

Food Procurement Annual Report 2012



Procurement Mission Statement

"To ensure that appropriate commodities are available to WFP beneficiaries in a timely and cost-effective manner."

Further to the procurement mission statement, WFP's Financial Rules state:

"When conditions are equal, preference will be given to purchasing from developing countries."

WFP's general policy is to purchase from pre-qualified suppliers through a competitive bidding process. Competitive bidding guarantees that the best possible prices are obtained and that the purchase is carried out in a transparent manner. This process entails an analysis of the cost of the commodity as well as the costs of transport and handling up to the delivery point.

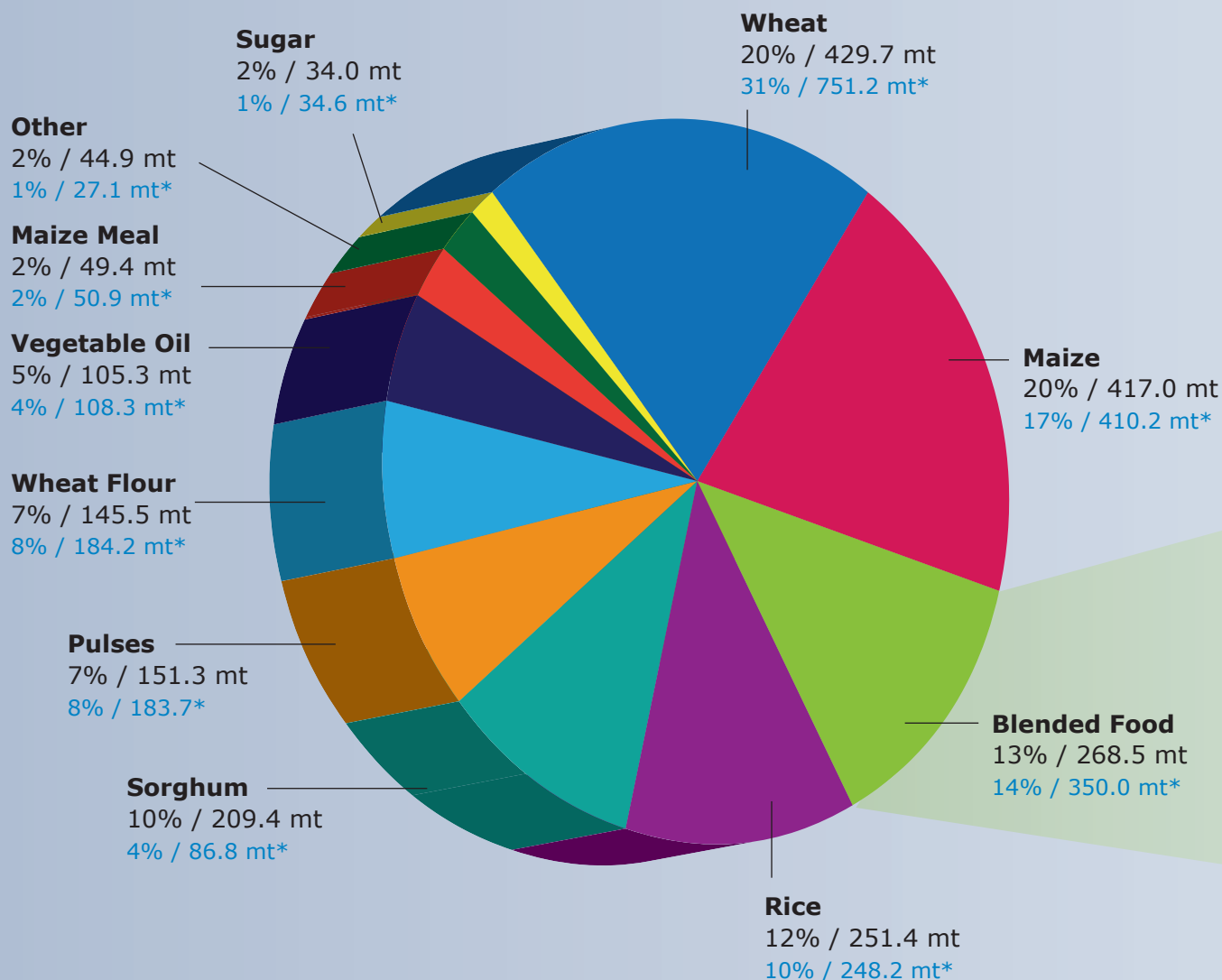
Before issuing a tender, careful consideration is given to the location of the most advantageous place to buy, relative to the area of need. Factors such as the acceptability of the commodity on offer to the tastes of the receiving beneficiaries and the delivery time to destination play an important part in this evaluation.

