

FOOD SECURITY AND AGRICULTURAL DEVELOPMENT  
ACT OF 2007

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JULY 23, 2007.—Ordered to be printed

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Mr. LANTOS, from the Committee on Foreign Affairs,  
submitted the following

R E P O R T

[To accompany H.R. 2844]

[Including cost estimate of the Congressional Budget Office]

The Committee on Foreign Affairs, to whom was referred the bill (H.R. 2844) to promote United States emergency and non-emergency food and other assistance programs, to promote United States agricultural export programs, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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## THE AMENDMENT

The amendment is as follows:

Strike all after the enacting clause and insert the following:

### SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Food Security and Agricultural Development Act of 2007”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title and table of contents.
- Sec. 2. Findings and purposes.
- Sec. 3. Definitions.

#### TITLE I—UNITED STATES EMERGENCY AND NON-EMERGENCY FOOD AND OTHER ASSISTANCE PROGRAMS

##### Subtitle A—Agricultural Trade Development and Assistance Act of 1954

- Sec. 101. United States policy.
- Sec. 102. General authority.
- Sec. 103. Provision of agricultural commodities.
- Sec. 104. Generation and use of currencies by private voluntary organizations and cooperatives.
- Sec. 105. Levels of assistance.
- Sec. 106. Food Aid Consultative Group.
- Sec. 107. Administration.
- Sec. 108. Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable pre-packaged foods.
- Sec. 109. Administrative provisions.
- Sec. 110. Expiration date.
- Sec. 111. Authorization of appropriations.
- Sec. 112. Coordination and integration of foreign assistance programs.
- Sec. 113. Micronutrient fortification programs.
- Sec. 114. John Ogonowski and Doug Bereuter Farmer-to-Farmer Program.

##### Subtitle B—Related Statutes and Other Provisions

- Sec. 121. Bill Emerson Humanitarian Trust.
- Sec. 122. McGovern-Dole International Food for Education and Child Nutrition Program.
- Sec. 123. International disaster assistance under the Foreign Assistance Act of 1961.
- Sec. 124. Report on efforts to improve procurement planning.

#### TITLE II—UNITED STATES AGRICULTURAL EXPORT PROGRAMS

- Sec. 201. Export credit guarantee program.
- Sec. 202. Market access program.
- Sec. 203. Export enhancement program.
- Sec. 204. Assistance to address sanitary and phytosanitary barriers to trade.
- Sec. 205. Foreign market development cooperator program.
- Sec. 206. Emerging markets and facility guarantee loan program.
- Sec. 207. Food for Progress Act of 1985.

#### TITLE III—MISCELLANEOUS PROVISIONS

- Sec. 301. Technical assistance for specialty crops.
- Sec. 302. Support for sanitary and phytosanitary priorities of the United States within certain international organizations.
- Sec. 303. Technical assistance for the resolution of trade disputes.
- Sec. 304. Sense of Congress concerning the Global Crop Diversity Trust.
- Sec. 305. Technical and conforming amendments.
- Sec. 306. Rule of construction.

### SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress makes the following findings:

(1) The United Nations Food and Agricultural Organization reports, that in 2006, an estimated 850,000,000 people in the world, with 824,000,000 in developing countries, were chronically hungry.

(2) The largest concentrations of the chronically hungry—an estimated 298,000,000 individuals—are in South Asia, with most of those individuals concentrated in India, where there are an estimated 212,000,000 undernourished individuals, and in sub-Saharan Africa, where there are an estimated 206,000,000 hungry people.

(3) The number of food and humanitarian emergencies has doubled from an average of about 15 per year in the 1980s to more than 30 per year since 2000, due in large part to increasing conflicts, poverty, and natural disasters around the world. Some emergencies are exacerbated by multiple shocks, such as civil wars, recurring droughts, and endemic disease, adding to their complexity and protracting the crises for many years.

(4) The United Nations reports that progress is being made toward reaching the Millennium Development Goal of reducing the proportion of hungry people in the world by half by 2015. In 1990, the proportion of people in the developing countries living with insufficient food was estimated to be 20 percent. By 2003, that percentage declined to 17 percent. However, from 1996 to 2006, the absolute number of hungry people increased from 790,000,000 to 850,000,000.

(5) The number of hungry people in the most seriously affected regions of the world, namely South Asia and sub-Saharan Africa, is increasing. In sub-Saharan Africa, in 1990, there were an estimated 169,000,000 chronically-hungry people; in 2003, the number of chronically-hungry people increased to 206,000,000.

(6) The major United States Government response to reducing hunger in developing countries is to provide United States agricultural commodities as food assistance. In fiscal year 2006, the United States provided 3,000,000 metric tons of food valued at more than \$2,000,000,000 to meet emergency food needs and to support development projects in developing countries.

(7) In 2006, the United States provided food assistance to 65 countries, more than half of which were in sub-Saharan Africa. Approximately \$1,200,000,000, or 60 percent of such assistance, was provided as emergency food assistance. The United States Agency for International Development estimates that 50,000,000 to 70,000,000 people benefit from United States food assistance programs annually.

(8)(A) Food assistance contributed by the United States Government has totaled more than \$73,000,000,000 since 1946. Over the last decade, the United States has been the single largest donor of international food assistance, with a large proportion of the assistance provided through the United Nations World Food Program and most of that assistance is for emergencies.

(B) The United States contributed more than 52,000,000 tons of food assistance between 1996 and 2005, more than half of the nearly 100,000,000 tons of food assistance delivered worldwide in this period. In 2006, the United States contributed \$1,125,000,000 or about 40 percent of total donor contributions to the World Food Program in that year.

(9) Private voluntary organizations and cooperatives are critical implementing partners in United States food assistance programs. In addition to assisting people whose lives and livelihoods are endangered due to crises, such organizations and cooperatives help communities that suffer from chronic hunger, delivering technical assistance and training and building local institutional capacity.

(10)(A) Although the Farm Security and Rural Investment Act of 2002 (Public Law 107-171) called for increased levels of non-emergency food assistance in order to address chronic hunger needs and to have lasting impacts on vulnerable communities, according to the Government Accountability Office, by 2006, non-emergency food assistance programs were reduced to 42 percent of their 2001 levels.

(B) Implementing partner organizations report that due to these reductions, such organizations have been forced to close operations in countries that are prone to emergencies and with populations that suffer from chronic hunger. As a result of such reductions, there is little opportunity to develop new programs that address food insecurity in developing countries.

(11) Food assistance experts, advocates, and implementers have argued that distributing food commodities alone will not reduce food insecurity. Food assistance needs to be combined with other non-food resources, such as assistance to promote agricultural development, economic growth, and assistance to support education, water, and health programs, to ensure that food assistance has an impact on chronically-hungry people.

(12) Women play an essential role in promoting food security and production throughout the world. According to the United Nations Food and Agricultural Organization, rural women are responsible for half of the world's food production and produce between 60 and 80 percent of the food in most developing countries.

(b) PURPOSES.— The purposes of this Act are—

(1) to promote United States emergency and non-emergency food and other assistance programs as described in title I of this Act in an efficient and effective manner; and

(2) to promote United States agricultural export programs as described in title II of this Act in an efficient and effective manner.

### SEC. 3. DEFINITIONS.

In this Act:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the United States Agency for International Development.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(A) the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(3) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

## **TITLE I—UNITED STATES EMERGENCY AND NON-EMERGENCY FOOD AND OTHER ASSIST- ANCE PROGRAMS**

### **Subtitle A—Agricultural Trade Development and Assistance Act of 1954**

#### **SEC. 101. UNITED STATES POLICY.**

Section 2 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691) is amended—

- (1) in paragraph (1), by inserting “chronic” before “world”.
- (2) in paragraph (5), by striking “and” at the end;
- (3) in paragraph (6), by striking the period at the end and inserting “; and”;
- and
- (4) by adding at the end the following new paragraphs:
  - “(7) respond to emergency needs and food crises;
  - “(8) implement an effective and efficient food assistance program that incorporates adequate resources for both emergency and non-emergency food assistance programs; and
  - “(9) provide adequate resources for non-emergency food assistance programs to address the causes of chronic hunger and food insecurity, to protect the livelihoods and health of vulnerable populations, to meet the nutritional needs of all members of the community (particularly children), to prevent future hunger related emergencies, and to promote participation in productive activities.”.

#### **SEC. 102. GENERAL AUTHORITY.**

(a) IN GENERAL.—Section 201 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721) is amended—

- (1) in paragraph (1), to read as follows:
  - “(1) address famine and food crises and respond to emergency food needs arising from manmade disasters, such as policy-based disasters, economic shocks, and conflict or civil strife, and natural disasters;”;
  - (2) in paragraph (5), by striking “and” at the end;
  - (3) in paragraph (6), by striking the period at the end and inserting “; and”;
  - and
  - (4) by inserting at the end the following new paragraph:
    - “(7) promote participation in educational, training, and other productive activities.”.

(b) TECHNICAL AMENDMENTS.—Such section is further amended—

- (1) by striking “The President” and inserting “(a) PROGRAM REQUIRED.—The President”; and
- (2) by striking “Such program” and inserting the following:
  - “(b) IMPLEMENTATION.—Such program”.

#### **SEC. 103. PROVISION OF AGRICULTURAL COMMODITIES.**

(a) SUPPORT FOR ELIGIBLE ORGANIZATIONS.—Subsection (e)(1) of section 202 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1722) is amended—

- (1) in the matter preceding subparagraph (A)—
  - (A) by striking “5 percent nor more than 10 percent” and inserting “10 percent but not more than 12.5 percent” ; and
  - (B) by striking “to assist the organizations in” and inserting “to provide such organizations financial assistance in order to”;
- (2) in subparagraph (A)—
  - (A) by striking “establishing” and inserting “establish”; and
  - (B) by striking “and” at the end;
- (3) in subparagraph (B)—
  - (A) by striking “meeting” and inserting “meet”;
  - (B) by striking “management, personnel and internal transportation and distribution costs” and inserting “management, operational, technical, personnel and other programming costs”;
  - (C) by striking the period at the end and inserting “; and”; and
  - (4) by adding at the end the following new subparagraph:

“(C) improve and implement methodologies for food assistance programs, including needs assessments and monitoring and evaluation.”.

(b) STREAMLINED PROGRAM MANAGEMENT.—Subsection (h)(3)(B) of such section is amended by striking “Committee on International Relations” and inserting “Committee on Foreign Affairs”.

**SEC. 104. GENERATION AND USE OF CURRENCIES BY PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.**

Subsection (b) of section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) is amended by striking “1 or more recipient countries” and inserting “in 1 or more recipient countries”.

**SEC. 105. LEVELS OF ASSISTANCE.**

Subsection (a) of section 204 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724) is amended—

(1) in paragraph (1), by striking “2002 through 2007” and inserting “2008 through 2012”;

(2) in paragraph (2), by striking “2002 through 2007” and inserting “2008 through 2012”; and

(3) in paragraph (3), by striking “International Relations” and inserting “Foreign Affairs”.

**SEC. 106. FOOD AID CONSULTATIVE GROUP.**

(a) SENSE OF CONGRESS ON INTEGRATED AND EFFECTIVE FOOD ASSISTANCE.—Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725) is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d) the following new subsection:

“(e) SENSE OF CONGRESS ON INTEGRATED AND EFFECTIVE FOOD ASSISTANCE PROGRAM.—It is the sense of Congress that the Group should make every effort to develop a strategy to achieve a more integrated and effective food assistance program.”.

(b) REPORT TO CONGRESS.—Such section is further amended—

(1) by redesignating subsections (f) and (g) (as redesignated by subsection (a)(1)) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) (as added by subsection (a)(2)) the following new subsection:

“(f) REPORT TO CONGRESS.—

“(1) IN GENERAL.—Not later than 180 days after the date of the enactment of the Food Security and Agricultural Development Act of 2007, and annually thereafter until December 31, 2012, the Administrator of the United States Agency for International Development, in close consultation with the Group, shall submit to the appropriate congressional committees a report on efforts taken by the United States Agency for International Development and the Department of Agriculture to develop a strategy under this section to achieve an integrated and effective food assistance program.

“(2) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this subsection, the term ‘appropriate congressional committees’ means—

“(A) the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives; and

“(B) the Committee on Agriculture, Nutrition, and Forestry of the Senate.”.

(c) TERMINATION.—Such section is further amended in subsection (h) (as redesignated by subsection (b)(1)) by striking “2007” and inserting “2012”.

**SEC. 107. ADMINISTRATION.**

(a) PROPOSALS.—Subsection (a)(3) of section 207 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726a) is amended by striking “and the conditions that must be met for the approval of such proposal”.

(b) REGULATIONS.—Subsection (c) of such section is amended by striking paragraph (3).

(c) PROGRAM OVERSIGHT, MONITORING, AND EVALUATION.—Such section is further amended by adding at the end the following new subsection:

“(f) PROGRAM OVERSIGHT, MONITORING, AND EVALUATION.—

“(1) IN GENERAL.—The Administrator, in consultation with the Secretary, shall establish systems to improve, monitor, and evaluate the effectiveness and efficiency of assistance provided under this title in order to maximize the impact of such assistance.

“(2) REPORT TO CONGRESS.—Not later than 180 days after the date of enactment of Food Security and Agricultural Development Act of 2007, the Adminis-

trator shall submit to the appropriate congressional committees a report on efforts undertaken to implement paragraph (1).

“(3) GOVERNMENT ACCOUNTABILITY OFFICE.—Not later than 270 days after the date of the submission of the report under paragraph (2), the Comptroller General of the United States shall submit to the appropriate congressional committees a report that—

“(A) reviews and comments on the report under paragraph (2); and

“(B) provides recommendations regarding any additional actions necessary to improve the monitoring and evaluation of assistance provided under this title.

“(4) CONTRACTING AUTHORITY.—In carrying out this subsection, notwithstanding any other provision of law, the Administrator may contract with individuals for personal services, provided that such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Civil Service Commission.

“(5) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this subsection, the term ‘appropriate congressional committees’ means—

“(A) the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives; and

“(B) the Committee on Agriculture, Nutrition, and Forestry of the Senate.”

(d) INDIRECT SUPPORT COSTS TO UNITED NATIONS WORLD FOOD PROGRAM.—Such section is further amended by adding at the end the following new subsection:

“(g) INDIRECT SUPPORT COSTS TO UNITED NATIONS WORLD FOOD PROGRAM.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, in providing assistance under this title, the Administrator may make contributions to the United Nations World Food Program to the extent that such contributions are made in accordance with the United Nations World Food Program’s rules and regulations for indirect cost rates. Prior to making a contribution to the United Nations World Food Program under this subsection, the Administrator shall submit to the appropriate congressional committees a report that contains the proposed level of the contribution and the reasons for such proposed level.

“(2) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this subsection, the term ‘appropriate congressional committees’ means—

“(A) the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives; and

“(B) the Committee on Agriculture, Nutrition, and Forestry of the Senate.”

**SEC. 108. ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.**

Subsection (f) of section 208 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726b) is amended by striking “2007” and inserting “2012”.

**SEC. 109. ADMINISTRATIVE PROVISIONS.**

(a) PREPOSITIONING.—Subsection (c)(4) of section 407 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a) is amended—

(1) by striking “Funds” and inserting:

“(A) IN GENERAL.—Funds”;

(2) by striking “2007” and inserting “2012”;

(3) by striking “, except that for each such fiscal year not more than \$2,000,000 of such funds may be used to store agricultural commodities for prepositioning in foreign countries”; and

(4) by adding at the end the following new subparagraph:

“(B) ADDITIONAL PREPOSITIONING SITES.—

“(i) FEASIBILITY ASSESSMENT.—On or after the date of the enactment of the Food Security and Agricultural Development Act of 2007, the Administrator is authorized to carry out assessments for the establishment of not less than two sites to determine the feasibility of and costs associated with using such sites for the purpose of storing and handling agricultural commodities for prepositioning in foreign countries.

“(ii) ESTABLISHMENT OF SITES.—Based on the results of the assessments carried out under clause (i), the Administrator is authorized to establish additional sites for prepositioning in foreign countries.

“(iii) AUTHORIZATION OF APPROPRIATIONS.—To carry out this subparagraph, there are authorized to be appropriated to the Administrator such sums as may be necessary for each of the fiscal years 2008 through 2012.”

(b) ANNUAL REPORTS.—Subsection (f) of such section is amended—

(1) in paragraph (2)—

(A) in subparagraph (B), by adding at the end before the semicolon the following: “, and the amount of funds, tonnage levels, and types of activities for non-emergency food assistance programs under title II of this Act”;

(B) in subparagraph (C), by adding at the end before the semicolon the following: “, and a general description of the projects and activities implemented”; and

(C) by amending subparagraph (D) to read as follows:

“(D) an assessment of the progress toward reducing food insecurity in the populations receiving food assistance from the United States.”; and

(2) in paragraph (3), by striking “January 15” and inserting “March 1”.

#### **SEC. 110. EXPIRATION DATE.**

Section 408 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b) is amended by striking “2007” and inserting “2012”.

