



Food for Progress Report
Fiscal Year 2023

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Cover photo: Workers sorting for quality vanilla at a Food for Progress-funded processing plant in Uganda. Photo credit: Catholic Relief Services.

# List of Abbreviations

<b>AMS</b>	Agricultural Marketing Service
BDI	Baltic Dry Index
CAA	Cambodian Aquaculturist Association
CAST	Commercialization of Aquaculture for Sustainable Trade
CCC	Commodity Credit Corporation
CDSO	Crude Degummed Soybean Oil
CFR	Cost and Freight
CRS	Catholic Relief Services
DNS	Dark Northern Spring Wheat
<b>DDGS</b>	Distiller's Dried Grains with Solubles
EAC	East African Community
FAS	Foreign Agricultural Service
FFPr	Food for Progress
FY	Fiscal Year
HRS	Hard Red Spring Wheat
HRW	Hard Red Winter Wheat
HWW	Hard White Wheat
MT	Metric Tons
NOFO	Notice of Funding Opportunity
NS	Northern Spring Wheat
PVO	Public Voluntary Organization
SBM	Soybean Meal
SRW	Soft Red Winter Wheat
SWW	Soft White Wheat
USAID	United States Agency for International Development
USC	United States Code
USDA	United States Department of Agriculture
VIEF	•
WISHH	World Initiative for Soy in Human Health
YC	Yellow Corn

## I. Introduction

The Food for Progress Program (FFPr) was initially authorized by the U.S. Congress in the Food for Progress Act of 1985. The Agriculture Improvement Act of 2018 (2018 Farm Bill)¹ was the most recent re-authorization of the program, extending it through FY 2023. In November 2023, Congress enacted a one-year extension of FFPr, through FY 2024, as a part of the larger one-year extension of the 2018 Farm Bill. FFPr has two principal objectives: to improve agricultural productivity and to expand trade of agricultural products in developing countries and emerging democracies. FFPr projects have focused on training farmers in improved animal, plant, and fish farming methods, including climate smart agricultural solutions, development of agricultural value chains from inputs to farm to processing to distribution, providing microcredit, and strengthening producer cooperatives or associations. In addition, FFPr has targeted the policy and regulatory level to reduce barriers inhibiting trade through addressing sanitary and phytosanitary policies and procedures or helping countries simplify, modernize, and harmonize agricultural trade processes.

To fulfill Congress's mandate under the Food for Progress Act of 1985, the U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) enters into cooperative agreements with eligible organizations to implement field-based projects that aim to improve agricultural production and expand trade of agricultural products in developing countries. Projects are primarily funded through the sale of U.S. commodities, a process known as monetization. Monetization sales occur in the region where the project is implemented. Program participants have included private voluntary organizations (PVOs), foreign governments, universities, and intergovernmental organizations.

Sales of the commodities are conducted through an open public invitation to bid tender. Once the sale of the commodities is awarded to a buyer in a recipient country, tenders soliciting bids for the commodity and shipping freight are issued through USDA's International Commodity Procurement Division of the Agricultural Marketing Service (AMS) through the Web-Based Supply Chain Management system. The purchases are made with funds from the Commodity Credit Corporation (CCC). The guidelines for these procedures are contained in AMS' Master Solicitation for Commodity Procurements – International Food Assistance Program Purchases.<sup>2</sup>

Food for Progress released one Notice of Funding Opportunity (NOFO) in FY 2023. The NOFO resulted in seven new cooperative agreements for projects to be implemented in Bangladesh, Cote d'Ivoire, The Gambia, Lesotho, Mauritania, Nepal, and Togo. In total, \$225.08 million in new funding was awarded in the FY 2023 cycle to support the purchase and shipment of up to 340,000 metric tons (MT) of commodities. The \$225.08 million includes \$178.91 million to support the purchase and donation of 340,000 MT of U.S. commodities to the seven awardees, \$37.72 million for associated freight costs to ship the commodities, and \$8.44 million to support project administration.

