

Food Procurement Annual Report 2011



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.

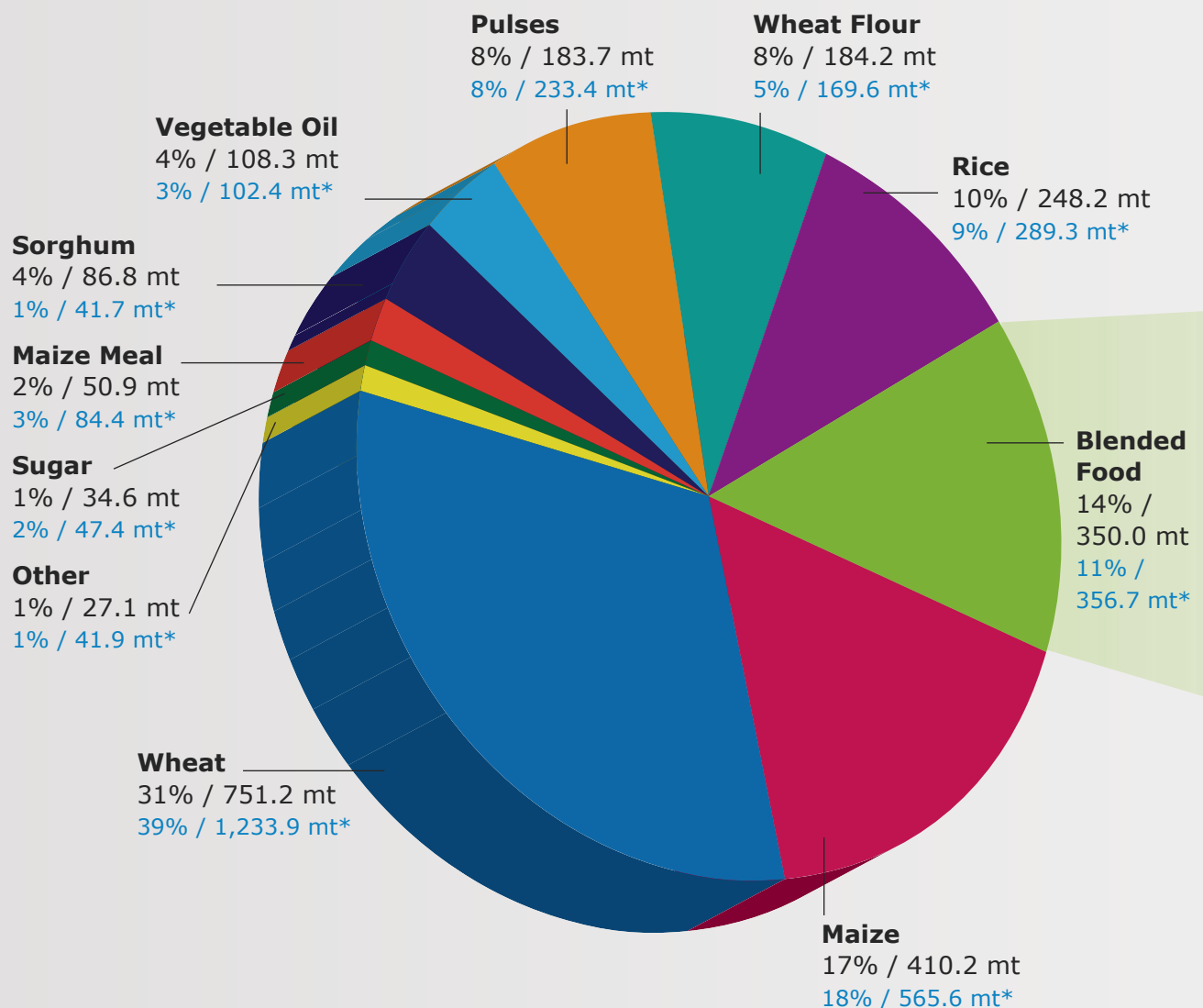
Total Purchases in 2011

2.4 million mt

US\$1.23 billion

What did we Purchase?