#### **SEC. 111. AUTHORIZATION OF APPROPRIATIONS.**

Subsection (a) of section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f) is amended to read as follows:

“(a) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—For each of the fiscal years 2008 through 2012, there are authorized to be appropriated to the President—

“(A) such sums as may be necessary to carry out the concessional credit sales program established under title I;

“(B) \$2,500,000,000 to carry out the emergency and non-emergency food assistance programs under title II ; and

“(C) such sums as may be necessary to carry out the grant program established under title III.

“(2) MINIMUM LEVEL OF NON-EMERGENCY FOOD ASSISTANCE.—For each of the fiscal years 2008 through 2012, of the amounts made available to carry out emergency and non-emergency food assistance programs under title II, not less than \$600,000,000 for each such fiscal year shall be obligated and expended for non-emergency food assistance programs under title II.

“(3) REIMBURSEMENT.—For each of the fiscal years 2008 through 2012, there are authorized to be appropriated such sums as may be necessary to make payments to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under the programs under this Act for the actual costs incurred or to be incurred by such Corporation in carrying out such programs.

“(4) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under this subsection are—

“(A) authorized to remain available until expended; and

“(B) in addition to funds otherwise available for such purposes.”.

#### **SEC. 112. COORDINATION AND INTEGRATION OF FOREIGN ASSISTANCE PROGRAMS.**

(a) IN GENERAL.—Section 413 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736g) is amended—

(1) by striking the first sentence and inserting the following: “The Administrator shall, to the maximum extent practicable, coordinate and integrate assistance to a foreign country provided under title III with other United States development assistance programs and objectives provided under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), including assistance to combat HIV/AIDS, tuberculosis, and malaria, assistance for child and maternal health, assistance for education, and assistance for agricultural development and economic growth. Such assistance shall also be coordinated and integrated with other United States foreign assistance programs, such as the Millennium Challenge Account. Such assistance shall also be coordinated and integrated with the overall development strategy of the recipient country, including the poverty reduction strategy of the recipient country, and in the recipient country with other donors, including international and regional organizations and other donor countries.”; and

(2) by striking “Special emphasis should be placed on” and inserting “Special consideration should be given to”

(b) CONFORMING AMENDMENT.—The heading for such section is amended by inserting “and integration” after “coordination”.

#### **SEC. 113. MICRONUTRIENT FORTIFICATION PROGRAMS.**

(a) PURPOSE.—Subsection (a)(2)(C) of section 415 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736g–2) is amended—

(1) by striking “using the same mechanism that was used to assess the micro-nutrient fortification program in” and inserting “utilizing recommendations from”; and

(2) by striking “with funds from the Bureau for Humanitarian Response of the United States Agency for International Development” and inserting “with implementation by an independent entity with proven impartiality and a mechanism that incorporates the range of stakeholders implementing programs under title II of this Act as well as other food assistance industry experts”.

(b) TERMINATION OF AUTHORITY.—Subsection (d) of such section is amended by striking “2007” and inserting “2012”.

**SEC. 114. JOHN OGONOWSKI AND DOUG BEREUTER FARMER-TO-FARMER PROGRAM.**

(a) MINIMUM FUNDING.—Subsection (d) of section 501 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737) is amended by striking “2002 through 2007” and inserting “2008 through 2012”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Subsection (e)(1) of such section is amended by striking “2002 through 2007” and inserting “2008 through 2012”.

## **Subtitle B—Related Statutes and Other Provisions**

**SEC. 121. BILL EMERSON HUMANITARIAN TRUST.**

(a) IN GENERAL.—Subsection (a) of section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) is amended by inserting after “metric tons” the following: “, an amount of funds equivalent to 4,000,000 metric tons of commodities, or any combination of commodities and funds equivalent to 4,000,000 metric tons”.

(b) COMMODITIES OR FUNDS IN TRUST.—Subsection (b)(2)(B)(i) of such section is amended—

(1) by striking “2000 through 2007” each place it appears and inserting “2008 through 2012”; and

(2) by striking “\$20,000,000” and inserting “\$60,000,000”.

(c) TERMINATION OF AUTHORITY.—Subsection (h) of such section is amended in paragraphs (1) and (2) by striking “2007” each place it appears and inserting “2012”.

**SEC. 122. MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.**

(a) ADMINISTRATION OF PROGRAM.—Section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1) is amended—

(1) in subsection (d), in the matter preceding paragraph (1), by striking “The President shall designate 1 or more Federal agencies to” and inserting “The Secretary shall”;

(2) in subsection (f)(2), in the matter preceding subparagraph (A), by striking “implementing agency” and inserting “Secretary”; and

(3) in subsections (c)(2)(B), (f)(1), (h)(1) and (2), and (i), by striking “President” each place it appears and inserting “Secretary”.

(b) FUNDING.—Subsection (l) of such section is amended—

(1) by striking paragraphs (1) and (2) and inserting the following:

“(1) USE OF COMMODITY CREDIT CORPORATION FUNDS.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—

“(A) \$140,000,000 for fiscal year 2008;

“(B) \$180,000,000 for fiscal year 2009;

“(C) \$220,000,000 for fiscal year 2010;

“(D) \$260,000,000 for fiscal year 2011; and

“(E) \$300,000,000 for fiscal year 2012.”;

(2) by redesignating paragraph (3) as paragraph (2); and

(3) in paragraph (2) (as redesignated by paragraph (2)), by striking “any Federal agency implementing or assisting” and inserting “the Department of Agriculture or any other Federal department or agency assisting”.

**SEC. 123. INTERNATIONAL DISASTER ASSISTANCE UNDER THE FOREIGN ASSISTANCE ACT OF 1961.**

(a) SENSE OF CONGRESS.—It is the sense of Congress that the President, acting through the Administrator, should exercise the President’s authority under section 491 of the Foreign Assistance Act of 1961 (22 U.S.C. 2292) to purchase and to distribute to a recipient country agricultural commodities produced—

(1) in the recipient country, or

(2) in developing countries in the region of the recipient country, for the purposes of famine prevention and relief.



(b) AVAILABILITY OF FUNDING FOR FAMINE PREVENTION AND RELIEF.—For each of the fiscal years 2008 through 2012, of the amounts made available to carry out section 491 of the Foreign Assistance Act of 1961, not less than \$40,000,000 for each such fiscal year shall be made available for the purposes of famine prevention and relief under such section.

**SEC. 124. REPORT ON EFFORTS TO IMPROVE PROCUREMENT PLANNING.**

(a) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Administrator and the Secretary shall submit to the appropriate congressional committees a report on efforts taken by both the United States Agency for International Development and the Department of Agriculture to improve planning for food and transportation procurement, including efforts to eliminate bunching of food purchases.

(b) CONTENTS.—The report required under subsection (a) should include, among other things, a description of efforts taken to—

- (1) improve coordination of food purchases by the United States Agency for International Development and the Department of Agriculture;
- (2) increase flexibility in procurement schedules;
- (3) increase utilization of historical analyses and forecasting; and
- (4) improve and streamline legal claims processes for resolving transportation disputes.

## **TITLE II—UNITED STATES AGRICULTURAL EXPORT PROGRAMS**

**SEC. 201. EXPORT CREDIT GUARANTEE PROGRAM.**

(a) REPEAL OF SUPPLIER CREDIT GUARANTEE PROGRAM AND INTERMEDIATE EXPORT CREDIT GUARANTEE PROGRAM.—

(1) REPEALS.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended—

- (A) in subsection (a)—
  - (i) in paragraph (1), by striking “(1)” and all that follows through “The Commodity” and inserting “The Commodity”; and
  - (ii) by striking paragraphs (2) and (3);
- (B) by striking subsections (b) and (c); and
- (C) by redesignating subsections (d) through (l) as subsections (b) through (j), respectively.

(2) CONFORMING AMENDMENTS.—Such section is further amended—

- (A) in subsection (b)(4) (as redesignated by paragraph (1)(C)), by striking “, consistent with the provisions of subsection (c)”;
  - (B) in subsection (d) (as redesignated by paragraph (1)(C))—
    - (i) by striking “(1)” and all that follows through “The Commodity” and inserting “The Commodity”; and
    - (ii) by striking paragraph (2); and
  - (C) in subsection (g)(2) (as redesignated by paragraph (1)(C)), by striking “subsections (a) and (b)” and inserting “subsection (a)”.
- (b) PROCESS AND HIGH-VALUE PRODUCTS.—Section 202 of such Act (7 U.S.C. 5622) is amended in paragraph (1) of subsection (i) (as redesignated by subsection (a)(1)(C)) by striking “2007” and inserting “2012”.

(c) EXPORT CREDIT GUARANTEE PROGRAMS.—Subsection (b) of section 211 of such Act (7 U.S.C. 5641) is amended to read as follows:

“(b) EXPORT CREDIT GUARANTEE PROGRAMS.—The Commodity Credit Corporation shall make available, to the maximum extent practicable, for each of fiscal years 2008 through 2012 not less than \$5,500,000,000 in credit guarantees under section 202(a).”.

**SEC. 202. MARKET ACCESS PROGRAM.**

(a) ORGANIC COMMODITIES.—Subsection (a) of section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) is amended by inserting after “agricultural commodities” the following: “(including commodities that are organically produced (as defined in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502)))”.

(b) FUNDING.—Subsection (c)(1)(A) of section 211 of such Act (7 U.S.C. 5641) is amended by striking “, and \$200,000,000 for each of fiscal years 2006 and 2007” and inserting “\$200,000,000 for each of fiscal years 2006 and 2007, and \$225,000,000 for each of fiscal years 2008 through 2012”.

**SEC. 203. EXPORT ENHANCEMENT PROGRAM.**

Subsection (e) of section 301 of the Agricultural Trade Act of 1978 (7 U.S.C. 5651) is amended by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—The Commodity Credit Corporation shall make available to carry out the program established under this section not more than \$478,000,000 for each of fiscal years 2008 through 2012.”.

**SEC. 204. ASSISTANCE TO ADDRESS SANITARY AND PHYTOSANITARY BARRIERS TO TRADE.**

Title III of the Agricultural Trade Act of 1978 (7 U.S.C. 5651 et seq.) is amended by adding at the end the following new section:

**“SEC. 304. ASSISTANCE TO ADDRESS SANITARY AND PHYTOSANITARY BARRIERS TO TRADE.**

“(a) ASSISTANCE AUTHORIZED.—The Secretary is authorized to enter into contracts with technical experts and scientists, or provide grants to appropriate entities, as determined by the Secretary, to address sanitary, phytosanitary, and technical barriers to the export of United States agricultural commodities, including meat, poultry, and specialty crops, by—

“(1) contracting with technical experts and scientists outside of the Federal government to address sanitary and phytosanitary issues, and other issues regarding technical barriers, involving agricultural commodities and the products of such agricultural commodities; and

“(2) commissioning targeted outside scientific reports on sanitary and phytosanitary issues, and other issues regarding technical barriers, involving agricultural commodities and the products of such agricultural commodities.

“(b) TARGETED TRADE ISSUES.—Projects funded under this section may include projects relating to the acceptance by foreign markets of—

“(1) antimicrobial treatments;

“(2) wood-packaging material;

“(3) irradiation;

“(4) biotechnology;

“(5) science-based maximum residue level standards;

“(6) testing procedures and controls for mycotoxins;

“(7) labeling; and

“(8) shelf life.

“(c) FUNDING.—

“(1) COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

“(2) FUNDING AMOUNT.—The Secretary shall use, to the maximum extent practicable, \$2,000,000 of the funds of the Commodity Credit Corporation to carry out this section for each of fiscal years 2008 through 2012.”.

**SEC. 205. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.**

(a) FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.—Subsection (c) of section 702 of the Agricultural Trade Act of 1978 (7 U.S.C. 5722) is amended by striking “Committee on International Relations” and inserting “Committee on Foreign Affairs”.

(b) FUNDING.—Section 703 of such Act (7 U.S.C. 5723) is amended—

(1) in subsection (a), by striking “2002 through 2007” and inserting “2008 through 2012”; and

(2) in subsection (b), by striking “2001” and inserting “2007”.

**SEC. 206. EMERGING MARKETS AND FACILITY GUARANTEE LOAN PROGRAM.**

(a) PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING MARKETS.—Subsections (a) and (d)(1)(A)(i) of section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law 101–624) is amended by striking “2007” each place it appears and inserting “2012”.

(b) FACILITY GUARANTEE LOAN PROGRAM.—Such section is further amended—

(1) in subsection (b)—

(A) in the first sentence, by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and adjusting the margins accordingly;

(B) by striking “A portion” and inserting the following:

“(1) IN GENERAL.—A portion”;

(C) in the second sentence—

(i) by striking “The Commodity Credit Corporation” and inserting the following:

“(2) PRIORITY.—The Commodity Credit Corporation”; and

(ii) by moving the margins of subparagraphs (A) and (B) two ems to the right; and

(D) by adding at the end the following:

“(3) INITIAL PAYMENT.—The Secretary may require an initial down payment, upon such terms as the Secretary may determine, by the beneficiary of the credit guarantee as a condition of providing a credit guarantee under this subsection.

“(4) MAXIMUM LIABILITY.—The liability of the Commodity Credit Corporation under a guarantee provided pursuant to this section may not exceed 98 percent of—

“(A) the principal amount involved in the underlying financial arrangement for construction of the facility; and

“(B) the interest on the outstanding principal amount at the rate specified in the underlying financial arrangement for construction of the facility.

“(5) TERM OF GUARANTEE.—A facility payment guarantee under this subsection shall be for a term that is not more than the lesser of—

“(A) the term of the depreciation schedule of the facility assisted; or

“(B) a maximum period, as determined by the Secretary.”.

#### **SEC. 207. FOOD FOR PROGRESS ACT OF 1985.**

(a) PROVISION OF ELIGIBLE COMMODITIES TO DEVELOPING COUNTRIES.—Subsection (f)(3) of the Food for Progress Act of 1985 (7 U.S.C. 1736o; section 1110 of the Food Security Act of 1985) is amended by striking “1996 through 2007” and inserting “2008 through 2012”.

(b) MINIMUM TONNAGE.—Subsection (g) of such Act is amended—

(1) by striking “400,000” and inserting “500,000”; and

(2) by striking “2002 through 2007” and inserting “2008 through 2012”.

(c) REPORT.—Subsection (j)(3) of such Act is amended by inserting “and the Committee on Foreign Affairs” after “Committee on Agriculture” the first place such term appears.

(d) EFFECTIVE AND TERMINATION DATES.—Subsection (k) of such Act is amended by striking “2007” and inserting “2012”.

(e) ADMINISTRATIVE EXPENSES.—Subsection (l)(1) of such Act is amended by striking “1996 through 2007” and inserting “2008 through 2012”.

(f) PROGRAM MANAGEMENT.—Subsection (n)(2)(C) of such Act is amended, by striking “Committee on International Relations” and inserting “Committee on Foreign Affairs”.

## **TITLE III—MISCELLANEOUS PROVISIONS**

#### **SEC. 301. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

(a) ADDITIONAL REQUIREMENTS.—Section 3205 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5680) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

“(d) ADDITIONAL REQUIREMENTS.—

“(1) MAXIMUM AWARD.—The maximum amount of assistance provided annually to a project under the program shall be \$500,000.

“(2) PROJECT DURATION.—The Secretary may extend a project under the program irrespective of the initial estimated duration of the project.”.

(b) FUNDING.—Such section is further amended in subsection (e) (as redesignated by subsection (a)(1)), to read as follows:

“(e) FUNDING.—

“(1) COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

“(2) FUNDING AMOUNT.—The Secretary shall make available the following amounts of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation, to the maximum extent practicable, for the following fiscal years to carry out this section:

“(A) \$4,000,000 for fiscal year 2008.

“(B) \$6,000,000 for fiscal year 2009.

“(C) \$8,000,000 for fiscal year 2010.

“(D) \$10,000,000 for each of fiscal years 2011 through 2015.”.

#### **SEC. 302. SUPPORT FOR SANITARY AND PHYTOSANITARY PRIORITIES OF THE UNITED STATES WITHIN CERTAIN INTERNATIONAL ORGANIZATIONS.**

(a) SUPPORT AUTHORIZED.—The Secretary of Agriculture is authorized to enhance United States support for international organizations, including international organizations described in subsection (b), that establish international standards regarding food, food safety, plants, and animals by funding additional positions of associate

professional officers to address sanitary and phytosanitary priorities of the United States within such international organizations. The Secretary shall carry out this subsection pursuant to the authority of the Secretary under section 1458(a)(3) of the Food and Agriculture Act of 1977 (7 U.S.C. 3291(a)(3)).

(b) **INTERNATIONAL ORGANIZATIONS DESCRIBED.**—The international organizations referred to in subsection (a) are the Food and Agriculture Organization, the Codex Alimentarius Commission, the International Plant Protection Convention, and the World Organization for Animal Health.

