



P4P Purchase for Progress | **The Story** *Connecting farmers to markets*

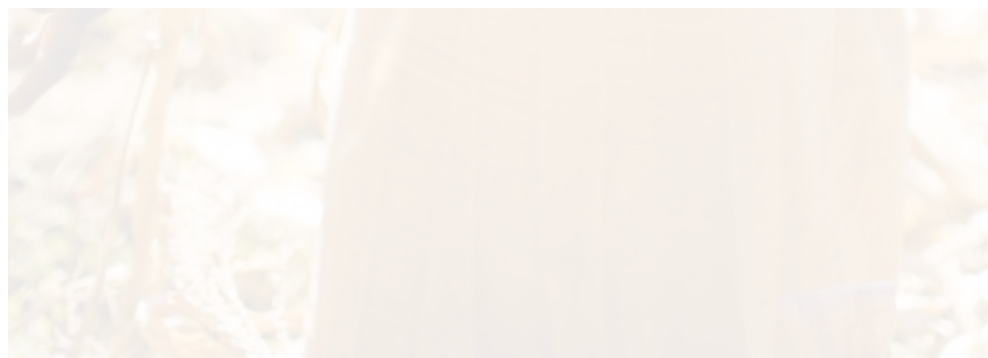


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Acronyms

ACDI/VOCA	Agricultural Cooperative Development International/ Volunteers in Overseas Cooperative Assistance
ACE	Agricultural Commodity Exchange for Africa
ACTED	Agency for Technical Cooperation and Development (Afghanistan)
AERC	African Economic Research Consortium
ALINE	Agricultural Learning Impacts Network
AMPATH	Academic Model Providing Access to Healthcare (Kenya)
ATA	Agricultural Transformation Agency (Ethiopia)
BANRURAL	<i>Banco de Desarrollo Rural</i> (Guatemala)
BNDA	<i>Banque Nationale du Development Agricole</i> (Mali)
CEX	commodity exchange(s)
CP4P	Common P4P (Rwanda)
FAO	Food and Agriculture Organization of the United Nations
FISP	Farmer Input Support Programmes (Zambia)
FRI	Farm Radio International (Ghana)
GDP	gross domestic product
HGSF	home-grown school feeding
IFAD	International Fund for Agricultural Development
IICA	Inter-American Institute for Cooperation on Agriculture
IICEM	Integrated Initiatives for Economic Growth in Mali
ILO	International Labour Organization
INA	National Agricultural Institution (Honduras)
NFRA	National Food Reserve Agency (United Republic of Tanzania)
NEI	Nutrition and Education International (Afghanistan)
NGO	non-governmental organization
NSR	National Strategic Reserve (Rwanda)
P4P	Purchase for Progress
PAA Africa	Purchase from Africans for Africa
RBA	Rome-based agency
RWEE	Accelerating Progress towards the Economic Empowerment of Rural Women
TRP	Technical Review Panel
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
WEAT	Women Empowerment through Animal Traction
WFP	World Food Programme
WRS	warehouse receipt system(s)
ZAMACE	Zambia Agricultural Commodity Exchange



**Karla Trujillo,
El Salvador.**

Linking farmers to markets, catalysing change

Karla Trujillo is a smallholder farmer from El Salvador. Karla struggled to profit from agriculture, and had to take on an office job far from home. Feeling cut off from her family and her roots in agriculture, Karla decided to return to farming. In 2009, she began working with P4P through her farmers' organization. Today she is no longer a subsistence farmer, but a businessperson and entrepreneur. She is also the president of El Garucho cooperative, a group of farmers who produce and sell staple crops to WFP through P4P.

Under P4P Karla and her fellow farmers learned crucial agricultural and business skills. They are now able to produce greater quantities of staple crops because of their increased access to farming equipment and improved seeds and fertilizers.

By producing high-quality crops, El Garucho has become competitive in markets beyond WFP, winning credibility and recognition from buyers. "We stopped being subsistence farmers, we stopped farming just to eat. What we have been doing is to produce excess surplus, high-quality products so that we can start penetrating into those markets in our country which will give us profits," says Karla. With these profits Karla has improved her standard of living dramatically and is better able to provide for her family.

This is the story of Purchase for Progress (P4P), a pilot project of the World Food Programme (WFP) that has transformed the lives and livelihoods of smallholder farmers¹ such as Karla Trujillo (see opening story). Karla's story illustrates the plight of millions of men and women struggling to profit from agriculture.

1. Most P4P-supported smallholder farmers cultivate up to 2 ha of land. However, definitions vary based on the country.



intro

Smallholder farmers represent the majority of people living in absolute poverty, even though they produce most of the developing world's food. Throughout the five year pilot (2008-2013) P4P reached more than 1 million farmers in 20 diverse countries.² In this book a handful of farmers tell of the profound improvements they've seen in their lives and livelihoods since they began participating in P4P.

P4P links WFP's demand for staple food commodities, such as cereals and pulses, with the technical expertise of a wide range of partners. This collaboration provides smallholders with the skills and knowledge to improve their agricultural production, and an incentive to do so, as they have an assured market in which to sell their surplus crops. A variety of approaches have been used to

“We have learned that as farmers we can contribute to the eradication of hunger because that is exactly what we are doing”
Karla Trujillo

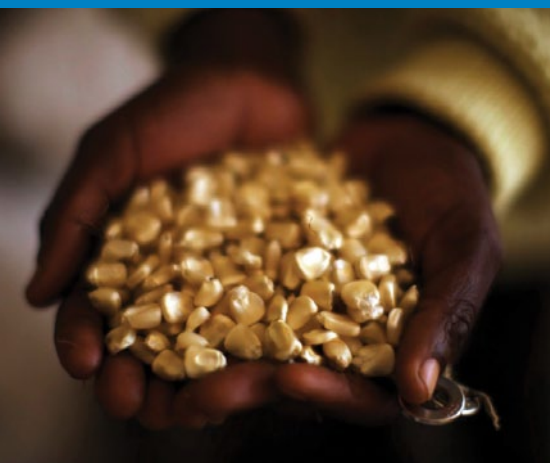
respond to the unique opportunities and challenges in each P4P pilot country.

The benefits of P4P have spread far beyond the farmers themselves, to embrace governments and the private sector. By demonstrating the potential of smallholder-friendly market development, P4P has encouraged important investments along agricultural value chains – including in financial services and credit, agricultural inputs and services, and quality control – increasing the gains for smallholder farmers. *The P4P Story* illustrates some of the ways in which governments, United Nations agencies and non-governmental organizations (NGOs) are now addressing smallholder-friendly market development. Above all, it begins to tell the story of lessons learned and challenges faced throughout the P4P pilot.³



2. Afghanistan, Burkina Faso, Democratic Republic of the Congo, El Salvador, Ethiopia, Ghana, Guatemala, Honduras, Kenya, Liberia, Malawi, Mali, Mozambique, Nicaragua, Rwanda, Sierra Leone, South Sudan, Uganda, United Republic of Tanzania and Zambia.

