

# USDA International Food Assistance Report Fiscal Year 2018



Cover Photograph: *(Left)* A member of the Etic Women's Group displays locally procured cowpeas. Production of this commodity is supported by the Local and Regional Food Aid Procurement Program in Kenya. Photo by WFP. *(Center)* Pinto beans are stored in a warehouse in Tanzania. These beans will be distributed to local schools supported by the McGovern-Dole International Food for Education and Child Nutrition Program. Photo by USDA. *(Right)* A girl harvests cacao from a tree in Nicaragua. This area is supported by USDA Food for Progress. Photo by CRS.

This report may be found online at: [www.fas.usda.gov](http://www.fas.usda.gov).

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## List of Abbreviations

CCC	Commodity Credit Corporation
CCT	Cooperativa Café Timor
CDSO	Crude Degummed Soybean Oil
CFR	Cost and Freight
CPI	Counterpart International
CRS	Catholic Relief Services
FACG	Food Aid Consultative Group
FAS	Foreign Agricultural Service
FFPr	Food for Progress
FY	Fiscal Year
HGSF	Home Grown School Feeding
LRP	Local and Regional Food Aid Procurement Program
MES	Monitoring and Evaluation Staff
MOCAF	Modified cassava flour
MT	Metric Tons
NCBA CLUSA	National Cooperative Business Association
OCBD	Office of Capacity and Development
PCI	Project Concern International
PVO	Public Voluntary Organization
ROM	Results-oriented Management
SBM	Soybean Meal
TFAA	Trade and Foreign Agricultural Affairs
TLADP	Timor Leste Agribusiness Development Project
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
WFP	World Food Programme

## I. Introduction

The United States Department of Agriculture (USDA) delivered, with the support and the generosity of the American people, more than \$351 million in food assistance overseas in Fiscal Year (FY) 2018. These contributions provided increased sales of agricultural products, a safety net for school children, rebuilt livelihoods, generated income, increased literacy, improved nutrition, supported agricultural sectors. USDA strengthens the capacity of foreign countries to engage in international trade, thereby expanding demand for U.S. agricultural products and enhancing global food security. USDA's food assistance programs address food security challenges by providing donated U.S. commodities for direct school feeding and U.S. commodities for sale in countries to build food and market systems that expand trade and economic growth in cooperating countries. This report provides highlights of trends and activities in active USDA food assistance programs for the year.

### Overview of Fiscal Year 2018 Active USDA Government Food Assistance and Capacity Building Programs

USDA's objectives for its international food assistance programs align with the goals and objectives of the U.S. Global Food Security Strategy, 2017-2021 ("Feed the Future"). USDA implements these programs, including the McGovern-Dole International Food for Education and Child Nutrition Program (McGovern-Dole), Local and Regional Procurement Program (LRP), and Food for Progress (FFPr) Program in alignment with Feed the Future, where appropriate. In addition, USDA includes Feed the Future country status as a criteria when selecting priority countries for future programming. USDA has also integrated the relevant Feed the Future standard indicators into the food aid division's monitoring and evaluation system, ensuring that McGovern-Dole, LRP, and FFPr can report regularly on their contributions to global food security.

USDA international food assistance and capacity building programs supported over 4.6 million direct beneficiaries in 38 developing countries in FY 2018.

- The Food for Progress (FFPr) program (7 USC 1736o) works with private voluntary organizations (PVOs) and other international organizations in developing countries to provide training and technical assistance that is intended to increase agricultural productivity and expand access to markets and trade. Projects are funded by proceeds accrued through the sale of donated U.S. agricultural commodities. In FY 2018, FFPr reached over 191,965 direct beneficiaries through a variety of interventions. Through FFPr assistance, 68,805 individuals applied improved technologies or management practices, and farmers increased sales of their agricultural products.
- The McGovern-Dole International Food for Education and Child Nutrition Program (McGovern-Dole) (7 USC 1736o-1) funds school meals and nutrition programs, implemented by PVOs and other international organizations, for women, infants, and children in countries with high food insecurity in Africa, Asia, Eurasia, and Central and South America. The program's statutory objectives are to reduce hunger, improve literacy, and increase the use of health and dietary practices of school-age children, with an emphasis on girls. In FY 2018, McGovern-Dole reached over 4.3 million direct beneficiaries. Included in the \$215 million appropriated for McGovern-Dole was \$10 million designated for use under Local and Regional Program (7 USC 1726c) authority and \$1 million for innovative clean water projects.
- USDA Local and Regional Food Aid Procurement Program (LRP) is authorized to work with PVOs and other international organizations to provide development assistance and emergency relief using locally procured commodities. The FY 2018 McGovern-Dole appropriations included \$10 million

for the LRP program, with preference for organizations that are working towards or have McGovern-Dole programs. In FY 2018, new and ongoing LRP programs reached over 91,100 direct beneficiaries, and the use of LRP is intended to assist with the strengthening of local host governments to take ownership of McGovern-Dole funded school feeding programs.

USDA food assistance and capacity building programs are embedded with strategies intended to promote sustainability, so recipient countries can continue to benefit well beyond the funding period. Project evaluations are intended to assess the likelihood of sustained impacts for beneficiary populations and USDA uses them to make recommendations intended to strengthen sustainability in the remainder of each project or in continuing projects.

In FY 2018, for the programs shown in Table I, USDA awarded more than \$351 million of food assistance and procured nearly 240,000 metric tons (MT) of food to serve a total of nearly 4.6 million beneficiaries.<sup>1</sup>

**Table I: Overview of FY 2018 USDA Food Assistance Programs (FY 2018 Funding)**

PROGRAM <sup>2</sup>	Commodities (Volume/Value)	Total Available Funding
Food for Progress	195,910 MT / \$92,238,000	\$137,015,631
McGovern-Dole International Food for Education and Child Nutrition	43,720 MT / \$30,679,145*	\$204,000,000
USDA Local and Regional Procurement Program	--	\$10,000,000
<b>TOTAL</b>	<b>239,630 MT / \$122,917,145</b>	<b>\$351,015,631</b>

\*Table I reflects USDA Food Assistance Program total awarded in FY 2018; Ethiopia McGovern-Dole award is still pending and not included due to pending negotiations. Available funding shown includes carryover.

