

(i) to be eligible to receive resources based on assessments of need conducted by those organizations and entities; and

(ii) to implement food aid programs in agreements with donor countries; and

(C) ensure, to the maximum extent practicable, that options for providing food aid for emergency and nonemergency needs shall not be subject to limitation, including in-kind commodities, provision of funds for agricultural commodity procurement, and monetization of commodities, on the condition that the provision of those commodities or funds—

(i) is based on assessments of need and intended to benefit the food security of, or otherwise assist, recipients, and

(ii) is provided in a manner that avoids disincentives to local agricultural production and marketing and with minimal potential for disruption of commercial markets; and

(2) the United States should increase its contribution of bona fide food assistance to developing countries consistent with the Agreement on Agriculture.

(July 10, 1954, ch. 469, § 3, as added Pub. L. 94-161, title II, § 202, Dec. 20, 1975, 89 Stat. 851; amended Pub. L. 101-624, title XV, § 1512, Nov. 28, 1990, 104 Stat. 3633; Pub. L. 104-127, title II, § 201(a), Apr. 4, 1996, 110 Stat. 951; Pub. L. 110-246, title III, § 3003, June 18, 2008, 122 Stat. 1821.)

AMENDMENTS

2008—Subsec. (b). Pub. L. 110-246 reenacted introductory provisions without change, added par. (1), and struck out former par. (1) which read as follows: “the President should initiate consultations with other donor nations to consider appropriate levels of food aid commitments to meet the legitimate needs of developing countries; and”.

1996—Pub. L. 104-127 substituted “Food aid to developing countries” for “Global food aid needs” in section catchline and amended text generally. Prior to amendment, text read as follows: “In view of the principal findings of the National Research Council of the National Academy of Sciences that doubling food aid above 1990 levels of about 10,000,000 metric tons per year would be necessary to meet projected global food needs throughout the decade of the nineties, it is the sense of Congress that the President should—

“(1) increase the contributions of food aid by the United States, and encourage other donor countries to increase their contributions toward meeting new food aid requirements; and

“(2) encourage other advanced nations to make increased food aid contributions to combat world hunger and malnutrition, particularly through the expansion of international food and agricultural assistance programs.”

1990—Pub. L. 101-624 amended section generally, substituting present provisions for provisions urging President to maintain United States food assistance and encourage other countries to increase their contributions, in order to meet annual goal of World Food Conference of providing 10,000,000 tons of food assistance annually for needy nations.

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment by Pub. L. 110-246 effective May 22, 2008, see section 4(b) of Pub. L. 110-246, set out as an Effective Date note under section 8701 of this title.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-624 effective Jan. 1, 1991, see section 1513 of Pub. L. 101-624, set out as a note under section 1691 of this title.

WORLD FOOD CONFERENCE RECOMMENDATIONS

Pub. L. 94-161, title II, § 213, Dec. 20, 1975, 89 Stat. 855, directed the President to strengthen the efforts of the United States to carry out the recommendations of the World Food Conference and to submit a detailed report to the Congress not later than Nov. 1, 1976, prior to repeal by Pub. L. 97-113, title VII, § 734(a)(7), Dec. 29, 1981, 95 Stat. 1560.

SUBCHAPTER I—BARTER

§ 1692. Transferred

CODIFICATION

Section, act July 10, 1954, ch. 469, title III, § 310, formerly § 303, 68 Stat. 459, as amended and renumbered, which related to bartering authority of Secretary, was transferred to section 1727g of this title.

§§ 1693 to 1697. Repealed. Pub. L. 89-808, § 2(D), Nov. 11, 1966, 80 Stat. 1535

Section 1693, acts July 10, 1954, ch. 469, title III, § 304, 68 Stat. 459; Aug. 13, 1957, Pub. L. 85-128, § 1(6), 71 Stat. 345; Oct. 8, 1964, Pub. L. 88-638, § 1(16), 78 Stat. 1037, provided for assistance to friendly nations in being independent of Russian or Communist Chinese trade, prevention of increased availability of commodities to unfriendly nations, and nonauthorization of transactions with Russia or Communist China. See section 1703(j) of this title.

Section 1694, acts July 10, 1954, ch. 469, title III, § 305, 68 Stat. 459; Sept. 21, 1959, Pub. L. 86-341, title I, § 10, 73 Stat. 607, provided for identification of packages and containers by appropriate markings. See section 1722 of this title.

Section 1695, act July 10, 1954, ch. 469, title III, § 306, as added Sept. 21, 1959, Pub. L. 86-341, title I, § 11, 73 Stat. 608, provided for distribution of surplus food commodities to needy persons in United States: authorization, term of program, and cost limitation; duties of Secretary of Agriculture; issuance of food stamps and their redemption; receipt of benefits not deemed income or resources under provisions of other laws; availability of surplus foods for distribution; definition of needy person; report to Congress; and authorization of appropriations. See Supplemental Nutrition Assistance Program classified to chapter 51 of this title.