Food for Progress addresses shortfalls that sometimes arise during the monetization process by requesting supplemental funding be added to awards. The supplemental funds for commodities and administrative costs requested in FY 2023 allowed PVOs to conduct the full scope of activities under their awards and respond to market fluctuations, optimizing the return on monetization. No additional freight funds were used to address shortfalls

<sup>&</sup>lt;sup>1</sup> Agriculture Improvement Act of 2018, https://www.congress.gov/bill/115th-congress/house-bill/2/text

<sup>&</sup>lt;sup>2</sup> https://www.ams.usda.gov/sites/default/files/media/master\_solicitation.pdf

in FY 2023. A project in Honduras was given an additional \$200,000 in administrative funds to assist the project with a budget shortfall. Food for Progress also added \$500,000 in CCC commodity funds and \$500,000 in administrative funds from FY 2023 to prevent a monetization shortfall for a project in Thailand due to commodity price fluctuations. Adding these commodity funds allowed the Thailand award to fill a shipping vessel and maximize use of freight funding.

During FY 2023, activities conducted by active projects reached more than 662,000 direct participants. As a result of FFPr's work, more than 357,000 individuals applied improved agricultural management practices or technologies to over 871,000 hectares. Access to working capital and credit are other significant components in expanding participation in agricultural sectors in emerging markets. Greater access to financing contributes to increased production, expanded international trade, and increased incomes. In FY 2023, FFPr project activities resulted in access to more than \$116 million in finance for farmers and cooperatives by facilitating access to private market credit with agribusiness-management support and by directly providing loan facilities through project activities.

The 2018 Farm Bill amended the Food for Progress Act of 1985 to include the following as the most recent iteration of reporting requirements:

### 7 USC 1736o(j)(3)

### (3) Report

Not later than April 1 of each fiscal year, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate-

A. a list of programs, countries, and eligible commodities, and the total amount of funds for transportation and administrative costs, approved during the prior fiscal year under this section;

B. a description of the actual rate of return for each commodity made available under this section for the previous fiscal year including-

I. factors that influenced the rate of return; and

II. with respect to the commodity, the costs of bagging or further processing, ocean transportation, inland transportation, storage costs, and any other information that the Secretary determines to be necessary; and

C. for each instance in which a commodity was made available under this section at a rate of return less than 70 percent, an explanation for the rate of return realized.

This document includes the reporting required under paragraphs (A), (B) and (C) in the following tables, figures, project descriptions, and narrative on the rate of return.

# II. Eligible Commodities

Commodities used in FFPr programming vary depending on availability of U.S. products and market conditions where the proposed monetization is to occur. All bulk grain commodities monetized under FFPr projects must meet the grading standards detailed in the USDA's *Official United States Standards for Grain*.<sup>3</sup> Table 1 provides the subset of available bulk commodities approved for use in FFPr for FY 2023. Tables 2 and 3 present a summary detail of the new projects and awards.

Table 1: Eligible Bulk Commodities for Use in FY 2023 Food For Progress

Commodity Group	Eligible Bulk Commodity
Wheat	Wheat, Hard Red Winter (HRW)
	Wheat, Northern Spring (NS)
	Wheat, Soft Red Winter (SRW)
	Wheat, Soft White (SWW)
	Wheat, Dark Northern Spring (DNS)
	Wheat, Hard Red Spring (HRS)
	Wheat, Hard White (HWW)
Other Coarse Grains	Corn, Yellow (YC)
	Sorghum
Non-Coarse Grains	Rice, Milled
Fats and Oils	Soybean Oil, Crude Degummed (CDSO) or Fully Refined
	Corn Oil, Crude or Refined
	Vegetable Oil
	Sunflower Seed Oil
	Tallow
	Yellow Grease
Non-Oil Soy Products	Soybean Meal (SBM)
	Soybeans, Whole, Yellow
Grain Byproducts	Distiller's Dried Grains with Solubles (DDGs)

<sup>&</sup>lt;sup>3</sup> https://www.ams.usda.gov/sites/default/files/media/GrainGeneralProvisions.pdf