Donor or recipient countries' conditions and restrictions on origin, destination, quality, packing and marking often limit the flexibility of the purchase and impact on this procurement planning.

Total Purchases in 2012
2.1 million mt
US\$1.1 billion

What did we Purchase?

Percentage of Total Quantity (2,106.3 thousand mt)



In 2012, WFP procured more than 1.5 million metric tons (mt) of cereals, of which 404,492 mt of wheat. Compared to 2011, when wheat was purchased mainly from the CIS countries and the Black Sea region, wheat of Indian origin predominated in 2012. The competitive price of Indian wheat was coupled with the competitive freight rates from Indian ports to the main recipient countries Djibouti/Ethiopia, Yemen and DPRK. The balance of wheat was of Pakistan, Kazakhstan and Australia origin.

Of other staple foods, a total of 209,419 mt of sorghum was procured, primarily from India and

the Sudan, but also from Nigeria, Ukraine and Mali. Overall, 416,975 mt of maize was purchased in developing countries – mainly in Ethiopia, Tanzania, Zambia and Kenya, among others. WFP's regional procurement office in Bangkok purchased 84,317 mt of rice from Viet Nam, India, Pakistan, Uruguay, Egypt and Thailand.

Total purchases of vegetable oil amounted to 105,326 mt. Palmolein oil prices fell significantly in the third quarter of 2012, while prices of soybean and sunflower oil increased slightly in the same period. Most of the palmolein oil (74,533 mt) was sourced from Indonesia, with much smaller

Super Cereal includes: Corn Soya Blend, Rice Soya Blend and Wheat Soya Blend

Super Cereal Plus includes: Corn Soya Blend++ and Wheat Soya Blend++

Acronyms

CSB	Corn Soya Blend
CSB++	Corn Soya Blend Plus Plus
HEB	High Energy Biscuits
RSB	Rice Soya Blend
RUSF	Ready to Use Supplementary Foods
WSB	Wheat Soya Blend
WSB++	Wheat Soya Blend Plus Plus

Focus on Blended Foods

Percentage of Quantity (268.5 thousand mt)