Section 1696, act July 10, 1954, ch. 469, title III, § 307, as added Sept. 21, 1959, Pub. L. 86-341, title I, § 12, 73 Stat. 609, provided for availability of surplus commodities for distribution to needy families and persons in United States. See Supplemental Nutrition Assistance Program classified to chapter 51 of this title and provisions of section 1721 et seq. of this title relating to donations of food on a government-to-government basis and through voluntary organizations.

Section 1697, act July 10, 1954, ch. 469, title III, § 308, as added Sept. 21, 1959, Pub. L. 86-341, title I, § 13, 73 Stat. 609; amended Sept. 27, 1962, Pub. L. 87-703, title II, § 203, 76 Stat. 611, related to disposal of animal fats and edible oils. See section 1721 et seq. of this title.

EFFECTIVE DATE OF REPEAL

Repeal effective Jan. 1, 1967, see section 5 of Pub. L. 89-808, set out as an Effective Date of 1966 Amendment note under section 1691 of this title.

SUBCHAPTER II—ECONOMIC ASSISTANCE AND FOOD SECURITY

§ 1701. Economic assistance and food security

(a) In general

The President shall establish a program under this subchapter to provide for the sale of agri-

cultural commodities to developing countries and private entities for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under this subchapter. Such program shall be implemented by the Secretary.

(b) General authority

To carry out the policies and accomplish the objectives described in section 1691 of this title, the Secretary may negotiate and execute agreements with developing countries and private entities to finance the sale and exportation of agricultural commodities to such countries and entities.

(July 10, 1954, ch. 469, title I, §101, 68 Stat. 455; Pub. L. 85-931, §1, Sept. 6, 1958, 72 Stat. 1790; Pub. L. 87-128, title II, §201(1), Aug. 8, 1961, 75 Stat. 306; Pub. L. 88-205, pt. IV, §403(a), Dec. 16, 1963, 77 Stat. 390; Pub. L. 88-638, §1(1), (2), Oct. 8, 1964, 78 Stat. 1035; Pub. L. 89-808, §2(B), Nov. 11, 1966, 80 Stat. 1526; Pub. L. 97-113, title IV, §401(1), Dec. 29, 1981, 95 Stat. 1537; Pub. L. 99-198, title XI, §1111(c), Dec. 23, 1985, 99 Stat. 1474; Pub. L. 100-202, §8, Dec. 22, 1987, 101 Stat. 1329-447; Pub. L. 101-624, title XV, §1512, Nov. 28, 1990, 104 Stat. 3633; Pub. L. 104-127, title II, §202, Apr. 4, 1996, 110 Stat. 951; Pub. L. 110-246, title III, §3004(b), June 18, 2008, 122 Stat. 1822.)

AMENDMENTS

2008—Pub. L. 110-246 substituted “Economic assistance and food security” for “Trade and development assistance” in section catchline.

1996—Subsec. (a). Pub. L. 104-127, §202(1), inserted “and private entities” after “developing countries”.

Subsec. (b). Pub. L. 104-127 inserted “and private entities” after “developing countries” and “and entities” after “such countries”.

1990—Pub. L. 101-624 amended section generally, substituting present provisions for provisions authorizing President to negotiate agreements with friendly countries for sales of commodities for dollars on credit terms, or for foreign currencies, on credit or on terms permitting conversion to dollars, setting minimum level for sales in foreign currencies, limiting extent of sales for foreign currency to amounts that can be productively used in private sector of foreign country, and requiring that sales for foreign currency through financial intermediaries be on terms and conditions specified in agreements.

1987—Subsec. (b)(1). Pub. L. 100-202, §8(1), inserted provisions which required for each of fiscal years 1988 through 1990 that each agreement provide for some sale of foreign currencies for use under section 1708 of this title unless the President determines that the level of agricultural commodities furnished under this subchapter will be significantly reduced as a result of this sentence.

Subsec. (b)(2). Pub. L. 100-202, §8(2), inserted “, or enter into sales agreements not providing for sales for foreign currencies for use under section 1708 of this title,” after “currencies”.

1985—Pub. L. 99-198 in amending section generally, incorporated existing text in provisions designated subsec. (a) and added subsecs. (b) to (d).

1981—Pub. L. 97-113 substituted “, to the extent that sales for dollars under the terms applicable to such sales are not possible, for foreign currencies on credit terms and on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement” for “for foreign currencies”.