Table 2: FY 2023 Food for Progress Award for New Project

Country	Organization	Allocated Commodity	Allocated Quantity (MT)	Obligated Commodity Cost (\$ millions)	Obligated Freight Cost (\$ millions)	Obligated Admin Cost (\$ millions)	Total Obligated Cost (\$ millions)
Bangladesh	ACDI/VOCA	Soybeans	50,000	\$27.00	\$6.00	\$1.20	\$34.2
Cote d'Ivoire	TechnoServe	Soybean meal	50,000	\$27.50	\$5.60	\$1.30	\$34.40
The Gambia	Shelter for Life	Soybean meal	40,000	\$22.50	\$4.20	\$1.00	\$27.70
Lesotho	Land O'Lakes Venture37	Wheat	50,000	\$23.90	\$5.67	\$1.09	\$30.66
Mauritania	Partners of the Americas	Wheat	60,000	\$28.25	\$5.90	\$1.40	\$35.55
Nepal	Lutheran World Relief	Soybeans / Wheat	30,000 / 20,000	\$25.75	\$6.00	\$1.35	\$33.10
Togo	Lutheran World Relief	Soybean meal	40,000	\$24.01	\$4.35	\$1.10	\$29.46
Totals	340,000	\$178.91	\$37.72	\$8.44	\$225.07		

Table 3: FY 2023 Descriptions of New Food for Progress Projects

Country	Organization					
Bangladesh	ACDI/VOCA					
	develop, pilot, and scale cost-effective, climate smart management practices and ate and adapt to climatic events (e.g., drought, flooding, salinity intrusion, extreme ducing methane emissions.					
Cote d'Ivoire	TechnoServe					
Project Description: The project will through support of the mango and til	mprove resilient and sustainable food security and farmer income in Cote d'Ivoire apia value chains.					
The Gambia	Shelter for Life					
	poost fruit and vegetable productivity and expand trade in horticulture products while improving trade enabling and phytosanitary services.					
Lesotho	Land O'Lakes Venture37					
including climate appropriate techno	strengthen the poultry value chain through integrating industry best practices logies, improving the organization and development of the value chain stakeholders, ase employment opportunities, and private sector investment.					
Mauritania Partners of the Americas						
needs while increasing farmers' resil agriculture via behavior change train	increase the supply of fruit and vegetables to help meet Mauritania's food security ience to evolving climate conditions. The project's activities will promote regenerative ing on diet diversification and build capacity for storing commodities that would have leveraging private investments in cold chain storage.					

### Table 3: Continued

Country	Organization							
Nepal	Lutheran World Relief							
value chain actors (feed mills, farme increased access to financial service	Project Description: The project will implement capacity building of research and government institutions, training of value chain actors (feed mills, farmers, etc.), development and improvement of agricultural dealers and input suppliers, increased access to financial services (grants, microfinance loans, etc.), and improved market access (food safety standards, market information online platform, regional fish collection centers).							
Togo Lutheran World Relief								
Project Description: The project will target the cassava, okra and hot peppers value chains and scale up savings and loan groups in target areas to democratize small-scale finance while prioritizing the engagement of women and youth.								

# III. FY 2023 Monetization Activity Summary

In FY 2023, a total of nine monetization sales of U.S. commodities were made across thirteen countries. The sales were subsequently organized into eleven shipments to leverage economies of scale and freight efficiencies. The monetized commodities consisted of crude degummed soybean oil (CDSO), soybean meal (SBM), hard red winter (HRW) wheat, northern spring (NSW) wheat, and soft red (SRW) winter wheat. A total of 300,190 MT of U.S. commodities were shipped in FY 2023, with a total value of \$149.1 million. Shipping expenditures amounted to \$28.12 million. Of the shipping expenditures, just over \$18.54 million (66 percent of the total shipping expenditures for FY 2023) was for commodities booked on U.S. flag ships, while \$9.57 million (34 percent) was for commodities booked on foreign flag ships. In total, 159,200 MT were shipped on U.S. flag vessels, while a total of 140,990 MT were shipped on foreign flag vessels, which successfully met requirements in the Cargo Preference Act of 1954. Sales proceeds from monetized commodities totaled \$137.94 million, for an average rate of return of 78 percent.<sup>4</sup>

Table 4: FY 2023 Summary of Monetization Activity by Commodity\*

Commodity	Quantity Commodity Freight Costs (MT) Costs		Total Costs	Monetization Proceeds	Rate of Return (%)	
Soybean Meal	179,640	\$93,396,821	\$14,905,151	\$108,301,973	\$89,245,850	83%
Wheat, HRW	84,020	\$31,224,246	\$9,247,204	\$40,471,450	\$28,959,540	72%
Wheat, NSW	23,800	\$8,657,670	\$1,750,290	\$10,407,960	\$8,695,600	84%
CDSO	8,330	\$14,510,716	\$1,944,036	\$16,454,752	\$9,917,320	60%
Wheat, SRW	4,400	\$1,320,000	\$277,200	\$1,597,200	\$1,126,400	71%
Totals*	300,190	\$149,109,454	\$28,123,881	\$177,233,335	\$137,994,710	78%

<sup>\*</sup>All figures except the rate of return reflect rounding to the nearest dollar.