3. For a more comprehensive reflection please see *Purchase for Progress: Reflections on the pilot*: <https://www.wfp.org/content/purchase-progress-p4p-reflections-pilot>



P4P in numbers

Throughout the five-year pilot period, more than **US\$177 million**-worth of food (450,000 mt) was contracted under P4P, either directly from farmers' organizations and small and medium-sized traders, or through innovative marketing platforms such as commodity exchanges and warehouse receipt systems. Of this total, **81 percent** was delivered to WFP, putting **US\$148 million** more directly into the pockets of smallholder farmers. Smallholders also sold over **US\$60 million** of food to public- and private-sector buyers other than WFP, including private millers, agrobusinesses, and sustainable markets such as government-run school feeding programmes, national food reserves and hospitals.

The face of rural poverty

Food production will have to double by 2050 to meet the demand of the world's growing population. More crucially, this food must enter markets to ensure it isn't wasted. For this to happen, major transformations of food systems are required at the global, national and sub-national levels. In many parts of the world, smallholder farmers dominate rural agricultural production. Their potential roles in these essential transformations are widely recognized. However, smallholder farmers are confronted by substantial and deeply rooted challenges in reaching formal markets that can provide better prices for their crops. These farmers generally cultivate limited quantities of low-quality crops on small plots of land, using traditional farming techniques. Most smallholders lack access to adequate storage facilities, causing them to lose large portions of their harvest to rot and mould. These challenges, coupled with the need for cash to meet daily needs, lead smallholder farmers to sell directly from the farm gate straight after harvest, when prices are low and yield little reward for the farmers' efforts.

Plus, farmers frequently purchase more food than they sell. To generate higher incomes, smallholders need to achieve higher crop yields and sell larger surpluses. Without significant changes in these conditions, smallholder farmers will be unable to contribute to meeting the global food production and marketing challenges of the future. WFP has a unique perspective on this predicament. Many recipients of WFP's food assistance are smallholder farming households, which are scattered across rural landscapes.

From food aid to food assistance

For more than 50 years, WFP has maintained its mission of fighting hunger worldwide. In 2008, it began to shift away from providing traditional "food aid" towards "food assistance",⁴ which means using new and innovative methods to overcome hunger. Purchasing food directly from smallholder and low-income farmers in the countries and regions where the food will be used is a major part of this shift.

4. Revolution: From Food Aid to Food Assistance – Innovations in Overcoming Hunger: <https://www.wfp.org/content/revolution-food-aid-food-assistance-innovations-overcoming-hunger>

● 1981 – 1983

WFP purchases more than 250,000 mt of maize in Zimbabwe for distribution in 15 countries in sub-Saharan Africa.

● Early 1990s

WFP begins a private sector approach to increase the production of fortified blended foods in developing countries.

● Early 2000s

WFP sharply increases local and regional procurement as many donor countries begin to provide cash rather than in-kind donations.

● 2006

The “Food Procurement in Developing Countries” policy paper calls for greater emphasis on market development in WFP’s food procurement.

● 2007

WFP develops the concept for the P4P pilot with the Bill and Melinda Gates Foundation and the Howard G. Buffett Foundation.

● September 2008

P4P is officially launched at the United Nations General Assembly.

● 2011

P4P undergoes a mid-term evaluation.

● November 2013

Support to smallholder farmers is included in WFP’s 2014–2017 Strategic Plan. WFP makes a commitment to continuing P4P-like programmes beyond the pilot period.

● December 2013

The P4P pilot period comes to a close.

● 2014

An independent external evaluation⁵ of P4P is carried out. Learning and sharing from the pilot period are accelerated.

● 2015

Based on learning from the P4P experience, WFP continues to assist national governments and initiatives supporting smallholder farmers and market development in countries including, but not limited to, the 20 pilot countries.

5. Summary report of the strategic evaluation of WFP’s pilot Purchase for Progress initiative (2008 – 2013): <http://www.wfp.org/content/wfp-2008-2013-%E2%80%98purchase-progress%E2%80%99-pilot-initiative-strategic-final-evaluation-terms-referenc>





Local procurement sets the stage

WFP's experience of local and regional procurement started in 1981 and expanded significantly in the early 2000s. Today, WFP purchases most of its food from large-scale traders in developing countries. Over time, there has been growing recognition that these purchases could benefit the rural poor better, particularly smallholder farmers. P4P has provided an important model of how to harness the potential of local procurement to help drive the development of inclusive local supply chains for staple foods.

The creation of Purchase for Progress

The P4P concept emerged from the home-grown school feeding (HGSF) initiative, under which local farmers provide the food used in school meals. In 2007, plans were developed to purchase at least 10 percent of WFP's staple food needs from smallholder farmers for use in its programmes in ten countries in Africa, with the Bill and Melinda Gates Foundation; and in four countries in Central America and three post-conflict countries in Africa, with the Howard G. Buffett Foundation. With additional support from the governments of Canada and Belgium, the number of pilot countries quickly increased to 20.⁶

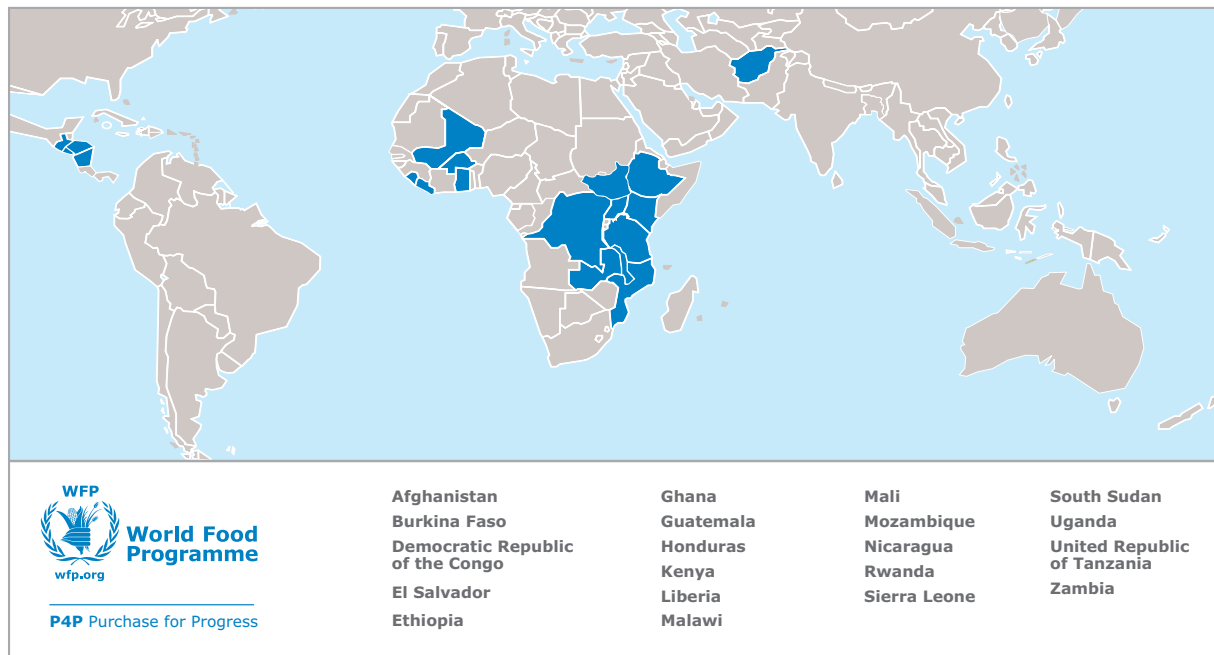
With the launch of P4P in 2008, WFP started to explore ways of using its food purchases more effectively to help develop staple crop markets and spur improvements in smallholder agriculture. P4P builds on WFP's demand for cereals, pulses and blended foods and its status as a reliable and preferred buyer. This large-scale global demand, and its patience for cultivating the marketing capacities of smallholder farmers, meant that WFP was well placed to coordinate the implementation of P4P.