**SEC. 303. TECHNICAL ASSISTANCE FOR THE RESOLUTION OF TRADE DISPUTES.**

(a) **TECHNICAL ASSISTANCE AUTHORIZED.**—The Secretary of Agriculture is authorized to provide monitoring, analytic support, and other technical assistance to limited-resource persons and organizations associated with agricultural trade (as determined by the Secretary) to address unfair trade practices of foreign countries, including intellectual property right violations, and to reduce trade barriers.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—To carry out this section, there are authorized to be appropriated to the Secretary such sums as may be necessary for each of the fiscal years 2008 through 2012.

**SEC. 304. SENSE OF CONGRESS CONCERNING THE GLOBAL CROP DIVERSITY TRUST.**

(a) **FINDINGS.**—Congress finds the following:

(1) Crop diversity—the natural diversity exhibited in the array of varieties in every crop—is one of the world’s least recognized, but most valuable resources. It provides the genetic building blocks for adapting crops to constantly evolving pests, diseases, and changing climates. Without crop diversity, agriculture cannot retain current productivity levels and cannot meet anticipated future challenges associated with population growth and global warming.

(2) Currently, much of the world’s crop diversity is neither safely conserved, nor readily available to scientists and farmers who rely on it to safeguard agricultural productivity.

(3) The Global Crop Diversity Trust, an independent organization created by the United Nations Food and Agricultural Organization in conjunction with the 2001 International Treaty on Plant Genetic Resources, is the only organization working globally to solve the problem of protecting crop diversity. The Global Crop Diversity Trust became a legal entity at the end of 2004, but has already raised \$135,000,000 from a broad alliance of partners, including developed and developing countries, private corporations, and philanthropic foundations, including a joint initiative with the United Nations Foundation funded by The Bill and Melinda Gates Foundation.

(4) The United States was an early supporter of the Global Crop Diversity Trust, and has so far contributed \$6,500,000 to the Global Crop Diversity Trust. Robust involvement of the United States in the Global Crop Diversity Trust ensures significant benefits to United States farmers.

(b) **SENSE OF CONGRESS.**—It is the sense of Congress that the President should provide significant United States financial resources to the Global Crop Diversity Trust to ensure the conservation of crop diversity which can yield significant benefits to United States farmers.

**SEC. 305. TECHNICAL AND CONFORMING AMENDMENTS.**

Subsection (a) of section 3206 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5603a) is amended by striking “Committee on International Relations” and inserting “Committee on Foreign Affairs”.

**SEC. 306. RULE OF CONSTRUCTION.**

Nothing in this Act or any amendment made by this Act shall be construed to supersede the provisions of the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7201 et seq.).

## SUMMARY

The “Food Security and Agricultural Development Act of 2007” amends various statutes related to international food assistance and agricultural export promotion programs. There are three titles to this Act. Title I amends the Agricultural Trade Development and Assistance Act of 1954 by: updating the purposes of the program to provide emergency and non-emergency food assistance to developing countries within the overall framework of reducing food insecurity; establishing a stable funding level for non-emergency food

assistance that reduces food insecurity; providing sufficient funding to support needs assessments and program management and implementation; and expanding the authority for monitoring and evaluating emergency and non-emergency food assistance programs. Title II amends the Agricultural Trade Act of 1978 and other statutes related to agricultural export promotion programs and export credit guarantee programs. Title III contains provisions that are designed to address technical assistance for specialty crops and the resolution of trade disputes, as well as enhance support for international trade standards.

#### BACKGROUND AND PURPOSE

The United Nations Food and Agricultural Organization estimates that in 2006, approximately 850 million people in the world were chronically hungry, with 824 million of them in developing countries. The largest concentrations of the chronically hungry—an estimated 298 million—are in South Asia, particularly in India where 212 million are undernourished. In Sub-Saharan Africa an estimated 206 million people are chronically hungry. The number of food and humanitarian emergencies has doubled from an average of about 15 per year in the 1980s to more than 30 per year since 2000, due in large part to increasing conflicts, poverty, and natural disasters around the world. Some emergencies are exacerbated by multiple shocks, such as civil wars, recurring droughts, and endemic disease, adding to their complexity and protracting the crises for many years.

The United Nations reports that progress is being made toward reaching the Millennium Development Goal of reducing the proportion of hungry people in the world by half by 2015. In 1990, the proportion of people in the developing countries living with insufficient food was estimated to be 20 percent. By 2003, that percentage had declined to 17 percent. However, from 1996 to 2006, the absolute number of hungry people increased from 790 to 850 million. The number of hungry people in the most seriously affected regions of the world, namely South Asia and Sub-Saharan Africa, is increasing. In Sub-Saharan Africa, in 1990, an estimated 169 million people were chronically hungry; in 2003, the number of chronically hungry increased to 206 million.

The major United States Government response to reducing hunger in developing countries is to provide U.S. agricultural commodities as food assistance. In fiscal year 2006, the United States provided 3 million metric tons of food valued at more than \$2 billion to meet emergency food needs and to support development projects in developing countries. In 2006, the United States provided food assistance to 65 countries, more than half of them in Sub-Saharan Africa. Approximately \$1.2 billion, or 60 percent of such assistance, was for emergencies. The United States Agency for International Development (USAID) estimates that 50 to 70 million people benefit from United States food assistance programs annually. Food assistance contributed by the United States Government has totaled more than \$73 billion since 1946. Over the last decade, the United States has been the single largest donor of international food assistance, with a large proportion of the assistance provided through the United Nations World Food Program for the purpose of addressing emergencies. The United States contributed more

than 52 million tons of food assistance between 1996 and 2005, more than half of the nearly 100 million tons of food assistance delivered worldwide in this period. In 2006, the United States contributed \$1.125 billion, or about 40 percent of total donor contributions to the World Food Program that year.

The Committee notes that private voluntary organizations and cooperatives are critical implementing partners in United States food assistance programs. In addition to assisting people whose lives and livelihoods are endangered due to crises, these organizations help communities that suffer from chronic hunger, integrating food assistance with technical assistance and training, and building local institutional capacity, thereby decreasing malnutrition among children and increasing household incomes and food supplies.

The Committee understands that the Farm Security and Rural Investment Act of 2002 (Public Law 107-171) called for increased levels of non-emergency food assistance in order to address chronic hunger needs and to ensure a long-term impact on vulnerable communities. However, by 2006, non-emergency food assistance programs were reduced to 42 percent of their 2001 levels. The Committee believes that these reductions have seriously impeded the United States' ability to effectively address food insecurity in the developing world.

The Committee strongly encourages USAID to increase financial, technical, and other assistance for non-emergency food needs. The Committee also believes that food assistance needs to be combined with other non-food resources, such as assistance to communities affected by HIV/AIDS and to promote agricultural development, economic growth, and education, as well as water and health programs, in order to mitigate the underlying causes of chronic hunger.

U.S. agricultural commodities have been the backbone of the U.S. international food assistance programs since the creation of the P.L. 480 program in the Agricultural Trade Development and Assistance Act of 1954. The Committee believes that the success of U.S. international food assistance programs stems from the combination of the American people's compassion and generosity and the private organizations and the companies that make it work. The Committee notes that the unparalleled dedication and productivity of U.S. farmers, processors, and other groups that administer, transport, and distribute food assistance is the basis for why Congress and the Executive Branch have sustained strong funding levels for these programs.

America's farmers also deserve our continued support through increased assistance to promote U.S. agricultural commodities overseas. Farm income and agriculture's economic well-being depend heavily on exports, which account for more than 25 percent of U.S. producers' cash receipts, provide jobs for nearly one million Americans, and make a positive contribution to our nation's overall trade balance. The Committee understands that the U.S. Department of Agriculture estimates that U.S. agriculture exports are projected to be \$78 billion in fiscal year 2007, up \$9.3 billion over last year and up \$25 billion since 2002. The Committee is aware that this is the second largest increase on record and the fourth consecutive year of record exports. While these are impressive gains, expanded and

comprehensive assistance to U.S. farmers is critical if we want to expand access to overseas markets, where 95 percent of the world's consumers live.

The "Food Security and Agricultural Development Act of 2007":

(1) Increases P.L. 480 Title II funds that may be made available to support eligible organizations from not less than 5 and not more than 10 percent, to not less than 10 but no more than 12.5 percent of total P.L. 480 Title II funds, and allow such assistance to be used for improving and implementing methodologies such as needs assessments and monitoring and evaluation, and to meet specific administrative, management, operational, and other programming costs for carrying out P.L. 480 Title II food assistance programs.

(2) Reauthorizes requirements related to commodity tonnage levels for emergency and non-emergency P.L. 480 Title II food assistance programs through 2012.

(3) Reauthorizes the Food Aid Consultative Group through 2012 and directs the Administrator of USAID to consult with the Group in developing a strategy to achieve a more integrated and effective food assistance program and to report to Congress within 180 days on efforts to develop such strategy.

(4) Modifies administrative procedures for the submission and review of P.L. 480 Title II proposals.

(5) Requires the Administrator, in consultation with the Secretary, to establish a system to improve monitoring and evaluating the efficiency and effectiveness of P.L. 480 Title II food assistance programs, requires a report to Congress on efforts to implement the requirement to establish such system in 180 days, and requires the GAO to submit a report to Congress within 270 days after the Administrator's report is submitted with its reviews and comments on USAID's report to Congress and recommendations to improve monitoring and evaluation of P.L. 480 Title II food assistance programs.

(6) Authorizes the Administrator to use P.L. 480 Title II funds to make contributions to the World Food Program for indirect support costs, provided that the level and reasons are first submitted to Congress.

(7) Reauthorizes the P.L. 480 Title II Assistance for Stockpiling, and Rapid Transportation, Delivery, and Distribution of Shelf-Stable Prepackaged Foods Program through 2012.

(8) Extends the P.L. 480 authority to preposition U.S. agricultural commodities in foreign countries through 2012, removes the \$20 million limitation for prepositioning in foreign countries, and authorizes the Administrator of USAID to expand the number of prepositioning sites in foreign countries.

(9) Changes the due date for USAID annual reports on food assistance from January 15 to March 1, and requires more information in such reports about the levels and types of assistance provided and program impact.

(10) Authorizes appropriations for such sums as needed for P.L. 480 Title I and Title III food assistance programs through 2012; authorizes \$2.5 billion for P.L. 480 Title II programs through 2012; and of the amounts made available for P.L. 480 Title II, requires not less than \$600 million for each fiscal year shall be obligated and expended for non-emergency food assistance programs.

(11) Requires USAID to coordinate and integrate non-emergency food assistance programs under P.L. 480 Title III with other U.S.

development and foreign assistance objectives, with the poverty reduction strategies and development objectives of assistance recipient countries, and with assistance provided by international and regional organizations and other donor countries.

(12) Extends the Micronutrient Fortification Program for P.L. 480 Title II commodities through 2012.

(13) Extends the authorization of the John Ogonowski and Doug Bereuter Farmer-to-Farmer Program through 2012.

(14) Reauthorizes the Bill Emerson Humanitarian Trust through 2012 and increases the amount of reimbursed funds that can be held in the trust to \$60 million from \$20 million.

(15) Authorizes mandatory funding for the McGovern-Dole International Food for Education and Child Nutrition Program with \$140 million for fiscal year 2008 and increasing in \$40 million increments each subsequent year through fiscal year 2012, and authorizes the Secretary, rather than the President, to administer the program.

(16) Requires the Administrator of USAID to exercise its current authority under section 491 of the Foreign Assistance Act of 1961 to purchase food locally and regionally. Of the amounts appropriated for section 491, the bill authorizes \$40 million for famine prevention and relief.

(17) Requires USAID and the Department of Agriculture to report on efforts taken to improve planning for food and transportation procurement.

(18) Repeals the Supplier Credit Guarantee Program and the Intermediate Export Credit Guarantee Program (GSM-103 program).

(19) Reauthorizes \$5.5 billion for other export credit guarantee programs through 2012.

(20) Reauthorizes the Market Access Program through 2012 at the Administration's requested level of \$225 million for U.S. agricultural commodities.

(21) Reauthorizes the Export Enhancement Program through 2012 at the current spending level of \$478 million.

(22) Creates a new program to address international sanitary and phytosanitary issues for U.S. agricultural commodities.

(23) Extends the authorization of the Foreign Market Development Cooperator Program through 2012.

(24) Reauthorizes the Emerging Market and Facility Guarantee Loan Program through 2012.

(25) Reauthorizes the Food for Progress program through 2012 and raises the minimum level from 400,000 metric tons to 500,000 metric tons.

(26) Reauthorizes \$2 million for a program to provide technical assistance for specialty crops through 2012.

(27) Authorizes the Department of Agriculture to enhance U.S. support for international standard setting organizations that address sanitary and phytosanitary issues.

(28) Authorizes such sums for technical assistance for the resolution of trade disputes.

#### HEARINGS

In the 110th Congress, the Committee on Foreign Affairs, Subcommittee on Africa and Global Health held a hearing entitled, "International Food Aid Programs: Options to Enhance Effective-



ness,” on May 24, 2007. The Subcommittee heard testimony from William Hammink, Director of the Office of Food for Peace at the U.S. Agency for International Development; Thomas Melito, Director, International Affairs and Trade at the U.S. Government Accountability Office; Annemarie Reilly, Chief of Staff at Catholic Relief Services; and David Evans, Vice President of Government Resources and Programs at Food for the Hungry. In the 109th Congress, the Committee on International Relations’ Subcommittee on Africa, Global Human Rights and International Operations held a hearing entitled “The World Hunger Crisis,” on May 25, 2006. The Subcommittee heard testimony from James Morris, Executive Director at the United Nations World Food Program; Michael Hess, Assistance Administrator for Democracy, Conflict and Humanitarian Assistance at the U.S. Agency for International Development; Ambassador Tony Hall, former Ambassador to the U.S. Mission to the United Nations Agencies for Food and Agriculture; Sean Callahan, Vice President of Overseas Operations at Catholic Relief Services; Gabriel Laizer, a beneficiary of the McGovern-Dole International Food for Education and Child Nutrition Program in Tanzania; and Gawain Kripke, Senior Policy Advisor at Oxfam America. In the 108th Congress, the Committee on International Relations held a full committee briefing entitled “Current Issues in World Hunger” on May 11, 2004. The Committee heard testimony from Ambassador Tony Hall.

#### COMMITTEE CONSIDERATION

The Committee considered H.R. 2844 on June 26, 2007, and the bill was favorably reported to the House by a vote of 38–9, as amended, a quorum present.

#### VOTES OF THE COMMITTEE

There were two votes during consideration of H.R. 2844:

(1) Mr. Manzullo offered an amendment to the amendment in the nature of a substitute which generally reduced some funding in parts of the bill. The amendment was defeated by a vote of 17–30.

Voting yes: Ros-Lehtinen, Burton, Rohrabacher, Manzullo, Royce, Chabot, Tancredo, Paul, Flake, Pence, Wilson, Boozman, Barrett, Mack, McCaul, Poe, and Bilirakis.

Voting no: Lantos, Berman, Ackerman, Faleomavaega, Payne, Sherman, Wexler, Engel, Delahunt, Meeks, Watson, Smith (WA), Carnahan, Tanner, Woolsey, Jackson Lee, Hinojosa, Crowley, Wu, Miller, Sanchez, Scott, Costa, Sires, Giffords, Klein, Smith (NJ), Fortenberry, Inglis, and Fortuño.

(2) H.R. 2844, as amended, was reported favorably to the House by a vote of 38–9.

Voting yes: Lantos, Berman, Ackerman, Faleomavaega, Payne, Sherman, Wexler, Engel, Delahunt, Meeks, Watson, Smith (WA), Carnahan, Tanner, Woolsey, Jackson Lee, Hinojosa, Crowley, Wu, Miller, Sanchez, Scott, Costa, Sires, Giffords, Klein, Ros-Lehtinen, Smith (NJ), Burton, Pence, Wilson, Boozman, Mack, Fortenberry, McCaul, Inglis, Fortuño, and Bilirakis.

Voting no: Rohrabacher, Manzullo, Royce, Chabot, Tancredo, Paul, Flake, Barrett, and Poe.

Ms. Jackson-Lee offered an amendment en block regarding coordination with donor countries and international organizations and preventing hunger-related emergencies. The amendment was agreed to by voice vote.

#### COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

#### NEW BUDGET AUTHORITY AND TAX EXPENDITURES

This legislation authorizes funds to provide emergency and non-emergency food assistance to developing countries to help end hunger, and to promote U.S. agricultural exports overseas.

#### CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the Committee sets forth, with respect to the bill, H.R. 1681, the following estimate and comparison prepared by the Director of the Congressional Budget Office under Section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, July 17, 2007.*

Hon. TOM LANTOS,  
*Chairman, Committee on Foreign Affairs,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2844, the Food Security and Agricultural Development Act of 2007.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sam Papenfuss, who can be reached at 226-2840.

Sincerely,

PETER R. ORSZAG.

Enclosure.

cc: Honorable Ileana Ros-Lehtinen  
Ranking Member

*H.R. 2844—Food Security and Agricultural Development Act of 2007*

Summary: H.R. 2844 would amend trade promotion and food assistance programs administered by the U.S. Department of Agriculture (USDA) and the U.S. Agency for International Development (USAID) and extend the authorization for those programs, generally through 2012. The bill would increase spending limits and authorize new purposes for spending from the Commodity Credit

Corporation (CCC). H.R. 2844 also would authorize the appropriation of funds for several programs through 2012.