Table 5: FY 2023 Monetization Rates of Return by Country and by Sale\*

Country	Commodity	Quantity (MT)	Commodity Cost (\$ Millions)	Freight Cost (\$ Millions)	Total Cost to USDA (\$ Millions)	Actual Proceeds (\$ Millions)	Rate of Return (%)
Cote d'Ivoire	SBM	20,700	\$12.30	\$1.20	\$13.60	\$11.20	82%
Dominican Republic	SBM	34,020	\$16.7	\$2.1	\$18.8	\$15.7	84%
Dominican Republic	CDSO	4,130	\$7.2	\$1.1	\$8.3	\$4.5	54%

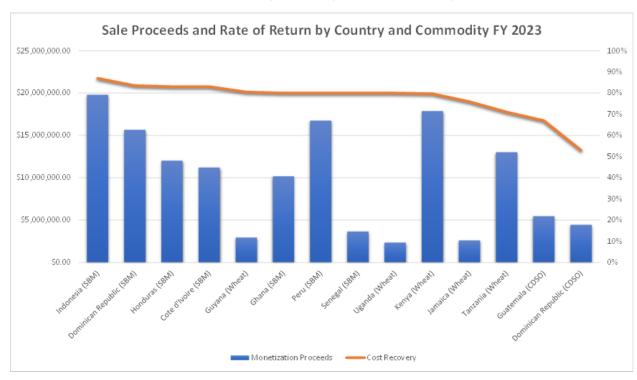
<sup>&</sup>lt;sup>4</sup> Rate of return is the ratio of the proceeds the awardees generate through the sale of commodities divided by the cost the U.S. government incurs to procure and ship those commodities to recipient countries.

Table 5: Continued

Country	Commodity	Quantity (MT)	Commodity Cost (\$ Millions)	Freight Cost (\$ Millions)	Total Cost to USDA (\$ Millions)	Actual Proceeds (\$ Millions)	Rate of Return (%)
Ghana	SBM	19,000	\$11.3	\$1.4	\$12.7	\$11.20	82%
Guatemala	CDSO	4,200	\$7.3	\$0.8	\$8.1	\$15.7	84%
Guyana	WHEAT	8,800	\$3.1	\$0.7	\$3.6	\$4.5	54%
Honduras	SBM	26,450	\$13.1	\$1.9	\$15	\$11.20	82%
Indonesia	SBM	38,000	\$18.7	\$4	\$22.7	\$15.7	84%
Jamaica	WHEAT	8,800	\$2.9	\$0.6	\$3.5	\$4.5	54%
Kenya	WHEAT	50,360	\$18.8	\$5.4	\$24.2	\$11.20	82%
Peru	SBM	34,500	\$17	\$3.8	\$20.8	\$15.7	84%
Senegal	SBM	6,970	\$4.2	\$0.4	\$4.6	\$11.20	82%
Tanzania	WHEAT	37,500	\$14	\$4.3	\$18.3	\$15.7	84%
Uganda	WHEAT	6,760	\$2.5	\$0.4	\$3	\$4.5	54%
Grand Total		300,190	\$149.10	\$28.10	\$177.20	\$137.90	78%
Rate of Return average on commodity sales in FY 2023							

<sup>\*</sup>All figures except the rate of return reflect rounding to the nearest dollar.

Figure 1: Sale Proceeds and Rate of Return by Country and Commodity FY 2023



### **Factors Influencing the Rate of Return**

The Food for Progress Act of 1985 requires an explanation for instances when commodities monetized under FFPr realize a rate of return less than 70 percent of the cost of the U.S. commodities sold abroad to obtain proceeds to fund FFPr projects. In FY 2023, of the nine total monetization transactions that took place, two resulted in an overall cost recovery of under 70 percent.