Percentage of Total Quantity (2,435.2 thousand mt)



In 2011, WFP procured more than 1.7 million metric tons of cereals, of which more than 750,000 metric tons was wheat. Most of the wheat was procured from CIS countries and in the Black Sea region, while much of the balance came from Pakistan, India and Brazil, a new wheat market for WFP.

Of some 410,000 metric tons of maize procured, all was sourced from developing countries and, in general, for beneficiaries in

Africa, with significant quantities coming from Malawi and Zambia where WFP doesn't traditionally buy for export. Around half of the 87,000 metric tons of sorghum purchased was supplied for the Horn of Africa emergency, to make up for a lack of availability of maize.

The capacity to purchase swiftly as the Horn crisis unfolded was enhanced by the Forward Purchasing Facility (FPF).

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

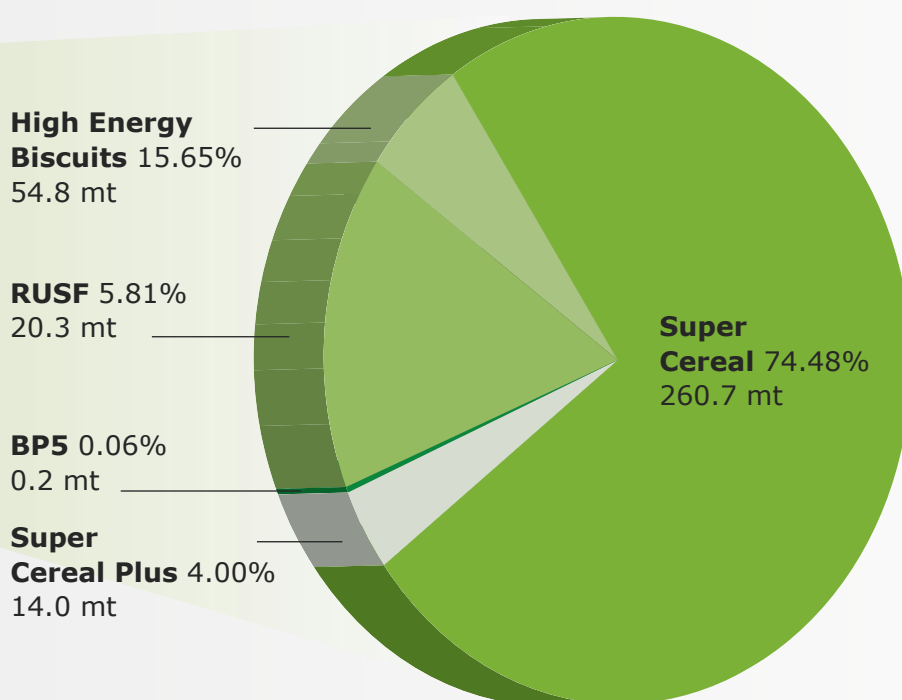
Super Cereal Plus includes: Corn Soya Blend++ and Wheat Soya Blend++

Acronyms

BP5	Emergency Rations
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 (350.0 thousand mt)



Where possible, WFP uses highly fortified supplementary foods to help prevent malnutrition among young children.

In 2011, WFP purchased more than 350,000 metric tons of fortified blended foods for US\$317.5 million. WFP also supports local production of specialized foods in developing countries.

While the quantity of blended foods purchased remained stable in 2011, there was greater emphasis on more specialized products, such as Super Cereal Plus (CSB++, WSB++) designed particularly for children under two. The purchase of CSB++ increased from around 1,000 metric tons in 2010 to almost 14,000 metric tons in 2011.

Where did we Purchase in 2011?