**Table 2: FY 2018 USDA Commodity Mix (Metric Tons)**

Group	Commodity	Food for Progress MT	McGovern-Dole MT
<b>Grains</b>	Wheat	54,000	--
	Rice (Milled)	--	20,470
	Bulgur	--	5,410
	<b>Subtotal</b>	<b>54,000</b>	<b>25,880</b>
<b>Vegetable Oil</b>	Crude Degummed Soybean Oil	43,450	--
	Veg Oil	--	2,580
	<b>Subtotal</b>	<b>43,450</b>	<b>2,580</b>
<b>Pulses</b>	Soybean Meal	98,460	--
	Lentils	--	2,100
	Peas	--	3,160
	Beans	--	5,100

<sup>1</sup>USDA's Food for Progress reports on both direct and indirect beneficiaries, and USDA's McGovern-Dole reports only on direct beneficiaries. USDA defines "direct beneficiaries" as those who come into direct contact with the set of interventions (goods or services) provided by the program in each technical area or program activity. For example, individuals who receive training or benefit from program-supported technical assistance or service provision are considered direct beneficiaries, as are those who receive a ration or another type of good. For USDA, "indirect beneficiaries" are those who benefit indirectly from the goods and services provided to the direct beneficiaries (e.g., families of producers).

<sup>2</sup>USDA conducts its program solicitations and awards on a Fiscal Year cycle. USDA is reporting on costs and commodities for agreements signed in FY 2018

	<b>Subtotal</b>	<b>98,460</b>	<b>10,360</b>
<b>Meats</b>	Pink Salmon	--	1,210
	<b>Subtotal</b>	<b>--</b>	<b>1,210</b>
<b>Blends</b>	Corn Soy Blend Plus	--	140
	Cornmeal	--	3,550
	<b>Subtotal</b>	<b>--</b>	<b>3,690</b>
<b>Total</b>		<b>195,910</b>	<b>43,720</b>

**Table 3: Use of Funds Definitions**

<b>Commodities</b>	Cost for purchase of commodities.
<b>Freight</b>	Cost to ship from the United States to port of entry.
<b>Administrative</b>	Funds for meeting the specific administrative, management, personnel, storage, and distribution costs of programs.
<b>Activities</b>	Cost of activities performed in direct support of project implementation.
<b>ITSH</b>	(Internal Transportation, Storage, and Handling) The costs of transporting commodities from the implementing partner’s warehouse to each school.

## II. Reporting on Program Activities

### a. Food for Progress Act of 1985

#### i. Introduction

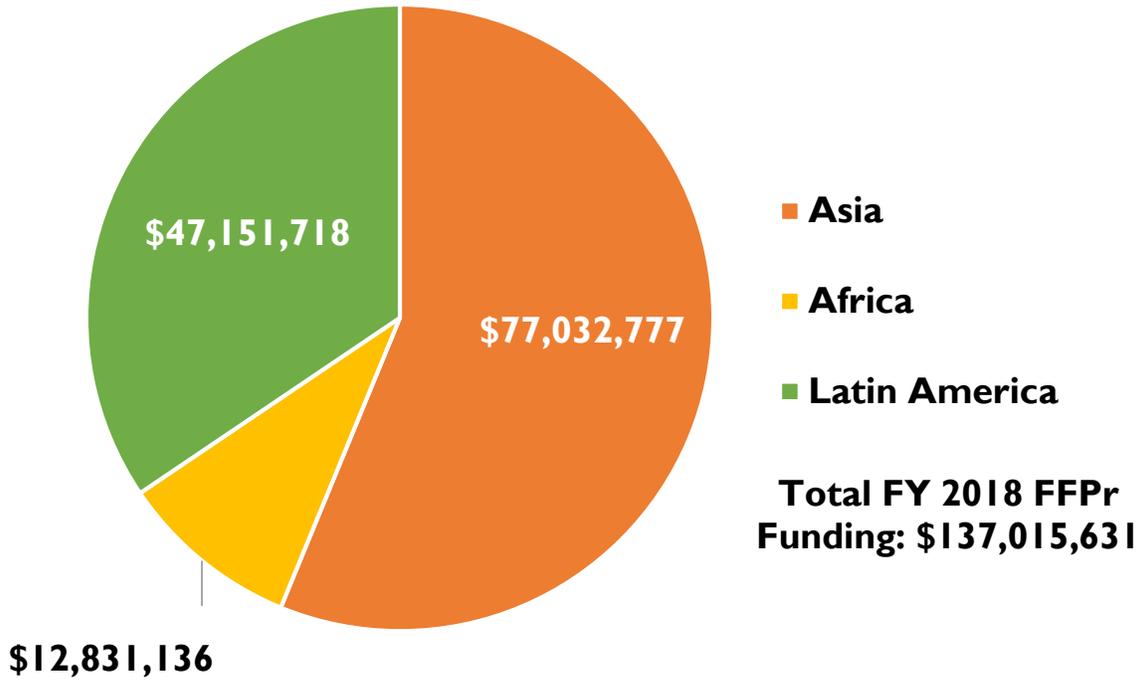
The FFPr program is intended to assist developing countries and emerging democracies by introducing and expanding private enterprise in the agricultural sector. Including the FY 2018 projects, there are 52 active projects in 31 countries valued at \$1,016 million. Together, these projects reached over 191,965 beneficiaries directly in FY 2018. In FY 2018 FFPr projects facilitated \$72,207,937 in agricultural and rural loans. Access to finance is key to expanding inclusive participation in agricultural markets, contributing to increased production, expanded trade and ultimately increased incomes.

