

**Testimony Prepared For
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**Before the
Committee on Agriculture, Nutrition and Forestry
United States Senate**

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Compassion and prudence are equally important in this undertaking; our food-for-peace program partakes of both.¹

*President of the United States Dwight D. Eisenhower,
September 1, 1960*

I appreciate the opportunity to testify as this committee considers international food assistance programs. I am Wade Ellis. I am Vice President and General Manager of Bunge Milling, a part of Bunge North America in St. Louis. I oversee our, milling operations in Kansas, Nebraska, Illinois, California and Indiana. Our job is to develop and supply milled corn, wheat and rice products for our customers. We are proud of our role in the food supply chain. We purchase corn, rice and wheat from America's farmers and produce milled products for some of the most recognized brands in the world. To be successful, we must listen carefully to the whole value chain of people -- from researchers who reshape our knowledge, technologies and techniques, to producers who share their expertise, to societies and groups asserting their hopes and values in production and consumption choices and ultimately, to the customer's needs and preferences for food here and abroad.

We in the North American milling unit are part of a venerable agribusiness -- Bunge -- founded in 1818 in Amsterdam. Bunge moved and expanded with the development of modern agriculture around the world and today, our facilities circle the globe. More than 35,000 employees help farmers produce larger harvests, seamlessly connect with growers, processors, handlers and customers, maintain relationships within and among regions, and produce our own high-quality products ranging from animal feed to consumer foods to renewable fuels. Most of Bunge's history is that of a privately held firm, but in 1999, we moved our headquarters to White Plains, New York in anticipation of going public in 2001.

¹ Dwight D. Eisenhower: "Remarks at the fifth International Congress on Nutrition.," September 1, 1960. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*.

<http://www.presidency.ucsb.edu/ws/?pid=11927>

Also: <https://www.youtube.com/watch?v=vNSr35r-kl>, Accessed November 23, 2015

For decades, Bunge has been proud to compete to provide basic commodities for distribution in U.S. Food Aid programs. What began as a program to supply bulk commodities later shifted to a product line of high quality, nutritious foodstuffs that meet the requirements for famine emergencies wherever they occur. Corn soy blend, corn soy milk, corn meal, soy fortified corn meal, bulgur wheat and soy fortified bulgur wheat were formulated to provide vital nutrients, quickly and efficiently, in forms and flavors acceptable to people of diverse cultures. And the program continues to improve. Working with other companies and the U.S. Department of Agriculture over the years, we've contributed to progress in the enrichment of foods by volunteering resources and expertise. For example, when the bulgur did not blend well with the added enrichment we worked with the supplier to find a solution. We found a product that had the same nutrition level, but created a higher quality finished product. Further, we have made significant investments in our packaging capabilities to best meet the needs of the distribution and storage requirements of these programs.

Advances in food and nutritional science have led to new and improved products and made it possible to deliver more nutritious foods to children, mothers, HIV-positive individuals, the elderly and others with specific food needs. Ready-to-use therapeutic foods, including lipid-based products, became available as supplements to basic food staples, allowing our food aid products to save more lives and to mitigate some of the effects of malnutrition, particularly for infants and toddlers.

Our role as processors of these vital products gives us unique perspective into the value this program brings from one end of the value chain to the other. Ultimately, the real winners are the people receiving U.S. food aid in an acceptable, usable form, with other benefits accruing up and down the food supply chain and to the nation itself.

Food aid in context

Some have called the U.S. food aid program -- PL 480 -- "a marriage of convenience" that let the United States dump its agricultural surpluses in remote places for use in emergencies as part of a development strategy. What these critics missed was the investment made in peoples' futures, an effort to build relationships, and the desire of Americans to contribute to a better, more peaceful world.

"Marriage of convenience" does not apply to the U.S. Food for Peace program.

To prepare for today's hearing, I looked at the 60-plus years of Public Law 480, which formalized U.S. international food assistance. From its inception, U.S. President Dwight D. Eisenhower demanded that PL 480 be administered prudently. He knew that there were risks if food aid disrupted overseas markets. At the same time, he understood how the scourges of hunger and starvation in places where crops – or the political systems – had failed made the world a far more dangerous place. U.S. food aid was to be a bridge to another harvest and a conduit to development and trade – not a disruptor of local production and marketing.