A promising model for the future

For decades, smallholder farmers found it difficult to compete in formal markets, despite extensive development efforts to increase

6. Support from the United States Agency for International Development (USAID), the European Union, Saudi Arabia, the Republic of Korea, France, Brazil, Ireland and Luxembourg has also contributed to P4P activities. All food purchases are financed by donations to WFP's regular operations.

Figure 1. P4P pilot countries



agricultural production and improve crop quality. Without the assurance that their efforts would pay off, farmers remained unwilling to take risks in increasing their production. Using WFP's procurement footprint to provide smallholder farmers with an assured market, P4P has demonstrated that investments in pro-smallholder procurement, coupled with supply-side activities such as capacity building and input supply, can have a major positive effect on linking smallholder farmers to formal markets.

The power of P4P lies in its combination of providing smallholders with an assured formal market while improving their access to much-needed knowledge and resources. By purchasing a portion of its staple food needs from smallholder farmers, WFP can boost efforts by national governments, United Nations agencies and NGOs to improve smallholders' agricultural production and marketing capacities. Linking smallholders with formal markets enables them to feed themselves better and empowers them in feeding their communities. The market opportunity offered by WFP is an incentive for smallholder farmers and their organizations to invest in agricultural productivity by using improved inputs and learning new skills. P4P-supported farmers' organizations are thriving and finding new markets for their members' produce.

For many of the smallholders and farmers' organizations involved in the P4P pilot, the benefits will last for years to come. However, further efforts are required to deepen and expand the lessons learned about the impact achieved in five years of piloting P4P.





William Sparks at P4P's 2014 Annual Consultation in Rome.

Transformative partnerships

For William Sparks, Vice President of Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA): “P4P can be described in one word: believe. P4P was the first step forward, the first push toward the finish line, the first to illustrate the possibilities for linking smallholders to markets. P4P makes people believe, whether they are farmers, financial institutions, other buyers, NGOs, or national governments. The possibilities are endless once people believe. More importantly, P4P empowers. Through collaboration with implementing partners, P4P enables farmers to access markets. Today, we’ve got the first million people across the finish line, but now we are faced with the challenge of getting every farmer there. The first five years has demonstrated that P4P works.”⁷

P4P has facilitated powerful and novel partnerships in staple food supply chains, providing the impetus for public, private, academic and civil society actors to work together and leverage their investments to address the needs and realize the potential of smallholder farmers more effectively.

WFP’s demand for staple food is only half the P4P equation. Purchasing food from smallholder farmers would not be possible without the technical expertise, field presence and resources of WFP’s partners, which support farmers and their organizations in improving agricultural productivity and engaging in markets.⁸

Throughout the P4P pilot, in addition to its partnerships with smallholder farmers, WFP recorded **500 partnerships** with governments, civil society, commercial entities, regional bodies and United Nations agencies.⁹ Most of these partnerships were with governments and NGOs.¹⁰ Each partnership presented diverse opportunities and challenges, leading to a wide variety of experiences and outcomes.

7. Blog: Incentives, Investments and Leveraging to Link Smallholders with the Global Economy: <http://www.wfp.org/purchase-progress/news/blog/blog-incentives-investments-and-leveraging-link-smallholders-global-econ>

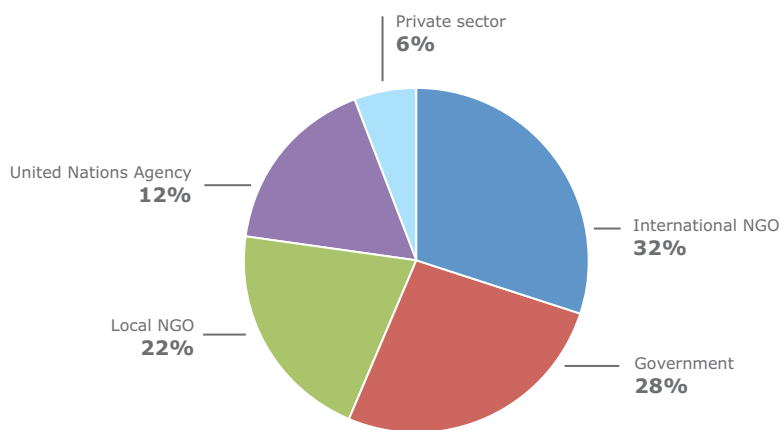
8. Final consolidated P4P capacity development report: <http://documents.wfp.org/stellent/groups/public/documents/reports/wfp264953.pdf>

9. Final consolidated P4P partnerships report: <http://documents.wfp.org/stellent/groups/public/documents/reports/wfp265060.pdf>

10. See Chapter 2.



Figure 2. Distribution of P4P partnerships



A platform for investing in smallholder farmers

P4P brought together many partners that were previously working towards similar goals, but in isolation. By joining forces, partners were able to coordinate the planning and implementation of programmes targeting smallholder farmers, often resulting in the creation of new products and services for meeting the needs of smallholder farmers more effectively. P4P's added value was in providing smallholder farmers with a substantial assured market. By enabling smallholders to market their crops to WFP, P4P provided an incentive for investing in production. P4P therefore multiplied the impact of partners' work by increasing farmers' adoption of new skills and technologies, increasing smallholders' profits and generating new sustainable solutions for smallholder-friendly market development. In addition, P4P provided smallholder farmers with valuable experience engaging with an institutional buyer of quality crops over a sustained period.



Types of P4P partnership

Supply-side partners

assisted smallholder farmers in producing surplus crops by providing them with access to agricultural inputs, skills and equipment and helping them to reduce post-harvest losses and improve on-farm storage.

Demand-side partners,

including WFP, helped smallholders to aggregate crops and carry out quality control; improved farmers' access to credit and financial services and market information; and provided training in skills such as contracting and negotiation.

Overall benefits of P4P partnerships

- The P4P pilot experience demonstrates the potential for using institutional demand as a platform for partnerships. This collaborative approach has proven to be a catalyst for enhancing smallholder farmers' benefits from formal markets.
- Coordination of project timelines, activities and areas of implementation reduced the duplication of spending and efforts by partners working with the same target groups.
- Sharing responsibility for the development and implementation of programmes or services enabled partners to capitalize on their unique strengths and provide coordinated support along entire value chains.
- New smallholder-friendly financial products were created, and agricultural input suppliers were encouraged to expand into underserved areas.

By bringing together a wide range of partners and advocating for their increased investments in smallholder farmers, P4P provided a platform for linking smallholder farmers to markets for quality products. These powerful and novel partnerships have led to multiple and varied benefits for smallholder farmers. P4P built on existing capacity development efforts by governments, NGOs and other partners; encouraged the private sector to invest in smallholder-friendly business practices; facilitated new ways of enabling smallholders to access affordable financial services; and provided a natural meeting point for the efforts carried out by other United Nations agencies.

