

**AMENDMENT TO H.R. 2419, AS REPORTED
OFFERED BY MR. BLUMENAUER OF OREGON, MR.
SMITH OF NEW JERSEY, AND MR. PAYNE OF
NEW JERSEY**

Add at the end of title III the following:

1 **SEC. ____ . PILOT PROGRAM FOR LOCAL PURCHASE.**

2 Title II of the Food for Peace Act (7 U.S.C. 1721
3 et seq.) is amended by adding at the end the following:

4 **“SEC. 209. PILOT PROGRAM FOR LOCAL PURCHASE.**

5 “(a) DEFINITIONS.—In this section:

6 “(1) ELIGIBLE COMMODITY.—Notwithstanding
7 section 402(2), the term ‘eligible commodity’ means
8 an agricultural commodity, or the product of an ag-
9 ricultural commodity, that is produced in—

10 “(A) the recipient country; or

11 “(B) another appropriate developing coun-
12 try.

13 “(2) ELIGIBLE ORGANIZATION.—The term ‘eli-
14 gible organization’ means an organization that is—

15 “(A) described in section 202(d); and

16 “(B) subject to regulations promulgated to
17 carry out this section, including United States

1 audit requirements that are applicable to non-
2 governmental organizations .

3 “(3) PILOT PROGRAM.—The term ‘pilot pro-
4 gram’ means the pilot program established under
5 subsection (b).

6 “(b) ESTABLISHMENT.—Notwithstanding section
7 407(c)(1)(A), the Administrator, in consultation with the
8 Secretary, shall establish a field-based pilot program for
9 local and regional purchases of eligible commodities in ac-
10 cordance with this section.

11 “(c) PURPOSES.—Eligible commodities under the
12 pilot program shall be used solely—

13 “(1) to address severe food shortages caused by
14 sudden events, including—

15 “(A) earthquakes, floods, and other un-
16 foreseen crises; or

17 “(B) human-made crises, such as conflicts;

18 “(2) to prevent or anticipate increasing food
19 scarcity as the result of slow-onset events, such as
20 drought, crop failures, pests, economic shocks, and
21 diseases that result in an erosion of the capacity of
22 communities and vulnerable populations to meet
23 food needs;

1 “(3) to address recovery, resettlement, and re-
2 construction following 1 or more disasters or emer-
3 gencies described in paragraph (1) or (2); and

4 “(4) to protect and improve livelihoods and food
5 security, provide safety nets for food insecure or un-
6 dernourished populations, and encourage participa-
7 tion in education and other productive activities.

8 “(d) PROCUREMENT.—Subject to subsections (a),
9 (b), (f), and (h) of section 403, eligible commodities under
10 the pilot program shall be procured through the most ef-
11 fective 1 or more approaches or methodologies that—

12 “(1) are likely to expedite the provision of food
13 aid to affected populations; and

14 “(2) would not create commercial displacement
15 or have negative consequences for low-income con-
16 sumers.

17 “(e) REVIEW OF PRIOR LOCAL CASH PURCHASE EX-
18 PERIENCE.—

19 “(1) IN GENERAL.—Not later than 30 days
20 after the date of enactment of this section, the Ad-
21 ministrator shall commission an external review of
22 local cash purchase projects conducted before the
23 date of enactment of this section by other donor
24 countries, private voluntary organizations, and the
25 World Food Program of the United Nations.

1 “(2) USE OF REVIEW.—The Administrator
2 shall use the results of the review to develop—

3 “(A) proposed regulations under subsection
4 (j); and

5 “(B) requests for applications under sub-
6 section (f).

7 “(3) REPORT.—The Administrator shall submit
8 to the Committees on Agriculture and Foreign Af-
9 fairs of the House of Representatives and the Com-
10 mittee on Agriculture, Nutrition, and Forestry of
11 the Senate a report containing the results of the re-
12 view.

13 “(f) GRANTS TO ELIGIBLE ORGANIZATIONS.—

14 “(1) IN GENERAL.—After the promulgation of
15 final regulations under subsection (j), the Adminis-
16 trator may seek applications from and provide
17 grants to eligible organizations to carry out the pilot
18 program.