CBO estimates that enacting H.R. 2844 would increase direct spending by \$159 million in 2008, about \$1.5 billion over the 2008–2012 period, and more than \$3.5 billion over the 2008–2017 period. Additionally, CBO estimates that implementing H.R. 2844 would have discretionary costs of \$1.3 billion in 2008 and \$10.7 billion over the 2008–2012 period, assuming appropriation of the estimated amounts. Enacting the bill would not affect revenues.

H.R. 2844 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

**Estimated cost to the Federal Government:** The estimated budgetary impact of H.R. 2844 is shown in the following table. The costs of this legislation fall within budget functions 150 (international affairs) and 350 (agriculture).

TABLE 1. ESTIMATED BUDGETARY IMPACT OF H.R. 2844

	By Fiscal Year, in Millions of Dollars					
	2007	2008	2009	2010	2011	2012
<b>DIRECT SPENDING</b>						
Direct Spending Under Current Law for International Assistance and Trade Programs						
Estimated Budget Authority <sup>1</sup>	371	398	397	397	396	396
Estimated Outlays	371	398	397	397	396	396
Proposed Changes						
Estimated Budget Authority	0	159	245	308	350	391
Estimated Outlays	0	159	245	308	350	391
Direct Spending Under H.R. 2844 for International Assistance and Trade Programs						
Estimated Budget Authority	371	557	642	705	746	787
Estimated Outlays	371	557	642	705	746	787
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Discretionary Spending Under Current Law for International Assistance and Trade Programs						
Budget Authority <sup>2</sup>	2,125	0	0	0	0	0
Estimated Outlays	2,081	1,189	462	169	56	26
Proposed Changes						
Estimated Authorization Level	0	2,557	2,557	2,557	2,558	2,558
Estimated Outlays	0	1,285	2,057	2,358	2,480	2,524
Discretionary Spending Under H.R. 2844 for International Assistance and Trade Programs						
Estimated Authorization Level	2,125	2,557	2,557	2,557	2,558	2,558
Estimated Outlays	2,081	2,474	2,519	2,527	2,536	2,550

<sup>1</sup> The amounts shown as spending under current law for 2007–2012 are CBO's baseline estimates of spending for the affected programs.

<sup>2</sup> The 2007 budget authority is the amount appropriated in 2007 for the following programs: Public Law 480 title II (\$1,665 million), International Disaster and Famine Assistance (\$361 million), and McGovern-Dole Program (\$99 million).

**Basis of estimate:** For this estimate, CBO assumes that the bill will be enacted near the start of fiscal year 2008, that the estimated amounts will be appropriated each year, and that outlays will follow historical spending patterns.

*Direct Spending*

Enacting H.R. 2844 would increase direct spending for several programs, as shown in Table 2 and described below. In total, CBO estimates that under H.R. 2844, direct spending would increase by \$159 million in 2008, about \$1.5 billion over the 2008–2012 period, and over \$3.5 billion over the 2008–2017 period.

TABLE 2. CHANGES IN DIRECT SPENDING UNDER H.R. 2844

	By Fiscal Year, in Millions of Dollars											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008– 2012	2008– 2017
McGovern-Dole Program												
Estimated Budget Authority	73	139	195	235	275	294	300	300	300	300	917	2,411
Estimated Outlays	73	139	195	235	275	294	300	300	300	300	917	2,411
Bill Emerson Humanitarian Trust												
Estimated Budget Authority	85	85	85	85	85	85	85	85	85	86	425	851
Estimated Outlays	85	85	85	85	85	85	85	85	85	86	425	851
Market Access												
Estimated Budget Authority	1	20	25	25	25	25	25	25	25	25	96	221
Estimated Outlays	1	20	25	25	25	25	25	25	25	25	96	221
Other Programs												
Estimated Budget Authority	0	1	3	5	6	4	4	4	4	4	15	35
Estimated Outlays	0	1	3	5	6	4	4	4	4	4	15	35
Total Changes												
Estimated Budget Authority	159	245	308	350	391	408	414	414	414	415	1,453	3,518
Estimated Outlays	159	245	308	350	391	408	414	414	414	415	1,453	3,518

*McGovern-Dole Program.* Section 122 would change the spending authority for the McGovern-Dole International Food for Education and Child Nutrition Program. Under current law, funding for this program is provided in annual appropriation acts (\$99 million was appropriated in 2007). Under H.R. 2844, funding would be provided by the U.S. Department of Agriculture’s Commodity Credit Corporation in amounts specified in the bill, increasing from \$140 million in 2008 to \$300 million in 2012. CBO estimates that implementing this section would increase direct spending by \$917 million over the next five years and by \$2,411 million over the 2008–2017 period. Enacting this section also could reduce the need for discretionary spending as discussed below under the heading “Spending Subject to Appropriation.”

*Bill Emerson Humanitarian Trust.* Section 121 would reauthorize the Bill Emerson Humanitarian Trust. The trust is authorized to hold agricultural commodities that can be donated overseas to meet emergency food needs in developing countries. Under current law, the CCC pays the costs of shipping commodities donated from the trust, while up to \$20 million of the funds appropriated to the Public Law 480 program can be used to reimburse the trust for the cost of the donated commodities. H.R. 2844 would raise the annual cap on these reimbursements from \$20 million to \$60 million. CBO estimates that raising that cap would increase donations from the reserve and the associated additional shipping costs would increase

direct spending by \$425 million over the next five years and \$851 million over the 2008–2017 period.

*Market Access Program.* Section 202 would reauthorize and increase funding for the Market Access Program, an export promotion program funded through the Commodity Credit Corporation. The bill would increase annual funding for the program by \$25 million, from \$200 million to \$225 million a year. Under the bill, CBO estimates direct spending would increase by \$96 million over the 2008–2012 period and by \$221 million over the 2008–2017 period.

*Other Programs.* H.R. 2844 would affect direct spending in three other programs described below. In total, CBO estimates that enacting those provisions would increase direct spending by \$15 million over the 2008–2012 period and \$35 million over the 2008–2017 period.

- Section 201 and section 206 would amend the Export Credit Guarantee Program to eliminate the Supplier Credit Program, increase loan origination fees, and raise the amount of loans guaranteed under the Facilities Credit Program. CBO estimates that, together, these changes would reduce direct spending by \$19 million over the next five years and by \$39 million over the next 10 years.

- Section 301 would increase funding for the Technical Assistance for Specialty Crops Program by \$2 million a year from the previous year's level. CBO estimates that amending the program to increase funding would increase direct spending by \$24 million over the next five years and by \$64 million over the next 10 years.

- Section 204 would increase direct spending by \$2 million a year over the 2008–2012 period for a new grant program to address sanitary and phytosanitary (pests and diseases harmful to plants) barriers to trade. CBO assumes direct spending for this new program would not be continued beyond its expiration in 2012. Under this assumption, CBO estimates that the new grant program would increase direct spending by \$10 million over the next five years.

#### *Spending Subject to Appropriation*

H.R. 2844 would authorize the appropriation of funds for several programs. As shown in Table 3, CBO estimates that implementing H.R. 2844 would incur spending subject to appropriation of about \$1.3 billion in 2008 and \$10.7 billion over the 2008–2017 period.

*Public Law 480.* The Agricultural Trade Development and Assistance Act of 1954, typically referred to as Public Law 480, established a variety of programs to provide food assistance to countries around the world. Section 111 would authorize the appropriation of funds through 2012 for titles I, II, and III of Public Law 480.

The largest program in Public Law 480 is title II which provides emergency and nonemergency food aid around the world. (The appropriation for this program in 2007 totals about \$1.7 billion.) H.R. 2844 would authorize the appropriation of \$2.5 billion a year through 2012 for title II assistance.

There is no current appropriation for programs under title I or title III, and the bill would authorize such sums as may be necessary for those programs through 2012. Based on information from the U.S. Agency for International Development, and the last appropriation for each program, CBO estimates that \$100 million

(\$70 million for title I and \$30 million for title III) in 2008 would be sufficient to implement those programs.

Adjusting for anticipated inflation and based on historical spending patterns for those programs, CBO estimates that, in total, implementing section 111 would cost \$1.4 billion in 2008 and \$11 billion over the 2008–2012 period, assuming appropriation of the estimated and specified amounts.

*McGovern-Dole Program.* As discussed above, under “Direct Spending,” enacting section 122 would change the spending authority for the McGovern-Dole International Food for Education and Child Nutrition Program. Under this section, there would be no need for future appropriations for this program. Thus, CBO expects that the authorization of spending subject to appropriation would decline each year by the amount appropriated for this program in 2007 (\$99 million), adjusted for anticipated inflation. Therefore, CBO estimates discretionary savings under section 122 of \$101 million in 2008 and \$523 million over the 2008–2017 period, assuming appropriations are reduced by the estimated amounts.

TABLE 3. CHANGES IN SPENDING SUBJECT TO APPROPRIATION

	By Fiscal Year, in Millions of Dollars				
	2008	2009	2010	2011	2012
Public Law 480					
Estimated Authorization Level	2,600	2,602	2,604	2,606	2,608
Estimated Outlays	1,366	2,118	2,410	2,528	2,574
McGovern-Dole Program					
Estimated Authorization Level	–101	–103	–105	–106	–108
Estimated Outlays	–101	–103	–105	–106	–108
Disaster and Famine Assistance					
Authorization level	40	40	40	40	40
Estimated Outlays	10	28	36	40	40
Other Programs					
Estimated Authorization Level	18	18	18	18	18
Estimated Outlays	10	14	17	18	18
Total Changes					
Estimated Authorization Level	2,557	2,557	2,557	2,558	2,558
Estimated Outlays	1,285	2,057	2,358	2,480	2,524

*Disaster and Famine Assistance.* Section 123 would designate funds for the International Disaster and Famine Assistance (IDFA) Program. (In 2007, the Congress appropriated \$361 million for this program.) The bill would require that \$40 million a year be spent through 2012 from funds provided to IDFA. CBO estimates that implementing this section would cost \$10 million in 2008 and \$154 million over the 2008–2012 period, assuming appropriation of the authorized amounts.

*Other Programs.* H.R. 2284 also would authorize the appropriation of funds for four additional programs. In total, CBO estimates that implementing these programs would cost \$10 million in 2008 and \$77 million over the 2008–2012 period, assuming appropriation of the estimated amounts.

- Section 114 would authorize the appropriation of \$10 million a year through 2012 for the John Ogonowski and Doug Bereuter Farmer-to-Farmer Program. This program provides technical assistance to farmers in countries in sub-Saharan Africa and the Caribbean basin.

- Section 109 would authorize the appropriation of such sums as may be necessary through 2012 for a program to establish sites to pre-position agricultural commodities in foreign countries to more quickly deliver food during emergencies. Based on information from USAID, CBO estimates that this program would cost \$4 million a year.
- Section 108 would authorize the appropriation of \$3 million a year through 2012 for a program to provide shelf-stable pre-packaged foods to organizations that deliver food to needy individuals.
- Section 303 would authorize the appropriation of such sums as may be necessary through 2012 for the Secretary of Agriculture to provide assistance to certain entities to help reduce trade barriers and address intellectual property rights violations. Based on information from the Department of Agriculture, CBO estimates that implementing this section would cost \$1 million a year.

Intergovernmental and private-sector impact: H.R. 2844 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

Estimate prepared by: Federal costs: Sam Papenfuss and Greg Hitz; Impact on State, local, and Tribal Governments: Neil Hood; Impact on the Private Sector: Amy Petz.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

#### PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause (3)(c) of House rule XIII, upon enactment of this legislation, funds will be provided to help reduce hunger in developing countries and to promote U.S. agricultural exports overseas.

#### CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds the authority for this legislation in article I, section 8 of the Constitution.

#### NEW ADVISORY COMMITTEES

H.R. 2844 does not establish or authorize any new advisory committees.

#### CONGRESSIONAL ACCOUNTABILITY ACT

H.R. 2844 does not apply to the Legislative Branch.

#### EARMARK IDENTIFICATION

H.R. 2844 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI.

## SECTION-BY-SECTION ANALYSIS AND DISCUSSION

*Section 1. Short Title and Table of Contents*

This section states that the act may be referred to as the “Food Security and Agricultural Development Act of 2007”. This section also provides for a table of contents.

*Section 2. Findings and Purposes*

This section contains congressional findings describing the food security situation throughout the world and the current U.S. and international food assistance programs. The findings also include a finding on status of non-emergency food assistance programs funded by the United States.

*Section 3. Definitions*

This section provides definitions for use in the act.

*Section 4. Purposes*

Section 4 states that the purposes of this Act are to: provide United States food assistance for emergency and non-emergency situations as described in Title I of this Act; provide United States emergency and non-emergency food assistance in an efficient and effective manner; and to promote agricultural export programs in an efficient and effective manner.

TITLE I—UNITED STATES EMERGENCY AND NON-EMERGENCY FOOD  
AND OTHER ASSISTANCE PROGRAMSSUBTITLE A—AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE  
ACT OF 1954*Section 101. United States Policy*

This section amends section 2 of the Agricultural Trade Development and Assistance Act of 1954 by expanding United States policy on food assistance to include responding to emergency needs and food crises; implementing an effective and efficient food assistance program that incorporates adequate resources for both emergency and non-emergency food assistance programs; and providing adequate resources for non-emergency food assistance programs to address the causes of chronic hunger and food security, to protect the livelihoods and health of vulnerable populations, and to promote participation in productive activities. This section also makes conforming changes.

The Committee expects the U.S. Agency for International Development and the U.S. Department of Agriculture to effectively and efficiently manage the implementation of food assistance programs, including effectively responding to emergencies and food crises and effectively addressing the underlying causes of chronic hunger in the developing world. The Committee believes that, in addition to responding to the growing number of food emergencies throughout the world, the U.S. Agency for International Development and the U.S. Department of Agriculture should direct increased levels of food assistance and other assistance to address the challenge of chronic hunger in the developing world.



### *Section 102. General Authority*

Section 102 amends Section 201 of the Agricultural Trade Development and Assistance Act of 1954 by amending the definition of emergency food assistance provided under Title II of the Agricultural Trade Development and Assistance Act of 1954 to include addressing famine and food crises and to respond to emergency food needs arising from man-made disasters, including policy-based disasters, economic shocks, conflict or civil strife, and natural disasters. This section also amends Section 201 by providing an additional authority to use P.L. 480 Title II resources to promote participation in education, training, and other productive activities.

The Committee understands that, increasingly, manmade disasters, such as policy-based disasters and conflict, are a major source for food emergencies. Therefore, the Committee believes that United States emergency food assistance effectively should be provided in all instances in which a food emergency has developed regardless of whether the cause of such crisis is man-made or natural, with the understanding that all possible measures must be taken to ensure that United States food assistance is not diverted to military forces, unless such diversion is in the national interest of the United States, is directed primarily at populations impacted by a food emergency, and is not subjected to theft by corrupt government entities or officials or other corrupt entities. The Committee also understands that protracted and complex food crises have become more common and that adequate financial and other assistance is needed to address both the food crisis and the causes of such crisis.

The Committee recognizes that food assistance may be used in a variety of ways to reduce food insecurity in developing countries. While program objectives are typically built around food security related indicators, they may also be built around indicators that demonstrate increased capacity to address crises and other issues that can improve food insecurity. In addition, activities supported by food assistance programs may be intended to promote participation in education, training and other activities that increase individuals' productivity and build community and institutional capacity.

### *Section 103. Provision of Agricultural Commodities*

This section amends Section 202(e) of the Agricultural Trade Development and Assistance Act of 1954 by increasing the percentage of funds made available under Title II of the of the Agricultural Trade Development and Assistance Act of 1954 to support certain activities and expense incurred by eligible organizations from not less than 5 to not more than 10 percent to not less than 10 and not more than 12.5 percent. This section allows these funds to be provided to eligible organizations to support the development of new programs; for financial and technical assistance to meet specific administrative, management, operation, personnel, and other programming costs to carry out programs in foreign countries; and for improving and implementing methodologies for food assistance programs, including needs assessments and monitoring and evaluation of programs in foreign countries. Section 103 also makes conforming changes.

The Committee understands that assistance provided under section 202(e) of the Agricultural Trade Development and Assistance Act of 1954 is provided to eligible organizations that implement non-emergency food assistance programs. This assistance may be used to help such organizations support the establishment of new programs, and to address the specific administrative, management and other costs associated with carrying out non-emergency food assistance programs in developing countries. The Committee has provided additional flexibility for eligible organizations to use funds under section 202(e) for development activities associated with a non-emergency food assistance program and to use funds for improving program methodologies in such areas as needs assessments, monitoring and evaluation, and to implement such methodologies in P.L. 480 Title II programs.

The Committee is aware that the real causes of global food insecurity and chronic hunger are complex and cannot be solved over the long-term by the provision of food assistance alone. The Committee expects that the U.S. Agency for International Development should provide increased assistance to carry out section 202(e) to effectively support targeted activities that can more effectively address the root causes of chronic hunger and food insecure populations. As this section also expands P.L. 480 title II non-emergency programming levels, the Committee expects USAID to use the authority under section 202(e) to provide funds so more eligible organizations may participate in P.L. 480 title II programs and to support the development of new programs by eligible organizations.