NGO partnerships – an impact multiplier

By bringing partners together and complementing their capacity development efforts with WFP's demand, P4P was a catalyst for lasting change. P4P worked with local and international NGOs that provided crucial technical expertise to improve smallholders' ability to produce and market quality crops. NGOs are important partners, trusted by rural communities when they have had long-standing presence in the areas. Local NGOs in particular provide valuable local expertise, stability in times of insecurity, and sustainability.

Adding an assured market to capacity development efforts

P4P collaborated with the Inter-American Institute for Cooperation on Agriculture (IICA) in **Guatemala, Honduras and Nicaragua**. Miguel Garcia, IICA's Head of Agribusiness

“I believe that the specific context of Latin America requires a continuation and scale-up of P4P activities, in order to help develop sustainable agrifood systems that offer alternatives to smallholder farmers,”
Miguel Garcia

and Commercialization says: “coupling IICA's capacity development work with WFP's purchasing power has provided smallholder farmers with an incentive to increase their production.” He also noted: “The pilot project has successfully increased the agricultural potential of smallholder farmers not only in Latin America, but around the world. However, as

the pilot treatment period comes to a close, it is vital that we make use of the learning gained through the pilot to look to the future. I believe that the specific context of Latin America requires a continuation and scale-up of P4P activities, in

In Ghana, P4P works with Farm Radio International (FRI) to provide 16 farmers' organizations with much-needed agricultural information. Ben Fiafor, FRI's Regional Field Manager for West Africa, discusses P4P's work with FRI:

"In Ghana, I have seen the results of our collaboration with P4P first-hand. Thanks to the skills learned through FRI radio programmes, many farmers within the Ejura-Sekyeredumase area have been able to increase yields through intensification and good agronomical practices, enabling them to sell to formal markets. One such farmer, Iddrisu Ameen from the Nkosuo Farmers' Association in Ejura, told me how much her production has improved since she began tuning in to FRI's broadcasts. While she previously farmed 10 acres [about 4 ha] of maize without substantial yields, after reducing her farm size by half she got better results. Access to formal markets where farmers can be paid a fair price for their surplus quality crops is essential when a farmer like Iddrisu makes the decision to invest in her production."



order to help develop sustainable agrifood systems that offer alternatives to smallholder farmers.”¹¹

International NGO Technoserve partnered with P4P in **Ethiopia, Honduras, Uganda** and the **United Republic of Tanzania**. In Ethiopia, Technoserve worked with P4P under the Maize Alliance, a group of stakeholders convened by the Government's Agricultural Transformation Agency (ATA).¹² Its long-term commitment to and experience in the country enable Technoserve to most effectively support the development of cooperative unions' business and financial skills through a training-of-trainers process that facilitates the trickle down of new learning to a larger number of farmers' organization members. Business and financial skills were vital in enabling organizations to aggregate and market the large quantities of crops sold to WFP through P4P. Heather Oh, Technoserve's Senior Business Development Manager for East Africa, stated that P4P's partnership platform was vital in reinforcing progress made with smallholder farmers, but challenges remain: “Through these P4P partnerships, we have successfully contributed to improved livelihoods for tens of thousands of smallholder farmers.”¹³

11. Call for a post-pilot phase in Latin America: <http://www.wfp.org/purchase-progress/news/blog/call-post-pilot-phase-latin-america>

12. See Chapter 3.

13. Blog: Diversified credit, enhanced project ownership and long-term planning to boost project success: <http://www.wfp.org/purchase-progress/news/blog/blog-diversified-credit-enhanced-project-ownership-and-long-term-plannin>



Margret*, an HIV/AIDS-affected smallholder farmer in Kenya, struggled to maintain her farm due to the effects of the illness. Food and medical treatment from AMPATH and WFP helped her to regain her strength, but she still faced many challenges in maintaining her farm. However, help from P4P enabled her not only to start farming again, but also to increase her yields, improve the quality of her crops, and use new storage methods that allowed her to sell later in the season when prices are higher. In 2010, the members of Margret's farmers' organization marketed their crops to WFP for the first time. Today, Margret is able to feed her family, pay her daughters' school fees and invest further in her own production by purchasing seeds and fertilizer.

*The farmer's name has been changed to preserve her anonymity.
The woman pictured is not related to the story.

Sustainable change for HIV/AIDS-affected smallholders

The partnership with the Academic Model Providing Access to Healthcare (AMPATH) in **Kenya** was unique and particularly targeted. AMPATH provides medical treatment for HIV/AIDS patients in farming communities that have high agricultural potential but are food-insecure because of a combination of poverty and the effects of HIV/AIDS. Since 2005, WFP has provided food assistance to complement AMPATH's medical treatment.

In 2009, P4P added a new dimension to this partnership. HIV/AIDS-affected farmers received support in enhancing their agricultural production for household consumption and sale to WFP. An increasing number of the farmers who were once recipients of food assistance, are now meeting their own food needs as well as supplying food for WFP's food assistance programmes.

Today, 40 percent of AMPATH's patients are members of P4P-supported farmers' organizations. In December 2012, two farmers' organizations donated food to AMPATH for distribution to other HIV/AIDS-affected people. Linking P4P to the work of AMPATH has transformed WFP's support to HIV/AIDS-affected farmers and generated sustainable change and community ownership by empowering farmers to feed themselves and their communities. P4P's partnership with AMPATH is emerging as a successful and sustainable model for addressing the food needs of HIV/AIDS-affected people.

Engaging the private sector

P4P provided a platform for the private sector to engage with smallholder farmers in a mutually beneficial way. Throughout the pilot, P4P advocated for the provision of smallholder-friendly agricultural and financial products and services from private-sector partners. Other support from the private sector included training of smallholder farmers on a range of topics. Many private-sector partners started using smallholder-friendly procurement modalities to purchase crops from P4P-supported small-scale farmers, providing a sustainable market for farmers' surplus crops. Results demonstrate the value of private-sector partnerships, and P4P's ability to bring together a wide variety of actors to multiply benefits by catalysing and encouraging investment in smallholder farmers.

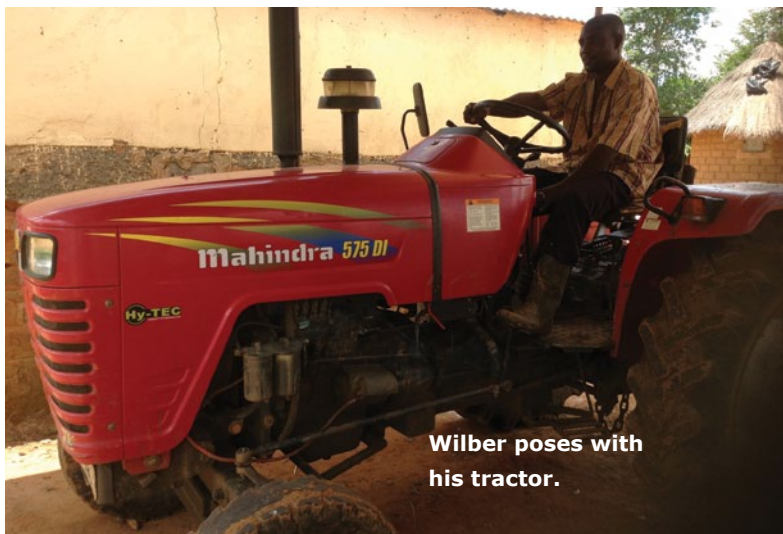
A full range of services for rural smallholders

In **Malawi**, a group of private firms belonging to the Farmers World Group provide an example of how smallholder-friendly business practices can be both profitable for the private sector and beneficial for farmers. Services provided by Farmers World include rural sales outlets where smallholder farmers can purchase agricultural inputs such as seeds and fertilizer. The group also implements programmes that facilitate farmers' access to credit for purchasing inputs, and operates 300 rural buying points across Malawi, where crops such as maize, soya and pulses are purchased from smallholder farmers and their organizations. These purchases provide the farmers with links to sustainable markets such as processors, large traders and animal feed manufacturers. P4P-supported groups are increasingly selling their staples through the Farmers World Group's network of shops.