1966—Pub. L. 89-808 substituted “agreements with friendly countries to provide for the sale of agricultural commodities for dollars on credit terms or for foreign currencies” for “agreements with friendly na-

tions or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies” and struck out subsecs. (a) to (d), (f), and (g), relating to safeguarding usual marketings and disruption of world prices and normal patterns of commercial trade with friendly countries, use of private channels to maximum extent practicable, development and expansion of foreign markets, restrictive commitments from participating countries, exchange rates, and currency conversion, now covered by section 1703(c), (e) to (h), and (m)(1) of this title, respectively, and subsec. (e), relating to maximum opportunity for friendly nation to purchase surplus agricultural commodities.

1964—Subsec. (f). Pub. L. 88-638, §1(1), inserted “, and which are not less favorable than the highest of exchange rates obtainable by any other nation”, and struck out “from the government or agencies thereof” before “in the respective countries”.

Subsec. (g). Pub. L. 88-638, §1(2), added subsec. (g).

1963—Subsec. (f). Pub. L. 88-205 substituted “the highest of exchange rates legally obtainable from the Government or agencies thereof” for “the rates at which United States Government agencies can buy currencies from the United States disbursing officers”.

1961—Subsec. (f). Pub. L. 87-128 added subsec. (f).

1958—Subsec. (a). Pub. L. 85-931 required President to take reasonable precautions to assure that sales of surplus commodities would not disrupt normal patterns of commercial trade with friendly countries.

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment by Pub. L. 110-246 effective May 22, 2008, see section 4(b) of Pub. L. 110-246, set out as an Effective Date note under section 8701 of this title.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-624 effective Jan. 1, 1991, see section 1513 of Pub. L. 101-624, set out as a note under section 1691 of this title.

EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-808 effective Jan. 1, 1967, see section 5 of Pub. L. 89-808, set out as a note under section 1691 of this title.

EMERGENCY FOOD ASSISTANCE TO INDIA

Pub. L. 90-7, Apr. 1, 1967, 81 Stat. 7, provided: “That the Congress approves the participation of the United States in cooperation with other countries and with multilateral organizations, including the International Bank for Reconstruction and Development, the Organization for Economic Cooperation and Development, the Food and Agriculture Organization, and others, in urgent international efforts designed to—

“(a) develop a comprehensive self-help approach to the war on hunger based on a fair sharing of the burden among the nations of the world;

“(b) encourage and assist the Government of India in achieving food self-sufficiency; and

“(c) help meet India’s critical food and nutritional needs by making available agricultural commodities or other resources needed for food procurement or production.

“Because uncertainty in connection with Public Law 480 transactions tends to depress market prices, it is the sense of Congress that, in carrying out this Aid to India program, the Administration should, subject to the requirement of section 401 of Public Law 480 [section 1731 of this title] with respect to the availability of the commodity at the time of exportation, make announcements of intention, purchases and shipments of commodities on schedules and under circumstances which will protect and strengthen farm market prices to the maximum extent possible.

“The Congress endorses the President’s policy of equal participation on the part of the United States with all other nations, under terms and conditions set forth in Public Law 480, as amended [this chapter], in assisting the Government of India to meet these needs.

“Further, the Congress recommends, on the basis of estimates now available, that the United States provide an additional amount of food grain not to exceed three million tons at an estimated cost of \$190,000,000 as the United States share toward meeting the India food deficit, provided it is appropriately matched, and specifically extends its support to the allocation of approximately \$190,000,000 of funds available to the Commodity Credit Corporation in calendar year 1967 which will be required to accomplish this purpose.

“The Congress further recommends that the President provide an additional \$25,000,000 of emergency food relief for distribution by CARE and other American voluntary agencies.”

COTTON AND COTTON PRODUCTS

Pub. L. 85-931, §8, Sept. 6, 1958, 72 Stat. 1792, as amended by Pub. L. 89-808, §3(d), Nov. 11, 1966, 80 Stat. 1538; Pub. L. 110-246, title III, §3001(c), June 18, 2008, 122 Stat. 1821, provided that: “In carrying out the provisions of the Food for Peace Act, as amended [this chapter], extra long staple cotton shall be made available for sale pursuant to the provisions of title I of the Act [this subchapter] in the same manner as upland cotton or any other surplus agricultural commodity is made available, and products manufactured entirely from upland or long staple cotton shall be made available for sale pursuant to the provisions of title I of the Act [this subchapter] as long as cotton is in surplus supply in the same manner as any other agricultural commodity or product is made available, and no discriminatory or other conditions shall be imposed which will prevent or tend to interfere with their sale or availability for sale under the Act [this chapter].”

[Amendment by Pub. L. 89-808 effective Jan. 1, 1967, see section 5 of Pub. L. 89-808, set out as a note under section 1691 of this title.]

