

This is the very first document written to anticipate the Food Bank or later the "Foodgrains Bank" idea. The discussion grew out of the 1973-74 famine experience of Art DeFehr in Bangladesh plus the collective efforts of John Wieler of MCC Canada, Dave Durksen from the Canadian grain industry and Len Siemens from the University of Manitoba. The original idea contained the elements of banking grain as grain or value, the role of CIDA and the Wheat Board plus the role of an agency like MCC in distribution. These discussions led to the formation of the original MCC Foodgrains Bank and a few years later as the multi-church "Canadian Foodgrains Bank". The next document written approximately a month later already expresses a great deal of refinement of the idea.

PROPOSAL
M.C.C. FOOD BANK
WINNIPEG, MB CANADA
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Art DeFehr

PREAMBLE

Food is a complex and emotional issue and it should be recognized that any discussion covers only a few of the issues and any project speaks to only a portion of the problem. International specialization is a basic tenet of international economics, and given the uneven distribution of productive land and population, the limitations of climate and the vagaries of weather and other factors, we should hardly exclude food from this category. If food shipments reduce the incentive for development of local food resources, then this is hardly desirable. Given the fact that food will always remain a major international commodity some effort should be made to allow for the needs of those countries or groups who have genuine needs but lack the ability to pay in hard currency. The present system does not penalize those who cannot grow enough, but those who cannot pay enough.

M.C.C. FOOD BANK

I Objective:

Develop a technique of procuring supplies of basic grains at the lowest possible cost, to hold these supplies until required, and to deliver these supplies directly to pockets of need caused by natural or human disasters.

Program Outline:

- 1) Begin with one basic commodity – wheat
- 2) Price of the wheat should be based on average direct costs in the Prairies with some allowance for fixed costs such as land. Suggested price could be around \$2.00 in 1975.
- 3) A farmer would sign a Food Bank Contract in advance of planting for a specific number of bushels or a specified portion of his harvest, e.g., 1,000 bushels or 10% of harvest.
- 4) M.C.C. would set up a central office which would solicit contracts and handle all transactions with the farmer. The office could be staffed by an M.C.C. volunteer.
- 5) After harvest, the farmer would report that the wheat is available, or, where the quantity was flexible, would indicate the specific quantity available for the Food Bank.

- 6) M.C.C. Food Bank would send a cheque for all or a portion of the \$2.00 or whatever the agreed price is.
- 7) The farmer will agree to store the grain until called upon to deliver it. Storage costs could be paid on the basis of a minimum cost for on-farm storage.
- 8) When the M.C.C. Food Bank requires grain certain farmers will be advised to deliver their grain to the Wheat Board in care of their local elevators. Their grain ticket will be sent to the Food Bank, but no payment will be made by the Wheat Board.
- 9) M.C.C. Food Bank will submit the grain tickets at the port of its choice and will receive an equivalent portion of wheat for ocean shipment.
- 10) M.C.C. Food Bank will pay the costs of shipment from Prairies to port
- 11) The grain will be shipped to an M.C.C. Project or to another organization in a needy area selected by M.C.C. for final distribution.

Finances:

CIDA They would pay for the cost of the grain, on-farm storage freight to port, and ocean freight.

M.C.C. Finance and staff Food Bank office in Canada and assume responsibility for final distribution or select responsible organizations to receive and use the food.

WHY AN M.C.C. FOOD BANK

II A Food Bank initiated by M.C.C. is important for the simple reason that the nations with surplus food production and the international organizations have been unable to find a formula for stockpiling food specifically designed for humanitarian purposes. The development of a technique which succeeds in creating a designated supply of food could inspire other groups or countries to expand the program to a much larger scale.

One of the major deterrents to a programmed effort of food relief is the smug argument that several countries will permanently be in a deficit food position and therefore by supplying cheap food or free food we are simply encouraging them to ignore their own pressing problems. What we tend to forget is that most nations of the world are in a permanent deficit position, including most of Europe and the Middle East.

The difference is simply one of ability to pay – and that is a very different problem! Grain, vegetable oil and other commodities have been traded in vast quantities for millennia – why is it that we cut off the supply to the countries with the greatest problems and piously insist that they should get busy and increase their own production?

We seem to forget that the developed world leans heavily on the prime agricultural land of the tropics for many of our foods and industrial materials. What about coffee, tea, bananas, sugar cane, copra, peanuts, palm oil, beef, jute, pineapples, etc. etc. If we agreed to reserve the same acreage for production of grain and soybeans to send back to the tropics – would there still be a deficit in the less developed world? Bangladesh alone uses 2,000,000 acres for jute. At one ton of grain per acre, that could supply the entire deficit of Bangladesh in this, it's most difficult hour. Who received the jute?