*Section 104. Generation and Use of Currencies by Private Voluntary Organizations and Cooperatives*

This section makes a technical change.

*Section 105. Levels of Assistance*

Section 105 amends Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 by extending authorities related to commodity levels for emergency and non-emergency programs through 2012 and making other conforming changes.

*Section 106. Food Aid Consultative Group*

This section amends Section 205(f) of the Agricultural Trade Development and Assistance Act of 1954 by extending the authorization through 2012 and adding a sense of Congress that the Food Aid Consultative Group should make every effort to develop a strategy to achieve a more integrated and effective food assistance program. This section also requires the Administrator of the U.S. Agency for International Development, in close consultation with the Group, to submit a report to Congress within 180 days on efforts taken by the U.S. Agency for International Development and the U.S. Department of Agriculture to develop a strategy to achieve an integrated and effective food assistance program.

The Food Aid Consultative Group is chaired by the Administrator and consists of representatives of the major food assistance stakeholders, including the U.S. Department of Agriculture, organizations that are eligible to carry out P.L. 480 title II programs and representatives of agricultural groups. The Committee believes that every effort must be made to achieve an integrated and effective

food assistance program. The Committee expects that the Administrator, in full consultation and coordination with the Group, will thoroughly review how program effectiveness and efficiency may be enhanced by such things as greater certainty about individual program agreements, funding levels and approvals early in the fiscal year and alternative ways to improve the ordering, procurement and provision of commodities.

*Section 107. Administration*

This section amends Section 207 of the Agricultural Trade Development and Assistance Act of 1954 in a number of ways. First, it removes the requirement that the U.S. Agency for International Development must identify conditions in order for the U.S. Agency for International Development to approve a proposal by an eligible organization to provide non-emergency food assistance. This section instead maintains the requirement that USAID provide, in the case where a proposal is denied, reasons why a proposal by an eligible organization to provide non-emergency food assistance was disapproved.

Second, it removes the requirement that the Administrator for the U.S. Agency for International Development develop handbooks to assist in carrying out emergency and non-emergency food assistance programs. This amendment seeks to make the law consistent with current USAID practices of using regulations and guidelines, and eliminating the use of handbooks.

Third, Section 207 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding a new subsection (f), which requires the Administrator of the USAID, in consultation with the Secretary of Agriculture, to establish systems to improve the monitoring and evaluation of the effectiveness and efficiency of assistance provided under title II of the Agricultural Trade Development and Assistance Act of 1954 in order to maximize the impact of such assistance. The Committee expects the Administrator to take every necessary step to establish a system to monitor and evaluate the efficiency and effectiveness of P.L. 480 Title II programs. To understand what necessary steps are needed to improve the monitoring and evaluation of P.L. 480 Title II programs, the Committee directs the Comptroller General of the United States to submit a report to the appropriate congressional committees that reviews and comments on the Administrator's report and recommends any additional actions needed to improve monitoring and evaluation of P.L. 480 Title II assistance. In carrying out this subsection, the Administrator may contract for personal services from persons not employed by the U.S. Government.

The Committee understands that the Government Accountability Office report of April 2007 on U.S. food assistance programs found that monitoring of food assistance programs in-country by the U.S. Agency for International Development has been insufficient due to various factors, including limited staff, competing priorities, and legal restrictions on the use of food assistance resources. The Committee is concerned about the significant gaps in monitoring and evaluation of U.S. international food assistance programs and expects the U.S. Agency for International Development to address this problem immediately by establishing a system to monitor food assistance programs. The Committee believes that independent

evaluation of this effort should be carried out by the Government Accountability Office so that the Committee can adequately determine if all efforts are being taken to respond to this challenge.

The Committee is aware that USAID has received significant cuts in the President's budget and in Congressional appropriations over the last several years to carry out their operating expense which increasingly affects the Agency's ability to monitor its programs. Although the Committee appreciates these constraints, it expects the Agency to make every effort to improve the monitoring and evaluation of U.S. food assistance programs. The Committee provides authority to the Administrator of the U.S. Agency for International Development to contract with individuals for personal services to establish the system for monitoring and evaluation of food assistance programs. The Committee does not require, however, that only personal services contractors be used for this purpose, when other authorities and other authorized funding are available, nor does it require that assistance under Title II of the Agricultural Trade Development and Assistance Act of 1954 be used to hire personal services contracts for this purpose.

Finally, this section authorizes the Administrator for the U.S. Agency for International Development to make contributions to the World Food Program for indirect support costs that are in accordance with the World Food Program's rules and regulations for indirect cost rates. This section also requires the Administrator to submit a report to Congress with the proposed level of the contribution and the reasons for the proposed level.

*Section 108. Assistance for Stockpiling and Rapid Transportation, Delivery, and Distribution of Shelf-Stable Prepackaged Foods*

This section amends Section 208(f) of the Agricultural Trade Development and Assistance Act of 1954 by extending the authorization through 2012.

*Section 109. Administrative Provisions*

This section amends Section 407 of the Agricultural Trade Development and Assistance Act of 1954 in a number of ways. First, it amends subsection (c)(4) by extending the authority to preposition agricultural commodities through 2012 and to remove the \$2,000,000 limitation on funds that can be used to store agricultural commodities for prepositioning in foreign countries. It provides the Administrator of USAID with the additional authority to carry out assessments of no less than two additional sites to determine the feasibility of and costs associated with using such sites for the purpose of prepositioning and it authorizes the Administrator to establish additional sites for prepositioning in foreign countries. This section authorizes such sums for fiscal years 2008 through 2012 to carry out this section.

Second, section 109 amends subsection (f) by requiring the President to submit the annual report to Congress on activities under the Agricultural Trade Development and Assistance Act of 1954 on March 1st of each year rather than January 15th. It adds more specific requirements for including information in such reports regarding the amount of funds, tonnage levels, and types of activities for P.L. 480 Title II non-emergency food assistance programs and a general description of the projects implemented under such pro-

grams. The Committee also directs the Administrator to report on assessing progress toward reducing food insecurity rather than increasing food security.

The U.S. Agency for International Development currently has two sites designated for prepositioning of food—one domestic site in Houston, Texas and one foreign site in Djibouti. The Committee is aware of the interest within the U.S. Agency for International Development to expand the number of sites to store U.S. agricultural commodities for prepositioning in foreign countries. Current law limits the ability to preposition commodities in foreign countries by placing a cap on the amount of assistance that can be used for this purpose. The Committee feels that, by lifting this cap, the U.S. Agency for International Development will be able to expand the number of prepositioning sites in foreign countries, which will enable the United States to improve its response to food emergencies in a more efficient and effective manner. The Committee expects the U.S. Agency for International Development to undertake all efforts to enhance its prepositioning capabilities. The Committee strongly believes that prepositioning U.S. agricultural commodities in foreign countries will significantly reduce the amount of time it takes to respond to food emergencies by being able to deliver critical food assistance in a more rapid and efficient manner.

This section also expands the annual reporting requirements under Section 407 of the Agricultural Trade Development and Assistance Act of 1954 to include reporting on amounts of funds, tonnage levels, and types of activities for non-emergency food assistance programs under Title II of the Act and a general description of projects and activities implemented under Title II of the Act. This information is needed to allow Congress to better understand the status of programs and whether legislative requirements are being met. In addition, while there is regular reporting on and evaluation of P.L. 480 Title II non-emergency programs conducted by private voluntary organizations and cooperatives, this information is not adequately reported to Congress by USAID. Finally, it amends the annual reporting requirement under Section 407 by extending the deadline for the annual report to Congress to March 1st to allow USAID to prepare a more comprehensive report. The current deadline of January 1st does not allow the U.S. Agency for International Development to aggregate the data from various results reporting that inform the annual report. Extending the deadline allows for a more comprehensive report.

#### *Section 110. Expiration Date*

This section amends Section 408 of the Agricultural Trade Development and Assistance Act of 1954 by extending the authorization for all titles under this Act through 2012.

#### *Section 111. Authorization of Appropriations*

This section amends section 412 of the Agricultural Trade Development and Assistance Act of 1954 by authorizing such sums for each of fiscal years 2008 through 2012 for title I of the Agricultural Trade Development and Assistance Act of 1954; \$2,500,000,000 for each of fiscal years 2008 through 2012 for title II of the Agricultural Trade Development and Assistance Act of 1954; and such sums as needed for each of fiscal years 2008 through 2012 for the

grant program established under Title III of the Agricultural Trade Development and Assistance Act of 1954. This section further amends Section 412 by authorizing that no less than \$600 million of the sums made available under title II of the Agricultural Trade Development and Assistance Act of 1954 shall be used for non-emergency food assistance programs in each of fiscal years 2008 through 2012.

The Committee notes with concern that while the Farm Security and Rural Investment Act of 2002 called for increased levels of P.L. 480 title II non-emergency programs, tonnage levels decreased from 2001 to 2006 by over 40 percent, and USAID continues to cut back on the number of countries that can receive such assistance. The Committee's intent in requiring \$600,000,000 to be used in each fiscal year for non-emergency title II food assistance programs is to reverse this trend and to increase the United States' commitment to helping people who suffer from chronic hunger. The Committee expects that this funding level for non-emergency food assistance programs would cover all costs associated with such programs, including agricultural products, transportation, assistance under section 202(e) of P.L. 480 and internal transport, shipping and handling. It would also cover the application of a non-governmental organization's negotiated indirect cost recovery rate to funds provided through section 202(e).

The world's efforts to meet the Millennium Development Goal of cutting hunger in half by 2015 is far from being met—the number of people suffering from chronic hunger is estimated to be 850 million. While U.S. food assistance alone cannot resolve this tragic and complex crisis, non-emergency, developmental food assistance programs are a critical component of the United States' international food security strategy and are particularly effective in countries with chronic food deficits and for vulnerable, low-income populations.

Non-emergency food programs conducted by private voluntary organizations and cooperatives under P.L. 480 Title II that address the underlying causes of chronic hunger include mother-child health care, agricultural and rural development, food as payment for work on community infrastructure projects, meals in schools and take-home rations to encourage school attendance, and assistance for HIV/AIDS-affected communities. These programs have measurable results and lasting benefits, including decreasing childhood malnutrition and increasing household food supplies, incomes and agricultural productivity. The presence of ongoing food assistance programs in areas of need also allow for earlier identification of potential crises and more rapid and less expensive responses to increasing food needs.

Chronic hunger leads to high infant and child mortality and morbidity, poor physical and cognitive development, low productivity, high susceptibility to disease, and premature death. It deepens the cycle of poverty and makes communities more vulnerable to crises. Reducing these non-emergency food programs has been counterproductive, as such food assistance helps improve communities' resilience to droughts and economic downturns. Giving people the means to improve their living conditions and incomes, to protect their livelihoods, and to improve their health also provides hope for a better future and helps stabilize vulnerable areas.

*Section 112. Coordination and Integration of Foreign Assistance Programs*

This section amends section 413 of the Agricultural Trade Development and Assistance Act of 1954 by requiring the Administrator to coordinate and integrate assistance to a foreign country provided under title III of the Agricultural Trade Development and Assistance Act of 1954 with other U.S. development assistance objectives and programs for such country, such as assistance to combat HIV/AIDS, tuberculosis, and malaria, assistance for child and maternal health, assistance for education, and assistance for agricultural development and economic growth. This section also requires that assistance provided under title III of the Agricultural Trade Development and Assistance Act of 1954 be coordinated with other foreign assistance programs such as the Millennium Challenge Account.

*Section 113. Micronutrient Fortification Programs*

This section amends Section 415 of the Agricultural Trade Development and Assistance Act of 1954 by extending the authorization for this program through 2012. Section 112 also amends Section 415 of the Agricultural Trade Development and Assistance Act of 1954 by requiring the U.S. Agency for International Development, when implementing the micronutrient fortification programs, to assess and apply technologies and systems to improve and ensure the quality, shelf life, bioavailability, and safety of fortified commodities that are provided to developing countries by utilizing the recommendations from the October 2001 “Micronutrient Compliance Review of P.L. 480 Commodities”. The organization implementing this program must have a proven record of impartiality and a mechanism that incorporates the range of P.L. 480 Title II implementing partners as well as other food assistance industry experts.

*Section 114. John Ogonowski and Doug Bereuter Farmer-to-Farmer Program*

This section amends Section 501 of the Agricultural Trade Development and Assistance Act of 1954 by extending the authorization of this program through 2012.

SUBTITLE B—RELATED STATUTES AND OTHER PROVISIONS

*Section 121. Bill Emerson Humanitarian Trust*

Section 121 amends Section 302 of the Bill Emerson Humanitarian Trust Act by expanding the general authority of the trust so that the trust may include 4 million metric tons of wheat, rice, corn or sorghum or any combination of the commodities, an amount of funds equivalent to 4 million metric tons of commodities, or any combination of commodities and funds equivalent to 4 million metric tons. This makes the general authority in Section 302 consistent with the rest of the Act.

This section also amends Section 302 of the Bill Emerson Humanitarian Trust Act by extending the authorization of the trust through 2012 and by increasing the amount of reimbursed funds that can be held in the trust to \$60 million (from \$20 million) in any fiscal year. This change would provide a more reliable means of regularly replenishing the trust.

The Committee is aware that the Trust can currently hold both funds and commodities that can be released in two cases, (1) when there is short supply of a commodity in the U.S. market and therefore the Secretary determines to use PL 480 title II funds to buy commodities from the trust rather than on the market; or (2) when there are “unanticipated” emergency needs. The “unanticipated emergency needs” purpose has been used for needs in places such as Iraq, Darfur, and southern and eastern Africa. However, the Committee is aware that the U.S. Department of Agriculture interprets the current law as only permitting the release of funds or commodities as a last resort. Therefore, the commodities are not available in a timely manner as a backup to Title II emergency food assistance when such assistance is insufficient. The Committee believes that the Trust should, as appropriate, be the primary mechanism by which the U.S. government responds to a food emergency in a developing country. The Committee further notes that the legislation does not differentiate between releasing the commodities held or the funds held when allowing for their use for food emergencies.

Current law requires that the Commodity Credit Corporation be reimbursed for the value of commodities or funds released “in subsequent years” from funds appropriated for PL 480. Currently, up to \$20 million of reimbursed funds in any fiscal year can be used to replenish the trust. The Committee believes that this amount severely limits the U.S. Department of Agriculture’s ability to utilize the trust to respond to food emergencies abroad. The Committee supports increasing the amount of reimbursed funds that can be held in the trust to \$60 million in any fiscal year, thereby providing a more reliable means of regularly replenishing the trust. The Committee directs the Administrator of USAID to use this replenishment authority to restore funds to the Trust.

*Section 122. McGovern-Dole International Food for Education and Child Nutrition Program*

This section amends Section 3107 of the Farm Security and Rural Investment Act of 2002 by specifying that the Secretary of Agriculture, rather than the President, has the authority to carry out the program under Section 3107. This section also authorizes mandatory funding for this program, by requiring CCC funds to be used to carry out this program. This section authorizes the use of Commodity Credit Corporation funds to provide \$140 million for fiscal year 2008, \$180 million for fiscal year 2009, \$220 million for fiscal year 2010, \$260 million for fiscal year 2011, and \$300 million for fiscal year 2012. This section also makes conforming changes to Section 3107 of the Farm Security and Rural Investment Act of 2002.

The George McGovern-Robert Dole International Food for Education and Child Nutrition Program (McGovern-Dole) began as a \$300 million pilot food-for-education program conducted by the U.S. Department of Agriculture that reached more than 7 million children in 38 countries through 48 projects carried out by NGOs, the World Food Program (WFP) and one government (the Dominican Republic). Regrettably, in FY 2006, the program was funded at a paltry \$99 million, and scarcely reached 2.5 million children in 15 countries.



In 2002, the pilot program was established as a permanent program—the McGovern-Dole Program—in the Farm Security and Rural Investment of 2002, and authority to implement programs to improve the nutrition of younger children and infants was added. The President designated the U.S. Department of Agriculture to continue as the administrative agency for the program. Project proposals continue to be chosen through an inter-agency process, which includes the U.S. Agency for International Development and the Department of State.

The statutory requirements for McGovern-Dole project proposals, based upon best practices in the field, have strengthened and raised the standards of all food for education programs. The program's flexible combination of commodities, cash assistance and technical assistance—determined by the project design of each proposal—is the envy of other U.S. food assistance programs.

The Committee is aware that this program has received stellar evaluations from the Administration and has a proven track record on reducing the incidence of child hunger; increasing school enrollment, attendance and academic performance by students in vulnerable and disadvantaged communities; and serving as a catalyst for parental and community involvement in both education and other community-based development initiatives. This program has also proven to be an effective initiative to convincing families to send their daughters to school and to allow them to stay in school.

