Commodity allocations outlined

WASHINGTON, D.C. — The U.S. Department of Agriculture today issued its revised country and commodity allocations for fiscal 1983 under Titles I and III of Public Law 480 (the Food for Peace program).

According to Acting Under Secretary of Agriculture Alan T. Tracy, current program plans provide for distribution of $783.5 million in commodity shipments, up slightly from the previous quarter. Of this amount, $756.2 million is allocated and $27.3 million is being held in a reserve to meet emergency situations and provide additional assistance to countries with fiscal 1983 programs. Food aid shipments are presently expected to total about 4.1 million metric tons.

Tracy said USDA added dry edible beans to the table; increased country allocations for Costa Rice, El Salvador, Guinea, Honduras, Indonesia, Sierra Leone, Sri Lanka and Sudan and made minor quantity changes for some countries.

The revised allocations meet the legal requirement that at least 75 percent of food aid commodities be allocated to friendly countries meeting the International Development Association poverty criterion—currently those with an annual per capita income of $795 or less. Eighty percent of Titles I and III planned commodity shipments are allocated to countries in this category.

Among other factors, Tracey said, the program takes into account variations in commodity and budget availabilities in the United States and in participating countries; changing economic and foreign policy situations; potential for market development; fluctuations in commodity prices; availability of handling, storage and distribution facilities; and possible disincentives to local production.

Except for agreements already signed, the country and commodity allocations announced do not represent final U.S. government commitments. Each program must still be reviewed and approved prior to negotiations with individual recipient countries before final U.S. government agreements are signed, Tracy said.

Title I of P.L. 480 is a concessional sales program designed to promote exports of agricultural commodities from the United States and to foster economic development in recipient countries. The program provides loans of up to 40 years, with a grace period of up to 10 years and low interest rates.

Title III provides for the forgiveness of the debt incurred under Title I, based on accomplishments in food for development programs and projects agreed upon by the United States and recipient countries.