Dimitri Giannakis, Director of Farmers World, says: "I believe that our work in Malawi is an excellent example of the way in which the private sector can complement and contribute to the work done by P4P. Our experience also shows how smallholder-friendly business models can be beneficial for both parties. Coupled with capacity development efforts by P4P and partners, our work provides smallholder farmers with the tools necessary to produce higher yields and market quality crops".¹⁴



14. Blog: Smallholder-friendly business practices for private sector engagement: <https://www.wfp.org/purchase-progress/news/blog/blog-smallholder-friendly-business-practices-private-sector-engagement>



Wilber poses with his tractor.

In 2010, P4P-supported smallholder farmer Wilber Munjile from Zambia obtained a tractor on loan through WFP's collaboration with the Dunavant company. With his increased income from providing services to other farmers, Wilber is now able to meet most of his household's expenses, including school fees for his six children. He says that this would have been impossible just a few years ago, even though school fees were lower at the time.

Wilber has been able to service his tractor loan from the income of his tractor business alone. "After I fully repay my loan, I want to buy a new hammer mill and more tractor-operated machinery. I want to continue to build my business and offer more services to the nearby farmers," he says.

Wilber is proud to have helped the development of farming in his community. With early land preparation, his clients have improved their yields and now have better harvests. One of the farmers benefiting from Wilber's mechanized services is Benita Kasamba.

"It used to take us three months to cultivate a hectare of land only using hoes in the heat. However, now [when we hire the tractor] it only takes about an hour. This has made our lives so much better as we have more time for other work," says Benita.

Local business solutions

As in other pilot countries, smallholders in **Zambia** struggle to cultivate all their available land because they depend on time- and labour-intensive land preparation. WFP partnered with a local private company, Dunavant, to address this challenge. Together, WFP and Dunavant established a revolving fund through which enterprising farmers received tractors and rippers on loan. Using this equipment, the farmers created businesses ploughing their neighbours' fields for a small fee, which generated enough income for the farmers to repay their loans and meet their families' needs. In Latin America, private-sector companies Disagro and Formunica not only sell agricultural inputs to P4P-supported groups, they also provide training on how to use them. In Nicaragua, representatives of farmers' organizations have taken part in negotiation rounds with input suppliers to learn how to meet suppliers' demands and negotiate purchases. Since 2009, more than 9,000 smallholder farmers have been able to contribute to contracts arising from these negotiations.

Nutritious foods produced by local millers and processors

In **Afghanistan**, micronutrient deficiency is widespread, and 55 percent of children are stunted due to malnutrition. To improve nutrition, P4P assisted local millers and processors in producing fortified flour and other nutritious foods using wheat and soya grown by P4P-supported smallholders. This ongoing project provides support throughout the value chain to improve the lives and livelihoods of both processors and farmers, while increasing the availability of affordable nutritious food throughout the country. NGO partners, the Agency for Technical Cooperation and Development (ACTED) and Nutrition and Education International (NEI) help farmers to increase the quantity and quality of their wheat and soya production. The crops are then marketed to the millers and processors to produce high-energy biscuits and other nutritious foods. Smallholder farmers have proved their ability to supply the high quality wheat and soya beans needed by food processing industries.

WFP has purchased high-energy biscuits produced by these local factories for use in its emergency programmes in Afghanistan. Given WFP's reducing demand for the biscuits in its country programmes, the sale of the nutritious foods has also been expanded into local markets. Similar partnerships have been formed in other countries, including **Rwanda** and **Guatemala**, where P4P successfully encouraged processors to buy raw materials from smallholder farmers for use in locally-produced nutritious foods.

Partnerships mobilize credit opportunities

Financial institutions are often reluctant to lend money to smallholder farmers or their organizations because farmers lack collateral and may struggle to repay their loans. This situation is compounded by the shortage of financial agencies in rural areas and by the low levels of financial literacy and management capacity of farmers' organizations. In order to address these challenges, P4P has promoted the use of revolving funds, warehouse receipts systems (WRS) and WFP contracts as collateral for loans.

A wide variety of dynamic partnerships have been crucial in providing smallholder farmers with access to affordable financial services. Without affordable credit, smallholder farmers cannot make game-changing investments in their agricultural productivity. Credit can enable farmers – especially those in farmers' organizations – to purchase agricultural inputs and equipment for improving production and adding value to crops.



Ghulam Ghous manages a mill purchased with the pooled resources of four families.



Representatives of the Chikwatula farmers' organization in Malawi collect a loan secured with the contract from WFP.

Making it easier to access credit

Financial institutions are expanding their outreach to P4P-supported smallholder farmers and farmers' organizations. Through the P4P initiative, microfinance institutions, banks, input suppliers, WFP and other partners are collaborating to make financial services available and affordable in remote areas.

WFP has supported smallholder farmers' access to finance by convening P4P stakeholders and putting participating farmers in contact with financial service providers. WFP and partners work with both sides to identify common goals and remove obstacles to credit.

P4P has tested several ways of promoting access to credit for smallholder farmers and their organizations, including:

- facilitating links between farmers' organizations and financial institutions;
- using forward delivery contracts in lieu of collateral;
- strengthening and promoting the use of warehouse receipt systems or warrantage;
- supporting the establishment of revolving funds for input purchases and commercialization;
- involving financial institutions in financial management and literacy training for farmers' organizations.

Access to affordable credit is also essential for farmers' organizations, to cover the costs of aggregating, processing, transporting and storing their members' crops. Perhaps the most important benefit of access to financial services is that it enables smallholder farmers to sell their crops at a later stage when prices are higher, while at the same time receiving enough cash to meet their daily needs. This is critical because smallholders often have pressing needs for cash, driving them to sell immediately after harvest when prices are low.

Financial literacy training

Developing the financial knowledge and skills of smallholder farmers is vital for increasing their access to credit. In **Rwanda**, P4P collaborated with the Rabobank Foundation to provide farmers' cooperatives with financial literacy training to assist them in understanding how to manage their finances. Loans to P4P-supported farmers' cooperatives in Rwanda increased from US\$ 56,000 in 2010 to US\$ 790,000 in 2013. This collaboration has triggered other banks' interest in investing in support to smallholder farmers' organizations.



Using WFP contracts to access loans

In numerous contexts and countries, formal contracts with WFP have made farmers' organizations more attractive to financial institutions. WFP's image as a reliable buyer has been used to foster arrangements between farmers' organizations and financial institutions, particularly where WFP contracts are used as collateral. In **Burkina Faso**, P4P worked with banks and microfinance institutions to advocate for more flexible rules and procedures that are appropriate to smallholders' needs. An agreement with the *Fédération des Caisses Populaires du Burkina*, which has large presence across rural Burkina Faso, has been particularly successful and has been extended to all P4P-supported farmers' organizations in the country.