19 “(2) COMPLETION REQUIREMENT.—As a condi-
20 tion of receiving a grant under the pilot program, an
21 eligible organization shall agree to complete all
22 projects funded through the grant not later than
23 September 30, 2011.

1 “(g) PROJECT DIVERSITY.—In selecting projects to
2 fund under the pilot program, the Administrator shall en-
3 deavor to select a diversity of projects, including—

4 “(1) at least 1 project for each of the situations
5 described in subsection (e);

6 “(2) at least 1 project carried out jointly with
7 a project using agricultural commodities produced in
8 the United States under this title;

9 “(3) projects in both food surplus and food def-
10 icit regions, using regional procurement for food def-
11 icit regions; and

12 “(4) projects in diverse geographical regions,
13 with most, but not all, projects located in Africa.

14 “(h) INFORMATION REQUIRED IN APPLICATIONS.—
15 The Administrator shall develop appropriate requirements
16 for applications submitted under this section, including—

17 “(1) information to facilitate the evaluation re-
18 quired by section (i); and

19 “(2) an analysis of the potential impact of the
20 purchase of eligible commodities on the production,
21 pricing, and marketing of the same and similar agri-
22 cultural commodities in the countries and localities
23 in which the purchase will take place and the food
24 will be delivered.

25 “(i) INDEPENDENT EVALUATION AND REPORT.—

1 “(1) IN GENERAL.—The Administrator shall—

2 “(A) arrange for an independent evalua-
3 tion of the pilot program; and

4 “(B) provide access to all records and re-
5 ports for the completion of the evaluation.

6 “(2) REPORT.—Not later than 4 years after the
7 date of enactment of this section, the Administrator
8 shall submit to the Committees on Agriculture and
9 Foreign Affairs of the House of Representatives and
10 the Committee on Agriculture, Nutrition, and For-
11 estry of the Senate a report that—

12 “(A) includes the analysis and findings of
13 the independent evaluation;

14 “(B) assesses whether the requirements of
15 this section have been met;

16 “(C) describes for each of the relevant
17 markets—

18 “(i) prevailing and historic supply, de-
19 mand, and price movements;

20 “(ii) consumer behavior, income
21 sources, and the ability of consumers (es-
22 pecially low-income consumers) to procure
23 sufficient quantities of agricultural com-
24 modities in the markets, including price
25 elasticity of demand;

1 “(iii) seasonal availability and price
2 cycles;

3 “(iv) government market interferences
4 and other donor activities that may have
5 affected the supply and demand in the
6 area in which the local or regional pur-
7 chase took place; and

8 “(v) the quantities and types of eligi-
9 ble commodities procured in each market,
10 the time frame for procurement, and the
11 complete costs of the procurement (includ-
12 ing procurement, storage, handling, trans-
13 portation, and administrative costs);

14 “(D) assesses the impact of different meth-
15 odologies and approaches on local and regional
16 agricultural producers (including large and
17 small producers), markets, low-income con-
18 sumers, and program recipients;

19 “(E) assesses the time elapsed from initi-
20 ation of the procurement process to delivery;

21 “(F) compares different methodologies
22 used in terms of—

23 “(i) the benefits to local agriculture;

24 “(ii) the impact on markets and con-
25 sumers;

1 “(iii) the time for procurement and
2 delivery;
3 “(iv) quality and safety assurances;
4 and
5 “(v) implementation costs; and
6 “(G) to the extent adequate information is
7 available, includes a comparison of the different
8 methodologies used by other donors to make
9 local and regional purchases, including pur-
10 chases conducted through the World Food Pro-
11 gram of the United Nations.

12 “(j) REGULATIONS.—Prior to approving projects or
13 the procurement of eligible commodities under this sec-
14 tion, not later than 1 year after the date of enactment
15 of this section, the Administrator shall promulgate regula-
16 tions to carry out this section in accordance with the Fed-
17 eral Acquisition Regulation described in section 6(a) of the
18 Office of Federal Procurement Policy Act (41 U.S.C.
19 405(a)).

20 “(k) AUTHORIZATION OF APPROPRIATIONS.—Subject
21 to paragraph (2), for each of fiscal years 2008 through
22 2011, the Administrator may use to carry out this section
23 not more than \$100,000,000 of funds made available to
24 carry out this section, to remain available until ex-
25 pended.”.