President Eisenhower also saw Food for Peace among the best tools he had at his disposal. One look at USAID food bags emblazoned with the Stars and Stripes, and the words “From the American People” front and center and people understood the United States was responding to their need. Food for Peace buoyed the U.S. reputation for doing good in the world. It also has brought pride to the agricultural sector – a point I will cover in a moment.

Six years into the Food for Peace program, Eisenhower spoke about its significance, bringing relief and opportunity to those in the grip of poverty and war. But as he noted, “the world cups its ear to hear the rattling of rockets. It listens less closely to the sounds of peace and wellbeing that emanate from the slow but steady improvement in world health and nutrition.”²

(A copy of President Eisenhower’s statement is attached to my testimony. I ask that both be made a part of the hearing record. It is an excellent example of extolling leadership by the United States.)

Program changes

In fact, there has been relatively steady improvement in global nutrition and health. In Eisenhower’s presidency, one in three people on the planet faced chronic hunger and under-nutrition. By 1980, the numbers were one in five. Today, the FAO estimates that one person in nine goes without adequate nourishment. With rare exceptions throughout that period of time, the world production of food kept pace with demand.

But the world continued to change and so did PL 480 – sometimes for better; sometimes for worse. Critics complained when the program became too much a tool of U.S. foreign policy. This Committee helped ensure that PL 480 kept its agricultural roots. When the mix of commodities included in PL 480 was questioned, a review and more program modifications followed. When PL 480 became more rule-bound than suppliers, recipients and even administrators liked, Congressional agriculture panels took note and maintained the program features that made this agricultural program vital to the sector.

By the end of the cold war and with a new global order in trade, Titles I and III were suspended and the program shifted largely into emergency response and long-term agricultural development. New titles were added, such as farmer-to-farmer volunteer initiatives to provide technical assistance to farmers and agricultural operations in developing countries. The Emerson Trust, Food for Progress and McGovern-Dole joined the line-up in PL 480, playing their respective roles in the goals Congress created in 2008, to:

- Combat world hunger and malnutrition and their causes;
- Promote broad-based, equitable and sustainable development, including agricultural development;
- Expand international trade;

² Ibid.

- Foster and encourage the development of private enterprise and democratic participation in developing countries; and,
- Prevent conflicts.

What has not changed is the agriculture sector's pride and support for PL480. Also unchanged is the agricultural community's support for domestic purchases of U.S. commodities as the basis for U.S. food aid.

The need for food aid has not gone away. Crises stemming from hunger occur all too frequently today and they reshape the world as we know it. Back-to-back crop shortfalls in key producing areas were a catalyst to popular uprisings in the Middle East not even a decade ago, and today the consequences continue to reverberate around us all.

We have had faith that the agricultural panels here and in the House of Representatives will maintain a vision of Food for Peace consistent with its original intent. As it evolves to meet the needs of a world with 9 billion people, new flexibilities will be needed. PL 480 also has a role to play in achieving a 70 percent increase in world grain and oilseed production by 2050. Its farmer-to-farmer connections, support for education by feeding school children in the developing world, ties to global institutions that monitor supply/demand balances and contribute to food security are important assets for the future.

Trade has grown to deliver surpluses to the places where they are wanted.³ Today, about 12 percent of the global population is served grains, oilseeds, pulses and their products through international trade. That's more than 700 million people deriving a substantial part of their diets through the international market.

By 2050, nearly 1.4 billion people's diets may be served by international trade. The world's bread baskets will be asked to deliver, but new production will have to go to those places with land, water and eco-systems suited to grow crops, and with infrastructure to get them to market. Trade will grow, but more areas of the world will have to adapt their agriculture to feed the world's growing, more-urban population.⁴ The margin for error becomes slimmer.

We know that it will take many commitments in many forms to feed the world. Just as there is an imperative for food aid now, the imperative for food aid will always be with us. Specific expertise in food aid and an industry positioned to provide it efficiently also will be necessary. With compassion and prudence, the United States should claim this as one of our areas of excellence contributing to a better world.

Just as the fight against hunger and malnutrition is a constant battle, keeping up with the world's perceptions and needs must be fought on many fronts – on far away continents and even here in Washington as program decisions are made. Food for Peace remains a critically

³ Bunge internal estimate

⁴ Ibid.

important part of the fight to feed the world. It is a program that Americans, farmers and businesses have been able to take pride in and it saves lives and lessens misery around the world.