Emergency Rations

0.01% / 0.02 mt
0.06% / 0.2 mt*

RUSF

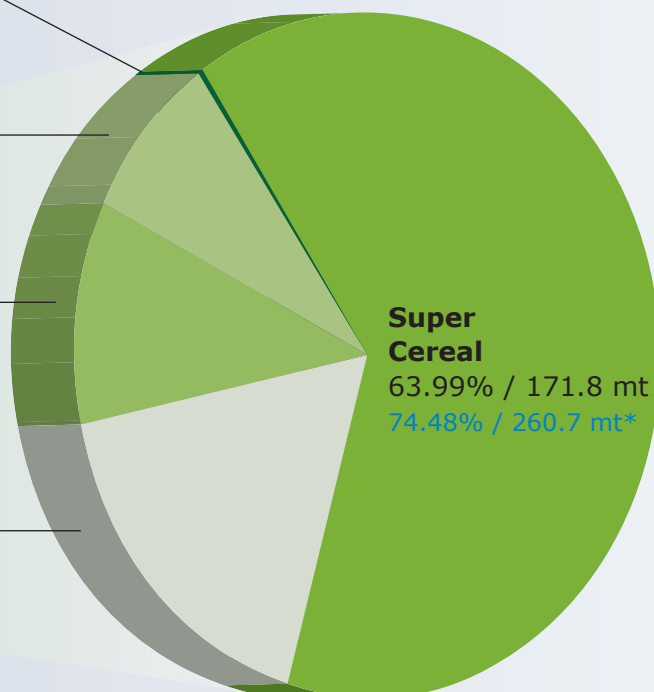
8.22% / 22.1 mt
5.81% / 20.3 mt*

High Energy Biscuits

10.43% / 28.0 mt
15.65% / 54.8 mt*

Super Cereal Plus

17.35% / 46.6 mt
4.00% / 14.0 mt*



quantities from Malaysia, Ecuador and Democratic Republic of Congo, while the soybean/sunflower oil (30,793 mt) was mainly Turkish, with smaller quantities from Argentina, Morocco, Mexico, Egypt, Hungary and Belgium, among others, destined mainly for Syria. In 2012, WFP also purchased more than 151,254 mt of pulses. Most came from Russian Federation, Malawi, Ethiopia, Ukraine, Canada and Turkey.

WFP promotes the use of fortified supplementary foods to prevent and treat malnutrition, particularly among children. In 2012, WFP

purchased 268,527 mt of blended foods. There was a greater emphasis on the specialized product Super Cereal Plus (CSB++ and WSB++), for child beneficiaries to prevent and treat malnutrition; WFP purchased 46,594 mt, three times more than the previous year. In addition, the quantities of Ready to Use Supplementary Food (RUSF) purchased also increased.

Where did we Purchase in 2012?



93 Countries:
75 Developing / 18 Developed

DAC: Development Assistance Committee

LDC: Least Developed Countries

LIC: Other Low-Income Countries (per capita GNI < \$1,005 in 2010)

LMIC: Lower Middle-Income Countries (per capita GNI \$1,006 - 3,975 in 2010)

UMIC: Upper Middle-Income Countries (per capita GNI \$3,976 - 12,275 in 2010)



Origin of Goods as per DAC Category

By each category

DAC Category	Quantity mt	% mt	Value (US\$ thousand)	% US\$
LDC	683,625	33%	282,277	26%
LIC	41,646	2%	16,058	1%
LMIC	781,009	37%	382,861	35%
UMIC	300,619	14%	163,477	15%
Subtotal	1,806,899	86%	844,673	77%
Developed	299,386	14%	258,746	23%
TOTAL	2,106,285	100%	1,103,419	100%

Food Origin

77% from developing countries*
(in value terms US\$)

Country	Quantity mt	Value (US\$ thousand)	Country	Quantity mt	Value (US\$ thousand)
Afghanistan	985	1,389	Ethiopia	112,454	46,765
Algeria	8,170	3,767	Ghana	7,489	4,001
Argentina	9,212	7,358	Guatemala	8,028	4,879
Bangladesh	9,666	5,459	Haiti	3,481	3,522
Benin	15,971	7,250	Honduras	22,605	15,756
Bolivia	1,428	1,124	India	318,275	104,014
Brazil	14,705	5,143	Indonesia	80,663	91,338
Burkina Faso	11,673	6,577	Iran	903	326
Cambodia	20,679	9,057	Jordan	4,033	4,063
Cameroon	3,378	1,510	Kazakhstan	77,719	22,250
Central Afr. Rep.	396	268	Kenya	37,415	14,012
China	551	872	Kyrgyzstan	1,026	523
Colombia	1,807	893	Laos	1,332	678
Côte d'Ivoire	3,399	1,551	Lebanon	1,421	2,368
Cuba	1,246	666	Lesotho	5,670	2,038
Dem. Rep. Congo	13,902	7,455	Liberia	3,213	1,871
Ecuador	331	479	Madagascar	3,835	1,603
Egypt	6,959	5,793	Malawi	35,374	15,001
El Salvador	2,851	2,121	Malaysia	2,248	3,082



