

ANALYSIS OF FY 2007 FOOD AID LEVELS AND THE NEED FOR ADDITIONAL FUNDS
IN THE FY 2007 SUPPLEMENTAL APPROPRIATIONS BILL
March 23, 2007

Issue: The Administration's request for \$350 million supplemental food aid funding in FY 2007 through PL 480 Title II is welcome, as worldwide response to emergencies is insufficient to address the identified needs. However, the Administration's request does not provide sufficient food aid for the areas it targets, particularly the Horn and southern Africa. It also overlooks other areas of need, such as persons in the Democratic Republic of Congo who are displaced due to violence and experience high levels of food insecurity because people could not plant crops; recent flooding in Bolivia; additional needs in Uganda due to protracted conflict; and increased needs in DPR Korea.

Status: The House and Senate drafted FY 2007 supplemental appropriations bills and both have higher levels of food aid than the amounts requested by the Administration. Both chambers are expected to pass their supplemental bills before leaving for the Spring recess on March 30th, although it is not clear that differences between the House and Senate can be resolved by then. Thus, passage of the final bill may be delayed until late in many of the countries that are affected by crises.

Position: The additional assistance approved by both chambers is greatly appreciated by members of the Alliance of Food Aid, a group of fourteen humanitarian and development organizations. *As the Senate provides a higher level than the House for PL 480 Title II (\$475 compared to \$450 million) and also includes \$82 million as partial replenishment of the Bill Emerson Humanitarian Trust (a reserve for emergency needs), the Alliance seeks passage of the Senate bill with these higher levels and incorporation of the Senate levels in the final bill.*

Comparison of Administration, House and Senate Levels Compared to Need:

- If the Administration's \$350 million request is added to existing Title II appropriations, there would be a \$435 million shortfall in southern Africa, the Horn of Africa and Uganda, and the needs of 9,225,639 beneficiaries would not be met.
- If the House bill's \$450 million is added to existing Title II appropriations, it would reduce the shortfall the shortfall by about 23% and serve an additional 2,121,896 people.
- If the Senate bill's \$475 million is added to existing Title II appropriations, it would reduce the shortfall by about 29% and serve an additional 2,675,435 people. In addition, the Senate bill provides \$82 million toward replenishment of the Bill Emerson Humanitarian Trust, which will assure sufficient commodities are available quickly for emergency needs that occur between appropriations cycles. This also paves the way for increases in the Title II non-emergency programs, which have been frozen at 60% of their mandated level due to transfers to emergencies. The \$82 million will leverage about 3 times its value as the cost of transportation and delivery is automatically paid by the Commodity Credit Corporation when commodities are provided through the Trust.

Analysis of Current Funding Levels and Additional Needs:

FY 2007 PL 480 Title II Appropriation: \$1,214,711,000

Estimated break-out of expenditures:

Non-emergency programs (only allows 60% of the minimum tonnage mandated by law)	\$350,000,000
Emergency	\$783,711,000
Est. other programmatic funding (WFP support, Farmer-to-Farmer, International Food Relief Partnership, etc.)	\$ 80,000,000

Administration’s FY 2007 Supplemental Request: \$350,000,000

Administration’s estimated allocation of \$350,000,000 plus previously approved funding for the same areas:

Country/Region	Supplemental	Previously Approved	Total
Darfur/E. Chad	\$150,000,000	\$225,000,000*	\$375,000,000
Afghanistan	\$30,000,000	\$16,000,000**	\$46,000,000
Southern Africa	\$95,000,000***	\$8,000,000***	\$103,000,000
Horn of Africa	\$75,000,000****	\$195,000,000****	\$270,000,000
TOTAL	\$350,000,000	\$444,000,000	\$794,000,000

*From USAID Disaster Assistance website

**According to the 2/26/07 Title II Call Forward Status report, USAID is providing 27,030 MT for refugees/IDPs, which has an estimated value of \$16,000,000.

***USAID’s supplemental request mentions additional needs in Zimbabwe and states that other southern African countries are also in need due to flooding and droughts, but does not name those countries. Thus far, the only emergency program in the area is World Vision’s in southern Africa, for 11,850 MT and the estimated value is \$8,000,000.

****USAID’s Horn of Africa request is for failed rains and displacement of people due to Somalia warfare. The “Horn” includes Ethiopia, Kenya and Somalia. The ongoing emergency programs in those 3 countries also cover areas of flooding. The figures for previously approved levels are based on the tonnage approved for the countries for both PVO and WFP programs, as found on the USAID Title II Call Forward Status for 2/26/2007. Previously approved emergency programs for both PVO and WFP programs total 328,479 MT and the estimated dollar value is approximately, \$195,000,000 (based on \$600/MT).

Below are estimated shortfalls in some key countries, assuming both the previously-approved Title II levels and \$350,000,000 are provided. It uses WFP data on relief needs and funding levels as of Feb. 1, 2007, and subtracts out of the shortfall the additional amounts that would be provided if the \$350,000,000 is provided as described by the Administration. Please note that even in the areas cited the needs are actually higher, because NGOs cover some areas independent of WFP and this is not included on the chart.

Country/Region	Total available w/\$350,000,000	Unmet Needs	No. of Beneficiaries whose needs are not met*
Southern Africa	\$103,000,000	\$72,200,000	1,757,546
Horn of Africa			
Ethiopia		\$166,800,000	2,954,827
Kenya		\$37,300,000	980,031
Somalia		\$39,266,000	643,916
Horn Subtotal	\$270,000,000	\$243,366,000	4,578,774
Uganda	\$14,000,000	\$119,300,000	2,889,319
TOTAL		\$434,866,000	9,225,639

*Cost per beneficiary for the particular country program divided into the funding shortfall.