and FY2019 Agriculture Appropriations Acts, as well as House and Senate Agriculture appropriations bills for those fiscal years, include policy provisions related to international food aid programs. For example, one provision directs that a certain amount of the funds appropriated for the McGovern-Dole Program be used to provide *locally and regionally procured* food assistance food assistance purchased in the country or region where it is to be distributed rather than in the United States.

#### Funding for U.S. International Food Aid in Agriculture Appropriations, FY2013-FY2019

■ FFP T ■ FFP T	ïitle II ïitle I Adm		<ul> <li>McGovern-Dole</li> <li>Food for Progress</li> </ul>	
\$0	M \$500	OM \$1,000	DM \$1,500M	\$2,000M
FY2019 Enacted	//////		///////	
FY2019 Senate	11111	11111	///////////////////////////////////////	
FY2019 House		//////		
FY2018				
FY2017	/////			
FY2016		//////		
FY2015	//////			
FY2014	//////			
FY2013	/////	//////	////	

**Source:** Compiled by CRS using enacted appropriations acts, the FY2019 Administration's Budget Request, H.R. 5961, and H.R. 6147.

**Notes:** FFP = Food for Peace. FY2017 totals for FFP Title II do not include a \$300 million transfer from the SFOPS International Disaster Assistance account. Appropriations for the USDA Foreign Agricultural Service's (FAS) Salaries and Expenses account support FAS international trade and international food aid programs. USDA does not account for salaries and expenses supporting international food aid programs separate from those supporting nonfood aid programs. Therefore, FAS salaries and expenses are not included in appropriations totals.

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## Introduction

The U.S. government administers multiple international food assistance programs that aim to alleviate hunger and improve food security in other countries.<sup>1</sup> Some of these programs provide emergency assistance to people affected by conflict or natural disaster. Other programs provide nonemergency assistance to address chronic poverty and hunger, such as providing food to people during a seasonal food shortage or training parents and community health workers in nutrition.

Current international food assistance programs originated in 1954 with the passage of the Food for Peace Act (P.L. 83-480), also referred to as *P.L. 480*. Historically, the United States has provided international food assistance primarily through *in-kind aid*, which ships U.S. commodities to countries in need. Congress funds in-kind food aid programs through the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act—known as the Agriculture appropriations bill.

In 2010, Congress established the Emergency Food Security Program (EFSP), which provides primarily cash-

#### Food Assistance Terminology

In this report, key terms are defined as follows:

**Food aid** refers to in-kind aid, which ships U.S. commodities to countries in need.

**Food assistance** refers to both in-kind aid and cash-based assistance. Cashbased assistance provides a recipient with the means to acquire food through vouchers, cash transfers, or food procured in the country or region where it is to be distributed.

based food assistance. *Cash-based assistance* provides recipients with the means to acquire food, including through cash transfers, vouchers, or *locally and regionally procured food*—food purchased in the country or region where it is to be distributed rather than from the United States. Congress funds EFSP through the International Disaster Assistance (IDA) account in the State, Foreign Operations, and Related Programs (SFOPS) appropriations bill.<sup>2</sup> The IDA account also funds nonfood emergency humanitarian assistance, such as provision of shelter and health services.

This report provides a brief overview of the international food aid-related provisions in the FY2018 and FY2019 enacted Agriculture Appropriations Acts—Division A of the Consolidated Appropriations Act, 2018 (P.L. 115-141) and Division B of the Consolidated Appropriations Act, 2019 (P.L. 116-6).<sup>3</sup> It does not cover programs funded through the SFOPS appropriations bill.

## **International Food Aid Programs**

Congress funds most U.S. international food aid programs with discretionary funding provided through annual appropriations bills. Some international food aid programs receive mandatory

<sup>&</sup>lt;sup>1</sup> For more information on international food assistance programs, see CRS In Focus IF11059, *Overview of U.S. International Food Assistance*, by Alyssa R. Casey.

<sup>&</sup>lt;sup>2</sup> The SFOPS appropriations bill funds most U.S. foreign aid programs, including funding for USAID, Department of State, and international broadcasting programs. For an analysis of the FY2018 SFOPS Appropriations Act, see CRS Report R44890, *Department of State, Foreign Operations, and Related Programs: FY2018 Budget and Appropriations,* by Susan B. Epstein, Marian L. Lawson, and Cory R. Gill; and for FY2019 see CRS Report R45168, *Department of State, Foreign Operations: FY2019 Budget and Appropriations,* by Susan B. Epstein, Marian L. Lawson, and Cory R. Gill; and for FY2019 see CRS Report R45168, *Department of State, Foreign Operations: FY2019 Budget and Appropriations,* by Susan B. Epstein, Marian L. Lawson, and Cory R. Gill; and for FY2019 Budget and Appropriations, by Susan B. Epstein, Marian L. Lawson, and Cory R. Gill.