Attaining a rate of return of 70 percent or more can be challenging when considering the commercial markets where FFPr monetization sales are carried out and the programmatic statutory requirements of FFPr. Monetization transactions are carried out in non-traditional markets resulting in pricing competition from other global export suppliers. Lower priced foreign competition is high when we monetize certain U.S. commodities globally; commodities such as bulk soybean oil face competition from global suppliers in Argentina, Brazil, and Southeast Asia. The two instances in FY 2023 where cost recovery was under 70 percent were the result of CDSO monetization transactions in Guatemala and the Dominican Republic. With both transactions, the global price competition at the time of the monetization sales was high (See Figure 2).

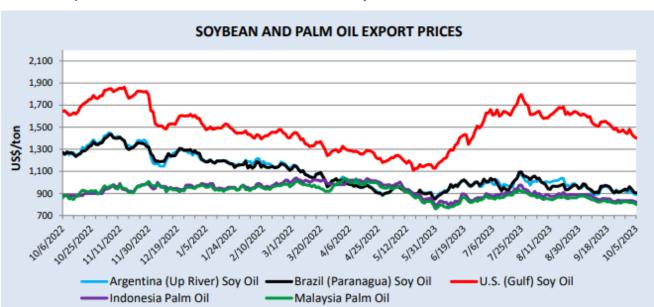


Figure 2: USDA/FAS Oilseeds: World Markets and Trade, October 2022

The Guatemala project monetization took place in October 2022, and the Dominican Republic project's monetization sale took place in July 2023. In both instances, the pricing disparity between South American and U.S. soy oil suppliers was approximately \$300 or more per MT. In Guatemala, CDSO was monetized at \$1,300 per MT, which was in line with prevailing South American export prices at the time. In the Dominican Republic, CDSO was monetized for approximately \$1,100 per MT, which again was in line with prevailing export prices from South American suppliers. To close out the transactions, USDA and the PVO finalized commodity and freight procurements consistent with the monetization sale requirements and specifications. USDA successfully procured CDSO from U.S. based suppliers for approximately \$1,700 per MT under both commodity solicitations in October and July. During the time of both solicitations, USDA purchased commodities at prevailing U.S. Gulf export prices. To meet the requirements of the Cargo Preference Act of 1954, the commodities were tendered for shipment to U.S. flag and foreign flag bulk tankers. The requirements under the Cargo Preference Act of 1954 (described in more detail below) are the remaining factors that influence the rate of return of a monetization transaction.

The Cargo Preference Act of 1954 mandates that at least 50 percent of all commodities procured or financed by the U.S. Government, computed separately via each vessel type, be shipped on U.S. flag vessels; there are

only four currently in the U.S. fleet. While the cost of ocean freight for bulk vessels for both U.S. and foreign flag vessels substantially decreased in FY 2023 (compared to FY 2022), there is still an added cost of shipping commodities on U.S. flag vessels. In FY 2023, the cost of shipping commodities booked on U.S. flag vessels averaged \$116.51 per MT, and foreign flag vessels averaged \$67.92 per MT. In FY 2022, the average rate for U.S. flag vessels was \$188.57 per MT, 38% higher than in FY 2023; the cost for foreign flag vessels was \$130.43 MT, almost 50% higher than in FY 2023. The price decreases in FY 2023 can be corroborated with commercial benchmarks like the Baltic Dry Index (BDI) that saw sharp drops in shipping costs through 2023.

However, specific to the available U.S. flag services, another noteworthy reason could be the growth in the U.S. flag bulker fleet in FY 2023 from three to four dry bulk vessel types.<sup>5</sup> The SLNC Severn, a 2017 built Dry Bulk with an estimated deadweight tons of 57,888, started participating in U.S. food assistance shipments in 2023. The SLNC Severn joins the remaining roster of three Liberty Maritime Corp bulk vessels that are currently available for U.S. flag service.

As part of its statutory obligations, FFPr complies with the requirements of section 403(a) of the Food for Peace Act, which was added through an amendment in section 212 of the International Development and Food Assistance Act of 1977. Commonly referred to as the Bellmon amendment, this legal provision requires a market analysis be conducted to ensure that the distribution of the commodities in the recipient country will not result in a substantial disincentive to or interference with domestic production or marketing. Consequently, each implementer's monetization plan must be approved by FAS, and approval is contingent upon a positive Bellmon determination. In making this determination, FAS evaluates the availability of the storage and cargo handling capacity of the recipient country. In instances where these factors place limits on the volume and frequency of shipments, FFPr has implemented regional and consolidated sales strategies to increase economies of scale and maximize funding efficiency.



