

Testimony of

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Committee on Agriculture**

Public Hearing: U.S. International Food Aid Programs

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Introduction

Chairman Conaway, Ranking Member Peterson and Members of the Committee, I want to thank you for holding this important hearing regarding U.S. international food aid programs. I appreciate the opportunity to offer my testimony on behalf of USA Rice.

My name is Jamie Warshaw and I am a native of Lake Charles, Louisiana, where I currently live and serve as the CEO of Farmers Rice Milling Company. I have been with Farmers Rice since 1986 and have managed the company and its nearly 90 employees as the CEO since 1996.

In addition to my paid position, I have spent nearly the last 20 years volunteering through leadership positions with USA Rice, the trade association and global advocate for all sectors of the U.S. rice industry. My most important role with the organization was several years ago when I served a term as the Chairman of the USA Rice Federation, overseeing the Rice Millers' Association, USA Rice Producers Group, USA Rice Merchants and the USA Rice Council.

I currently serve as a member on several of the organization's boards and committees but most appropriately for today's hearing, I serve as the Chairman of the USA Rice Food Aid Subcommittee of the International Promotion Committee.

U.S. Rice Involvement in Food Aid

In addition to milling rice for domestic consumption and for our export customers, Farmers Rice Mill has provided rice to feed populations in need as part of U.S. international food aid programs. Over the past ten years alone our mill has provided 300,000 metric tons of rice to successful food aid programs such as the U.S. Agency for International Development's (USAID) Food for Peace, United States Department of Agriculture's (USDA) Food for Progress and McGovern-Dole Food for Education. These programs have had measurable successes reducing hunger and malnutrition while also supporting education, democracy, and agricultural development in vulnerable populations throughout the world.

Over the past 60 years that the Food for Peace program has been in operation, the United States has provided significant quantities of food assistance, credited with saving billions of lives from starvation and malnutrition and fostering good will amongst the recipients of the aid.

Rice plays a vital role in making this process a success. Since 2007 over one million metric tons of rice have been delivered to hungry recipients in the form of global food assistance. As the most consumed commodity worldwide, rice is leading the way in developing new cutting-edge products that not only meet the demands of hunger but also curb persistent nutritional deficiencies.

Through the McGovern-Dole Food for Education Program, USDA conducted a series of micronutrient pilot programs. The first successful result was a school feeding intervention in

Cambodia using fortified rice which provides eight critical micronutrients including iron and Vitamin A.

USA Rice is continuing to work with USAID, USDA, and other aid organizations to increase the successful and effective use of fortified rice in food assistance.

Unfortunately, despite all the efforts of the United States and other countries, there is still a significant number of people across the world that are food insecure. Therefore, I appreciate efforts by USAID and various members of Congress who are looking for ways to make food aid programs more effective, but I have serious concerns about many of the policy proposals and reforms that have been laid on the table.

U.S. Food Aid Reform

In-kind food aid has been an essential part of our nation's global food assistance programs since their inception many years ago. The label on our commodities alone carries some heavy significance. When I sell rice from our mill to be used for food aid, I know with confidence it will be grown in the U.S. and packaged and distributed in bags that feature the label, "From the American People." This is a clear statement of the commitment the United States has to fighting global food insecurity and is a symbol that is intended to help foster international good will. While this may not be quantifiable and is often ignored by those that seek to make changes to the program, it is a benefit nonetheless that cannot be overlooked.

Proposed methods of replacing in-kind aid with cash vouchers or local and regional procurement have serious and extensively documented flaws.

A recent internal audit of World Food Programme initiatives and a Government Accountability Office (GAO) review of the Emergency Food Security Program administered by USAID exposed some of the flaws. The GAO report found that aid was being distributed in conflict zones like Syria with little to no oversight, in some cases via cash in envelopes. It doesn't take a Ph.D. in international studies to know that injecting cash with little to no monitoring of how it is used into a warzone will only lead to dangerous consequences. The lack of oversight and diversion of aid was also noted in the same audit of its cash voucher process.

Another proposed reform to food aid programs is the utilization of local and regional procurement (LRP) where commodities are purchased locally in food insecure areas and distributed to needy recipients. By increasing the local demand for commodities, LRP can spike the cost of food, widen the circle of food insecurity and turn many of those that could have afforded food prior to the intervention into recipients of aid themselves. Additionally, issues with food quality and food safety concerns have arisen with products purchased overseas since they are not subject to the same extensive food safety regulations as U.S.-produced food.

Conclusion

As an industry we've invested significant capital, time and effort in being a timely and reliable supplier of food aid for the various program currently in use. Looking forward we are developing fortified rice and rice products aimed to reduce global hunger and malnutrition, particularly in women and children. We have had great success so far but as I said, global food insecurity is a challenge we're still facing. The continued delivery of in-kind food aid is necessary to help avoid many of these potentially serious consequences of program reforms.

U.S.-grown and processed commodities are without question the safest and highest quality products available. And, what I feel is one of the most important distinctions is that in-kind food aid allows farmers to directly contribute something tangible to the benefit of those less fortunate across the globe.

I am proud to supply rice toward international food aid programs and I hope that the members of this committee will continue to allow U.S. agriculture to play the central role in combating global hunger.

Again, thank you for your leadership and for the opportunity to offer my testimony this morning. I look forward to working with you and your staff and will be happy to respond to any questions you might have.