In 2018, Commodity Credit Corporation (CCC) funding provided 195,910 MT of commodities valued at \$92.2 million, and \$44.8 million of transportation and other non-commodity costs. Implementing partners in FY 2018 were PVOs that monetize (commercially sell) the donated U.S. commodities and use the sales proceeds to fund development projects. Countries receiving CCC-funded FFPr assistance and the quantity of the commodities programmed in FY 2018 are shown in the tables below. Active FFPr projects in FY 2018 directly benefitted 191,965 farmers and community members. One way, FFPr measures impact is by calculating the value of increased sales achieved by project participants due to increased agricultural productivity and expanded trade in agricultural products. USDA reports annually on projects in which participants increase their sales by nine percent or more that year. In FY 2018, eight out of 22 FFPr projects for which sales targets were specified (of the total 44 active, PVO-implemented projects) achieved this target. These 22 FFPr projects, which account for 50 percent of the total active projects (excluding government-to-government awards), are the only ones that have used this measure (others recently started doing so and will report in subsequent fiscal years). This result is slightly above the target of 35 percent for FY 2018 for these 22 projects.

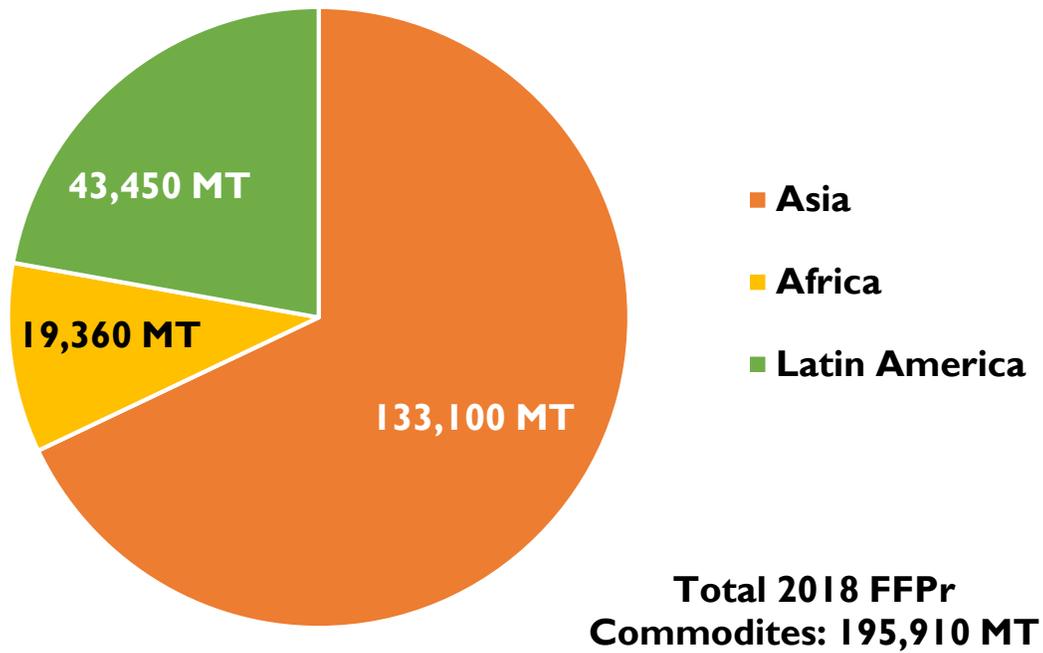
Note that USDA submits in greater detail a separate annual Food for Progress report to Congress.

**ii. Commodities Provided**

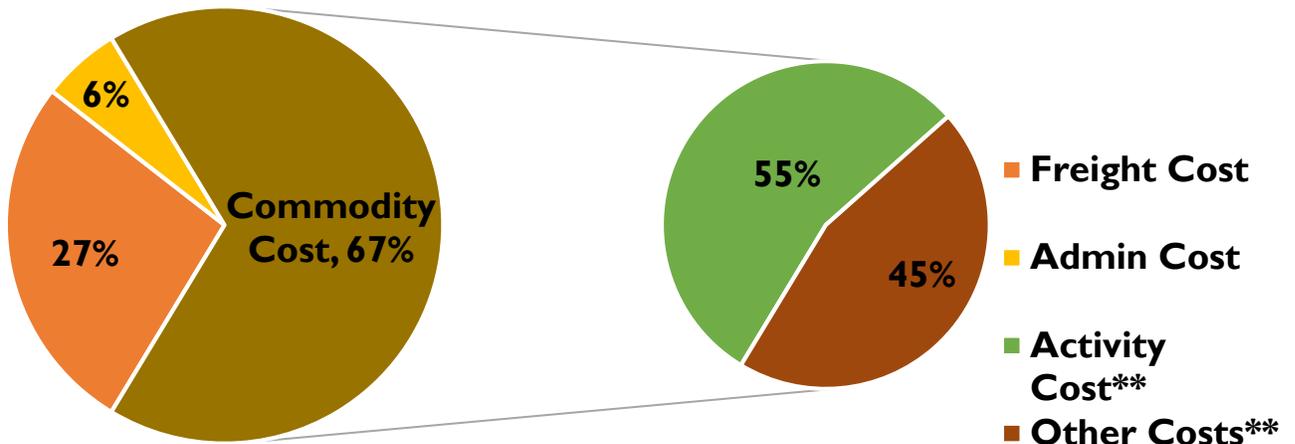
**Figure 1: FY 2018 Value of USDA Food for Progress Awards, by Region**



**Figure 2: FY 2018 USDA Food for Progress Food Assistance, Metric Tons per Region**



**Figure 3: FY 2018 Composition of Funding for USDA Food for Progress Awards\***



\*See Table 3: Use of Funds Definitions for category descriptions

\*\* Note that Activity Cost and Other Obligated Costs are funded out of the monetization proceeds using the allocated commodities