We do, of course. If Bangladesh were blessed with the oil of Alberta or Texas, the nickel of Thompson or the factories of Chicago, it wouldn't need to grow jute to earn a precious little foreign exchange.

Then there is the question of our attitude to resources that nature has failed to place in our back yard. Somehow we claim a certain right to the oil under the sands of Arabia or Lake Maracaibo – but become incensed with a Bengali or an Ethiopian timidly suggests that the great wheat belt of North America is also an international asset. If we want to use chauvinistic arguments, we should at least be consistent.

Designated Supply:

The present situation is the ready availability of grain at times of surplus, and no supplies during an international crisis. The only way this can be reversed is if grain is procured at reasonable costs during the good years (a la Joseph) and shipped in quantity during the lean years. This will also have the effect of reducing the cost of grain during crisis periods. By segregating this grain it will be effectively removed from commercial channels and this should remove the legitimate fears of farmers that an overhanging surplus may depress their prices.

The Banking Aspect:

By procuring a roughly similar amount of grain each year, and holding a supply of two years or so, the Food Bank would have the capability of shipping very substantial quantities in crisis years. The only way this could be accomplished on a large scale at a low cost is by doing the banking right on the farm.

THE PROBLEM OF DISTRIBUTION

III There should be no illusions that the distribution of food will be a very easy task. On the other hand, what can one do with the food besides eat it? If the problem is an overall shortage of food supplies in an area – the introduction of new supplies will help solve that problem – although the distribution may not be ideal. There are certain situations where for reasons of geography or foreign exchange (such as in Bangladesh), the food can actually move out of the target area and into a neighboring area – India. We criticize Bangladesh, yet it is to India's interest to keep this border porous, and Bangladesh has little power to go against the interest of its neighbor.

According to an undocumented report the cost of delivering one dollar in benefit to the needy within the United States, an allocation of three dollars is required. We don't consider our vast bureaucracy and administration a misallocation – but the effect is the same. The poor countries aren't as sophisticated in their methods and we label it corruption. Even when food is diverted to the black market it still increases the food supply, it just means someone else had a financial gain.

Direct Distribution

There are a limited number of situations where one can identify a group which is located in such a way that one can supply food directly. This is true in cases like the Bihari refugees of Bangladesh, war refugees in Indo-China, disaster refugees in cases of severe storm or flood and so on. In many cases there are church agencies or responsible local groups that can handle limited supplies for direct distribution. In other cases one can set up short-term administration to deal with the matter.

The key requirement is one or two persons with prior experience in distribution and several more with local knowledge. M.C.C. or other agencies have to recognize the importance of having access to experienced personnel and make use of them.

Involve the Producer:

The present unregulated system puts the onus on the farmer to hold surplus grain for the world. The burden of this responsibility should be shifted to society in a much broader way. By asking the farmer to provide grain at his cost and store for a reasonable fee, he is forfeiting his profit on that quantity, but is not shouldering the entire load. The ethos of the producer appears to be such that they would like to grow food for the world, but they need meaningful programs where they can participate. The Food Bank would be one such program.

Control Delivery to those in Genuine Need:

The problem with government-to-government relief is that the recipient government has different priorities than the donors. These are usually the support of the politically sensitive areas like cities, the elite, the army or the civil servants. Furthermore, the grain is usually sold, which means only those with money benefit, and the money is used to support military or other programs. Usually countries honor the right of private agencies to be involved in the distribution of food they import. This means that the food can be directed to very specific groups and areas – such as refugees or victims of natural disasters.

The Food Bank could be restricted as to where it can send food by a list like the U.N. list of 25 most needy nations plus disasters of an individual nature. This would limit the competition with commercial grain.

Scale of Program:

The initial program would appeal to Mennonite farmers and the target could be 1,000 farmers committing 1,000 bushels each per year or a total of 1,000,000 bushels per year. The cost of the program could be \$2,000,000.00 for the grain plus another \$500,000.00 or so for transport. The same amount of grain via regular channels would cost our tax payers or the recipient country more than \$5,000,000.00. In addition, by delivering the grain to the most-needy groups the effectiveness per bushel from a humanitarian point of view would at least be doubled. Thus from a cost-effectiveness point of view, each dollar spent may be 4 times as effective in delivering food to areas of greatest need as compared to a food shipment on a regular bilateral aid basis. This should interest CIDA as much as the farmer, M.C.C. and the tax payer.