The Committee determines that the priorities for the next five-year period of the McGovern-Dole International Food for Education and Child Nutrition Program are to:

- (1) Bring the program funding back to the levels of the pilot program;
- (2) Provide a reliable funding stream by establishing adequate funding levels and allowing individual programs to be funded for several fiscal years;
- (3) Allow for existing programs to expand and new programs to be established; and
- (4) Fund the program at levels that demonstrate U.S. commitment to this program which will serve as a catalyst both for long-term sustainability and continuing the increased support from other donor nations.

*Section 123. International Disaster Assistance Under the Foreign Assistance Act of 1961*

This section includes a sense of Congress that directs the Administrator of USAID to exercise his authority under section 491 of the Foreign Assistance Act of 1961 to purchase and distribute to a recipient country agricultural commodities produced in the recipient country or in developing countries in the region of the recipient country. This section authorizes \$40 million for famine prevention and relief under section 491 of the Foreign Assistance Act of 1961. This assistance may be used for various purposes such as providing funding for early warning systems or for local and regional procurement of food for emergencies, among other purposes.

The Committee is deeply concerned that the Administration has proposed several times to convert a portion of P.L. 480 Title II funds for use in procuring local and regional food to respond to emergencies. The Committee's bill does not support this proposal

and rejects any authority to use P.L. 480 Title II assistance for such purpose. The Administration already has the authority to purchase food in developing countries for emergency purposes under section 491 of the Foreign Assistance Act of 1961. The Committee is aware that in 2003 the Administration used this authority to purchase food for Afghanistan from Kazakhstan. The Administration informed the Committee that it has not used its full authority for local and regional procurement of food under section 491 of the Foreign Assistance Act of 1961 due to a shortage of funds. The legislation directs the Administration to use the existing authority under section 491 rather than divert critical assistance from the P.L. 480 Title II food assistance program. The Committee also provides \$40 million for famine prevention and relief, a doubling of the Administration's request for this program. The Committee expects the Administration to use this additional assistance to respond to food emergencies, which may include purchasing food from developing countries as well as fund other famine prevention and relief programs such as improving early warning systems.

*Section 124. Report on Efforts to Improve Procurement Planning*

This section requires a report to Congress within 90 days of enactment of the legislation on efforts taken by both the U.S. Agency for International Development and the Department of Agriculture to improve planning for food and transportation procurement, including efforts to eliminate bunching of food purchases.

The Committee notes that the Government Accountability Office's report of April 2007 on U.S. international food assistance programs identified bunching of food purchases as a major obstacle in achieving an efficient and effective food assistance program. The GAO report notes that uncertain funding processes for emergencies can result in bunching of food assistance purchases, which increases food and transportation costs and lengthens delivery time frames. Inadequately planned food and transportation procurement reflects the uncertainty of food assistance funding. The Committee understands that the U.S. Agency for International Development is undertaking efforts to reduce procurement bunching through improved cash flow management; however the U.S. Department of Agriculture has not yet adequately addressed this issue. The Committee expects the U.S. Agency for International Development and the U.S. Department of Agriculture to improve planning of food and transportation procurement to address the challenge of bunching. The Committee expects the report to include information describing how commodity orders for P.L. 480 title II programs can be placed throughout the year, thereby spreading out commodity procurement more evenly throughout the year, which the Government Accountability Office found can create cost savings.

TITLE II—UNITED STATES AGRICULTURAL EXPORT PROGRAMS

*Section 201. Export Credit Guarantee Program*

This section amends Section 202 of the Agricultural Trade Act of 1978 by removing the one percent cap on fees that can be collected under the short-term Export Credit Guarantee Program (GSM-102) and eliminating the specific authority for the Intermediate Export Credit Guarantee Program (GSM-103). This section also re-

peals the authority for the Supplier Credit Guarantee Program due to the approximately \$227 million in defaults and evidence of fraudulent activity under the program. The amendment extends the authorization of the other export guarantee programs through 2012 and authorizes not less than \$5.5 billion in credit guarantees under section 202.

*Section 202. Market Access Program*

This section amends the Agricultural Trade Act of 1978 in a number of ways. First, it applies the program to organic commodities. Section 202 expands the mandatory funding for the Market Access Program from \$200 million per year to \$225 million per year through 2012.

The Committee notes that the Market Access Program is administered on a cost-share basis with farmers and other participants, who are required to contribute up to 50 percent of their own resources. The Market Access Program is among the few tools specifically allowed in unlimited amounts under World Trade Organization (WTO) rules to help American agriculture and American workers remain competitive in a global marketplace still characterized by highly subsidized foreign competition. A recent study of the Market Access Program showed that additional funding provided in the Farm Security and Rural Investment Act of 2002 increased the United States share of world trade by over 1 market share point to 19 percent, boosting U.S. agricultural exports by \$3.8 billion. The Committee strongly believes that this program has been tremendously successful and extremely cost-effective in helping maintain and expand U.S. agricultural exports, protect American jobs, and strengthen farm income.

*Section 203. Export Enhancement Program.*

This section amends Section 301 of the Agricultural Trade Act of 1978 by extending the authorization of the program through 2012 and authorizes mandatory spending at current levels of \$478 million for each of fiscal years 2008 through 2012.

*Section 204. Assistance to Address Sanitary and Phytosanitary Barriers to Trade*

This section amends Title III of the Agricultural Trade Act of 1978 by creating a new grant program to address international sanitary and phytosanitary issues for all U.S. agricultural commodities, and identifies target issues for acceptance by foreign markets relating to U.S. agricultural commodities. This section authorizes \$2 million in mandatory spending for each of fiscal years 2008 through 2012 for this program.

*Section 205. Foreign Market Development Cooperator Program*

This section amends section 702 of the Agricultural Trade Act of 1978 by extending the authorization of this program through 2012 and making other conforming changes.

*Section 206. Emerging Markets and Facility Guarantee Loan Program*

This section amends Section 1542 of the Food, Agricultural, Conservation, and Trade Act of 1990 by extending the authority of the

emerging markets program through 2012. The section also expands the Facility Guarantee Program loan authority to allow liability to not exceed 98 percent of the principle amount involved in the underlying financial arrangement for the construction of the facility and the interest on the outstanding principal amount at the rate specified in the underlying financial arrangement for construction of the facility. This section authorizes that the facility payment guarantee should be for the term of the depreciation schedule or a maximum period determined by the Secretary of Agriculture.

*Section 207. Food for Progress Act of 1985*

This section amends Section 1110 of the Food Security Act of 1985 (the Food for Progress Program) by extending the authorization of the program through 2012. The Food for Progress program, under which donated commodities provide for development projects in recipient countries, is reauthorized and established at a 500,000 tonnage minimum per year rather than the current 400,000 metric tonnage level.

The Food for Progress Act directs USDA through the Commodity Credit Corporation (CCC) to provide a minimum of 400,000 metric tons of commodities each year to developing countries that are introducing market reforms and supporting private sector development. These programs may be implemented by private voluntary organizations, cooperatives, intergovernmental organization and recipient country governments. The amount actually provided through CCC falls short of 400,000 metric tons because there is a limit on the amount of funds that CCC can provide for delivering the commodities and administering the programs overseas.

USDA has authority to use P.L. 480 Title I funds in addition to the CCC funds to implement Food for Progress programs. In FY 2006, about 75 percent of Title I funds were used for this purpose. As no funds were appropriated for Title I in FY 2007, and the Administration seeks no funding in FY 2008, the Committee is concerned that this means a cut in funding for Food for Progress programs.

Many poor, developing countries are undergoing economic reform and, therefore, the demand for Food for Progress programs is great. Forty-six different private voluntary organizations applied for Food for Progress programs and only a small fraction, about 12 percent, can be approved.

TITLE III. MISCELLANEOUS PROVISIONS

*Section 301. Technical Assistance for Specialty Crops*

Section 301 amends Section 3205 of the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) by increasing the maximum amount of assistance that can be provided to a project under this program to \$500,000. This section also expands mandatory funding for the TASC grant program by \$2 million per year up to \$10 million in 2011.

*Section 302. Support for Sanitary and Phytosanitary Priorities of the United States Within Certain International Organizations*

Section 302 authorizes the Department of Agriculture to enhance United States support for international organizations, such as the

Codex Alimentarius, the International Plant Protection Convention, and the World Animal Health Organization, that establish international standards regarding food, food safety, plants, and animals, respectively, to address sanitary and phytosanitary priorities of the United States within applicable organizations.

*Section 303. Technical Assistance for the Resolution of Trade Disputes*

This section authorizes such sums for enhanced monitoring, technical assistance, and analytical support to limited resource agriculture persons and organizations, as determined by the Secretary, to address unfair trade practices, property right violations, and to reduce trade barriers.

*Section 304. Sense of Congress Concerning the Global Crop Diversity Trust*

This section provides a series of findings on the importance of crop diversity and the role of the Global Crop Diversity Trust in addressing this issue. The section also provides a sense of Congress that Congress should provide significant U.S. financial resources to the Trust to ensure the conservation of crop diversity.

The Committee has included language in Section 304 acknowledging the important work of the Global Crop Diversity Trust, and its efforts to ensure the long-term productivity of agriculture worldwide by conserving and making available key collections of crop diversity required by crop improvement programs. The Trust was established as an independent entity and is formally linked to the 2001 International Treaty on Plant Genetic Resources for Food and Agriculture. It is an essential element of the Treaty's funding strategy to conserve crop diversity and make it readily available, for example to plant breeders and researchers in their efforts to combat disease and pest outbreaks and to increase drought tolerance, foster climatic adaptation, and enhance the nutritional quality of food. Crop diversity is one of the world's least recognized but most valuable resources. Without crop diversity, agriculture cannot retain current productivity levels. Conserving crop diversity is a prerequisite for eradicating poverty in developing countries, providing sufficient food for the world's growing population, and responding to climate change and any future constraints to water and energy supplies.

The Committee notes that an endowment has been established by the Trust, which will ensure the conservation and availability of this priceless biological resource in perpetuity, through a scientific, cost efficient strategy relying on existing institutions and simple proven technologies. This will protect crop diversity from the dangers of unpredictable and unreliable funding, eliminate the duplication and waste inherent in the haphazard funding arrangements currently in place, and allow for the creation of an efficient and effective system for the conservation and availability of crop diversity worldwide. A global response is required, as neither the US nor any other country in the world is self-sufficient in plant genetic resources.

Since its formal establishment in 2004 the Trust has secured over \$135 million from a wide array of donors. While the U.S. was an early supporter and has contributed \$6.5 million to date, the

Committee believes that the U.S. should provide significant financial resources to the Trust. The Trust's ultimate goal is to raise \$260 million which will enable the establishment of an endowment that will (in conjunction with other efforts now underway) secure the conservation and availability of the genetic diversity of the world's major crops in perpetuity. The Committee believes that the appropriate U.S. contribution to the effort should be \$60,000,000 over the next five years. Since crop genebanks around the world are so critical for sustaining the U.S. food supply system and a major sector of the U.S. economy, full support of the Global Crop Diversity Trust and its conservation goals is essential.

*Section 305. Technical and Conforming Changes*

This section amends Section 3206 of the Farm Security and Rural Investment Act of 2002 by making conforming changes to the Global Market Strategy section.

*Section 306. Rule of Construction*

This section states that nothing in the Act shall be construed to supersede any provision of the Trade Sanctions and Export Enhancement Act of 2000.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

**AGRICULTURAL TRADE DEVELOPMENT AND  
ASSISTANCE ACT OF 1954**

\* \* \* \* \*

**SEC. 2. UNITED STATES POLICY.**

It is the policy of the United States to use its abundant agricultural productivity to promote the foreign policy of the United States by enhancing the food security of the developing world through the use of agricultural commodities and local currencies accruing under this Act to—

(1) combat *chronic* world hunger and malnutrition and their causes;

\* \* \* \* \*

(5) foster and encourage the development of private enterprise and democratic participation in developing countries; **[and]**

(6) prevent conflicts~~...~~; and

(7) *respond to emergency needs and food crises;*

(8) *implement an effective and efficient food assistance program that incorporates adequate resources for both emergency and non-emergency food assistance programs; and*

(9) *provide adequate resources for non-emergency food assistance programs to address the causes of chronic hunger and food insecurity, to protect the livelihoods and health of vulnerable populations, to meet the nutritional needs of all members of the*

*community (particularly children), to prevent future hunger related emergencies, and to promote participation in productive activities.*

\* \* \* \* \*

## TITLE II—EMERGENCY AND PRIVATE ASSISTANCE PROGRAMS

### SEC. 201. GENERAL AUTHORITY.

**【The President】**

(a) *PROGRAM REQUIRED.*—*The President shall establish a program under this title to provide agricultural commodities to foreign countries on behalf of the people of the United States to—*

**【(1) address famine or other urgent or extraordinary relief requirements;】**

*(1) address famine and food crises and respond to emergency food needs arising from manmade disasters, such as policy-based disasters, economic shocks, and conflict or civil strife, and natural disasters;*

\* \* \* \* \*

**(5) promote sound environmental practices; 【and】**

**(6) carry out feeding programs【.】; and**

*(7) promote participation in educational, training, and other productive activities.*

**【Such program】**

(b) *IMPLEMENTATION.*—*Such program shall be implemented by the Administrator.*

### SEC. 202. PROVISION OF AGRICULTURAL COMMODITIES.

(a) \* \* \*

\* \* \* \* \*

(e) **SUPPORT FOR ELIGIBLE ORGANIZATIONS.—**

(1) **IN GENERAL.**—Of the funds made available in each fiscal year under this title to the Administrator, not less than **【5 percent nor more than 10 percent】** *10 percent but not more than 12.5 percent* of the funds shall be made available in each fiscal year to eligible organizations described in subsection (d), **【to assist the organizations in】** *to provide such organizations financial assistance in order to—*

**(A) 【establishing】** *establish* new programs under this title; **【and】**

**(B) 【meeting】** *meet* specific administrative, **【management, personnel and internal transportation and distribution costs】** *management, operational, technical, personnel and other programming costs* for carrying out programs in foreign countries under this title**【.】; and**

*(C) improve and implement methodologies for food assistance programs, including needs assessments and monitoring and evaluation.*

\* \* \* \* \*

(h) **STREAMLINED PROGRAM MANAGEMENT.—**

(1) \* \* \*

\* \* \* \* \*

(3) CONSULTATION.—

(A) \* \* \*

(B) CONSULTATION WITH CONGRESSIONAL COMMITTEES.—

Not later than 180 days after the date of enactment of this subsection, the Administrator shall consult with the Committee on Agriculture and the [Committee on International Relations] *Committee on Foreign Affairs* of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on progress made in carrying out this subsection.

\* \* \* \* \*

#### SEC. 203. GENERATION AND USE OF CURRENCIES BY PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES. .

(a) \* \* \*

(b) MINIMUM LEVEL OF LOCAL SALES.—In carrying out agreements of the type referred to in subsection (a), the Administrator shall permit private voluntary organizations and cooperatives to sell, [1 or more recipient countries] *in 1 or more recipient countries*, or in 1 or more countries in the same region, an amount of commodities equal to not less than 15 percent of the aggregate amounts of all commodities distributed under non-emergency programs under this title for each fiscal year, to generate proceeds to be used as provided in this section.

\* \* \* \* \*

#### SEC. 204. LEVELS OF ASSISTANCE.

(a) MINIMUM LEVELS.—

(1) MINIMUM ASSISTANCE.—Except as provided in paragraph (3), the Administrator shall make agricultural commodities available for food distribution under this title in an amount that for each of fiscal years [2002 through 2007] *2008 through 2012* is not less than 2,500,000 metric tons.

(2) MINIMUM NON-EMERGENCY ASSISTANCE.—Of the amounts specified in paragraph (1), and except as provided in paragraph (3), the Administrator shall make agricultural commodities available for non-emergency food distribution through eligible organizations under section 202 in an amount that for each of fiscal years [2002 through 2007] *2008 through 2012* is not less than 1,875,000 metric tons.

(3) EXCEPTION.—The Administrator may waive the requirements of paragraphs (1) and (2) for any fiscal year if the Administrator determines that such quantities of commodities cannot be used effectively to carry out this title or in order to meet an emergency. In making a waiver under this paragraph, the Administrator shall prepare and submit to the Committees on [International Relations] *Foreign Affairs*, Agriculture and Appropriations of the House of Representatives, and the Committees on Appropriations and Agriculture, Nutrition, and Forestry of the Senate a report containing the reasons for the



waiver. No waiver shall be made before the beginning of the applicable fiscal year.

\* \* \* \* \*

**SEC. 205. FOOD AID CONSULTATIVE GROUP.**

(a) \* \* \*

\* \* \* \* \*

(e) *SENSE OF CONGRESS ON INTEGRATED AND EFFECTIVE FOOD ASSISTANCE PROGRAM.*—It is the sense of Congress that the Group should make every effort to develop a strategy to achieve a more integrated and effective food assistance program.

(f) *REPORT TO CONGRESS.*—

(1) *IN GENERAL.*—Not later than 180 days after the date of the enactment of the Food Security and Agricultural Development Act of 2007, and annually thereafter until December 31, 2012, the Administrator of the United States Agency for International Development, in close consultation with the Group, shall submit to the appropriate congressional committees a report on efforts taken by the United States Agency for International Development and the Department of Agriculture to develop a strategy under this section to achieve an integrated and effective food assistance program.