87 Countries:
70 Developing / 17 Developed

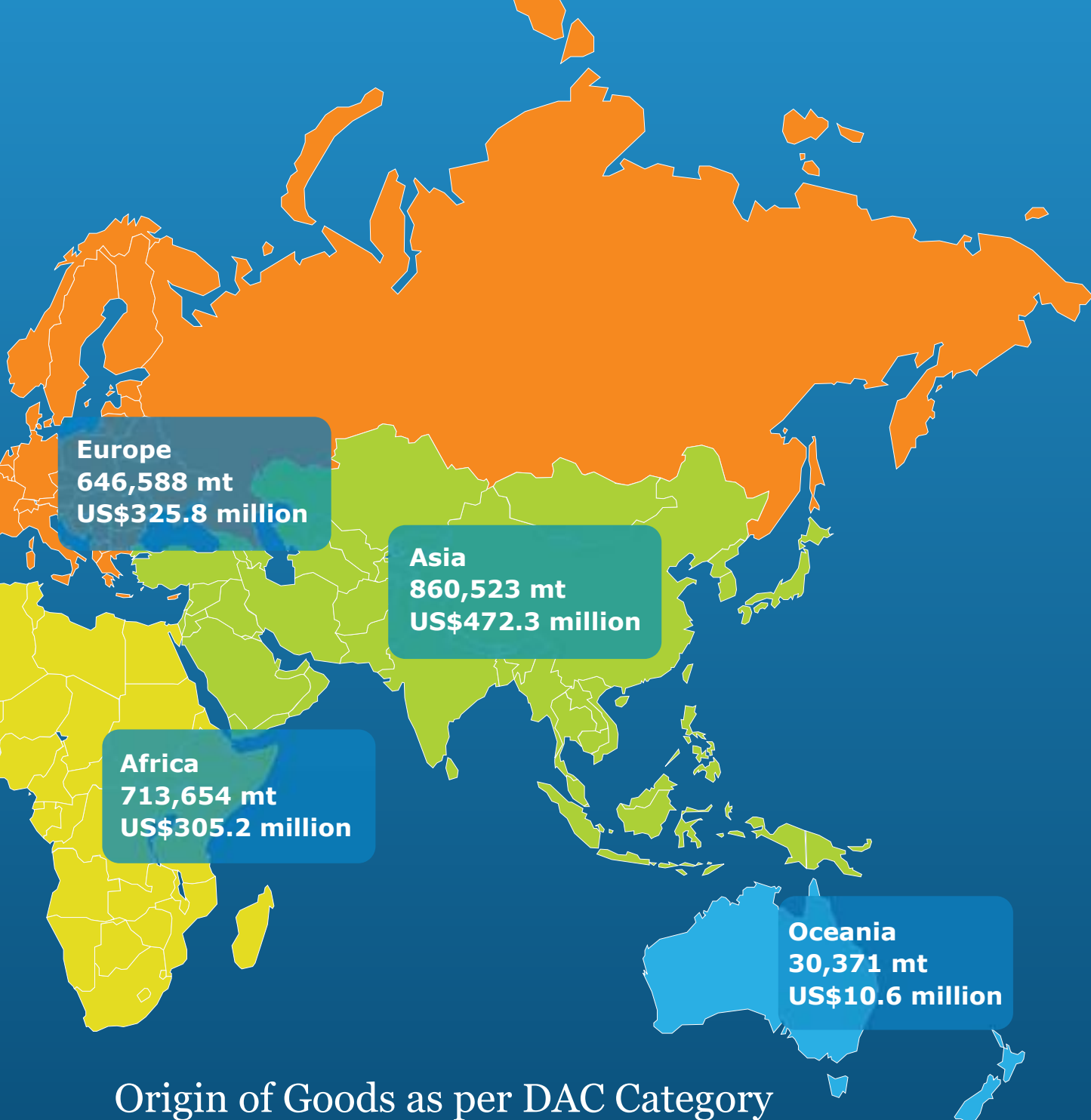
DAC: Development Assistance Committee

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	632,411	26%	267,378	22%
LIC	66,466	3%	27,230	2%
LMIC	656,697	27%	378,470	31%
UMIC	383,308	16%	196,615	16%
Subtotal	1,738,863	72%	869,694	71%
Developed	696,339	28%	362,338	29%
TOTAL	2,435,202	100%	1,232,032	100%

Food Origin

71% from developing countries*
(in value terms US\$)