**Table 4: Table of Funding for FY 2018 USDA Food for Progress Awards (\$ millions)\***

Country	Org.	Commodity	Metric Tons	Commodity Cost (Activity Portion)	Freight Cost	Admin. Cost	Total
Egypt	Land O'Lakes International Development	Soybean Meal	19,360	\$8.71 (\$3.86)	\$3.31	\$0.81	\$12.83
Georgia	Land O'Lakes International Development	Soybean Meal	54,000	\$15.84 (\$7.30)	\$6.68	\$1.36	\$23.88
		Hard Red Winter Wheat	4,000				
Cambodia	American Soybean Association	Soybean Meal	38,710	\$17.42 (\$7.83)	\$8.90	\$1.62	\$27.95
Philippines	ACDI/VOCA	Soybean Meal	36,390	\$16.38 (\$6.44)	\$7.64	\$1.19	\$25.21
LAC Regional**	TechnoServe	Crude Degummed Soybean Oil	43,450	\$33.89 (\$25.10)	\$10.26	\$3.00	\$47.15
<b>Totals***</b>			<b>195,910</b>	<b>\$92.24 (\$50.53)</b>	<b>\$36.79</b>	<b>\$7.98</b>	<b>\$137.02</b>

\* See Table 3: Use of Funds Definitions for category descriptions

\*\* Includes Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, and Peru

\*\*\* Note that Activity Cost is funded out of the monetization proceeds using the allocated commodities

### iii. Total Beneficiaries

**Table 5: FY 2018 USDA Food for Progress Feed the Future Indicators**

Indicator	FY 2018 (Actual)
EG.3-9: Number of full-time equivalent jobs created with USG assistance	2,331
EG.3.2-18: Number of hectares of land under improved technologies or management practices with USG assistance	6,847
EG.3.2-17: Number of farmers and others who have applied improved technologies or management practices because of USG assistance	68,805
EG.3.2-1: Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	100,194
EG.3.2-5: Number of public-private partnerships formed because of FTF assistance	109
EG.3.2-6: Value of Agricultural and Rural Loans	\$72,207,937
EG.3.2-20: Number of private enterprises (for profit), producers' organizations, water users' associations, women's groups, trade and business associations, and CBOs that applied improved technologies or management practices because of USG assistance	2,231
EG.3.1-12: Number of agricultural and nutritional enabling environment policies analyzed, consulted on, drafted or revised, approved and implemented with USG assistance	6*
EG.3.2-22: Value of new private sector capital investment in the agriculture sector or food chain leveraged by Feed the Future	\$5,700,000
EG.3-X10: Total increase in installed storage capacity (Cubic meter)	2,263

\* Six policies

#### iv. Project Stories

##### Food for Progress: East Timor

Timor-Leste Agribusiness Development Project (TLADP), implemented by the National Cooperative Business Association (NCBA CLUSA) in cooperation with subrecipient Cooperativa Café Timor (CCT), is a \$14 million project targeting agriculture sectors in Baucau, Lautem, Viqueque, and Aileu. TLADP increased the Democratic Republic of Timor-Leste's (commonly referred to as East Timor) agricultural productivity and trade of commercially cultivated crops through agribusiness development activities including promoting commercial crop diversification, supply chain development, and focusing on local market sustainability. TLADP increased farmer income through improved agronomic practices and new linkages with exporters for crops promoted through the project.

USDA's investment touches along entire value chains, from providing farmers with seedlings to assistance with exporting harvested crops. As of March 2018, USDA provided 922,674 seedlings of the six crops to 12,368 farmers.<sup>4</sup> USDA investments in TLADP have resulted in seven formal market relationships between CCT and international businesses. For example, a U.S. spice company has purchased 50 tons of cloves, valued at approximately \$500,000, and approximately four of vanilla valued at around \$2 million. There is also interest in purchasing all black pepper available from East Timor. International coffee buyers, including U.S. coffee importers, purchase over \$10 million of coffee annually from CCT. The project's initial production of organic, fair trade-certified Robusta coffee will commence its first yields in 2019 with about 19 tons of Robusta, gradually increasing to an estimated thousand tons when all distributed seedlings reach maturity in 2029. CCT will likely continue to sell Robusta to U.S. importers and small coffee roasters in New Zealand. A U.S. company also expressed interest in importing cacao from East Timor. Another U.S. company visited East Timor in 2018 and left with pending intent to purchase cacao.

Minimum wage in East Timor is \$125/month (\$1,500/year)<sup>5</sup>, but in rural areas, there are very few job opportunities for the subsistence farmers that make up most of the population. Because of TLADP, farmer Eurico Amaral increased his earnings by 300 percent over a four-year period. Eurico saw his gross income increase from \$500 in 2014 to \$2,000 in 2018 after substituting his traditional crop for Robusta coffee as part of TLADP.

As part of USDA's efforts to make project achievements sustainable, USDA invests in developing local markets. In FY 2018, CCT used USDA funds to purchase machinery to process cassava roots into modified cassava flour (MOCAF) for use by local restaurants and bakeries. In FY 2018, MOCAF began to sell in local grocery stores. In addition, Heineken Lager Beer opened a new brewery in East Timor and indicated their estimated purchases of MOCAF would be 30 tons per month, or 360 tons per year.<sup>5</sup>



Picture 3: CCT cassava peeler and miller in Patoo.

<sup>4</sup> From TLADP brief provided by NCBA in country.

<sup>5</sup> Interview, CCT General Manager Sisto Moniz Peidode, 2018

In addition to educating local actors, USDA provided farmers with essential tools and inputs intended to increase and sustain agricultural productivity. Farmers are provided knowledge as well as farming essentials including but not limited to: knives, boots, pruning shears, scythes, and digging rods.

## b. The McGovern-Dole International Food for Education and Child Nutrition Program

### i. Introduction

First authorized by the Farm Security and Rural Investment Act of 2002, McGovern-Dole provides U.S. commodities for direct feeding programs and funds complementary activities to help communities in developing countries create sustainable school meals programs. McGovern-Dole is directed by statute to provide food for schoolchildren, enhance food security, improve literacy (especially for girls); and promote the nutrition, health and dietary practices of mothers, school-aged children and younger siblings.