(2) *APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.*—In this subsection, the term “appropriate congressional committees” means—

(A) the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition, and Forestry of the Senate.

[(e)] (g) *ADVISORY COMMITTEE ACT.*—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Group.

[(f)] (h) *TERMINATION.*—The Group shall terminate on December 31, [2007] 2012.

\* \* \* \* \*

**SEC. 207. ADMINISTRATION.**

(a) *PROPOSALS.*—

(1) \* \* \*

\* \* \* \* \*

(3) *DENIAL.*—If a proposal under paragraph (1) is denied, the response shall specify the reasons for denial [and the conditions that must be met for the approval of such proposal].

\* \* \* \* \*

(c) *REGULATIONS.*—

(1) \* \* \*

\* \* \* \* \*

[(3)] *HANDBOOKS.*—Handbooks developed by the Administrator to assist in carrying out the program under this title shall be designed to foster the development of programs under this title by eligible organizations.]

\* \* \* \* \*

(f) *PROGRAM OVERSIGHT, MONITORING, AND EVALUATION.*—

(1) *IN GENERAL.*—The Administrator, in consultation with the Secretary, shall establish systems to improve, monitor, and evaluate the effectiveness and efficiency of assistance provided under this title in order to maximize the impact of such assistance.

(2) *REPORT TO CONGRESS.*—Not later than 180 days after the date of enactment of Food Security and Agricultural Development Act of 2007, the Administrator shall submit to the appropriate congressional committees a report on efforts undertaken to implement paragraph (1).

(3) *GOVERNMENT ACCOUNTABILITY OFFICE.*—Not later than 270 days after the date of the submission of the report under paragraph (2), the Comptroller General of the United States shall submit to the appropriate congressional committees a report that—

(A) reviews and comments on the report under paragraph (2); and

(B) provides recommendations regarding any additional actions necessary to improve the monitoring and evaluation of assistance provided under this title.

(4) *CONTRACTING AUTHORITY.*—In carrying out this subsection, notwithstanding any other provision of law, the Administrator may contract with individuals for personal services, provided that such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Civil Service Commission.

(5) *APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.*—In this subsection, the term “appropriate congressional committees” means—

(A) the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(g) *INDIRECT SUPPORT COSTS TO UNITED NATIONS WORLD FOOD PROGRAM.*—

(1) *IN GENERAL.*—Notwithstanding any other provision of law, in providing assistance under this title, the Administrator may make contributions to the United Nations World Food Program to the extent that such contributions are made in accordance with the United Nations World Food Program’s rules and regulations for indirect cost rates. Prior to making a contribution to the United Nations World Food Program under this subsection, the Administrator shall submit to the appropriate congressional committees a report that contains the proposed level of the contribution and the reasons for such proposed level.

(2) *APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.*—In this subsection, the term “appropriate congressional committees” means—

(A) the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition, and Forestry of the Senate.

**SEC. 208. ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.**

(a) \* \* \*

\* \* \* \* \*

(f) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to the Administrator to carry out this section, in addition to amounts otherwise available to carry out this section, \$3,000,000 for each of fiscal years 2001 through **[2007]** 2012, to remain available until expended.

\* \* \* \* \*

## **TITLE IV—GENERAL AUTHORITIES AND REQUIREMENTS**

\* \* \* \* \*

**SEC. 407. ADMINISTRATIVE PROVISIONS.**

(a) \* \* \*

\* \* \* \* \*

(c) **TITLE II AND III PROGRAM.**—

(1) \* \* \*

\* \* \* \* \*

(4) **PREPOSITIONING.**—**[Funds]**

(A) *IN GENERAL.*—*Funds* made available for fiscal years 2001 through **[2007]** 2012 to carry out titles II and III may be used by the Administrator to procure, transport, and store agricultural commodities for prepositioning within the United States and in foreign countries~~],~~ except that for each such fiscal year not more than \$2,000,000 of such funds may be used to store agricultural commodities for prepositioning in foreign countries~~].~~

(B) *ADDITIONAL PREPOSITIONING SITES.*—

(i) *FEASIBILITY ASSESSMENT.*—*On or after the date of the enactment of the Food Security and Agricultural Development Act of 2007, the Administrator is authorized to carry out assessments for the establishment of not less than two sites to determine the feasibility of and costs associated with using such sites for the purpose of storing and handling agricultural commodities for prepositioning in foreign countries.*

(ii) *ESTABLISHMENT OF SITES.*—*Based on the results of the assessments carried out under clause (i), the Administrator is authorized to establish additional sites for prepositioning in foreign countries.*

(iii) *AUTHORIZATION OF APPROPRIATIONS.*—*To carry out this subparagraph, there are authorized to be appropriated to the Administrator such sums as may be necessary for each of the fiscal years 2008 through 2012.*

\* \* \* \* \*

(f) **ANNUAL REPORTS.**—

(1) \* \* \*

## (2) CONTENTS.—Each report shall include—

(A) \* \* \*

(B) a general description of the projects or activities implemented under this Act, including local currency funded activities, *and the amount of funds, tonnage levels, and types of activities for non-emergency food assistance programs under title II of this Act;*

(C) a statement of the amount of agricultural commodities made available to each country pursuant to section 416(b) of the Agricultural Act of 1949 and the Food for Progress Act of 1985, *and a general description of the projects and activities implemented;* and

[(D) an assessment of the progress towards achieving food security in each country receiving food assistance from the United States Government, with special emphasis on the nutritional status of the poorest populations in each country.]

*(D) an assessment of the progress toward reducing food insecurity in the populations receiving food assistance from the United States.*

(3) SUBMISSION.—The President shall submit such report not later than [January 15] *March 1* of each year to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

**SEC. 408. EXPIRATION DATE.**

No agreements to finance sales or to provide other assistance under this Act shall be entered into after December 31, [2007] 2012.

\* \* \* \* \*

**SEC. 412. AUTHORIZATION OF APPROPRIATIONS.**

[(a) REIMBURSEMENT.—There are authorized to be appropriated such sums as may be necessary to carry out—

[(1) the concessional credit sales program established under title I;

[(2) the emergency and private assistance program under title II; and

[(3) the grant program established under title III, including such amounts as may be required to make payments to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under the programs under this Act for the actual costs incurred or to be incurred by such Corporation in carrying out such programs.]]

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) *IN GENERAL.—For each of the fiscal years 2008 through 2012, there are authorized to be appropriated to the President—*

*(A) such sums as may be necessary to carry out the concessional credit sales program established under title I;*

*(B) \$2,500,000,000 to carry out the emergency and non-emergency food assistance programs under title II ; and*

*(C) such sums as may be necessary to carry out the grant program established under title III.*

(2) *MINIMUM LEVEL OF NON-EMERGENCY FOOD ASSISTANCE.—For each of the fiscal years 2008 through 2012, of the amounts*

*made available to carry out emergency and non-emergency food assistance programs under title II, not less than \$600,000,000 for each such fiscal year shall be obligated and expended for non-emergency food assistance programs under title II.*

(3) *REIMBURSEMENT.—For each of the fiscal years 2008 through 2012, there are authorized to be appropriated such sums as may be necessary to make payments to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under the programs under this Act for the actual costs incurred or to be incurred by such Corporation in carrying out such programs.*

(4) *AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under this subsection are—*

*(A) authorized to remain available until expended; and*

*(B) in addition to funds otherwise available for such purposes.*

\* \* \* \* \*

#### **SEC. 413. COORDINATION AND INTEGRATION OF FOREIGN ASSISTANCE PROGRAMS.**

**[To the maximum extent practicable, assistance for a foreign country under title III shall be coordinated and integrated with United States development assistance objectives and programs for that country and with the overall development strategy of that country.]** *The Administrator shall, to the maximum extent practicable, coordinate and integrate assistance to a foreign country provided under title III with other United States development assistance programs and objectives provided under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), including assistance to combat HIV/AIDS, tuberculosis, and malaria, assistance for child and maternal health, assistance for education, and assistance for agricultural development and economic growth. Such assistance shall also be coordinated and integrated with other United States foreign assistance programs, such as the Millennium Challenge Account. Such assistance shall also be coordinated and integrated with the overall development strategy of the recipient country, including the poverty reduction strategy of the recipient country, and in the recipient country with other donors, including international and regional organizations and other donor countries.*

**[Special emphasis should be placed on]** *Special consideration should be given to, and funds devoted to, activities that will increase the nutritional impact of programs of assistance under title III, and child survival programs and projects, in least developed countries by improving the design and implementation of such programs and projects.*

\* \* \* \* \*

#### **SEC. 415. MICRONUTRIENT FORTIFICATION PROGRAMS.**

(a) **IN GENERAL.—**

(1) \* \* \*

(2) **PURPOSE.—**The purpose of a program shall be to—

(A) \* \* \*

\* \* \* \* \*

(C) assess and apply technologies and systems to improve and ensure the quality, shelf life, bioavailability, and

safety of fortified food aid commodities, and products of those commodities, that are provided to developing countries, by [using the same mechanism that was used to assess the micronutrient fortification program in] *utilizing recommendations from* the report entitled “Micronutrient Compliance Review of Fortified P.L. 480 Commodities”, published October 2001 [with funds from the Bureau for Humanitarian Response of the United States Agency for International Development] *with implementation by an independent entity with proven impartiality and a mechanism that incorporates the range of stakeholders implementing programs under title II of this Act as well as other food assistance industry experts.*

\* \* \* \* \*

(d) **TERMINATION OF AUTHORITY.**—The authority to carry out programs established under this section shall terminate on September 30, [2007] *2012*.

\* \* \* \* \*

## **TITLE V—FARMER-TO-FARMER PROGRAM**

### **SEC. 501. JOHN OGONOWSKI AND DOUG BEREUTER FARMER-TO-FARMER PROGRAM.**

(a) \* \* \*

\* \* \* \* \*

(d) **MINIMUM FUNDING.**—Notwithstanding any other provision of law, in addition to any funds that may be specifically appropriated to carry out this section, not less than 0.5 percent of the amounts made available for each of fiscal years [2002 through 2007] *2008 through 2012* to carry out this Act shall be used to carry out programs under this section, with—

(1) not less than 0.2 percent to be used for programs in developing countries; and

(2) not less than 0.1 percent to be used for programs in sub-Saharan African and Caribbean Basin countries.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—There is authorized to be appropriated to carry out programs under this section in sub-Saharan African and Caribbean Basin countries \$10,000,000 for each of fiscal years [2002 through 2007] *2008 through 2012*.

\* \* \* \* \*

## **BILL EMERSON HUMANITARIAN TRUST ACT**

### **TITLE III—BILL EMERSON HUMANITARIAN TRUST**

\* \* \* \* \*

**SEC. 302. ESTABLISHMENT OF COMMODITY TRUST.**

(a) **IN GENERAL.**—To provide for a trust solely to meet emergency humanitarian food needs in developing countries, the Secretary of Agriculture (referred to in this title as the “Secretary”) shall establish a trust stock of wheat, rice, corn, or sorghum, or any combination of the commodities, totaling not more than 4,000,000 metric tons, *an amount of funds equivalent to 4,000,000 metric tons of commodities, or any combination of commodities and funds equivalent to 4,000,000 metric tons* for use as described in subsection (c).

(b) **COMMODITIES OR FUNDS IN TRUST.**—

(1) \* \* \*

(2) **REPLENISHMENT OF TRUST.**—

(A) \* \* \*

(B) **FUNDS.**—Any funds used to acquire eligible commodities through purchases from producers or in the market to replenish the trust shall be derived—

(i) with respect to fiscal years **【2000 through 2007】** *2008 through 2012* from funds made available to carry out the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) that are used to repay or reimburse the Commodity Credit Corporation for the release of eligible commodities under subsections (c)(2) and (f)(2), except that, of such funds, not more than **【\$20,000,000】** *\$60,000,000* may be expended for this purpose in each of the fiscal years **【2000 through 2007】** *2008 through 2012*; and

\* \* \* \* \*

(h) **TERMINATION OF AUTHORITY.**—

(1) **IN GENERAL.**—The authority to replenish stocks of eligible commodities to maintain the trust established under this section shall terminate on September 30, **【2007】** *2012*.

(2) **DISPOSAL OF ELIGIBLE COMMODITIES.**—Eligible commodities remaining in the trust after September 30, **【2007】** *2012*, shall be disposed of by release for use in providing for emergency humanitarian food needs in developing countries as provided in this section.

\* \* \* \* \*

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**FARM SECURITY AND RURAL INVESTMENT ACT OF 2002**

\* \* \* \* \*

**TITLE III—TRADE**

\* \* \* \* \*

**Subtitle B—Agricultural Trade Act of 1978**

\* \* \* \* \*

**SEC. 3107. MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION  
AND CHILD NUTRITION PROGRAM.**

(a) \* \* \*

\* \* \* \* \*

(c) **ELIGIBLE COMMODITIES AND COST ITEMS.**—Notwithstanding any other provision of law—

(1) \* \* \*

(2) as necessary to achieve the purposes of this section, funds appropriated under this section may be used to pay—

(A) \* \* \*

(B) all or any part of the internal transportation, storage, and handling costs incurred in moving the eligible commodity, if the **President** *Secretary* determines that—

(i) \* \* \*

\* \* \* \* \*

(d) **GENERAL AUTHORITIES.**—**The President** shall designate 1 or more Federal agencies to *The Secretary* shall—

(1) \* \* \*

\* \* \* \* \*

(f) **PROCEDURES.**—

(1) **IN GENERAL.**—In carrying out subsection (b), the **President** *Secretary* shall ensure that procedures are established that—

(A) \* \* \*

\* \* \* \* \*

(2) **PRIORITIES FOR PROGRAM FUNDING.**—In carrying out paragraph (1) with respect to criteria for determining the use of commodities and other assistance provided for programs and activities authorized under this section, the **implementing agency** *Secretary* may consider the ability of eligible entities to—

(A) \* \* \*

\* \* \* \* \*

(h) **MULTILATERAL INVOLVEMENT.**—

(1) **IN GENERAL.**—The **President** *Secretary* is urged to engage existing international food aid coordinating mechanisms to ensure multilateral commitments to, and participation in, programs similar to programs supported under this section.

(2) **REPORTS.**—The **President** *Secretary* shall annually submit to the Committee on International Relations and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the commitments and activities of governments, including the United States government, in the global effort to reduce child hunger and increase school attendance.

(i) **PRIVATE SECTOR INVOLVEMENT.**—The **President** *Secretary* is urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs assisted under this section.

\* \* \* \* \*

(l) **FUNDING.**—



[(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the President shall use \$100,000,000 for fiscal year 2003 to carry out this section.]

[(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2004 through 2007.]

(1) *USE OF COMMODITY CREDIT CORPORATION FUNDS.*—*Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—*

(A) *\$140,000,000 for fiscal year 2008;*

(B) *\$180,000,000 for fiscal year 2009;*

(C) *\$220,000,000 for fiscal year 2010;*

(D) *\$260,000,000 for fiscal year 2011; and*

(E) *\$300,000,000 for fiscal year 2012.*

[(3)] (2) *ADMINISTRATIVE EXPENSES.*—Funds made available to carry out this section may be used to pay the administrative expenses of [any Federal agency implementing or assisting] *the Department of Agriculture or any other Federal department or agency assisting in the implementation of this section.*

\* \* \* \* \*

## Subtitle C—Miscellaneous

\* \* \* \* \*

### SEC. 3205. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.

(a) \* \* \*

\* \* \* \* \*

(d) *ADDITIONAL REQUIREMENTS.*—

(1) *MAXIMUM AWARD.*—*The maximum amount of assistance provided annually to a project under the program shall be \$500,000.*

(2) *PROJECT DURATION.*—*The Secretary may extend a project under the program irrespective of the initial estimated duration of the project.*

[(d) FUNDING.—For each of fiscal years 2002 through 2007, the Secretary shall make available \$2,000,000 of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation.]

(e) *FUNDING.*—

(1) *COMMODITY CREDIT CORPORATION.*—*The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.*

(2) *FUNDING AMOUNT.*—*The Secretary shall make available the following amounts of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation, to the maximum extent practicable, for the following fiscal years to carry out this section:*

(A) *\$4,000,000 for fiscal year 2008.*

(B) *\$6,000,000 for fiscal year 2009.*

(C) *\$8,000,000 for fiscal year 2010.*

(D) \$10,000,000 for each of fiscal years 2011 through 2015.

\* \* \* \* \*

**SEC. 3206. GLOBAL MARKET STRATEGY.**

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, and biennially thereafter, the Secretary of Agriculture shall consult with the Committee on Agriculture, and the **[Committee on International Relations]** *Committee on Foreign Affairs*, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the formulation and implementation of a global market strategy for the Department of Agriculture that, to the maximum extent practicable—

(1) \* \* \*

\* \* \* \* \*

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**AGRICULTURAL TRADE ACT OF 1978**

\* \* \* \* \*

**TITLE II—AGRICULTURAL EXPORT PROGRAMS**

**Subtitle A—Programs**

\* \* \* \* \*

**SEC. 202. EXPORT CREDIT GUARANTEE PROGRAM.**

(a) SHORT-TERM CREDIT GUARANTEES.—

**[(1) IN GENERAL.—**The Commodity] *The Commodity* Credit Corporation may guarantee the repayment of credit made available to finance commercial export sales of agricultural commodities, including processed agricultural products and high-value agricultural products, from privately owned stocks on credit terms that do not exceed a 3-year period.

