



Food for Peace Reform Act (S. 525)

Problem: The current system for responding to global humanitarian emergencies is slow, costly and limits the United States' impact in the world.

Solution: The Food for Peace Reform Act is an opportunity for the U.S. to generate \$440 million in efficiency savings and help 9 million more people per year at no additional cost to taxpayers.

What the Food for Peace Reform Act Does:

- **Creates Flexibility:** Current law requires that 100% of food aid be grown in the United States (Farm Bill allows for a small amount to be provided in other ways). The Food for Peace Reform Act will eliminate this restrictive requirement and provide the U.S. with the flexibility to respond in the fastest, most-cost effective way possible.
- **Eliminates Cargo Preference:** Current law requires 50% of food aid be shipped on U.S.-flagged vessels. Eliminating the cargo preference requirement will improve response time and save \$50 million per year.
- **Ends Monetization:** Current law requires "monetization" for at least 15 percent of all food aid distributed under non-emergency programs. With monetization, the U.S. government purchases U.S.-produced food, ships it overseas on U.S.-flagged vessels and donates the food to aid organizations, which then sell the food in developing countries and use the proceeds to finance development projects.

Noteworthy Facts:

- The Food for Peace Reform Act generates \$440 million in efficiency savings.
- Increases the number of people the U.S. helps by 16%. Currently, Food for Peace assists 56 million people annually.
- Introduced in the Senate by Foreign Relations Committee Chairman Bob Corker and Sen. Chris Coons. Last session, the House version was introduced by Foreign Affairs Committee Chairman Ed Royce and Africa Subcommittee Ranking Member Karen Bass.
- Food Aid Reform efforts have been supported by a diverse group of organizations, including The Heritage Foundation, the ONE Campaign, Catholic Relief Services, Oxfam, Save the Children, Care, The Borgen Project and American Jewish World Service.
- Food Aid Reform is a more agile and modern approach to global food assistance. The new model pairs the continued purchase of the best of American agriculture with the flexibility of increased local and regional purchases, and the use of cash transfers and electronic vouchers.