<sup>&</sup>lt;sup>3</sup> For a detailed analysis of the FY2018 Agriculture Appropriations Act, see CRS Report R45128, *Agriculture and Related Agencies: FY2018 Appropriations*, by Jim Monke; and for FY2019 see CRS Report R45230, *Agriculture and Related Agencies: FY2019 Appropriations*, by Jim Monke.

funding financed through USDA's Commodity Credit Corporation (CCC)<sup>4</sup> and do not require a separate appropriation. Congress authorizes discretionary and mandatory funding levels for international food aid programs in periodic farm bills, most recently the Agriculture Improvement Act of 2018 (P.L. 115-334).<sup>5</sup> **Table 1** lists each international food aid program that receives funding through agriculture appropriations.

Table 1. U.S. International Food Aid Programs Funded Through AgricultureAppropriations

Program	Primary Delivery Method	Discretionary or Mandatory Funding	Administering Agency
Food for Peace Title I	In-kind	Discretionary	USDA
Food for Peace Title II	In-kind	Discretionary	USAID
Farmer-to-Farmer (Food for Peace Title V)	Technical assistance <sup>a</sup>	Discretionary	USAID
McGovern-Dole International Food for Education and Child Nutrition	In-kind	Discretionary	USDA
Food for Progress	In-kind	Mandatory <sup>b</sup>	USDA
Bill Emerson Humanitarian Trust	In-kind	Mandatory <sup>b</sup>	USDA

Source: Compiled by CRS.

Notes: USDA = U.S. Department of Agriculture; USAID = U.S. Agency for International Development.

- a. Farmer-to-Farmer does not provide in-kind or cash-based assistance but is included here because its annual funding is tied to total funding for Food for Peace programs.
- b. The authorizing legislation established mandatory funding, financed through the USDA Commodity Credit Corporation's borrowing authority.

#### **Programs Reliant on Discretionary Funding**

The Food for Peace Act of 1954 (P.L. 83-480), as amended, authorizes four international food assistance programs. The Agriculture appropriations bill provides discretionary funding for three Food for Peace (FFP) programs—FFP Title I, FFP Title II, and FFP Title V—which are discussed below.<sup>6</sup>

 FFP Title I provides *concessional sales*—sales on credit terms below market rates—of U.S. commodities to governments of developing countries and private entities. USDA administers FFP Title I. Congress has not appropriated funds for new FFP Title I sales since FY2006 but continues to appropriate funds to administer the FFP Title I loans provided before FY2006. The appropriation for FFP Title I administrative expenses also funds administrative expenses for the Food for Progress Program, which supports economic development projects.

<sup>&</sup>lt;sup>4</sup> The CCC is a government-owned financial institution that procures commodities and finances domestic and international programs to support U.S. agriculture. For more information on the CCC, see CRS Report R44606, *The Commodity Credit Corporation: In Brief*, by Megan Stubbs.

<sup>&</sup>lt;sup>5</sup> For more information on the farm bill, see CRS In Focus IF11126, 2018 Farm Bill Primer: What Is the Farm Bill?, by Renée Johnson and Jim Monke.

<sup>&</sup>lt;sup>6</sup> The Food for Peace Act (P.L. 83-480) includes five titles. Each title authorizes a separate FFP program, except Title IV, which contains general authorities and program requirements. The FFP Title III program has not received funding since FY2002 and is currently inactive.

- FFP Title II is a donation program under which U.S. agricultural commodities are distributed to recipients in foreign countries. The U.S. Agency for International Development (USAID) administers FFP Title II. Since the mid-1980s, FFP Title II has received the majority of funds appropriated to international food aid in the Agriculture appropriations bill.
- 3. FFP Title V, also known as the Farmer-to-Farmer Program, finances short-term placements for U.S. volunteers to provide technical assistance to farmers in developing countries. USAID administers the Farmer-to-Farmer Program. The program does not receive direct appropriations, but receives a portion of the total funds appropriated for FFP programs. Statute requires that the program receive the greater of \$15 million or 0.6% of the funds annually appropriated for FFP programs.<sup>7</sup>

The Agriculture appropriations bill also provides funding for the McGovern-Dole International Food for Education and Child Nutrition Program. This program donates U.S. agricultural commodities to school feeding programs and pregnant or nursing mothers in qualifying countries.

### **Programs with Mandatory Funding**

Congress has authorized certain U.S. international food aid programs to receive mandatory funding. The Food for Progress Program donates U.S. agricultural commodities to governments or organizations to be *monetized*—sold on local markets in recipient countries to generate proceeds for economic development projects. Congress has authorized Food for Progress to receive both mandatory and discretionary funding.<sup>8</sup> The program receives discretionary funding for administrative expenses through the appropriation for FFP Title I administrative expenses.