SLNC SEVERN, U.S. Flag Bulker Vessel, Loaded with Wheat for Colombia. December 2023. Courtesy of Schuyler Line Navigation Co

A successful example in FY 2023 involved four projects operating in the East and South Africa regions. A joint tender was published across all the major importing markets of wheat in the East African Community (EAC) for a combined tonnage of 95,000 MT of wheat. Buyers in three countries in the EAC, including Uganda, Kenya, and Tanzania, were awarded the sales, for a total tonnage of 94,620 MT. The combined sale proceeds generated \$33,233,140 among the four projects while consolidating commodity purchase and cargo shipment. The cargo was booked on both a U.S. flag and a foreign flag vessel in line with cargo preference requirements. In total, the cost recovery across all the countries and vessel services was 73 percent.

<sup>&</sup>lt;sup>5</sup> U.S. Department of Transportation, Maritime Administration, U.S.-flag Privately Owned Merchant Fleet Report.

Table 6: Explanation of Return Rates Below 70 Percent

Country	Commodity	Quantity (MT)	Commodity Cost (\$ million)	Freight Cost (\$ million)	Total Cost to USDA (\$ million)	Actual Project Proceeds (\$ million)	Rate of Return (%)	
Guatemala	CDSO	4,200	\$7.3	\$0.8	\$8.1	\$5.5	68%	
Explanation: Commodity and transportation procurement took three re-tenders to finally secure the commodity. Due to limited commodity response and varying vessel capacity, USDA needed to re-tender the purchase multiple times. CDSO price rose by \$100/MT between the first attempt and the final purchase. Commodity was purchased for \$1742.31 per MT, and monetized for \$1,300 MT.								
Dominican Republic	CDSO	4,130	\$7.2	\$1.1	\$8.3	\$4.5	54%	
	Guatemala  ommodity and tra oonse and varyin e first attempt an  Dominican	Guatemala CDSO  ommodity and transportation procuponse and varying vessel capacity, efirst attempt and the final purchase Dominican CDSO	Guatemala CDSO 4,200  mmodity and transportation procurement took to bonse and varying vessel capacity, USDA needer if irst attempt and the final purchase. Commodity	Country Commodity Quantity (MT) Cost (\$ million)  Guatemala CDSO 4,200 \$7.3  commodity and transportation procurement took three re-tenders conse and varying vessel capacity, USDA needed to re-tender the first attempt and the final purchase. Commodity was purchase Dominican CDSO 4 130 \$7.2	Country Commodity (MT) Cost (\$ million)  Guatemala CDSO 4,200 \$7.3 \$0.8  commodity and transportation procurement took three re-tenders to finally secure ponse and varying vessel capacity, USDA needed to re-tender the purchase must efirst attempt and the final purchase. Commodity was purchased for \$1742.31 pominican CDSO 4 130 \$7.2 \$1.1	Country Commodity (MT) Cost (\$ million) (\$ million)  Guatemala CDSO 4,200 \$7.3 \$0.8 \$8.1  Commodity and transportation procurement took three re-tenders to finally secure the commodity and varying vessel capacity, USDA needed to re-tender the purchase multiple times. CD is first attempt and the final purchase. Commodity was purchased for \$1742.31 per MT, and model to the purchase of the purchase	Country Commodity (MT)  Quantity (MT)  Cost (\$ million)  Guatemala  CDSO  4,200  \$7.3  \$0.8  \$8.1  \$5.5  Commodity Cost (\$ million)  Project Proceeds (\$ million)  Freight Cost to USDA (\$ million)  Project Proceeds (\$ million)  Sommodity and transportation procurement took three re-tenders to finally secure the commodity. Due to limited conse and varying vessel capacity, USDA needed to re-tender the purchase multiple times. CDSO price rose of first attempt and the final purchase. Commodity was purchased for \$1742.31 per MT, and monetized for \$1, 100 minican  CDSO  4 130  \$7.2  \$1.1  \$8.3  \$4.5	

Explanation: Due to non-availability of U.S. flag liquid bulk tankers, the commodity shipped on a Foreign Flag Vessel at \$282.26 per MT. Additionally, commodity cost was more than \$150/MT above prevailing FOB Gulf price for August. Commodity was purchased for \$1,741.65 per MT, and monetized for \$1,083.5 MT. The commodity was monetized in line with going market rates of CDSO out of South America.