Other banks and microfinance institutions in Burkina Faso have responded to the new opportunity and started offering credit to farmers' organizations working with WFP. The total amount of loans to P4P-supported farmers' organizations increased by 160 percent between 2009 and 2012. P4P has also catalysed commercial relations between smallholders and the financial sector in **Guatemala**, particularly through a strong partnership with *Banco de Desarrollo Rural* (BANRURAL).

The Diedougou farmers' union in **Mali** was created in 2006 and received supply-side support from SNV Netherlands Development Organisation for the production of maize, millet and sorghum.

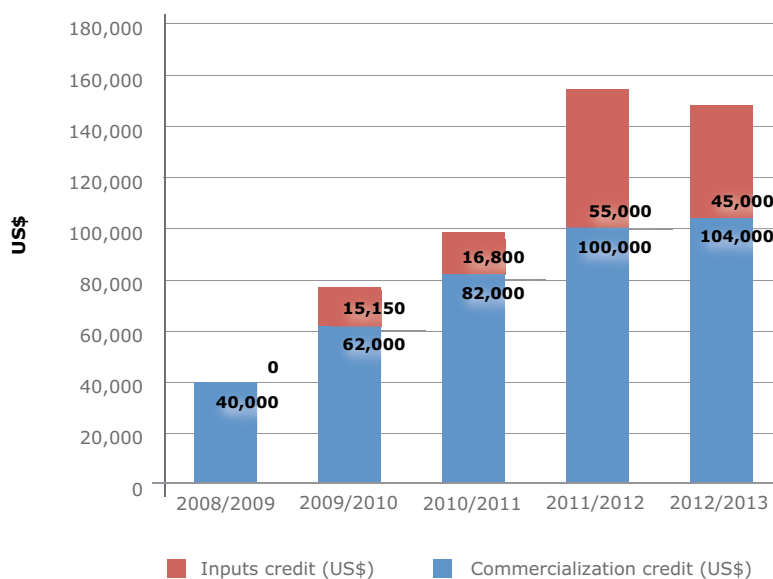
In 2008, Diedougou secured an initial loan worth US\$ 40,000 from a microfinance institution at an interest rate of 18 percent.

In 2010, using a forward delivery contract from WFP as collateral, a more attractive loan worth US\$ 77,150 was secured from the *Banque Nationale du Développement Agricole* (BNDA) with a lower interest rate of 13 percent; this loan was used for agricultural inputs and commercialization.

In 2011, using another forward delivery contract from WFP, Diedougou received support from the Integrated Initiatives for Economic Growth in Mali (IICEM) programme – funded by the United States Agency for International Development (USAID) – with a 50 percent loan guarantee to BNDA, allowing Diedougou to take out a larger loan worth US\$ 155,000.

In 2012, with no further loan guarantee from IICEM, but based on its reliable credit history and again leveraging the forward delivery contract, Diedougou obtained a loan of US\$ 149,000. Figure 3 shows the steady progress made since this farmers' organization joined P4P.

Figure 3. Trends in access to credit - Diedougou Farmers' Union





A committee member from the Cheka farmers' organization enters his bid on ACE's online platform.

Structured demand platforms

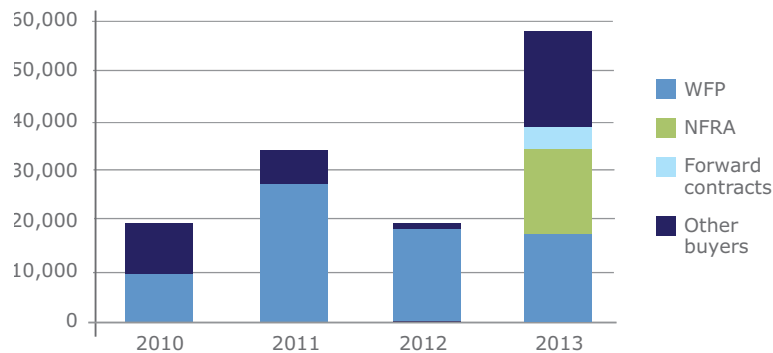
Wherever possible, P4P has partnered with commodity exchanges (CEX) and WRS to support their growth. Both CEX and WRS are managed by the private sector. In electing to purchase staple foods through CEX and WRS when conditions permit, WFP seeks to demonstrate the viability of these innovative marketing platforms, encouraging their use by both producers and buyers. WRS are highly beneficial to smallholder farmers because they increase the durability of smallholders' products by providing professional storage services. WRS also facilitated smallholders' access to credit. When farmers deposit their crop at the warehouse they receive a receipt as collateral, which can be used to secure credit from financial institutions. This system allows farmers to sell at a profitable time of year rather than immediately after harvest when prices are low.

In **Malawi**, WFP partnered with the Agricultural Commodity Exchange for Africa (ACE) to link farmers' organizations to the nascent WRS and ACE's online platform. From 2010 to 2013, WFP bought 52,000 mt of grain through the exchange. Figure 4 shows the gradual growth of the CEX, as well as its reduced dependence on WFP and the incorporation of other buyers. Of significance is the entry of the government's National Food Reserve Agency (NFRA) as a buyer. Through P4P's partnership with ACE, farmers' organizations also gained access to the expanding WRS which has provided farmers with access to credit.

Since June 2012, Kafulu Association, a P4P-supported farmers' organization in Malawi, has worked with ACE to implement a WRS. The association is well organized thanks to ten years of support from World Vision.

Through a grant from the Common Fund for Commodities and the European Union, ACE refurbished an existing storage facility owned by Kafulu Association, expanding its capacity to nearly 450 mt; the warehouse was already full early in the marketing season.

Depositors received financing of about 70 percent, and about half of them also received fertilizer and seed – all made possible by using their warehouse receipts as collateral for the bank and input suppliers.

Figure 4. Purchases from ACE

Revolving funds

In **El Salvador, Honduras and Nicaragua**, P4P supported smallholder farmers' organizations in creating revolving funds in collaboration with a wide variety of partners. Partners helped establish the funds by supplying farmers' organizations with agricultural input packages – seeds, herbicides and/or pesticides – which were then provided to the organizations' members on credit. The farmers pay back their credit with added interest which allows the fund to grow. This system allowed farmers' organizations to negotiate bulk discounts with agricultural input package suppliers, develop a credit history and gain practical experience in finance, improving their ability to engage in negotiations with financial institutions.

Delivering as one – United Nations synergies

To address the full range of challenges facing smallholder farmers, P4P has partnered with other United Nations agencies, including the United Nations Development Programme (UNDP), United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), the United Nations Office for Project Services (UNOPS) and the International Labour Organization (ILO).¹⁵

P4P's closest engagement has been with the other Rome-based agencies (RBAs) of the United Nations: the Food and Agriculture Organization of the United Nations (FAO) and the International Fund for Agricultural Development (IFAD). The RBAs share a common vision of promoting world food security by ending

15. See Chapter 3.

IFAD, FAO and WFP working together in Sierra Leone

In Sierra Leone, the Government, with support from FAO and IFAD, has established over 200 agricultural business centres, which are governed by farmers' organizations. At the centres, smallholders can purchase inputs, hire equipment and obtain services such as processing, storage and group marketing. Farmers have also received training in post-harvest handling and quality control through the centres, helping them to produce high-quality commodities.