The Bill Emerson Humanitarian Trust (BEHT) is a reserve of funds or commodities held by the CCC.<sup>9</sup> USDA can use BEHT funds or commodities to supplement FFP Title II activities, especially when FFP Title II funds alone cannot meet international emergency food needs. If USDA provides aid through BEHT, Congress may appropriate funds to the CCC in a subsequent fiscal year to reimburse the CCC for the value of the released funds or commodities. USDA did not release funds or commodities from BEHT in FY2017 or FY2018, and Congress did not appropriate any BEHT reimbursement funds to the CCC in FY2019.

## Administration's Recent Budget Requests

The Trump Administration's FY2018 budget request proposed eliminating McGovern-Dole and FFP Title II and moving funding for international food aid to the IDA account within the SFOPS appropriations bill. The FY2019 budget request repeated the proposed eliminations and reorganization from the FY2018 request. It also contained a new proposal to eliminate Food for Progress. Congress did not adopt the Administration's FY2018 or FY2019 proposals to eliminate FFP Title II, McGovern-Dole, or Food for Progress. This section summarizes the FY2018 and FY2019 Administration's budget requests for U.S. international food aid programs.

<sup>7 7</sup> U.S.C. §1737(d).

<sup>&</sup>lt;sup>8</sup> 7 U.S.C. 17360(f); 7 U.S.C. 17360(l).

<sup>&</sup>lt;sup>9</sup> In 2008, USDA sold the BEHT's remaining commodities. Currently, the BEHT holds only funds.

#### **Funding Request for FY2018**

For FY2018, the Trump Administration requested discretionary funding for one international food aid program account. The Administration requested \$149,000 for administrative expenses to carry out Food for Progress projects and existing FFP Title I loans.<sup>10</sup> This amount would have been equal to the FY2017 enacted amount for administrative expenses.

The FY2018 request proposed eliminating McGovern-Dole "as part of the Administration's effort to reprioritize Federal spending." The Administration stated that "in the most recent report in 2011, the [Government Accountability Office (GAO)] found weaknesses in performance monitoring, program evaluations, and prompt closeout of agreements."<sup>11</sup> According to the GAO's Recommendations Database, USDA has taken actions to satisfy the three recommendations made in the 2011 audit, and these recommendations have been closed as of July 2015.<sup>12</sup>

The Administration also proposed eliminating FFP Title II. The Administration stated: "There is no funding request for [FFP] Title II, as part of an Administration effort to streamline foreign assistance funding, prioritize funding, and use funding as effectively and efficiently as possible. The 2018 request includes funding for emergency food needs within the International Disaster Assistance account."<sup>13</sup> Eliminating FFP Title II would fund the majority of U.S. international food assistance through the IDA account in the SFOPS appropriations rather than shared between IDA and the FFP Title II account in the Agriculture appropriations bill.

The IDA account provides funding for EFSP. FFP Title II and EFSP account for the majority of U.S. international food assistance funding, representing 87% of total international food assistance outlays in FY2016.<sup>14</sup> Combined FY2016 outlays for FFP Title II and EFSP totaled \$2.730 billion. The Administration's FY2018 SFOPS budget request proposed that \$1.511 billion of IDA funds be directed to international food assistance.<sup>15</sup> This amount would have been 45% less than combined FY2016 outlays for FFP Title II and EFSP.

### **Funding Request for FY2019**

In its FY2019 request, the Trump Administration repeated many of its proposals from FY2018, including eliminating McGovern-Dole and FFP Title II. The Administration's FY2019 SFOPS budget request proposed \$1.554 billion of IDA funds be used for emergency food assistance.<sup>16</sup>

<sup>&</sup>lt;sup>10</sup> USDA, *FY2018 Explanatory Notes Foreign Agricultural Service*, p. 33-53, https://www.obpa.usda.gov/fy18explan\_notes.html.

<sup>&</sup>lt;sup>11</sup> USDA, FY2018 Explanatory Notes Foreign Agricultural Service, p. 33-61.

<sup>&</sup>lt;sup>12</sup> See GAO, USDA's Oversight of the McGovern-Dole Food for Education Program Needs Improvement, GAO-11-544, May 19, 2011; and "Recommendations for Executive Action," both available at https://www.gao.gov/products/GAO-11-544.

<sup>&</sup>lt;sup>13</sup> USDA, FY2018 Explanatory Notes Foreign Agricultural Service, p. 33-57.

<sup>&</sup>lt;sup>14</sup> The IDA account funds EFSP as well as other nonfood humanitarian assistance programs. Congress does not specify what portion of IDA appropriations support EFSP. Therefore, appropriations levels for EFSP are not available. For FY2016 outlays for FFP Title II, see USAID and USDA, *U.S. International Food Assistance Report FY2016*, August 2018. For FY2016 outlays for EFSP, see USAID, *Emergency Food Security Program: FY2016 Report to Congress*, March 2017. Both reports are available at https://www.usaid.gov/food-assistance/resources.

