

**Welcome Remarks by Under Secretary Mark Keenum**  
**International Food Aid Conference**  
**Kansas City, MO**  
**April 15, 2008**

Good morning. I first want to thank Larry Adams for that very kind introduction. Also, I want to thank the dedicated professionals in the Farm Service Agency, the Foreign Agricultural Service, and USAID have put together another outstanding program this year.

Our tenth annual International Food Aid Conference has grown from the initial one day format in 1998 in Baltimore, Maryland, attended by about forty people, to the meeting this year, with a registered attendance of more than 700 people from 30 countries.

The theme of this year's International Food Aid Conference, Future Pathways for Food Aid, may sound ambitious given the circumstances we currently face in the commodity and transportation markets.

We'll be hearing a lot more about increased costs and the effects that they have on our food aid efforts over the course of the next two days.

The current market situation (tight supplies and high prices) has stressed food aid budgets. High commodity costs, combined with increased transportation costs, have limited the amount of food aid that can be provided under limited food assistance program budgets.

However, you have probably heard that just yesterday, President Bush directed the Secretary of Agriculture to draw down on the Bill Emerson Humanitarian Trust to meet emergency food aid needs abroad. As a result, an estimated \$200 million will be made available through USAID to address the impact of rising commodity prices on U.S. emergency food aid programs and used to meet unanticipated food aid needs in Africa and elsewhere.

This \$200 million in additional food aid is in addition to the \$350 million supplemental funding request currently pending before Congress.

“Food aid is the most visible demonstration of the goodwill of the American people toward those in need,” the President said, and “continues the longstanding commitment of the United States to be a generous food aid donor.”

Also, last July, we announced that USDA would exchange government-owned commodities for further processed products to be distributed through USDA domestic and international food assistance programs.

We call this new initiative the “Stocks-for-Food” Program.

The government-owned commodities were acquired through forfeitures of marketing assistance loans to farmers, and include wheat, corn, soybeans, cotton, peanuts, and rice.

The Stocks-for-Food Program has the same effect as a supplemental appropriation for the Food and Nutrition Service (FNS) and the Foreign Agricultural Service (FAS).

All uncommitted Government-owned commodities will be exchanged for processed foods requested by these two agencies.

Our domestic food aid program, The Emergency Food Assistance Program (TEFAP), will receive approximately 80% of the value of the surplus commodities, about \$100 million.

This additional assistance represents a 70% increase to TEFAP’s annual budget in Fiscal Year 2008.

In addition, the Stocks-for-Food Program is providing over \$20 million to benefit more than 650,000 children and mothers in several low-income countries through the McGovern-Dole International Food for Education and Child Nutrition Program.

This program helps promote education, child development, and food security for some of the world's poorest children.

By the time we are finished with this program approximately \$120 million of bulk commodities will have been exchanged for processed products of a similar value for use in food aid programs.

This is a win-win endeavor, especially for low-income, vulnerable people in this country and worldwide who need U.S. food assistance.

The Stocks-for-Food Program demonstrates how we at USDA are looking 'outside of the box' to bolster our efforts to feed the hungry.

I am proud of the way USDA responded quickly and creatively. It is gratifying to know that advocates for the less fortunate have also applauded this initiative.

What a great way to use our available resources to address the needs of deserving populations.

At the same time, USDA and USAID are working to improve and ensure the quality, safety, nutrient delivery, and shelf-life of food aid products. We want to make sure that current food aid formulations and product manufacturing practices address the needs of at-risk recipients and reflect the best available science.

In fact, we are currently engaged in a 3-step process to upgrade and improve the existing mix of food aid commodities.

Steps 1 and 2 are intended to standardize and provide consistency for the existing commodity specifications. This effort will be supported by sampling and laboratory testing protocols which are the responsibility of USDA.

A \$500,000 apportionment from Commodity Credit Corporation (CCC) has been provided for this purpose.

Last September, USDA awarded the contract to Sharing US Technology to Aid in the Improvement of Nutrition (SUSTAIN), a non-profit with the technical competence available to do the analytical work and recommend policy options.

Step 3 is the study of the present mix and uses of food aid commodities and recommendations for their future use, including possible new formulations. This step is to be conducted by USAID.

These are a few examples of the innovative thinking that will be needed for the foreseeable future.

High commodity prices and energy costs will require that we all continue to “think outside of the box” in order to deliver sufficient levels of food aid in some of the most distressed countries and regions in the world.

The United States still leads the list of donor nations by a wide margin.

Last year, the United States government accounted for 2.5 million tons of international food aid, valued at \$2 billion. This value was up from the previous year, but the tonnage was down by about 16 percent.

This illustrates the impact of the higher commodity and transportation costs. We are spending more but delivering less.

As I mentioned at the beginning, we have lined up an outstanding program for the next two days.

In a few minutes we'll be hearing from U.S. Ambassador to the United Nations Organizations in Rome, Gaddi Vasquez

Ambassador Vasquez will be talking about the effects that rising commodity prices are likely to have on international food aid.

Later, we'll hear from Josette Sheeran, Executive Director of the World Food Program.

Ms. Sheeran will review for us WFP's new strategic plan and will also comment on rising commodity and transportation costs.

Also, later this morning, we will hear from Rajiv Shah , Director, Agricultural Development at the Bill and Melinda Gates Foundation.

At today's luncheon, we will have a panel discussion that will focus on the global agriculture and transportation price trends and the impacts on food security.

All in all I believe we have an outstanding program lined up for the next two days.

I want to especially thank the government officials, commodity and maritime related companies and associations, PVOs, and NGOs for their participation in the conference. It is because of this collaboration and increasing awareness of food insecurity that the International Food Aid Conference has become such an important event.

So, welcome and thank you.