Country	Quantity mt	Value (US\$ thousand)	Country	Quantity mt	Value (US\$ thousand)
Afghanistan	23,818	9,852	Ethiopia	85,293	42,685
Algeria	10,228	3,456	Ghana	6,710	3,673
Argentina	12,923	15,470	Guatemala	10,120	7,687
Bangladesh	15,550	11,570	Haiti	1,818	2,106
Benin	6,223	2,631	Honduras	30,068	23,782
Bhutan	48	28	India	198,251	75,842
Bolivia	4,253	3,487	Indonesia	95,112	117,984
Brazil	74,222	27,449	Iran	2,816	1,143
Burkina Faso	6,856	3,348	Kazakhstan	44,010	12,866
Cambodia	13,433	5,653	Kenya	57,961	22,867
Cameroon	4,828	1,947	Kyrgyzstan	3,857	2,608
Chad	485	196	Laos	523	294
China	6,571	5,485	Lesotho	3,738	1,356
Colombia	3,693	2,553	Liberia	150	95
Côte d'Ivoire	1,198	777	Madagascar	3,132	916
Dem. Rep. Congo	4,978	3,531	Malawi	108,630	40,031
Ecuador	631	619	Malaysia	2,413	3,122
Egypt	19,493	13,783	Mali	19,197	10,129
El Salvador	3,847	5,772	Mexico	6,515	7,747



Country	Quantity mt	Value (US\$ thousand)	Country	Quantity mt	Value (US\$ thousand)
Morocco	2,519	4,252	Tajikistan	100	12
Mozambique	32,408	11,575	Tanzania	64,992	20,031
Myanmar	33,504	17,238	Thailand	4,581	3,101
Namibia	711	266	Togo	5,512	2,494
Nepal	5,001	4,007	Tunisia	4,791	3,454
Nicaragua	2,100	1,226	Turkey	99,232	56,368
Niger	3,526	1,684	Uganda	40,690	18,538
Occ. Palestinian Terr.	8,092	6,164	Ukraine	29,335	12,017
Pakistan	202,409	80,211	Uruguay	288	156
Philippines	2,646	1,493	Viet Nam	24,665	12,150
Republic of Congo	190	90	Yemen	47,903	21,127
Rwanda	9,102	4,541	Zambia	31,705	9,057
Senegal	2,719	878	Zimbabwe	3,583	1,378
Sierra Leone	213	217			
South Africa	109,683	53,361	Grand Total	1,738,863	869,694
South Sudan	946	365			
Sri Lanka	9,992	5,241			
Sudan	61,264	21,574			
Syria	870	893			

* Country income classification based on 2011-2013 DAC list

Food Origin

29% from developed countries*

(in value terms US\$)

Country	Quantity mt	Value (US\$ thousand)
Australia	30,371	10,570
Belgium	71,629	50,577
Bulgaria	14	328
Canada	30,058	14,552
Denmark	3,361	1,582
France	15,374	50,178
Germany	10,167	7,559
Ireland	483	2,337
Italy	91,445	62,808
Japan	492	2,571
Lithuania	575	285
Netherlands	2,668	1,988
Norway	207	998
Oman	780	1,052
Russian Federation	421,332	135,191
United Arab Emirates	13,854	14,232
USA	3,531	5,530
Grand Total	696,339	362,338

* Country income classification based on 2011-2013 DAC list

Food Origin

Top 15 countries ranked by value

(in value terms US\$)