<sup>&</sup>lt;sup>15</sup> U.S. Department of State, *Congressional Budget Justification, Department of State, Foreign Operations, and Related Programs Fiscal Year 2018*, pp. 267-268, https://www.usaid.gov/results-and-data/budget-spending/congressional-budget-justification/fy2018. The total amount requested for the Office of Food for Peace includes \$410.6 million in base funds and \$1.1 billion in Overseas Contingency Operation (OCO) funds.

<sup>&</sup>lt;sup>16</sup> U.S. Department of State, Congressional Budget Justification, Department of State, Foreign Operations, and Related

This amount would be 43% less than the combined FY2016 outlays for FFP Title II and EFSP, which totaled \$2.730 billion.<sup>17</sup> The Administration also proposed eliminating Food for Progress, a change from its FY2018 budget request.<sup>18</sup> The Administration requested \$142,000 for administrative expenses to carry out existing Food for Progress projects and existing FFP Title I loans. This amount is 4.7% less than the \$149,000 that Congress enacted for administrative expenses in FY2018.

#### Potential Implications of the FY2018 and FY2019 Funding Requests

Moving funding from FFP Title II to IDA could potentially change how the United States delivers food aid to recipient countries. Statute requires that nearly all aid distributed under FFP Title II be in-kind aid.<sup>19</sup> EFSP, which Congress funds through the IDA account, does not have a statutory requirement to provide a portion of assistance as in-kind aid. EFSP can provide in-kind aid or cash-based assistance, such as direct cash transfers, vouchers, or locally and regionally procured food. Shifting international food aid funding from FFP Title II to IDA could increase the portion of food assistance provided as cash-based assistance rather than in-kind aid.<sup>20</sup>

Proposals to shift U.S. international food assistance funding from in-kind food aid to cash-based food assistance are not new. Both the Obama and George W. Bush Administrations proposed increasing the portion of U.S. international food aid delivered as cash-based assistance.<sup>21</sup> Some proponents of increasing the use of cash-based assistance argue that it could improve program efficiency.<sup>22</sup> However, some interested parties assert that the Trump Administration's proposed decrease in overall funding for international food assistance could result in fewer people receiving assistance and therefore counteract potential efficiency gains.<sup>23</sup> Some opponents of increasing the share of food assistance that is cash-based rather than in-kind maintain that in-kind aid ensures that the United States provides high-quality food to recipients.<sup>24</sup> Some opponents also

*Programs Fiscal Year 2019*, pp. 86-87. The total amount requested for the Office of Food for Peace includes \$497.2 million in base funds and \$1.057 billion in OCO funds.

<sup>&</sup>lt;sup>17</sup> For FY2016 outlays for FFP Title II, see USAID and USDA, U.S. International Food Assistance Report FY2016, August 2018. For FY2016 outlays for EFSP, see USAID, Emergency Food Security Program: FY2016 Report to Congress, March 2017. Both reports are available at https://www.usaid.gov/food-assistance/resources.

<sup>&</sup>lt;sup>18</sup> See USDA, *FY2019 Budget Summary*, revised February 16, 2018, p. 84, https://www.obpa.usda.gov/budsum/budget\_summary.html.

<sup>&</sup>lt;sup>19</sup> See 7 U.S.C. §1732(2). Section 202(e) of the Food for Peace Act (7 U.S.C. §1722(e)), as amended, states that not less than 7.5% and not more than 20% of FFP Title II funds shall be made available for activities including storage, transportation, and "establishing and enhancing" FFP Title II projects. USAID has used the authority provided in Section 202(e) to provide cash-based assistance to complement FFP Title II in-kind aid.

<sup>&</sup>lt;sup>20</sup> For a detailed discussion of in-kind and cash-based food assistance, see "Issues for Congress" in CRS Report R45422, *U.S. International Food Assistance: An Overview*, by Alyssa R. Casey.

<sup>&</sup>lt;sup>21</sup> For more information on previous Administrations' budget proposals, see "Administrative and Legislative Proposals" in CRS Report R41072, *U.S. International Food Aid Programs: Background and Issues*, by Randy Schnepf.

<sup>&</sup>lt;sup>22</sup> Jeremy Konyndyk and Cindy Huang, "A Practical Vision for U.S. Development Reform," Center for Global Development, July 20, 2017, pp. 14-15, https://www.cgdev.org/publication/practical-vision-us-development-reform; Oxfam America, "Reform Food Aid," https://www.oxfamamerica.org/take-action/campaign/food-farming-and-hunger/ food-aid/.

<sup>&</sup>lt;sup>23</sup> See U.S. Global Leadership Coalition, "Analysis of the Administration's FY19 International Affairs Budget Request," February 12, 2018, p. 16, https://www.usglc.org/the-budget/analysis-administrations-fy19-internationalaffairs-budget-request; International Rescue Committee, "Real World Impacts of Cutting Poverty-Focused and Humanitarian Foreign Assistance," June 2017, https://www.rescue.org/irc-document/real-world-impacts-cuttingpoverty-focused-and-humanitarian-foreign-assistance.