Country	Quantity mt	Value (US\$ thousand)	Country	Quantity mt	Value (US\$ thousand)
Mali	17,490	9,091	Sri Lanka	2,152	807
Mexico	1,531	2,633	State of Palestine	18,322	11,198
Morocco	1,757	2,796	Sudan	65,336	21,933
Mozambique	12,245	5,069	Syria	17,541	15,852
Myanmar	52,373	24,794	Tajikistan	232	27
Namibia	869	260	Tanzania	77,119	23,843
Nepal	2,694	2,082	Thailand	1,098	962
Nicaragua	2,299	1,442	Timor Leste	1,476	2,034
Niger	4,793	3,171	Togo	24,477	11,550
Nigeria	28,114	9,053	Turkey	98,101	68,974
Pakistan	152,601	69,012	Uganda	34,934	13,776
Paraguay	1,658	1,210	Ukraine	54,441	17,453
Philippines	4,430	2,585	Uruguay	2,256	1,111
Republic of Congo	10	15	Uzbekistan	176	163
Rwanda	22,938	10,829	Viet Nam	42,433	19,189
Senegal	2,646	448	Yemen	59,642	25,156
Sierra Leone	623	433	Zambia	66,208	19,136
South Africa	74,419	38,269	Zimbabwe	2,048	1,098
South Sudan	925	397	Grand Total	1,806,899	844,673

* Country income classification based on 2011-2013 DAC list

Food Origin

23% from developed countries*