McGovern-Dole integrates improved nutrition, health, and dietary practices into existing school meals projects aimed to ensure that U.S.-donated food is safely stored and properly prepared. Programs also develop local infrastructure intended to allow children access to clean water and improved sanitation at school to prevent illness. The McGovern-Dole program seeks to achieve sustainability by promoting the school feeding program and working with the local partners, host governments on capacity building in establishing a school feeding law. In addition, technical assistance to the host government is included in all projects to work towards the handover of the school feeding activities to the host country. USDA prioritizes programming in countries with evidence of improvements in the school feeding local laws and financial contributions to school feeding by the host government. In addition, prioritizing girls' education is a significant component of McGovern-Dole. The program is intended to promote gender equity in education in response to the reality in many countries where fewer girls can attend school compared to their male peers. McGovern-Dole includes various strategies aimed at getting families to send their girls to school, such as providing take-home rations to families whose girls regularly attend school.

In FY 2018, USDA awarded eight McGovern-Dole agreements valued at \$176 million<sup>3</sup>. A total of 43,720 MT of U.S. commodities were awarded under these agreements. Partner countries where McGovern-Dole agreements were awarded include Burkina Faso, Cameroon, Ethiopia, Guatemala, the Republic of Senegal, Sierra Leone, Sri Lanka, and Timor-Leste. USDA fed meals to over 4 million food-insecure children in FY 2018 during the school year. Furthermore, USDA trained over 13,000 Parent Teacher Associations on how to advocate for education and school feeding in their communities and trained over 21,000 teachers on how to create dynamic classrooms and improve literacy. Other activities included the creation and/or rehabilitation of 2,926 facilities including latrines, kitchens, handwashing stations, and classrooms to significantly reduce student absenteeism. In FY 2018, McGovern-Dole projects also provided deworming medication to over 1 million children.

Including the FY 2018 projects, there are 43 active projects in 27 countries valued at a total of \$921.61 million across the life of the programs. Together, these McGovern-Dole projects reached over 4.3 million children and community members directly in FY 2018.

Note that USDA submits in greater detail a separate annual McGovern-Dole report to Congress.

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<sup>3</sup> Ethiopia McGovern-Dole award is still pending and not included due to pending negotiations.

ii. Commodities Provided

Figure 4: FY 2018 Value of USDA McGovern-Dole Awards, by Region

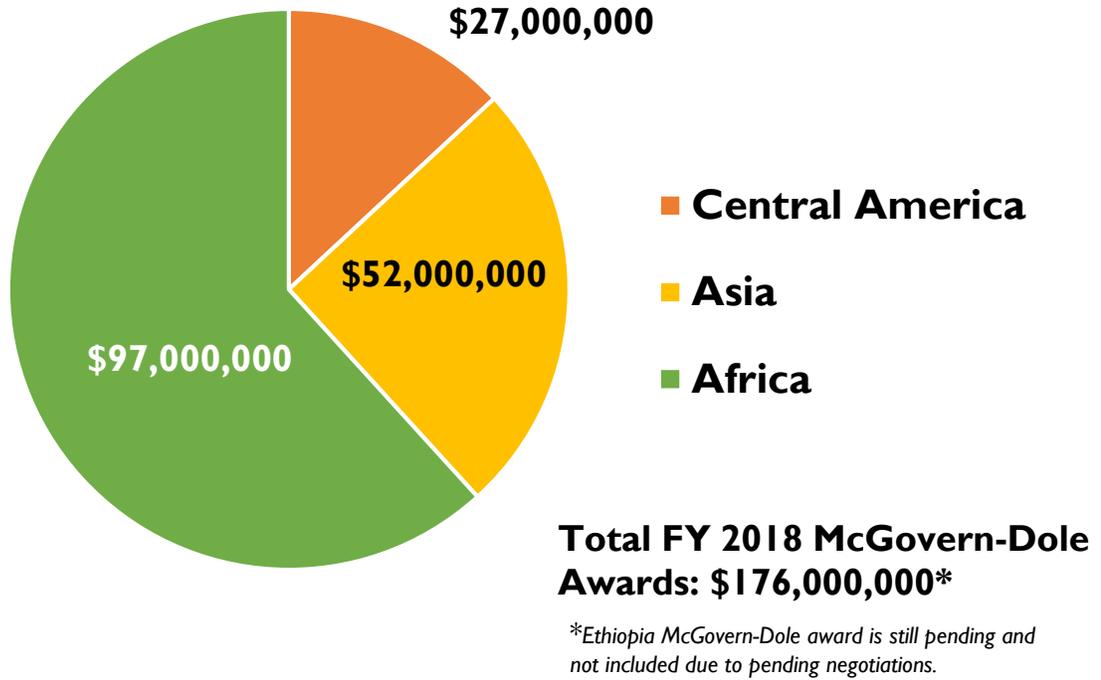
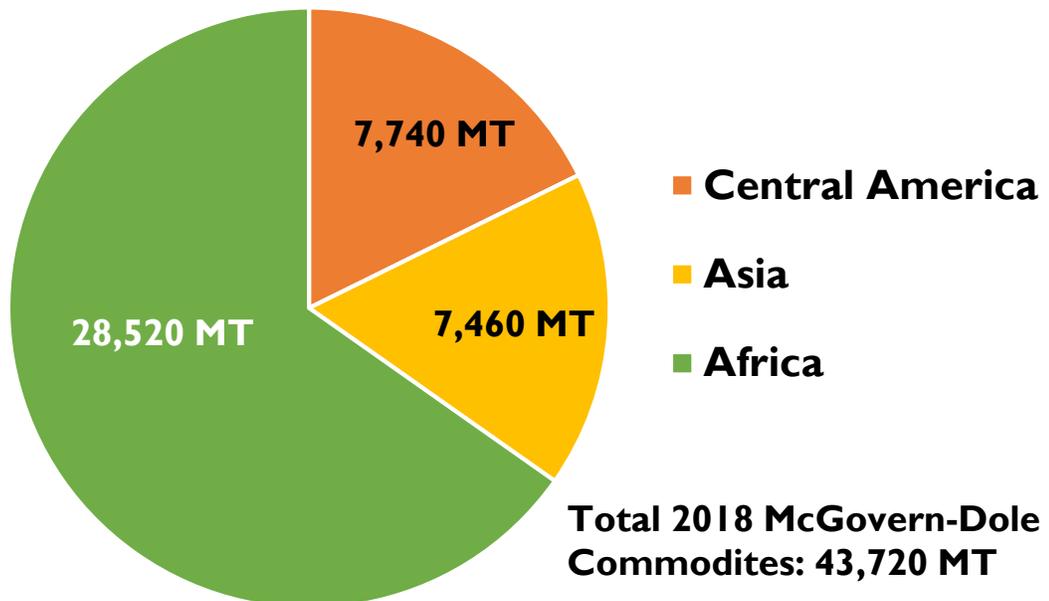
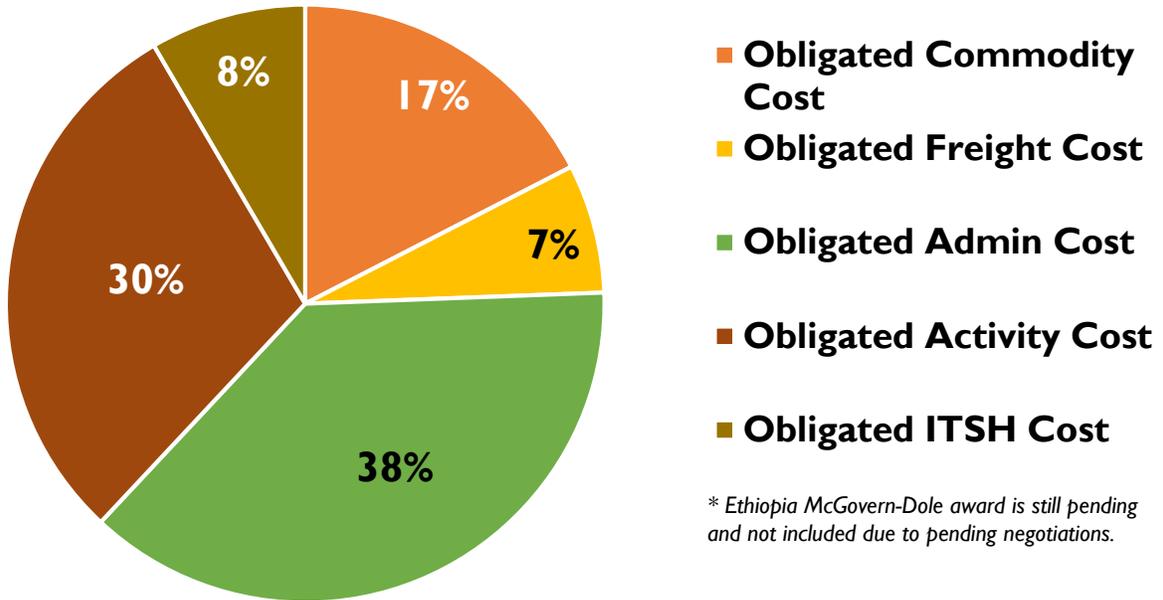


