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CARE Turns Down U.S. Food Aid

By Eben Harrell

A major international charity has decided to turn down millions of dollars worth of grain from the U.S. government to feed the world's hungry because it believes America's method of delivering vital food supplies does more harm than good.

The decision by CARE International comes during heated debate over how America should deliver food to 70 million of the world's starving and most desperately poor.

While the U.S. is responsible for almost half of all food donations to the developing world, it has become increasingly isolated because of its method for doing so. It is the only country to utilize "monetized food aid," a method by which grain is shipped from America to charities in the developing world, who then sell the grain in the local market and invest the proceeds for its own programs.

CARE has decided to phase out all such monetized food aid by 2009, turning its back on $46 million a year in U.S. federal funding. The charity said selling food to fund its programs is inefficient and often delivers life-sustaining grain not to the hungry but to those who can afford it. It says it made the decision to abandon the controversial source of funding in 2005, but chose to make the decision public in an article in the International Herald Tribune on Wednesday in order to make a stand as Congress debates an overhaul of its food aid program in a new farm bill this summer.

"If we are trying to limit people's vulnerability to food insecurity, we just couldn't see how we could continue [monetized food aid] in good faith," David Kauck, Senior Advisor at Care told TIME.

Monetized food aid is not a major method of getting food to the developing world—only 22% of all food aid was sold rather than distributed in 2005. European countries all but phased out monetized food aid in the 1990s and the world's largest food aid distributor—the U.N.'s World Food Program—does not allow any of its grain to be sold by NGOs.

Food aid was a sticking point at the 2001 Doha trade talks, amid complaints that the U.S.'s insistence that its food aid be grown at home amounts to a subsidy. Many European NGOs argue that this policy, coupled with the U.S. law that 75% of food aid be carried by U.S. ships, means food often arrives too late, floods local markets and damages indigenous farming.

They argue that food aid should come, when possible, from the closest producer to the needy area. E.U. policy reflects this sentiment; less than 10% of its food-aid budget is now reserved for European-grown food. (Led by the British-based international charity Oxfam, many NGOs go further, arguing that cash injections into local economies is the best way to fight hunger).

Responding to these criticisms, the Bush administration has called for one quarter of the food aid budget be shifted from commodities to cash, but the fate of any change to the U.S. food aid program lies with Congress, which is currently debating a new farm bill. And it is unlikely that other charities in the cash-strapped world of NGOs will follow CARE's lead and boycott a flawed but important form of government funding. Save the Children USA, which along with CARE is a major recipient of monetized food aid, called food aid a "vital resource," but added that it "shares CARE's frustration."

Christopher Barrett, an economist at Cornell University who has studied food aid programs, said CARE's decision to abandon monetized food aid removes the taboo that has surrounded discussion over whether U.S. grain shipped to hungry mouths could actually be harmful. "The fact that they are willing to forgo significant funding sends a message," he says. "This has political ramifications in the U.S., as CARE has for 50 years been been the leading distributor of U.S. food aid. No one argues that [current food aid arrangements] are not inefficient; the question is whether they are also damaging."