(in value terms US\$)

Country	Quantity mt	Value (US\$ thousand)
Australia	14,494	6,115
Belgium	68,168	56,919
Bulgaria	18	338
Canada	10,508	6,502
Estonia	299	552
France	27,163	53,203
Germany	2,396	2,243
Greece	1	20
Hungary	1,160	1,865
Ireland	565	2,803
Italy	80,538	58,773
Japan	4,392	12,574
Netherlands	8,194	5,717
Norway	108	337
Russian Federation	65,166	36,991
Spain	1,692	1,304
United Arab Emirates	9,582	6,334
USA	4,941	6,157
Grand Total	299,386	258,746

* Country income classification based on 2011-2013 DAC list

Food Origin

Top 15 countries ranked by value

(in value terms US\$)

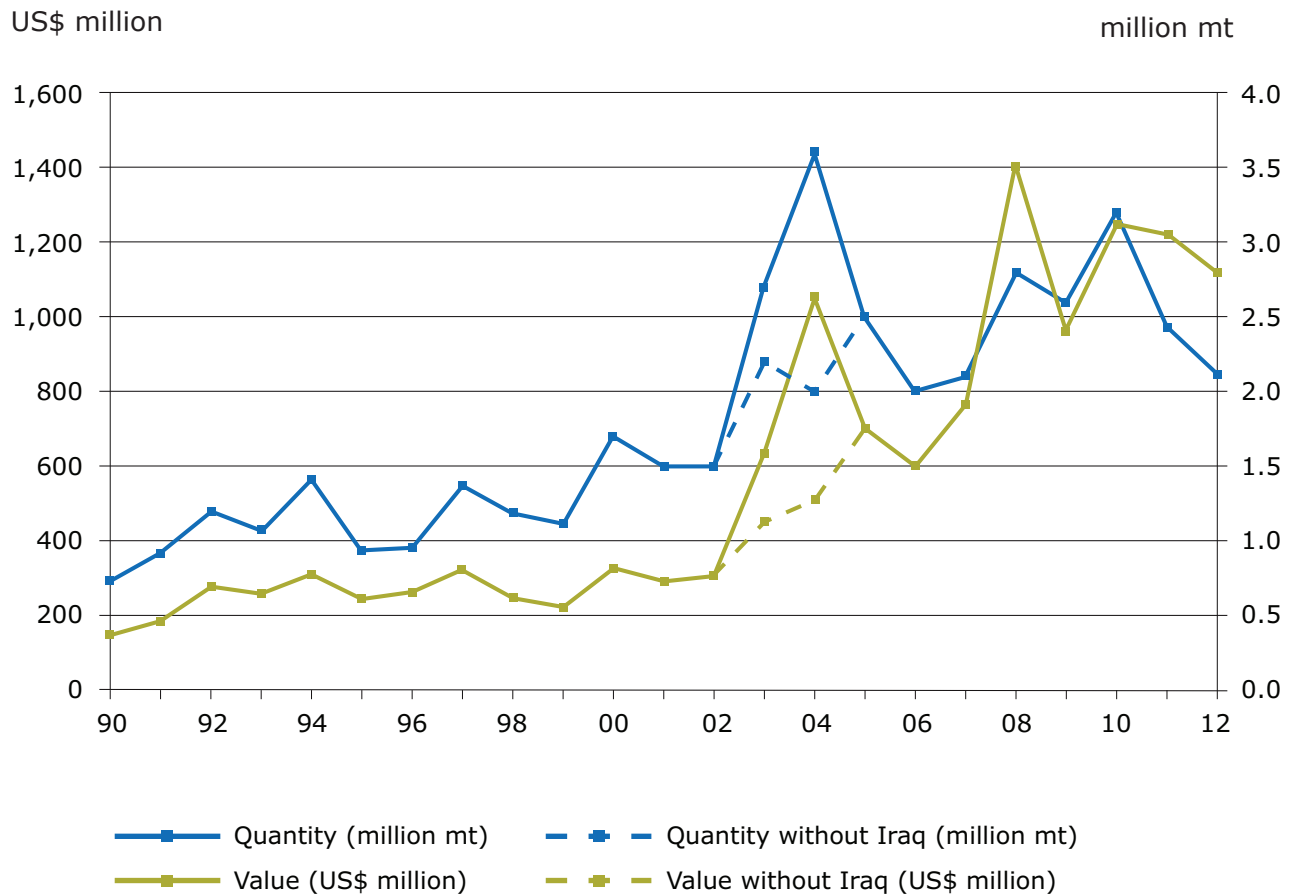
Country	Value (US\$ thousand)	%*
India	104,014	9.43
Indonesia	91,338	8.28
Pakistan	69,012	6.25
Turkey	68,974	6.25
Italy	58,773	5.33
Belgium	56,919	5.16
France	53,203	4.82
Ethiopia	46,765	4.24
South Africa	38,269	3.47
Russian Federation	36,991	3.35
Yemen	25,156	2.28
Myanmar	24,794	2.25
Tanzania	23,843	2.16
Kazakhstan	22,250	2.02
Sudan	21,933	1.99
Grand Total	742,236	67.28