### **Other Costs**

Commodity sales under FFPr are arranged as commercial transactions with private sector buyers. To limit internal transport, shipping, and handling costs to the U.S. government, FFPr sales tenders are solicited on a Cost and Freight (CFR) basis, meaning the title to the commodities passes to the buyers at the time the cargo passes the ship's rail at the U.S. port of origin. Under the CFR terms, the buyer is responsible for arrangements and costs in connection with the receipt, clearance, inland delivery, and storage of the cargo. Risk of loss also passes to the buyer at this point in accordance with the CFR shipping terms. Thus, the buyer is responsible for insuring the donated commodities. Depending on the buyer's or the receiving port's capacity, commodity discharge terms are negotiated between the FFPr project implementer and buyer(s). On occasion, buyers request bagging and stacking as part of the freight discharge terms. The costs for the bags for these commodities are separate from ocean freight expenditures. The costs of bagging and stacking, however, as well as bulk discharge premiums, are included in total freight expenditures.

# IV. FOOD FOR PROGRESS PROJECT HIGHLIGHTS

Project highlights illustrate Food for Progress activities during FY 2023. Examples from projects in Cambodia and Uganda provide additional information about the results of Food for Progress funding in improving agricultural productivity and infrastructure, training farmers, and expanding trade.

### Food for Progress: Cambodia



A feed mill purchased monetized U.S. soybean meal for use in its livestock and aquaculture feeds that are sold across Cambodia. Photo credit: Project Staff.

The USDA Food for Progress Project in Cambodia is implemented by the American Soybean Association's World Initiative for Soy in Human Health (WISHH). The project is assisting the freshwater aquaculture industry in Cambodia while simultaneously creating long-term trade relationships for U.S. soybean growers. Launched in FY 2018, the project named Commercialization of Aquaculture for Sustainable Trade (CAST) Cambodia includes a cooperative effort between WISHH, World Vision International, Kansas State University and Auburn University. These organizations work closely with the Cambodian government, which has prioritized the growth of aquaculture in the country where fish provides more than 80 percent of the consumed protein. The Food for Progress project aims to overcome key challenges faced by Cambodian fish farmers such as the availability of "seed stock" fish, ranging from

the hatchling to juvenile stage, and the use of quality feeds made with soybean meal.

The Food for Progress project strengthened the links in the value chain from hatcheries to fish producers to buyers, processors, and distributors. Cambodia benefits from greater access to high-quality Cambodian-grown fish, which are produced and handled with proper standards. The project enables Cambodia to join a global market as a consumer of soy protein and supplier of locally raised, high-quality freshwater aquaculture products. WISHH is further leveraging the Food for Progress project by using soy checkoff funding to support training, as well as innovations in new technologies for aquaculture.

From 2019 to 2023 the project trained and coached 1,042 producers and producer groups to increase their yield and



A solar dryer dome at a project beneficiary site, Samnang Sothea Fish Enterprise, used to reduce production costs and increase food safety. Photo credit: CAST Staff.

income. The project also provided follow-up technical support to approximately 1,500 people and their organizations and established relationships with buyers. The Food for Progress project has a robust business development program, training entrepreneurs who buy fresh or processed fish to sell in management, accounting, enterprise planning, and other management skills. The project trained 247 enterprises, of which 86 are women-led.



The Food for Progress project facilitated Cambodian Certification for Aquaculture Professionals at Rathada Farm. The project introduced this technology using soy checkoff funding. Photo credit: Project Staff.

With an eye toward sustainability of the Food for Progress investment, the project has worked with the Center of Excellence in Sustainable Agricultural Intensification and Nutrition at the Royal University of Agriculture. This innovative unit is also supported by U.S. Agency for International Development (USAID) Innovation Labs and other development programs. It has conducted applied research in aquaculture, carried out internship programs for aquaculture students, and managed demonstration ponds. As a result, there are significantly more undergrads signing up for the aquaculture program, and the university is committing to expand the faculty.

Another component of ongoing industry strengthening is the launch of the Cambodian Aquaculturist Association (CAA), a locally registered, Cambodian-led organization

with members who lead businesses spanning the aquaculture value chain, from hatcheries to feed mills to fish processors. As of 2023, CAA has 1,000 members, and 75 percent are producers. CAA also provides a strong foundation for ongoing trade relationships with the U.S. soybean industry. The organization is working on a three -year strategic plan, which will guide it beyond the project closeout in 2026.