Figure 5: FY 2018 USDA McGovern-Dole Food Assistance, Metric Tons per Region



**Figure 6: FY 2018 Composition of Funding for USDA McGovern-Dole Awards\***



**Table 6: FY 2018 USDA McGovern-Dole Use of Funds (Cost in millions of dollars)\***

Implementer	Country	Commodity	Metric Tons	Commodity Cost	Freight Cost	Admin. Cost	Activity Cost	ITSH	Total
Catholic Relief Services	Burkina Faso	Cornmeal, Lentils, Soy Fortified Bulgur, Vegetable Oil	8,910	\$4	\$4	\$6	\$8	\$2	\$24
Nascent Solutions, Inc.	Cameroon	Corn-Soy Blend Plus, Fortified Milled Rice, Pinto Beans, Vegetable Oil	9,290	\$5	\$2	\$11	\$6	\$3	\$27
Save the Children Federation, Inc.	Guatemala	Black Beans, Fortified Milled Rice, Vegetable Oil	7,740	\$5	\$1	\$11	\$7	\$2	\$27
Counterpart International, Inc.	Senegal	Fortified Milled Rice, Green Split Peas, Soy-Fortified Cornmeal, Vegetable Oil	3,380	\$2	\$1	\$10	\$7	\$1	\$21
Catholic Relief Services	Sierra Leone	Fortified Milled Rice, Lentils, Vegetable Oil	6,940	\$4	\$2	\$10	\$6	\$3	\$25
Save the Children Federation, Inc.	Sri Lanka	Pink Salmon, Split Yellow Peas	4,220	\$8	\$1	\$5	\$9	\$3	\$26
CARE, Inc.	Timor-Leste	Dark Red Kidney Beans, Fortified Milled Rice, Vegetable Oil	3,240	\$2	\$1	\$13	\$9	\$1	\$26
<b>Totals</b>			<b>43,720</b>	<b>\$31</b>	<b>\$12</b>	<b>\$66</b>	<b>\$52</b>	<b>\$15</b>	<b>\$176</b>

\*Ethiopia McGovern-Dole award is not included due to pending negotiations

### iii. Total Beneficiaries

**Table 7a: FY 2018 USDA McGovern Dole Feed the Future Indicators**

Indicator	FY 2018 (Actual)
ES.5-1: Number of USG social assistance beneficiaries participating in productive safety nets	3,044,585
EG.3.2-5: Number of public-private partnerships formed as a result of FTF assistance	187

