

# GAO Highlights

Highlights of [GAO-14-277](#), a report to the Chairwoman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate

## Why GAO Did This Study

Through Title II of the Food for Peace Act, the United States provides U.S. agricultural commodities to meet emergency food needs in foreign countries. In fiscal years 2007 to 2012, USAID delivered \$9.2 billion in emergency food aid to recipient countries through cooperating sponsors. In 2000, Congress authorized USAID to order, transport, and store food for prepositioning in both overseas and domestic locations. Through prepositioning, the agency orders food before it is requested and stores it in warehouses in or near regions with historically high needs.

GAO was asked to examine U.S. international food aid procurement. This report examines (1) the effects of prepositioning on emergency food aid delivery time frames, (2) the effects of prepositioning on the costs of the food aid, and (3) the extent to which the agency monitors prepositioning to maximize time savings and cost effectiveness. GAO analyzed data on delivery time frames and costs; reviewed agency documents; and interviewed agency officials and representatives from WFP, other cooperating sponsors, and ocean freight contractors.

## What GAO Recommends

GAO recommends that USAID systematically collect, and ensure the reliability of, data for prepositioned food aid and systematically monitor and assess the effectiveness of food aid's delivery time frames and costs. USAID concurred with the recommendations and is working to improve both the collection of reliable data and its monitoring of prepositioning.

View [GAO-14-277](#). For more information, contact Thomas Melito at (202) 512-9601 or [MelitoT@gao.gov](mailto:MelitoT@gao.gov).

March 2014

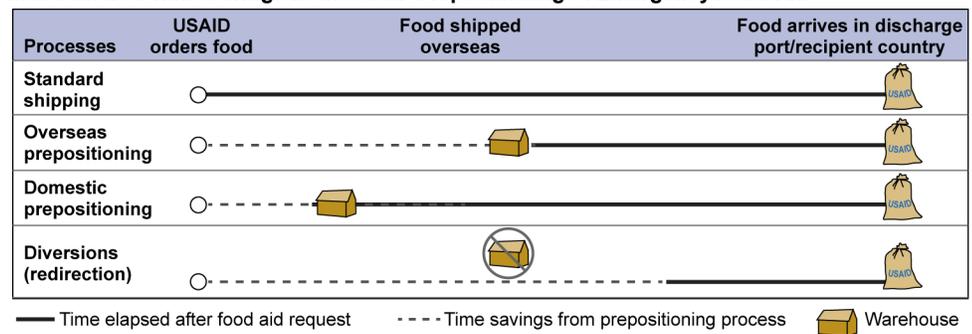
## INTERNATIONAL FOOD AID

### Prepositioning Speeds Delivery of Emergency Aid, but Additional Monitoring of Time Frames and Costs Is Needed

## What GAO Found

The U.S. Agency for International Development (USAID) reduces the average delivery time frame for emergency food aid by prepositioning food domestically—that is, in warehouses in the United States—and overseas. GAO estimates that compared with USAID's standard shipping process, which can take several months, prepositioning food aid shortened delivery time frames by an average of almost a month for shipments to the World Food Program (WFP). GAO also estimates that prepositioning shortened delivery time frames by an average of more than 2 months for other organizations—"cooperating sponsors"—that receive USAID grants. In addition, USAID reduces delivery time frames when it diverts shipments en route to overseas prepositioning warehouses to areas with immediate needs. For all cooperating sponsors, GAO estimates that diversions saved, on average, about 2 months.

Illustration of Time Savings from USAID Prepositioning of Emergency Food Aid



Source: GAO analysis of U.S. Agency for International Development (USAID) data.

Note: For illustrative purposes; not drawn to scale.

Prepositioning food can increase the cost of emergency food aid because of additional warehouse, shipping, and commodity costs. For example, in fiscal year 2012, USAID paid approximately \$8 million for its overseas and domestic prepositioning warehouses. USAID also paid \$13 million to ship food by ocean freight from overseas prepositioning warehouses to recipient countries, in addition to the cost of shipping from the United States to the warehouses. Further, USAID generally paid higher weighted annual average prices for domestically prepositioned commodities than for standard shipment commodities. U.S. officials and vendors noted that factors such as limited commodity supplies and few participating suppliers may have contributed to higher prices.

USAID has taken some steps to evaluate prepositioning, but the agency does not collect and analyze data needed to systematically monitor delivery time frames for prepositioned commodities. In addition, some available data are unreliable. Further, USAID does not systematically monitor the total cost of prepositioning. According to USAID policy and federal internal control standards, the agency should monitor its programs by collecting and analyzing data to guide higher-level decision making and allocate resources. Without such monitoring, USAID is limited in its ability to assess prepositioning's impact on delivery time frames and costs and to maximize emergency food aid's timeliness and cost effectiveness.