CARGO PREFERENCE LAW EXEMPTION

Act Aug. 3, 1956, ch. 933, §3, 70 Stat. 988, provided that: “Sales of fresh fruit and the products thereof under title I of the Act [sections 1701 to 1704, 1705 to 1707, 1708 to 1711 of this title] shall be exempt from the requirements of the cargo preference laws (Public Resolution 17, Seventy-third Congress (15 U.S.C. 616a) [now 46 U.S.C. 55304] and section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)) [now 46 U.S.C. 55305)].”

IMPLEMENTATION OF PROGRAM

Program under this subchapter to provide for sale of agricultural commodities to developing countries to be implemented by Secretary of Agriculture, see Ex. Ord. No. 12752, §1(a), Feb. 25, 1991, 56 F.R. 8255, set out as a note under section 1691 of this title.

§ 1702. Agreements regarding eligible countries and private entities

(a) Priority

In selecting agreements to be entered into under this subchapter, the Secretary shall give priority to agreements providing for the export of agricultural commodities to developing countries that—

(1) are undertaking measures for economic development purposes to improve food security and agricultural development, alleviate poverty, and promote broad-based equitable and sustainable development; and

(2) demonstrate the greatest need for food.

(b) Private entities

An agreement entered into under this subchapter with a private entity shall require such security, or such other provisions as the Secretary determines necessary, to provide reasonable and adequate assurance of repayment of the financing extended to the private entity.

(July 10, 1954, ch. 469, title I, §102, 68 Stat. 455; Apr. 25, 1955, ch. 27, 69 Stat. 44; Pub. L. 88-638, §1(3), Oct. 8, 1964, 78 Stat. 1035; Pub. L. 89-808, §2(B), Nov. 11, 1966, 80 Stat. 1526; Pub. L. 90-436, §9, July 29, 1968, 82 Stat. 451; Pub. L. 95-88, title II, §201(a), Aug. 3, 1977, 91 Stat. 545; Pub. L. 95-113, title XII, §1201, Sept. 29, 1977, 91 Stat. 955; Pub. L. 101-624, title XV, §1512, Nov. 28, 1990, 104 Stat. 3634; Pub. L. 104-127, title II, §203, Apr. 4, 1996, 110 Stat. 951; Pub. L. 110-246, title III, §3005, June 18, 2008, 122 Stat. 1822.)

AMENDMENTS

2008—Subsec. (a). Pub. L. 110-246, §3005(1), redesignated pars. (2) and (3) as (1) and (2), respectively, and struck out former par. (1) which read as follows: “have the demonstrated potential to become commercial markets for competitively priced United States agricultural commodities;”.

Subsec. (c). Pub. L. 110-246, §3005(2), struck out subsec. (c) which related to agricultural market development plan pursuant to which a developing country could demonstrate potential to become a commercial market for competitively priced United States agricultural commodities for the purpose of being granted a priority under former subsec. (a)(1).

1996—Pub. L. 104-127 amended section generally, substituting present provisions for provisions outlining eligibility of developing countries for assistance under this subchapter and factors in determining priority for assistance.

1990—Pub. L. 101-624 amended section generally, substituting present provisions for provisions authorizing Commodity Credit Corporation to finance sales from its own and private stocks, and allowing it, upon request, to serve as purchasing and/or shipping agent.

1977—Pub. L. 95-113 inserted provisions authorizing the Corporation, when requested by the purchaser of commodities, to serve as the purchasing or shipping agent, or both, in arranging the purchasing or shipping of the commodities.

Pub. L. 95-88 struck out proviso prohibiting the financing by the Commodity Credit Corporation of the sale and export of agricultural commodities where the exporter had engaged in any sales, trade, or commerce with North Vietnam, or with any resident thereof, or which owned or controlled any company so engaged either directly or indirectly, and struck out an additional proviso requiring that financing applications be accompanied by statements in which were listed the branches, etc., in which the applicant had a controlling interest and the companies which had a controlling interest in the applicant company.

1968—Pub. L. 90-436 inserted proviso that the Commodity Credit Corporation should not finance the sale and export of any agricultural commodities where the exporter has engaged in any sales, trade or commerce with North Vietnam, or with any resident thereof, or which owns or controls any company so engaged, or which is owned or controlled by any company or person so engaged either directly or indirectly, and the further proviso that the financing application be accompanied by a statement in which are listed the branches, etc., in which the applicant has a controlling interest and the companies which have a controlling interest in the applicant company.

1966—Pub. L. 89-808 incorporated provisions formerly constituting subsec. (a)(2), and struck out other provisions of subsec. (a) and (a)(1) relating to availability of stocks acquired in price support operations and ocean freight charges, such charges now covered by section 1708 of this title, and subsec. (b) for letters of commitment against funds or guaranties and establishment of accounts.

1964—Subsec. (a). Pub. L. 88-638 authorized Commodity Credit Corporation to finance ocean freight charges incurred under agreements entered into after Dec. 31, 1964, to extent such charges are higher because of re-