**Table 7b: USDA McGovern-Dole Beneficiaries in FY 2018, by Agreement Year**

Country	Implementer	Beneficiaries in FY 2018
<b>2012 Agreements</b>		
Kyrgyz Republic	Mercy Corps	40,267
<b>2013 Agreements</b>		
Ethiopia	World Food Programme	293,282
<b>2014 Agreements</b>		
Bangladesh	World Food Programme	402,432
Benin	Catholic Relief Services	48,625
Burkina Faso	Catholic Relief Services	245,260
Guatemala	Save the Children	46,068
Laos	World Food Programme	140,579
Nepal	World Food Programme	236,977
Nicaragua <sup>1</sup>	World Vision	0
Republic of Senegal	Counterpart International	47,688
<b>2015 Agreements</b>		
Cameroon	Nascent Solutions	43,480
Cote D'Ivoire	World Food Programme	139,565
Guinea-Bissau	World Food Programme	160,048
Honduras	Catholic Relief Services	71,838
Mali	Catholic Relief Services	67,255
Mozambique	Planet Aid International	92,081
Mozambique	World Vision	68,444
Rwanda	World Food Programme	86,640
Sierra Leone	Catholic Relief Services	36,200
<b>2016 Agreements</b>		
Cambodia	World Food Programme	188,550
Guatemala	Catholic Relief Services	69,859
Guatemala	Project Concern International	62,368
Haiti	World Food Programme	158,967
Kenya	World Food Programme	341,635
Laos	Catholic Relief Services	43,920
Malawi	World Food Programme	640,665
Tanzania	Project Concern International	181,537
<b>2017 Agreements</b>		
Bangladesh	World Food Programme	4949
Benin <sup>2</sup>	Catholic Relief Services	0
Congo <sup>3</sup>	World Food Programme	0
Kyrgyz Republic <sup>4</sup>	Mercy Corps	0

Laos	World Food Programme	131,954
Liberia	Save the Children	1,556
Nepal	World Food Programme	204,955
Nicaragua	Project Concern International	79,014
<b>2018 Agreements*</b>		
Burkina Faso	Catholic Relief Services	0
Cameroon	Nascent Solutions	0
Ethiopia	World Food Programme	0
Guatemala	Save the Children	0
Republic of Senegal	Counterpart International	0
Sierra Leone	Catholic Relief Services	0
Sri Lanka	Save the Children	0
Timor Leste	CARE	0
<b>FY 2018 TOTALS</b>		
<b>Countries</b>	<b>Active Projects</b>	<b>Beneficiaries</b>
27	43	4,376,658

*1 Due to political disruptions and external factors, direct beneficiary data for FY 2018 is currently being collected during an evaluation in progress as of June 2019.*

*2 A prolonged teacher's strike delayed the start of project activities until FY 2019.*

*3 Distribution of school meals began in October 2018 (FY 2019).*

*4 Direct beneficiaries overlapped with the FY 2012 Kyrgyz Republic agreement and are reported for that project.*

*\*FY 2018 Awards were signed around September 30, 2018, thus, by design, FY 2018-funded projects do not reach any project beneficiaries during FY 2018. FY 2018 Ethiopia is not considered an active project due to pending negotiations.*

#### iv. Local and Regional Food Aid Procurement

Under the authority of Section 3206 of the Food, Conservation, and Energy Act of 2008, as amended, the LRP program provides a complementary mechanism for delivering international food assistance. The objectives of LRP for development include strengthening the ability of local and regional farmers, community farmer groups, farmer cooperatives and associations, processors, and agribusinesses to provide high-quality commodities; enhance organizations and governments abilities to procure such commodities, preferably in support of school feeding programs. The funding authorization is for field-based development projects to procure eligible commodities produced within the target region. Preference for funding is given to active projects under McGovern-Dole to leverage opportunities within existing projects, and open new school feeding markets to local and regional producers, and the Consolidated Appropriations Act, 2018 directed \$10 million of FY 2018 McGovern-Dole program funds to be used to conduct USDA Local and Regional Food Aid Procurement (LRP). In FY 2018, USDA awarded a total value of \$10 million. This was allocated in Guatemala, Honduras, and Senegal, under cooperative agreements with Project Concern International (PCI), Catholic Relief Services (CRS), and Counterpart International (CPI), respectively. Through these awards, LRP projects are intended to build the capacity of smallholder farmers to supply agricultural produce to designated McGovern-Dole funded schools. Across the other active agreements implemented in FY 2018, LRP programs reached over 91,000 direct beneficiaries.

Note that USDA submits in greater detail a separate annual Local and Regional Food Aid Procurement report to Congress.

## v. Water Projects

The Consolidated Appropriations Act of 2018 stipulated that \$1,000,000 of the FY 2018 McGovern-Dole appropriation be used to implement recently developed potable water technologies in school feeding projects. USDA awarded \$1 million funds across four active McGovern-Dole projects in Kyrgyz Republic, Lao PDR, Tanzania, and Republic of Congo to provide proven and established technologies intended to improve access to sustainable and clean drinking water solutions to the McGovern-Dole supported schools. In Kyrgyzstan, Mercy Corps will work with the Ministry of Education to assess existing water supplies, infrastructure, and treatment practices to determine the specific needs of each school and develop and hand-over a tailor-made water purification system for each school. In Laos, Catholic Relief Services will collaborate with national and local governments to distribute locally-produced ceramic water filters and perform regular water quality tests at targeted schools. In Tanzania, Project Concern International will work with school communities to design and produce potable water technologies that best suit each school's unique context, while focusing on water quality testing to ensure the reliability of the systems. In the Republic of Congo, under an award still pending negotiation, the World Food Programme will collaborate with the national and regional authorities for water resources management to design solar-powered water pumps, water storage containers and gravity-fed delivery taps at each targeted school.

## vi. Project Stories

### McGovern-Dole: Kenya

In 2018, Kenya became the first country in Africa and the third nation globally to successfully transition from McGovern-Dole-sponsored school feeding to a national school feeding program led by the host country government. The Government of Kenya is proud to be a leader in school feeding and has numerous successes and lessons learned to offer.

School feeding is part of Kenya's plan to address food security, which especially affects rural parts of the country. In these areas, nomadic pastoralists move from one sparsely vegetated area to another in search of grazing land for their livestock. Arid regions in Kenya receive as little as four inches of rain per year. These environments create long-term barriers to food security for residents, which particularly impacts children. About half of school children in these areas report their first meal of the day is the meal they receive at school.