<sup>&</sup>lt;sup>24</sup> See National Association of Wheat Growers, "Food Aid," https://www.wheatworld.org/policy-action/issues/food-

assert that increasing the use of cash-based assistance could diminish support for international food aid programs among certain stakeholders, such as selected agricultural commodity groups, and potentially some lawmakers.<sup>25</sup>

## **Congressional Appropriations**

Both the FY2018 and FY2019 Agriculture Appropriations Acts provided funding for U.S. international food aid programs in the Foreign Assistance and Related Programs (Title V) and General Provisions (Title VII) titles. This included funding for FFP Title II and McGovern-Dole. The acts also provided funding for administrative expenses to manage existing FFP Title I loans that originated while the FFP Title I program was active. The FY2019 act also provided funding for the Food for Progress program, which typically receives only mandatory funding. **Figure 1** shows funding trends for international food aid programs funded through Agriculture appropriations bills for FY2013-FY2019.

Figure 1. Funding for U.S. International Food Aid in Agriculture Appropriations, FY2013-FY2019



Source: Compiled by CRS using enacted appropriations acts, H.R. 5961, and H.R. 6147.

**Notes:** FFP = Food for Peace. FY2017 totals for FFP Title II do not include a \$300 million transfer from the SFOPS IDA account. Appropriations for the USDA Foreign Agricultural Service's (FAS) Salaries and Expenses account support FAS international trade and international food aid programs. USDA does not account for

aid; American Soy Association, "Food Aid," https://soygrowers.com/key-issues-initiatives/key-issues/other/food-aid/.

<sup>&</sup>lt;sup>25</sup> USA Rice, "USA Rice Briefs House Ag on Rice in Food Aid Programs," April 11, 2018, https://www.usarice.com/ news-and-events/publications/usa-rice-daily/article/usa-rice-daily/2018/04/11/usa-rice-briefs-house-ag-on-rice-in-foodaid-programs; U.S. Wheat Associates, "U.S. Wheat: A Vital Food Aid Tool," https://www.uswheat.org/wp-content/ uploads/2018/07/U.S.-Wheat-A-Vital-Food-Aid-Tool-FACT-SHEET.pdf.

salaries and expenses supporting international food aid programs separate from those supporting nonfood aid programs. Therefore, FAS salaries and expenses are not included in appropriations totals.

#### **Appropriations for FY2018**

The FY2018 Agriculture Appropriations Act (Division A of P.L. 115-141) provided \$1.924 billion for international food aid programs, a 7% increase from the FY2017 enacted total of \$1.802 billion (**Table 2**). The FY2018 total was also an increase from the FY2018 Senate-passed (\$1.807 billion) and House-passed (\$1.602 billion) Agriculture appropriations bills. Congress did not adopt the Administration's FY2018 proposals to eliminate FFP Title II or McGovern-Dole.

The FY2018 act provided \$1.716 billion for FFP Title II, a 7% increase from the \$1.6 billion provided in FY2017 Agriculture appropriations. In FY2017, Congress directed \$300 million of IDA funds in SFOPS appropriations be transferred to the FFP Title II account in Agriculture appropriations (P.L. 115-31, Division J, §8005(a)(1)(A)). When including this transfer of funds, FFP Title II received a total of \$1.9 billion in funding in FY2017. Total FFP Title II funding of \$1.716 in FY2018 would represent a 10% decrease from the FY2017 total of \$1.9 billion.

FY2018 enacted funding of \$1.716 billion for FFP Title II includes \$1.6 billion provided in the Foreign Assistance title and \$116 million provided in the General Provisions title of the Agriculture Appropriations Act. The funding Congress provides in the Foreign Assistance title is a base amount that is often compared across fiscal years to determine whether program funding has increased or decreased. Providing additional FFP Title II funding in the General Provisions title effectively increases funding available for FFP Title II in a given fiscal year without increasing base funding in the Foreign Assistance title.

The FY2018 act also provided \$207.6 million for McGovern-Dole, a 3% increase from the \$201.6 million that Congress provided in FY2017. Congress directed that \$10 million of McGovern-Dole funding be made available for local and regional procurement (LRP), a \$5 million increase from the \$5 million set-aside for LRP in FY2017. The FY2018 act also provided \$149,000 for FFP Title I and Food for Progress administrative expenses, which was unchanged from the amount enacted for FY2017.