### Food for Progress: Uganda



Vanilla farmers in the Namakandwa village in Kayunga district. Photo credit: CRS Staff

The FY 2020 \$20.7 million Food for Progress project in Uganda named Vines is implemented by Catholic Relief Services (CRS). CRS works with TechnoServe, Frontier Co-op, Sustainable Vanilla Initiative, Virginia Dare, Purdue University, and Uganda's Private Sector Exporter Association in implementing this project. The project is designed to make Uganda the world's next leading supplier of high-quality vanilla, by increasing annual exports from 50 MT to 350 MT. Leveraging the expertise of its partners, the project aims to increase vanilla production, strengthen compliance with food safety standards, and develop sustainable market linkages with both U.S. and global vanilla companies. The project

targets 16,200 farmers, 836 supply chain actors, and 25 processing companies. It is on its way to add 16,176 new jobs. The project's main objectives are to increase farmers' productivity while managing risk, expand the trade of safe and pure Ugandan vanilla, and strengthen the institutional and policy environment for vanilla.

Between 2021 and 2023, the Food for Progress project has built a portfolio of nine Vanilla Innovation and Expansion Fund (VIEF) partners linked to 32 international buyers and nine partnerships with processors on food safety. Through these partnerships, over 11,262 farmers are now in organized supply chains, and 7,363

(5,386 men, 1,977 women) are trained in vanilla agronomy and agroforestry through private and government sector extension services. This has led to improvements in small holder farmers' competencies, especially in production that has partly contributed to improvements in productivity (from 0.22kg to 0.47kg/vanilla plant in 2023), and overall volume production of vanilla on the farm that has contributed to an improvement in farmers' gross margin per hectare from \$1,019 in 2022 to \$1,720 in 2023. At the processor level, quality improvements have continued (higher vanillin content, no mold, etc.), and the volume of exports of cured vanilla has almost doubled (from 133 MT to 244 MT). Through the VIEF partnerships, the private sector investment leveraged by USDA to support the vanilla industry increased from \$396,595 in 2022 to \$957,340 in 2023.



Workers at Enimiro Products Uganda Limited, a vanilla exporting company, sort and pack vanilla for export. The project supported the company's efforts to standardize its food safety and processing processes to meet international standards. Photo credit: CRS Staff.

In FY 2023, 13,639 individuals participated in the project; 4,411 individuals accessed both temporary and permanent jobs because of the Vines project interventions; and 6,705 small holder farmers were integrated into partner supply chains. To strengthen the financial competencies and access, over 4,561 small holder farmers (67% women) have been organized into 200 savings and internal lending communities' groups with a cumulative saving of \$117,118. To improve the quality of land and water resources, Vines enhanced the capacity of farmers in the use of improved Agricultural Techniques and Technologies, which resulted in implementation of improved management practices or technologies on 4,284 hectares.



The project supported Enimiro Products Uganda Limited, a vanilla export company, to set up modern laboratories that carry out testing, such as moisture testing, to ensure that exported vanilla meets demands of the international market. Location: Kayunga district, Uganda. Photo credit: CRS Staff.

There are now 22 processors implementing practices to meet export quality standards for vanilla, compared to eleven processors reported in 2022. Exports from these processors represent approximately 60% of the total export volume in Uganda, hence a driving force for overall quality improvements in the Ugandan vanilla sector. To strengthen the policy environment, the FFPr project, in collaboration with the Ministry of Agriculture, Animal Industry and Fisheries and district local governments, initiated the development of 16 ordinances in high and medium producing districts to improve farm security, prevent theft and premature sales, and strengthen harvest date policies to prevent the trade of immature, poor quality vanilla.

#### Conclusion

In conclusion, the Food for Progress Program continues to promote resiliency and improve global food security in specific countries and regions around the world. Project implementers have trained farmers in animal and plant health, helped improve farming methods, developed road and utility systems, established producer cooperatives, provided microcredit, and developed agricultural value chains. With 45 active projects in 37 countries valued at more than \$1.2 billion, the program has been instrumental in advancing global food security. FAS looks forward to continuing our work to further promote resiliency and global food security around the world.