Since 2010, P4P has linked the agricultural business centres to WFP's demand for quality crops, providing smallholders with an incentive to invest in production and take advantage of capacity development opportunities. Current efforts aim to facilitate linkages to quality markets beyond WFP, including government public procurement opportunities and sales to private-sector traders and millers.



Members of the Holima Agricultural Business Centre process rice for sale.



P4P staff meet with the Agropecuaria Chiguirizano Association in Mozambique.



hunger and eliminating its root causes. In many countries, P4P provided a neat intersection for the mandates of the three agencies. Throughout the pilot, FAO provided supply-side support, technical assistance and insights from the perspective of investment analysis and institutional buying. IFAD focused on improving smallholders' access to credit and linking P4P to ongoing IFAD-funded government programmes.

Since 2007, **Mozambique** has been piloting the United Nation's Delivering as One approach, which calls for increased country-level coordination through the implementation of a single, shared programme with one leader, one budgetary framework and one management system/common services.¹⁶ In Mozambique, P4P has been implemented in this context through a joint programme with FAO and IFAD called Building Commodity Value Chains and Market Linkages for Farmers' Associations. WFP served as the lead agency and offered a market opportunity to local producers as well as small and medium traders; FAO contributed primarily in post-harvest handling, and IFAD in promoting access to financial services.

Other examples of collaboration with FAO and IFAD are in **Burkina Faso** and **Uganda** where WFP has launched a special operation targeting P4P-supported farming households. The project follows a nine-month research trial that worked with smallholder farmers on improving traditional on-farm storage with training on post-harvest handling techniques and equipment, such as metal and plastic silos and different kinds of inexpensive hermetically sealed storage bags.

In **Ethiopia, Guatemala, Liberia** and **Rwanda**, P4P served as an entry point for implementation of the joint United Nations programme on Accelerating Progress towards the Economic Empowerment of Rural Women (RWEE). RWEE is implemented with UN Women, FAO and IFAD, and aims to improve rural women's food and nutrition security, increase their incomes, enhance their decision-making power and encourage the development of policy environments conducive to their economic empowerment. To reach these objectives, the project leverages each agency's comparative advantage and institutional strengths to generate more sustainable and wider-scale improvements in women's livelihoods and lives. P4P networks and experience have provided a powerful platform for combining efforts to work towards the empowerment of rural women involved in agricultural production.

16. UN Mozambique – Delivering as One: <http://mz.one.un.org/eng/How-we-work/UN-Reform-Delivering-as-One>

Precious peer support

Since 2011, the African Economic Research Consortium (AERC) has provided technical support for the collection, analysis and reporting of P4P data. AERC is currently establishing a centre of excellence that will house learning from P4P for use by a global audience. Additional technical support for P4P came from a Technical Review Panel (TRP), of nine experts from academic institutions, development agencies, governments and implementing partners who met annually to offer advice on the implementation, monitoring and evaluation of the P4P pilot.¹⁷

17. TRP members are from organizations including the African Union Commission, Catholic Relief Services, FAO, the Inter-American Institute for Cooperation on Agriculture, the International Food Policy Research Institute, Intermon-Oxfam, IFAD, Michigan State University, the World Bank, Sasakawa Africa Association, the Alliance for Commodity Trade in Eastern and Southern Africa, and the Association for Strengthening Agricultural Research in Eastern and Central Africa.

Aligning for impact

Despite many positive outcomes, P4P partnerships have not been without challenges. It was sometimes difficult to establish partnerships because organizations were working in different geographical areas. Differences in funding cycles also limited partnership opportunities. For example, partners' implementation periods did not always coincide with the five-year pilot period of P4P, sometimes resulting in targeted farmers' organizations losing critical capacity development support a year or two before the pilot finished. To be more effective, WFP and partners could seek joint funding and align the duration of their activities.



In the Democratic Republic of the Congo, P4P explored how infrastructure improvements can catalyse agricultural development in post-conflict environments. Lack of road, rail and water transport – destroyed by neglect and armed conflict – and the long distances between smallholder farmers and markets often limit smallholders to selling their crops through barter systems close to their farms. To address this challenge, P4P supported the rehabilitation of nearly 200 km of rural roads between farms and markets, in partnership with the government, FAO and UNOPS. P4P and partners supported the formation of community-led road maintenance committees, and involved local government and businesses in the work. Communities were encouraged to contribute materials and labour through WFP's food assistance for assets programme, which provides food in exchange for work on rehabilitation projects.



Government engagement

Husband and wife Alazar Yimar and Inatfanta Damasey, shortly after marketing 100kg of white maize through the Kuch Cooperative in Gidan Village, Ethiopia.

*The Government of **Ethiopia** prioritizes agricultural development in its Growth and Transformation Plan, focusing on the commercialization of agriculture and targeting farmers' cooperatives for support. Recognizing P4P as a potent tool for achieving important elements of the plan, in 2012, the Government's Agricultural Transformation Agency (ATA) brought together a group of partners to form the Maize Alliance.*

The alliance is based on the central platform of P4P and aims to coordinate support for smallholder farmers, providing them with access to WFP's market, finance, and training in post-harvest handling and aggregation.

Coordinated by the government, the Maize Alliance pools the efforts of several actors and avoids duplication. This coordination maximizes the use of resources and strengthens synergies, resulting in greater impact and results. This broad and coherent support to smallholder farmers and their organizations enabled P4P to surge forward and made Ethiopia the pilot country with the greatest quantity and value of WFP purchases from smallholder farmers under the pilot. Based on the success of the Maize Alliance, ATA constituted a Pulses Alliance to start in 2015, building on P4P.

P4P presented governments with an innovative tool for supporting smallholder farmers and achieving inclusive growth. P4P also showed that linking smallholder farmers to formal markets is a viable investment in countries with enabling environments. Governments have embraced P4P, each engaging in different ways throughout the pilot period.



Chapter

In developing countries, between 50 and 80 percent of household spending is on food, and staple crops such as cereals and pulses account for major parts of agricultural gross domestic product (GDP). In most developing countries, food is produced mainly by smallholder farmers, who cultivate small quantities of low-quality crops using traditional techniques. Over the past decade, governments have placed increasing emphasis on improving agriculture to foster inclusive economic growth, reduce poverty and achieve zero hunger.

P4P started implementation at the same time as national governments were increasing their focus on promoting smallholder farmers' participation in markets. The governments of all the pilot countries embraced the P4P concept, with ministries of agriculture taking leading roles in P4P's national steering committees. The design of country implementation plans for P4P was guided by national agricultural and rural development strategies and are in line with countries' agricultural policies.

Why government engagement matters

Governments can play a major role in fostering smallholders' sustainable engagement in formal markets by providing them with an enabling environment. Policies that support agricultural production and market access for small-scale producers are key. Additionally, the staple food requirements of national food reserves, schools, prisons and hospitals can be filled

in part by smallholder farmers. Government investments in infrastructure and public goods – such as agricultural storage, roads, extension services, enforcement of quality standards and dissemination of market price information – help smallholder farmers increase their production and their profits.