### **Appropriations for FY2019**

The FY2019 Agriculture Appropriations Act (Division B of P.L. 116-6) provides \$1.942 billion in total funding for international food aid programs, a 1% increase from the FY2018 enacted amount of \$1.924 billion. The enacted total for FY2019 is also an increase from the FY2019 Senate-passed (\$1.926 billion) and House-reported (\$1.743 billion) Agriculture appropriations bills. Congress did not adopt the Administration's FY2019 proposals to eliminate FFP Title II, McGovern-Dole, or Food for Progress.

The FY2019 act provides \$1.716 billion for FFP Title II, equal to the FY2018 enacted amount. This includes \$1.5 billion in the Foreign Assistance title and an additional \$216 million in the General Provisions title. The act also provides \$210.3 million for McGovern-Dole, a 1% increase from the \$207.6 million provided in FY2018. The FY2019 act also directs \$15 million of McGovern-Dole funding be made available for LRP, a \$5 million increase from the \$10 million set-aside for LRP in FY2018.

The FY2019 act provides \$142,000 for FFP Title I and Food for Progress administrative expenses, a 5% decrease from the FY2018 enacted amount of \$149,000. The act also provides

\$16 million for Food for Progress in the General Provisions title,<sup>26</sup> including \$6 million in discretionary appropriations and a \$10 million Change in Mandatory Program Spending (CHIMP) increase.<sup>27</sup> The FY2019 conference report states that "this increase is a restoration of funding from reductions occurring in prior years and does not indicate support for expanding or continuing the practice of monetization in food aid programs."<sup>28</sup> The FY2019 House-reported bill would have provided \$35 million for Food for Progress.<sup>29</sup> Neither the FY2018 act, the FY2019 Administration's budget request, nor the FY2019 Senate-passed bill included discretionary funding for Food for Progress. Food for Progress has not typically received discretionary appropriations; rather it has relied entirely on mandatory funding delivered through the CCC.

**Table 2** details appropriations for international food aid programs for FY2017-FY2019, including proposed funding levels in the Administration's FY2018 and FY2019 budget requests and in the House and Senate Agriculture appropriations bills for FY2018 and FY2019.

 $<sup>^{26}</sup>$  P.L. 116-6, Division B, §743. The provision specifically allocates funding to Section 1110(f)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(f)(3)), which states that no CCC funds in excess of \$40 million (exclusive of the cost of eligible commodities) may be used to carry out the Food for Progress Program unless authorized in advance in appropriations acts.

<sup>&</sup>lt;sup>27</sup> U.S. Congressional Budget Office, unpublished tables; A CHIMP is an adjustment in an appropriations act to mandatory budget authority. CHIMPS may increase or decrease spending by mandatory programs for one fiscal year. They do not change the underlying authority of the program in statute.

<sup>&</sup>lt;sup>28</sup> H.Rept. 116-9, Division B, Title V.

<sup>&</sup>lt;sup>29</sup> H.R. 5961, §742.

\$ in thousands									
	FY2017 FY2018					FY2	019		
Program	P.L. 115-31	Admin. Request <sup>a</sup>	House H.R. 3354	Senate S. 1603	P.L. 115-141	Admin. Request <sup>a</sup>	House- Reported H.R. 5961	Senate- Passed H.R. 6147	P.L. 116-6
FFP Title II	I,600,000 <sup>b</sup>	0	1,400,000	1,600,000	1,716,000	0	I,500,000	1,716,000	1,716,000
McGovern- Dole	201,626	0	201,626	206,626	207,626	0	207,626	210,255	210,255
LRP set- aside <sup>c</sup>	5,000	0	0	15,000	10,000	0	0	15,000	15,000
FFP Title I Administration	149	149	149	149	149	142	142	142	142
Food for Progress <sup>d</sup>	0	0	0	0	0	0	35,000	0	16,000
Total	1,801,775	149	1,601,775	1,806,775	1,923,775	142	1,742,768	1,926,397	1,942,397

#### Table 2. Funding for International Food Aid Programs in Agriculture Appropriations, FY2017-FY2019

**Source:** Compiled by CRS, using enacted Agriculture Appropriations Acts, Administration's budget requests, and House and Senate Agriculture appropriations bills. **Notes:** FFP = Food for Peace; LRP = Local and Regional Procurement.

- a. The FY2018 and FY2019 Administration's budget requests eliminate FFP Title II and McGovern-Dole and move all international food aid funding (except FFP Title I administrative expenses) to the State, Foreign Operations, and Related Programs appropriations bill, which funds the Emergency Food Security Program. This table shows only amounts requested or provided through Agriculture appropriations, and thus the total amounts requested by the Administration cannot be directly compared to the totals provided in House, Senate, or enacted Agriculture appropriations bills.
- b. The FY2017 enacted amount for FFP Title II does not include a \$300 million transfer of Overseas Contingency Operation funds from the International Disaster Assistance account in the State, Foreign Operations, and Related Programs Appropriations Act into the FFP Title II account.
- c. Congress provides funding for LRP through a set-aside within McGovern-Dole appropriations. The LRP set-aside is included in the total funding amount for McGovern-Dole.
- d. These amounts are in addition to mandatory funding financed through the Commodity Credit Corporation.