Kenyan primary school students consuming a USDA-provided ration. (Courtesy: WFP)

Kenya's school feeding program began in 1980, when the program was originally launched by WFP. In 2004, McGovern-Dole school feeding was initiated through a partnership with WFP and has since reached over 1.3 million children across 4,048 schools. In FY 2018 alone, a total of 1,255 schools received bulgur wheat, split peas, and oil through McGovern-Dole and fed 341,635 children. Over the last decade, the Government of Kenya has explored how to become less reliant on external assistance and sustain school feeding. One year before transitioning schools, USDA began preparational activities that supported the Government of Kenya's vision of a cash transfer system. USDA trained school administrators and management committees on money transfer management, tendering, procurement of

local food, and quality control. USDA also aligned LRP funding in Kenya for a total of \$1,000,000 to develop, use, and promote diverse school meal menus based on locally-produced, nutritious, and drought-tolerant crops, including sorghum, millet, and cowpeas. This local procurement of sorghum and cowpeas supported McGovern-Dole sustainability strategy and handover plan to the host government. Procurement of food from the local farmers is intended to stimulate local food production, increase their incomes, and create additional jobs in the community.



*Picture 3: Smallholder farmers supported by LRP work together to produce marketable surplus to sell to buyers after the next harvest (Courtesy: WFP)*

### **LRP: Rwanda**

The LRP project in Rwanda established 241 savings groups (2,300 members) by working with farmers' cooperatives to provide access to financial institutions, which opened doors to increased investment in agriculture technology, resulting in more than 95 percent of farmers in those cooperatives using improved inputs (seeds and inorganic fertilizers).

The 240-member KAIMU cooperative has been especially impacted by the LRP program. The farmers in KAIMU, 57 percent of whom are women, have used lessons from USDA-sponsored trainings to set annual goals for their farms and create a business plan for the cooperative. The LRP project (valued at \$2 million, implemented by WFP) in Rwanda is intended to promote market access for small holder farmers through the facilitation of forward delivery contracts between private-sector off-takers and market-ready farmer organizations. This project is aimed at complementing the existing McGovern-Dole Project in Rwanda with the procurement of maize meal and beans. During the first year and a half of project implementation, the project purchased 190 MT of beans directly from LRP supported cooperatives and almost 1,100 MT of maize meal directly from Minimex, the only local producer of fortified maize meal that meets quality standards, to supply McGovern-Dole supported schools.

This model of aligned programming between the McGovern-Dole and LRP has intended to improve enrollment, attendance, and attentiveness and strengthening of local producer cooperatives and production levels.

## **III. Participation in the Food Aid Consultative Group**

Pursuant to Section 205 of the Food for Peace Act, USAID and USDA convene the Food Aid Consultative Group (FACG) biannually. FACG brings together stakeholders including partners, commodity groups, the maritime industry, and others with an interest in U.S. Government food assistance programs. FACG provides important updates on food assistance policies, procedures, and funding opportunities, and provides feedback to USAID and USDA on policies and guidance. The group convenes to discuss updates on food assistance programs and address topics of interest.

In FY 2018, FACG convened in December 2017 and June 2018 to hold in-depth discussions on USDA's food assistance programs, including FFPr. In December 2017, discussions on FFPr included the implications of staffing numbers relative to the size of program funding, In June 2018, discussions on FFPr focused on sale tender trends in commodities and freight costs, improvements in program application reviews and data storage, and making USDA project evaluations public.

## IV. Appendices

### a. FY 2018 Awards by Program

CCC-Funded Food for Progress (10 countries)	McGovern-Dole (8 countries)	Local Regional Procurement (3 countries)
Philippines	Burkina Faso	Honduras
Egypt	Cameroon	Senegal
Cambodia	Guatemala	Guatemala
Georgia	Senegal	
Ecuador	Sierra Leone	
El Salvador*	Sri Lanka	
Guatemala*	Timor Leste	
Honduras*	Ethiopia**	
Nicaragua*		
Peru		

\*Program funding through Latin American Regional award, provided by FFP

\*\* Ethiopia McGovern-Dole award is still pending and not included due to pending negotiations.

### b. FY 2018 FFP Rate of Return on Monetization and Use of Proceeds

**Table 8: Actual Rate of Return on Monetization by Commodity in FY 2018 (\$ millions)<sup>7</sup>**

Country	Commodity	Quantity (MT)	Commodity Cost	Freight Cost	Total Cost to USDA	Actual Proceeds	Rate of Return (%)
Burkina Faso	Rice, Milled	15,440	8.22	2.60	10.82	7.26	67.07%
Dominican Republic	CDSO	7,000	4.55	0.90	5.45	4.90	89.94%
El Salvador	SBM	13,200	6.06	1.83	7.89	4.87	61.67%
Ethiopia	Wheat, HRW	30,000	5.67	4.84	10.51	7.16	68.11%
Ghana	Soybeans, Whole	6,000	2.32	0.91	3.23	2.28	70.55%
Ghana	SBM	5,000	2.23	0.76	2.98	1.70	56.99%
Ghana	Wheat, HRW	10,000	2.36	0.75	3.11	2.4	77.19%
Guatemala	CDSO	4,000	2.72	0.56	3.28	2.92	89.03%
Honduras	SBM	25,000	11.27	2.05	13.32	9.24	69.34%
Mali	Wheat, HRW	15,000	2.97	1.91	4.88	4.10	83.95%
Nicaragua	CDSO	4,000	3.12	1.52	4.63	3.09	66.68%
Senegal	CDSO	6,000	4.59	2.24	6.83	4.62	67.65%
Senegal	CDSO	5,000	3.40	0.55	3.95	3.50	88.62%
Sri Lanka	Wheat, DNS	39,800	12.96	1.75	14.71	10.82	73.58%
<b>Grand Total</b>		<b>185,440</b>	<b>72.44</b>	<b>23.15</b>	<b>95.59</b>	<b>68.84</b>	
<b>Rate of Return average in FY 2018</b>							<b>72.02%</b>

<sup>7</sup> These data are also reported in the Annual Food for Progress Report to Congress