Is it time to stop shipping US food aid overseas? By Helen Murphy, *Devex Newswire*, 22 July 2025

As the U.S. slashes its foreign aid budget, a big question looms: Does the world still need American grain shipped across oceans? For decades, **the U.S. has led the global food aid game**, sending wheat, corn, and soy through its Title II Food for Peace program. In 2023, it reached 45 million people across 35 countries. However, with funding on the chopping block, critics are questioning whether this old-school model remains viable.

In-kind food aid has saved lives, no doubt. But **opponents say it's pricey, inefficient, and distorts local markets**. It sticks around mainly because it's great politics — U.S. farmers and shippers benefit from guaranteed government contracts. "There's this cargo preference requirement that requires a certain percentage of U.S. commodities that are shipped overseas be transported on U.S.-flagged vessels," says Erin Collinson of the Center for Global Development. "It does, typically, add to the cost and sometimes even the delays in getting food shipped."

Even free market think tanks are among the critics. The Cato Institute has criticized the model, citing research showing it costs a third more than local sourcing.

Many emergency responses have moved toward sending people cash to buy their own food. But while that has gained traction as an alternative, it is not always a one-size-fits-all solution. Dan Gilligan of the International Food Policy Research Institute highlights research in Ecuador, Uganda, Yemen, and Niger found that cash and food transfers delivered similar results everywhere except for Niger: "The markets in Niger were so weak that people would receive cash and essentially couldn't access a healthy diet," he says. Gilligan also cited research in the Philippines, which found a cash injection led to sudden inflation, severe enough to cause child stunting.

Plus, **there's the nutrition factor**, my colleague Ayenat Mersie writes. **U.S. food aid often includes fortified blends** packed with essential micronutrients. "In one study from several years ago, adolescent girls in late primary school had, you know, anemia rates around 20% and they almost fell to zero as a result of them getting access to fortified food," Gilligan says. Cash just can't do that — at least not yet.

But there's a question about how necessary food aid is at all. Countries such as Tanzania are showing what self-reliance can look like. "Our view is that in general, there isn't … a macro, large-scale need for in-kind food aid," says Jonathan Said of AGRA. "Of course, you definitely have pockets," he adds, pointing to conflict-hit countries such as South Sudan and Somalia. **The goal now is to boost regional trade**, so neighbors with surplus can support those in need.

So why does in-kind aid survive? Politics. "In-kind food assistance has survived for a real reason. And that has to do with obviously the constellation of domestic constituencies that

support it," Collinson says. **It's not just about helping hungry people — it's about helping American industries.** That's why it stays funded, even as long-term programs such as Feed the Future get axed.

Bottom line: In-kind food aid is clunky, controversial, and politically charged. But in a world of fragile markets and deep inequality, it may still be a necessary tool. At least for now.