## **Policy-Related Provisions**

In addition to providing funding, the agriculture appropriations bill may contain policy-related provisions that direct how the executive branch should spend certain funds. Provisions included in appropriations bill text have the force of law but generally only for the duration of the fiscal year for which the bill provides appropriations. Policy-related provisions generally do not amend the *U.S. Code*. **Table 3** compares select policy-related provisions pertaining to U.S. international food aid programs from the Foreign Assistance and Related Programs (Title V) and General Provisions (Title VII) titles of the FY2018 and FY2019 Agriculture Appropriations Acts.

The explanatory statement that accompanies the appropriations act, as well as the committee reports that accompany the House and Senate committee-reported bills, can provide statements of support for certain programs or directions to federal agencies on how to spend certain funding provided in the appropriations bill. While these documents do not have the force of law, they can express congressional intent. The committee reports and explanatory statement may need to be read together to capture all of the congressional intent for a given fiscal year.<sup>30</sup>

**Table 4** compares selected policy-related provisions pertaining to U.S. international food aid programs from the FY2018 and FY2019 House and Senate committee reports and explanatory statement for the FY2019 Agriculture Appropriations Act. The FY2018 column includes references to the House (H) and Senate (S) committee reports to allow for consideration of congressional intent. The explanatory statement for the FY2018 Agriculture Appropriations Act did not contain policy-related provisions pertaining to U.S. international food aid programs.

<sup>&</sup>lt;sup>30</sup> According to the FY2019 explanatory statement, "The explanatory statement is silent on provisions that were in both the House Report (H.Rept. 115-706) and Senate Report (S.Rept. 115-259) that remain unchanged by this conference agreement, except as noted in this explanatory statement.... The House and Senate report language that is not changed by the explanatory statement is approved and indicates congressional intentions. The explanatory statement, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein." U.S. Congress, House Committee on Appropriations, *Conference Report to Accompany H.J. Res. 31*, 116<sup>th</sup> Cong., 1<sup>st</sup> session, February 13, 2019, H.Rept. 116-9 (Washington, DC: U.S. GPO, 2019), https://www.congress.gov/congressional-report/116th-congress/house-report/9/.

FY2018	FY2019					
P.L. 115-141	House-reported (H.R. 5961)	Senate-passed (H.R. 6147)	P.L. 116-6			
Food for Peace Title II Nonemergency. Directs the USAID administrator to make publicly available online, and notify relevant congressional committees of, any instance when the administrator uses statutory authority to waive the minimum amount of FFP Title II nonemergency aid (Title V).	Identical to FY2018 enacted (Title V).	No comparable provision.	No comparable provision.			
Prohibits providing FFP Title II aid to nations that lack adequate monitoring and controls to ensure food aid is not diverted to unauthorized or inappropriate persons (§736).	Identical to FY2018 enacted (§734).	No comparable provision.	Identical to FY2018 enacted (§733).			
Provides \$116 million for FFP Title II emergency and nonemergency aid in addition to the funds provided in Title V of the act (§762).	No comparable provision.	No comparable provision.	Provides \$216 million for FFP Title II emergency and nonemergency aid in addition to the funds provided in Title V of the act (§777).			
<b>McGovern-Dole.</b> Directs \$1 million of program funds to be allocated for the use of potable water technologies in school feeding programs (Title V).	Identical to FY2018 enacted (Title V).	No comparable provision.	Identical to FY2018 enacted (Title V).			
Authorizes the Commodity Credit Corporation to provide services and facilities to implement the McGovern- Dole program, subject to reimbursement from the appropriated program funds (Title V).	Identical to FY2018 enacted (Title V).	Identical to FY2018 enacted (Title V).	Identical to FY2018 enacted (Title V).			
Directs \$10 million of program funds to be allocated for local and regional procurement projects (Title V).	No comparable provision.	Directs \$15 million of program funds to be allocated for local and regional procurement projects (Title V).	Identical to Senate-passed bill (Title V).			

 Table 3. Selected International Food Aid Policy Provisions in the FY2018 and FY2019 Agriculture Appropriations Bill Text

FY2018		FY2019				
P.L. 115-141	House-reported (H.R. 5961)	Senate-passed (H.R. 6147)	P.L. 116-6			
No comparable provision.	<b>Food for Progress.</b> Provides \$20 million to the Commodity Credit Corporation for implementing the Food for Progress Program in addition to amounts otherwise made available (§742). <sup>a</sup>	No comparable provision.	Provides \$6 million to the Commodity Credit Corporation for implementing the Food for Progress Program in addition to amounts otherwise made available (§743). <sup>b</sup>			

Source: Compiled by CRS based on appropriations bills.