* Represents percentage of total purchases



WFP/Jamal Penjweny/Iraq

Food Procurement Trends



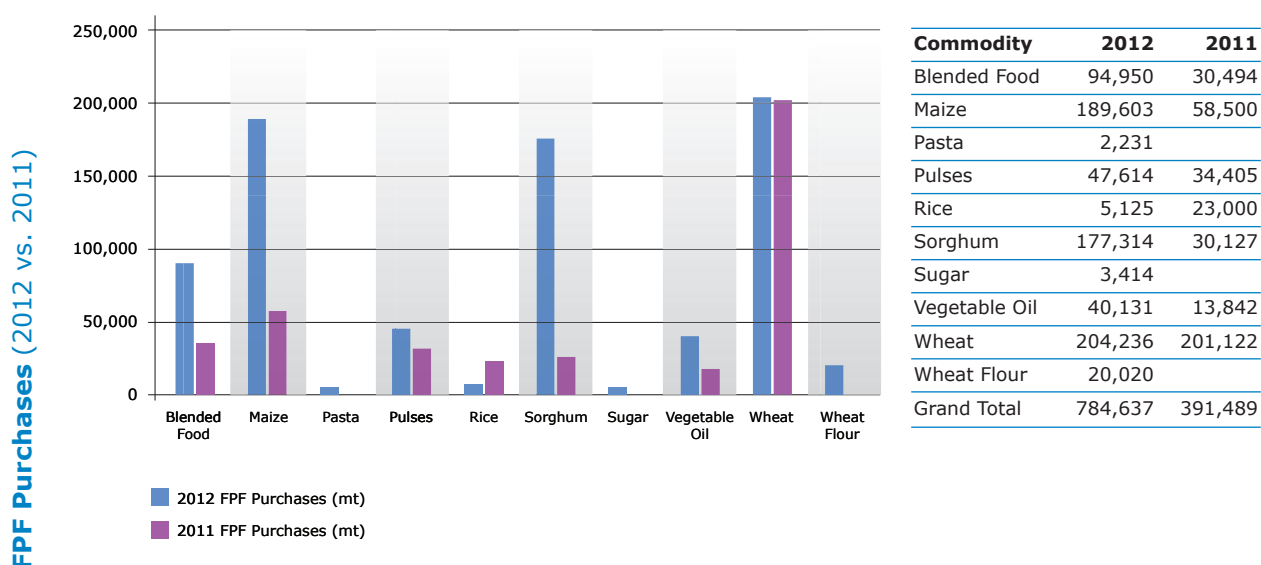
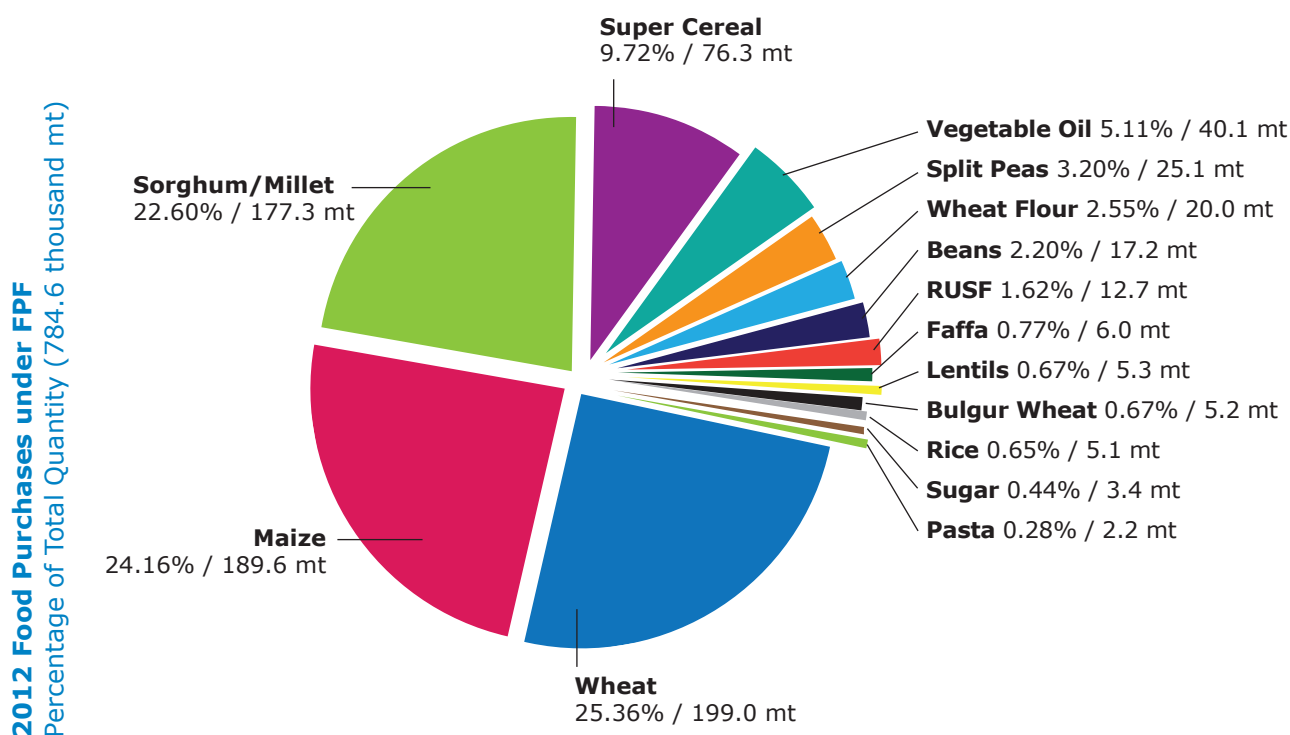
2003 includes 518,000 mt worth US\$182 million for Iraq

2004 includes 1,562,000 mt worth US\$540 million for Iraq

Forward Purchase Facility (FPF)

Greater use was made in 2012 of the Forward Purchase Facility (FPF), building on the experience gained during the Horn of Africa emergency. Global FPF purchases nearly doubled in tonnage over the previous year to 784,637 metric tons (US\$ 371 million), benefiting South Sudan, East Africa, the Sahel and Syria, among others.

In June, WFP's Executive Board approved the allocation of up to US\$300 million from the Working Capital Financing Facility for FPF, which enables WFP to purchase commodities in advance to ensure a steady flow of food for those in need, and to help reduce response time in emergencies.





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