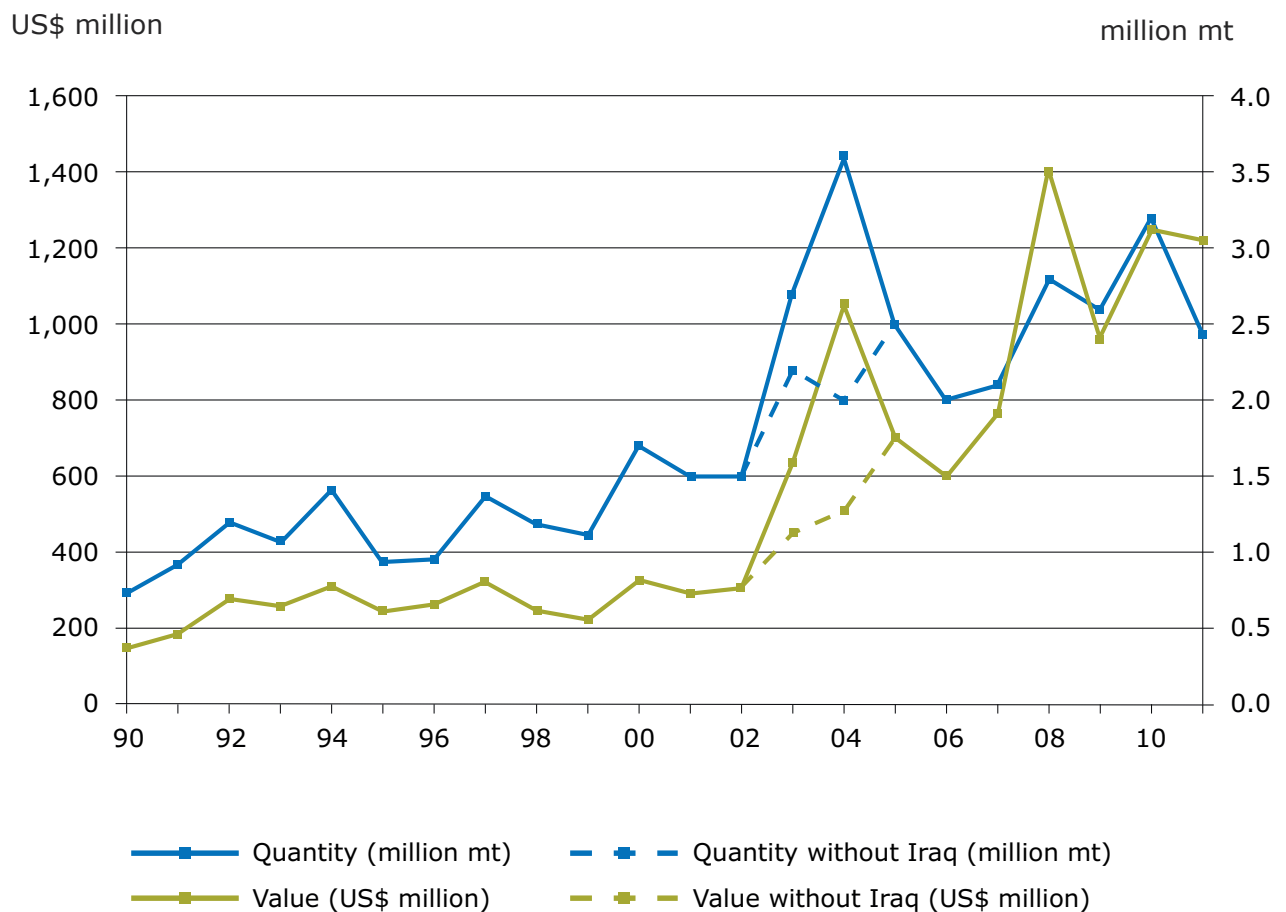
Country	Value (US\$ thousand)	%*
Russian Federation	135,191	10.97
Indonesia	117,984	9.58
Pakistan	80,211	6.51
India	75,842	6.16
Italy	62,808	5.10
Turkey	56,368	4.58
South Africa	53,361	4.33
Belgium	50,577	4.11
France	50,178	4.07
Ethiopia	42,685	3.46
Malawi	40,031	3.25
Brazil	27,449	2.23
Honduras	23,782	1.93
Kenya	22,867	1.86
Sudan	21,574	1.75
Grand Total	860,908	69.88

* Represents percentage of total purchases



WFP/Judith Schuler

Food Procurement Trends



In 2011, WFP purchased more than 390,000 metric tons of food using the Forward Purchase Facility (FPF). The FPF is a US\$150 million revolving fund that enables WFP to purchase commodities in advance to ensure a steady flow of food for those in need, as well as helping reduce response time in emergencies.





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Totals reported in this document are rounded and so may not add up exactly.



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