Notes: USAID = U.S. Agency for International Development; FFP = Food for Peace.

- a. The Congressional Budget Office (CBO) score of H.R. 5961 indicates a total of \$35 million for the Food for Progress Program, comprised of discretionary funding and a Change in Mandatory Program Spending (CHIMP).
- b. The CBO score of P.L. 116-6 indicates a total of \$16 million for the Food for Progress Program, comprised of discretionary funding and a CHIMP.

## Table 4. Selected International Food Aid Policy Provisions in the FY2018 and FY2019 Agriculture Appropriations Report Language

FY2018		FY2019		
Report Language	House Committee Report (H.Rept. 115-706)	Senate Committee Report (S.Rept. 115-259)	Enacted Report Language	
<b>Potable Water.</b> Encourages the use of recently developed potable water technologies in development and long-term sustainability projects (H).	No comparable provision.	No comparable provision.	No comparable provision.	
<b>Farmer-to-Farmer.</b> Directs USDA to evaluate the Farmer-to-Farmer Program and develop strategies that will allow the program to be fully integrated and enhanced. States that the program should be an integral part of the USAID Global Food Security Strategy (H).	Directs USDA to enhance the Farmer-to- Farmer Program by expanding the role of USDA's agricultural officers in target countries, determined in accordance with the USAID Global Food Security Strategy.	No comparable provision.	No comparable provision.	

FY2018		FY2019	
Report Language	House Committee Report (H.Rept. 115-706)	Senate Committee Report (S.Rept. 115-259)	Enacted Report Language
<b>FFP Title II.</b> States that the committee supports FFP requirements related to U.S. sourcing, cargo preference, and minimum funding levels for FFP nonemergency aid. States that the committee supports the use of the Bill Emerson Humanitarian Trust to meet additional emergency food needs and will "judiciously consider reimbursements to the Trust in future fiscal years following its use" (H).	States that the committee supports the continued funding of U.S. food assistance programs. Also states that U.Ssourced commodities will remain a core component of humanitarian relief and that the proper forums for debate of FFP programs remains the congressional authorization process.	No comparable provision.	Directs the USAID administrator to maintain the statutorily required minimum funding level for FFP Title II nonemergency aid. Directs the administrator to notify the committees within 15 days of action if the administrator waives the minimum nonemergency requirement in order to meet emergency food aid needs.
<b>Central American Food Assistance.</b> Directs the USAID administrator to continue briefing the committee on the amount and type of food aid provided to Central America (H).	Similar to FY2018 report. Also directs USAID to report on an implementation plan within 90 days of enactment.	No comparable provision.	No comparable provision.
<b>McGovern-Dole.</b> States that USDA has addressed the weaknesses identified in a past audit of the McGovern-Dole Program. Also states that a 2016 Government Accountability Office report (16-861R) concludes that USDA has adopted the majority of leading monitoring and evaluation practices, consistent with other leading international affairs agencies (H).	No comparable provision.	No comparable provision.	No comparable provision.
<b>Food Chain Systems.</b> Encourages USDA to include the development of appropriate cooling technologies in programs, policies, and strategic plans aimed at hunger prevention and food security in developing agricultural markets (S).	No comparable provision.	Similar to FY2018 enacted.	No comparable provision.

FY2018	FY2019			
Report Language	House Committee Report (H.Rept.   5-706)	Senate Committee Report (S.Rept. 115-259)	Enacted Report Language	
<b>Local and Regional Procurement.</b> States that new funding authorities would enable school feeding programs to transition from direct commodity aid to locally sourced agriculture products (S).	No comparable provision.	Similar to FY2018 enacted.	No comparable provision.	
No comparable provision.	<b>Food for Progress.</b> States that the one- time increase for the Food for Progress Program is to restore funding reductions in previous years and meet increased program demand.	No comparable provision.	States that the one-time increase for the Food for Progress Program is to restore funding reductions in prior years and does not indicate support for expanding or continuing the practice of monetization in food aid programs.	

**Source:** CRS, using H.Rept. 115-232, S.Rept. 115-131, H.Rept. 115-706, S.Rept. 115-259, and the enacted FY2018 and FY2019 Explanatory Statements. The enacted FY2018 explanatory statement is available at https://www.gpo.gov/fdsys/pkg/CPRT-115HPRT29456/pdf/CPRT-115HPRT29456.pdf. The enacted FY2019 explanatory statement is available at https://www.congress.gov/116/crpt/hrpt9/CRPT-116hrpt9.pdf.

**Notes:** USDA = U.S. Department of Agriculture; USAID = U.S. Agency for International Development; FFP = Food for Peace. Provisions in the FY2018 House committee report (H.Rept. 115-232) are cited as (H). Provisions in the FY2018 Senate committee report (S.Rept. 115-131) are cited as (S). The enacted FY2018 explanatory statement did not contain any policy-related provisions for U.S. international food aid programs.

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