Given a good track record with a million bushels per year, this program would undoubtedly be copied by government or other agencies.

Conclusions:

M.C.C. should initiate this effort for two basic reasons:

- 1) There will always be a need to shift food resources to areas of need and the mandate of M.C.C. includes the desire of our constituency to speak to this need.

- 2) M.C.C. and the Christian Community as such should not be concerned with solving the whole problem, but should be the "salt" and pioneer ideas, techniques, methods which speak to the conscience of our world and which also point to practical solutions.

The M.C.C. Food Bank is an ideal project to relate the genuine humanitarian instincts of our constituency with the desperate needs of our world and to do it in such a manner that the seed or our idea can germinate and multiply to make a much greater impact on other hands.

Gifts to Government

There is a great variety in the reliability of government distribution systems, and there are undoubtedly situations where such a gift will be well used. This is particularly true where the group in need is politically important to the government.

Grain Sales in Local Currency

It has already been stated that ability-to-pay is more of a factor in the food crisis than availability of supplies. If countries which lack foreign exchange could pay in their own currency, much of the problem would be resolved. This would generate substantial holdings of inconvertible currencies by the Food Bank in the countries with the greatest food problem. These funds could be used to support agricultural projects which will increase the food production capability of that country. At a level of one million bushels per year, this could generate up to 5 million dollars in local purchasing power to support development. This kind of program would soon put the Food Bank at the forefront of Agricultural Development since there are very few countries or private Foundations with funds much beyond that size.

A Little Creativity and a Lot of Faith

The world is not short of money, food, or skills, but it is desperately short of creative, workable ideas. This document is by no means definitive. It only deals with one commodity in one country. There are certainly many variations which could expand and improve the scheme.

Our role as Christians and as smaller groups is to pioneer ideas and techniques. We should not be bound by the red tape and other limitations of our national and international institutions and must use this freedom and flexibility to operate on the leading edge of ideas.

The following document speaks to the context within which the Food Bank idea was generated. The impact of the global famine of 1974 resulted in a focus on world hunger within MCC and other agencies. The Food Bank idea was influenced by this larger context but was also a result of local conditions in Canada and the impact of the experience of the famine by myself – Art DeFehr – the prior two years in Bangladesh. It is interesting to note that no major programs developed in the US as a result of these meetings and the US never understood or adopted the Food Bank idea.

Comments from Art DeFehr

WEST COAST MCC PLANS FIRST ASSEMBLY

"Received April 26, 1975 by Mennonite Central Committee"

Mennonite and Brethren in Christ congregations on the West Coast of the United States feel good about the opportunity to plan, share and evaluate MCC programs at the local level. That was the consensus of pastors who responded to a letter from West Coast MCC Director, Ken Neufeld, suggesting the dates and places of the first West Coast MCC Annual Assembly. In order to minimize geographical distances and transportation costs and maximize community exposure to MCC activities, the Assembly will be held in two sections: one at Portland, Oregon for the Northwest on October 11 and 12, and the other at Bakersfield, California on October 18 and 19th.

The Central Committee of the West Coast MCC has accepted a recommendation that World Hunger be the theme for the 1975 Annual Assembly, and that the Assembly take the format of a keynote speaker and a series of workshops on the various aspects of World Hunger. By looking at the World Hunger question, the West Coast MCC is attempting to tie into the January 1975 Resolution on the Continuing World Food Crisis adopted by the MCC Annual Meeting in Winnipeg, which read in part: "...plan for five to ten regional conferences in the United States and Canada for the purpose of creating greater awareness of the world food crisis on the local level" so that individual churches can help identify persons who can give themselves to service assignments, discover and promote more responsible patterns of living, take opportunities to influence public policies which relate to the world food crisis and provide an on-going dynamic to keep those concerns alive at the congregational level.

In the next several weeks two local planning commissions will be formed to plan for the two sections of the Annual Assembly. The role of these commissions will be to work closely with the West Coast MCC Executive Committee to plan the workshops at the Assembly, to make the necessary physical arrangements and to help publicize the Assembly in the local churches.

West Coast Mennonite and Brethren in Christ Churches will be invited to send one delegate to the Assembly for every 50 members in the congregation or portion thereof. Additionally, there will be provision for as many others from the local areas as may wish to join in the open sessions. Delegates will be given the opportunity to elect new members of the West Coast MCC Central Committee, which according to the new structure approved in Winnipeg in January, will provide for members from each of the states and district conferences in the West Coast area. Resolutions adopted by the Assembly will be implemented by the new Central Committee in 1975-76.

Prepared by: Ken Neufeld / April 23, 1975