**[(2) SUPPLIER CREDITS.—**In carrying out this section, the Commodity Credit Corporation may issue guarantees for the repayment of credit made available for a period of not more than 180 days by a United States exporter to a buyer in a foreign country.

**[(3) EXTENDED SUPPLIER CREDITS.—**

**[(A) IN GENERAL.—**Subject to the appropriation of funds under subparagraph (B), in carrying out this section, the Commodity Credit Corporation may issue guarantees for the repayment of credit made available for a period of more than 180 days, but not more than 360 days, by a United States exporter to a buyer in a foreign country.

**[(B) AUTHORIZATION OF APPROPRIATIONS.—**There are authorized to be appropriated such sums as are necessary to fund the additional costs attributable to the portion of any guarantee issued under this paragraph to cover the repayment of credit beyond the initial 180-day period.

[(b) INTERMEDIATE-TERM CREDIT GUARANTEES.—Subject to the provisions of subsection (c), the Commodity Credit Corporation may guarantee the repayment of credit made available by financial institutions in the United States to finance commercial export sales of agricultural commodities, including processed agricultural products and high-value agricultural products, from privately owned stocks on credit terms that are for not less than a 3-year period nor for more than a 10-year period in a manner that will directly benefit United States agricultural producers.

[(c) REQUIRED DETERMINATIONS.—The Commodity Credit Corporation shall not guarantee under subsection (b) the repayment of credit made available to finance an export sale unless the Secretary determines that such sale will—

[(1) develop, expand, or maintain the importing country as a foreign market, on a long-term basis, for the commercial sale and export of United States agricultural commodities, without displacing normal commercial sales;

[(2) improve the capability of the importing country to purchase and use, on a long-term basis, United States agricultural commodities; or

[(3) otherwise promote the export of United States agricultural commodities.

The reference in paragraphs (1) and (2) to “on a long-term basis” shall not apply in the case of determinations with respect to sales to the independent states of the former Soviet Union.]

[(d)] (b) PURPOSE OF PROGRAM.—The Commodity Credit Corporation may use export credit guarantees authorized under this section—

(1) \* \* \*

\* \* \* \* \*

(4) for such other purposes as the Secretary determines appropriate[, consistent with the provisions of subsection (c)].

[(e)] (c) RESTRICTIONS ON USE OF CREDIT GUARANTEES.—Export credit guarantees authorized by this section shall not be used for foreign aid, foreign policy, or debt rescheduling purposes. The provisions of the cargo preference laws shall not apply to export sales with respect to which credit is guaranteed under this section.

[(f)] (d) RESTRICTIONS.—

[(1) IN GENERAL.—The Commodity] *The Commodity* Credit Corporation shall not make credit guarantees available in connection with sales of agricultural commodities to any country that the Secretary determines cannot adequately service the debt associated with such sale.

[(2) CRITERIA FOR DETERMINATION.—In making the determination required under paragraph (1) with respect to credit guarantees under subsection (b) for a country, the Secretary may consider, in addition to financial, macroeconomic, and monetary indicators—

[(A) whether an International Monetary Fund standby agreement, Paris Club rescheduling plan, or other economic restructuring plan is in place with respect to the country;

[(B) whether the country is addressing issues such as—

[(i) the convertibility of the currency of the country;

[(ii) adequate legal protection for foreign investments;

[(iii) the viability of the financial markets of the country; and

[(iv) adequate legal protection for the private property rights of citizens of the country; or

[(C) any other factors that are relevant to the ability of the country to service the debt of the country.]

[(g)] (e) TERMS.—Export credit guarantees issued pursuant to this section shall contain such terms and conditions as the Commodity Credit Corporation determines to be necessary.

[(h)] (f) UNITED STATES AGRICULTURAL COMMODITIES.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities.

[(i)] (g) INELIGIBILITY OF FINANCIAL INSTITUTIONS.—

(1) \* \* \*

\* \* \* \* \*

(2) THIRD COUNTRY BANKS.—The Commodity Credit Corporation may guarantee under [subsections (a) and (b)] *subsection (a)* the repayment of credit made available to finance an export sale irrespective of whether the obligor is located in the country to which the export sale is destined.

[(j)] (h) CONDITIONS FOR FISH AND PROCESSED FISH PRODUCTS.—In making available any guarantees of credit under this section in connection with sales of fish and processed fish products, the Secretary shall make such guarantees available under terms and conditions that are comparable to the terms and conditions that apply to guarantees provided with respect to sales of other agricultural commodities under this section.

[(k)] (i) PROCESSED AND HIGH-VALUE PRODUCTS.—

(1) IN GENERAL.—In issuing export credit guarantees under this section, the Commodity Credit Corporation shall, subject to paragraph (2), ensure that not less than 25 percent for each of fiscal years 1996 and 1997, 30 percent for each of fiscal years 1998 and 1999, and 35 percent for each of fiscal years 2000 through [2007] 2012, of the total amount of credit guarantees issued for a fiscal year is issued to promote the export of processed or high-value agricultural products and that the balance is issued to promote the export of bulk or raw agricultural commodities.

\* \* \* \* \*

[(l)] (j) CONSULTATION ON AGRICULTURAL EXPORT CREDIT PROGRAMS.—The Secretary and the United States Trade Representative shall consult on a regular basis with the Committee on Agriculture, and the Committee on International Relations, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the status of multilateral negotiations regarding agricultural export credit programs.

#### SEC. 203. MARKET ACCESS PROGRAM.

(a) IN GENERAL.—The Commodity Credit Corporation shall establish and carry out a program to encourage the development, maintenance, and expansion of commercial export markets for agricultural commodities (*including commodities that are organically produced (as defined in section 2103 of the Organic Foods Production*

*Act of 1990 (7 U.S.C. 6502)))* through cost-share assistance to eligible trade organizations that implement a foreign market development program.

\* \* \* \* \*

## Subtitle B—Implementation

### SEC. 211. FUNDING LEVELS.

(a) \* \* \*

[(b) EXPORT CREDIT GUARANTEE PROGRAMS.—

[(1) EXPORT CREDIT GUARANTEES.—The Commodity Credit Corporation shall make available for each of fiscal years 1996 through 2007 not less than \$5,500,000,000 in credit guarantees under subsections (a) and (b) of section 202.

[(2) LIMITATION ON ORIGATION FEE.—Notwithstanding any other provision of law, the Secretary may not charge an origination fee with respect to any credit guarantee transaction under section 202(a) in excess of an amount equal to 1 percent of the amount of credit to be guaranteed under the transaction, except with respect to an export credit guarantee transaction pursuant to section 1542(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 5622 note).]

(b) *EXPORT CREDIT GUARANTEE PROGRAMS.—The Commodity Credit Corporation shall make available, to the maximum extent practicable, for each of fiscal years 2008 through 2012 not less than \$5,500,000,000 in credit guarantees under section 202(a).*

(c) MARKET ACCESS PROGRAMS.—

(1) IN GENERAL.—The Commodity Credit Corporation or the Secretary shall make available for market access activities authorized to be carried out by the Commodity Credit Corporation under section 203—

(A) in addition to any funds that may be specifically appropriated to implement a market access program, not more than \$90,000,000 for fiscal year 2001, \$100,000,000 for fiscal year 2002, \$110,000,000 for fiscal year 2003, \$125,000,000 for fiscal year 2004, \$140,000,000 for fiscal year 2005[, and \$200,000,000 for each of fiscal years 2006 and 2007] *\$200,000,000 for each of fiscal years 2006 and 2007, and \$225,000,000 for each of fiscal years 2008 through 2012*, of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation; and

\* \* \* \* \*

## TITLE III—EXPORT ENHANCEMENT PROGRAM

### SEC. 301. EXPORT ENHANCEMENT PROGRAM.

(a) \* \* \*

\* \* \* \* \*

(e) FUNDING LEVELS.—

[(1) IN GENERAL.—The Commodity Credit Corporation shall make available to carry out the program established under this section not more than—

- [(A) \$350,000,000 for fiscal year 1996;
- [(B) \$250,000,000 for fiscal year 1997;
- [(C) \$500,000,000 for fiscal year 1998;
- [(D) \$550,000,000 for fiscal year 1999;
- [(E) \$579,000,000 for fiscal year 2000;
- [(F) \$478,000,000 for fiscal year 2001; and
- [(G) \$478,000,000 for each of fiscal years 2002 through 2007.]

(1) *IN GENERAL.—The Commodity Credit Corporation shall make available to carry out the program established under this section not more than \$478,000,000 for each of fiscal years 2008 through 2012.*

\* \* \* \* \*

**SEC. 304. ASSISTANCE TO ADDRESS SANITARY AND PHYTOSANITARY BARRIERS TO TRADE.**

(a) *ASSISTANCE AUTHORIZED.—The Secretary is authorized to enter into contracts with technical experts and scientists, or provide grants to appropriate entities, as determined by the Secretary, to address sanitary, phytosanitary, and technical barriers to the export of United States agricultural commodities, including meat, poultry, and specialty crops, by—*

*(1) contracting with technical experts and scientists outside of the Federal government to address sanitary and phytosanitary issues, and other issues regarding technical barriers, involving agricultural commodities and the products of such agricultural commodities; and*

*(2) commissioning targeted outside scientific reports on sanitary and phytosanitary issues, and other issues regarding technical barriers, involving agricultural commodities and the products of such agricultural commodities.*

(b) *TARGETED TRADE ISSUES.—Projects funded under this section may include projects relating to the acceptance by foreign markets of—*

- (1) antimicrobial treatments;*
- (2) wood-packaging material;*
- (3) irradiation;*
- (4) biotechnology;*
- (5) science-based maximum residue level standards;*
- (6) testing procedures and controls for mycotoxins;*
- (7) labeling; and*
- (8) shelf life.*

(c) *FUNDING.—*

*(1) COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.*

*(2) FUNDING AMOUNT.—The Secretary shall use, to the maximum extent practicable, \$2,000,000 of the funds of the Commodity Credit Corporation to carry out this section for each of fiscal years 2008 through 2012.*

\* \* \* \* \*

## TITLE VII—FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM

\* \* \* \* \*

### SEC. 702. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

(a) \* \* \*

\* \* \* \* \*

(c) REPORT TO CONGRESS.—The Secretary shall annually submit to the Committee on Agriculture and the [Committee on International Relations] *Committee on Foreign Affairs* of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on activities under this section describing the amount of funding provided, the types of programs funded, the value-added products that have been targeted, and the foreign markets for those products that have been developed.

### SEC. 703. FUNDING.

(a) IN GENERAL.—To carry out this title, the Secretary shall use funds of the Commodity Credit Corporation, or commodities of the Commodity Credit Corporation of a comparable value, in the amount of \$34,500,000 for each of fiscal years [2002 through 2007] *2008 through 2012*.

(b) PROGRAM PRIORITIES.—In providing any amount of funds or commodities made available under subsection (a) for any fiscal year that is in excess of the amount made available under this section for fiscal year [2001] *2007*, the Secretary shall, to the maximum extent practicable—

(1) \* \* \*

\* \* \* \* \*

## SECTION 1542 OF THE FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

\* \* \* \* \*

### SEC. 1542. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING MARKETS.

(a) FUNDING.—The Commodity Credit Corporation shall make available for fiscal years 1996 through [2007] *2012* not less than \$1,000,000,000 of direct credits or export credit guarantees for exports to emerging markets under section 201 or 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621 and 5622), in addition to the amounts acquired or authorized under section 211 of the Act (7 U.S.C. 5641) for the program.

(b) FACILITIES AND SERVICES.—[A portion]

(1) *IN GENERAL*.—A portion of such export credit guarantees shall be made available for—

[(1)] (A) the establishment or improvement of facilities,  
or

[(2)] (B) the provision of services or United States products goods,

in emerging markets by United States persons to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities and products thereof if the Secretary of

Agriculture determines that such guarantees will primarily promote the export of United States agricultural commodities (as defined in section 102(7) of the Agricultural Trade Act of 1978). **【The Commodity Credit Corporation】**

(2) *PRIORITY.*—*The Commodity Credit Corporation shall give priority under this subsection to—*

(A) projects that encourage the privatization of the agricultural sector or that benefit private farms or cooperatives in emerging markets; and

(B) projects for which nongovernmental persons agree to assume a relatively larger share of the costs.

(3) *INITIAL PAYMENT.*—*The Secretary may require an initial down payment, upon such terms as the Secretary may determine, by the beneficiary of the credit guarantee as a condition of providing a credit guarantee under this subsection.*

(4) *MAXIMUM LIABILITY.*—*The liability of the Commodity Credit Corporation under a guarantee provided pursuant to this section may not exceed 98 percent of—*

(A) *the principal amount involved in the underlying financial arrangement for construction of the facility; and*

(B) *the interest on the outstanding principal amount at the rate specified in the underlying financial arrangement for construction of the facility.*

(5) *TERM OF GUARANTEE.*—*A facility payment guarantee under this subsection shall be for a term that is not more than the lesser of—*

(A) *the term of the depreciation schedule of the facility assisted; or*

(B) *a maximum period, as determined by the Secretary.*

\* \* \* \* \*

(d) **E (Kika) DE LA GARZA AGRICULTURAL FELLOWSHIP PROGRAM.**—The Secretary of Agriculture (hereafter in this section referred to as the “Secretary”) shall establish a program, to be known as the “E (Kika) de la Garza Agricultural Fellowship Program”, to develop agricultural markets in emerging markets and to promote cooperation and exchange of information between agricultural institutions and agribusinesses in the United States and emerging markets, as follows:

(1) **DEVELOPMENT OF AGRICULTURAL SYSTEMS.**—

(A) **IN GENERAL.**—

(i) **ESTABLISHMENT OF PROGRAM.**—For each of the fiscal years 1991 through **【2007】 2012**, the Secretary of Agriculture (hereafter in this section referred to as the “Secretary”), in order to develop, maintain, or expand markets for United States agricultural exports, is directed to make available to emerging markets the expertise of the United States to make assessments of the food and rural business systems needs of such democracies, make recommendations on measures necessary to enhance the effectiveness of the systems, including potential reductions in trade barriers, and



identify and carry out specific opportunities and projects to enhance the effectiveness of those systems.

\* \* \* \* \*

## FOOD FOR PROGRESS ACT OF 1985

SEC. 1110. (a) This section may be cited as the “Food for Progress Act of 1985”.

\* \* \* \* \*

(f) PROVISION OF ELIGIBLE COMMODITIES TO DEVELOPING COUNTRIES.—(1) \* \* \*

\* \* \* \* \*

(3) No funds of the Corporation in excess of \$40,000,000 (exclusive of the cost of eligible commodities) may be used for each of fiscal years **1996 through 2007** *2008 through 2012* to carry out this section with respect to eligible commodities made available under section 416(b) of the Agricultural Act of 1949 unless authorized in advance in appropriation Acts.

\* \* \* \* \*

(g) MINIMUM TONNAGE.—Subject to subsection (f)(3), not less than **400,000** *500,000* metric tons of eligible commodities may be provided under this section for the program for each of fiscal years **2002 through 2007** *2008 through 2012*.

\* \* \* \* \*

(j) MULTICOUNTRY OR MULTIYEAR BASIS.—

(1) \* \* \*

\* \* \* \* \*

(3) REPORT.—Not later than December 1 of each fiscal year, the President shall submit to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of programs, countries, and eligible commodities, and the total amount of funds for transportation and administrative costs, approved to date for the fiscal year under this section.

(k) EFFECTIVE AND TERMINATION DATES.—This section shall be effective during the period beginning October 1, 1985, and ending December 31, **2007** *2012*.

(l) ADMINISTRATIVE EXPENSES.—(1) To enhance the development of private sector agriculture in countries receiving assistance under this section the President may, in each of the fiscal years **1996 through 2007** *2008 through 2012*, use in addition to any amounts or eligible commodities otherwise made available under this section for such activities, not to exceed \$15,000,000 (or, in the case of fiscal year 1999, \$12,000,000) of Corporation funds (or eligible commodities of an equal value owned by the Corporation), to provide assistance in the administration, sale, and monitoring of food assistance programs, and to provide technical assistance for monetization programs, to strengthen private sector agriculture in recipient countries.

\* \* \* \* \*

(n) PROGRAM MANAGEMENT.—

(1) \* \* \*

(2) REQUIREMENTS.—

(A) \* \* \*

\* \* \* \* \*

(C) CONSULTATIONS.—Not later than 1 year after the date of enactment of this paragraph, the President shall consult with the Committee on Agriculture, and the **【Committee on International Relations】** *Committee on Foreign Affairs*, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on changes made in regulations and procedures.

\* \* \* \* \*