P4P provided governments with new tools and methods for supporting smallholder farmers and linking them sustainably to public- and private-sector markets. Several governments are already developing or implementing initiatives based on or similar to P4P. WFP supports these initiatives by sharing lessons learned from the P4P pilot and assisting governments in designing and implementing P4P-like projects.

Investing in public procurement

P4P is in line with governments' efforts to professionalize and commercialize smallholder farming and the P4P approach is increasingly being used in the implementation of national agendas for poverty reduction and agricultural growth.

Rwanda - a pioneer

The Government of **Rwanda** was one of the first to fully embrace the P4P concept. The pilot was launched in Rwanda in 2010, alongside government initiatives for increasing agricultural productivity, reducing post-harvest losses,

The successful adaptation of smallholder-friendly procurement models led the Government of Rwanda to host exchange visits from countries including Burkina Faso, Ghana and Kenya. In 2012, the first of these study visits involved a team of government officials and supply-side partners from Burkina Faso who came to learn more about CP4P. In August 2013, government and supply-side partners from Ghana and Kenya undertook a similar joint visit.

“People say Rwanda is a country of a thousand hills; to me Rwanda is a land of a thousand things to learn on economic development.”
Richard Barwecho Rono, Lolgorian farmers’ organization, Kenya

“One of the lessons which we can take home is the involvement in decisions between the people and the Government, from the community level up to the central ministry.”
Charles Adams, Director of Agricultural Extension Services, Ministry of Food and Agriculture, Ghana

consolidating fragmented land plots and strengthening smallholder farmers’ cooperatives. In the first year, WFP bought US\$ 1.2 million-worth of maize and beans from farmers’ organizations in the eastern and northern provinces of the country.

Impressed by this achievement, the Government of Rwanda requested WFP’s support in scaling up the P4P approach across the nation in an initiative called Common P4P (CP4P). Under CP4P, the government uses its institutional buying power to support smallholders. Legislation commits the National Strategic Reserve (NSR) and other public institutions, such as schools, hospitals and prisons, to procure up to 40 percent of their staple grain requirements directly from smallholder farmers’ cooperatives.

“The success of P4P in Rwanda illustrates how government ownership and strong partnership between government and WFP can facilitate gains for smallholder farmers”

Between 2011 and 2014, the Government of Rwanda purchased commodities worth an estimated US\$ 4 million (10,000 mt) for the NSR from CP4P cooperative unions.

Under CP4P, the Government advocates for increased private-sector involvement in agricultural

development. Agrodealers and large trading companies have distributed fertilizer, credit and training to smallholder farmers, and coordinated the country-wide collection of smallholders’ maize for delivery to the NSR. The success of P4P in Rwanda illustrates how government ownership and strong partnership between government and WFP can facilitate gains for smallholder farmers.

Burkina Faso - mainstreaming

In 2012, **Burkina Faso’s** P4P team organized a visit to Rwanda to learn first-hand about the experience of implementing P4P in collaboration with the government. The visiting team included senior government officials, including those from the Ministry of Agriculture and Food Security, cooperating partners and senior WFP staff. A few months later, the Prime Minister of Burkina Faso travelled to Rwanda for a similar visit. This experience provided a concrete demonstration of how national governments can use P4P as a tool for agricultural development. A committee of technical experts was created under the Ministry of Agriculture and Food Security. Members of parliament have also been included in the committee, reflecting the important role that policy plays in supporting smallholder farmers.

SONAGESS, Burkina Faso’s national food reserve agency, committed to purchasing 30 percent of its food needs from smallholder farmers’ organizations. There are also plans to source 50 percent of the national school feeding programme’s food needs from smallholders. WFP in Burkina Faso is planning a post-pilot P4P initiative to support mainstreaming of the P4P concept into national programmes.

Supporting governments in seizing opportunities

With support from WFP and partners, governments are using P4P to reinforce their efforts to support smallholder farmers. Aspects of P4P are being incorporated into existing programmes, while lessons learned under the pilot enable governments to improve their support of smallholder farmers through public procurement.

Smallholder-inclusive policies in Latin America

In recent years, political agendas in Latin America have given increasing emphasis to family farming. Throughout the region, P4P has been embraced as a tool for national family agriculture programmes. In **El Salvador**, WFP used learning from the P4P experience to support the design of the Ministry of Agriculture's Family Agriculture Plan. The 2012 Triangle of Dignity programme in **Guatemala** was also inspired by P4P and now provides technical assistance to 67,500 farming families. In **Nicaragua**, the national grain reserve started buying food from P4P-supported farmers' organizations in 2011.

In **Honduras**, the P4P concept has been adopted as an integral part of the National Food and Nutrition Security Strategy (2010–2022), which focuses on incorporating smallholders into the supply chain for national school feeding programmes, promoting smallholders' engagement in markets, and facilitating their integration into formal private-sector markets.

National food reserve supports Tanzanian smallholder farmers

In 2011, WFP and the Government of the **United Republic of Tanzania** signed an agreement in which WFP committed to purchasing maize from the Government's National Food Reserve Agency (NFRA), which in turn agreed to buy a portion of its grain from smallholder farmers' organizations. From July 2011 to March 2012, WFP purchased more than US\$ 20 million-worth of maize (81,000 mt) from the NFRA for use in food assistance programmes in the Democratic Republic of the Congo, Kenya, Somalia and South Sudan. In 2014, NFRA procured US\$ 6.9 million worth of maize (23,000 mt) from 165 farmers' organizations. WFP Tanzania facilitated the inclusion of these farmers' organizations into the NFRA market.

"With the new dispensation of county governments in Kenya we can emulate the model of Rwanda where 40 percent of the national reserves are procured locally from smallholders' cooperatives. With inspiration from the Rwandan model, Kenya can formulate policies that will encourage such national purchases from small-scale farmers in structured markets."
Moses Kamau Mwangi, Senior Assistant Director, State Department of Agriculture, Kenya

"I am impressed that the Rwandan Government makes an agreement with farmers on the amount of land to be cultivated on a certain crop, and in that way provides a guaranteed market for the harvest."
Abraham Kigotho, Chairperson, Wamuni Soko Huru farmers' organization, Kenya

Juan Antonio Calderon Director, Instituto Nacional de Comercialización Agrícola (INDECA), Guatemala says: "We think that P4P is a wonderful tool at the service of humanity and we should make the most of it."



Purchase from Africans for Africa

PAA Africa is being piloted in Ethiopia, Malawi, Mozambique, Niger and Senegal. Following an 18-month start-up, a second phase was launched in January 2014.

To assist smallholder farmers in producing surplus high-quality crops and fresh food items, FAO facilitates access to inputs and provides training in best agricultural practices and post-harvest handling.

Building on the experience of P4P, demand for government and WFP school feeding programmes provides smallholders with an assured market, which can give them an incentive to invest in production.

Since its inception in 2012, PAA Africa has developed a complementary approach to P4P, promoting the use of food items purchased from local smallholder farmers in school feeding programmes.

Home-grown school feeding

National governments have demonstrated their commitment to using public procurement to support smallholder farmers. As well as national food reserves, government-sponsored hospitals and schools can also provide significant demand for smallholders' production. Home-grown school feeding (HGSF) programmes implemented by governments with the support of WFP and other partners are increasingly providing assured markets for smallholder farmers. In at least half of the 20 P4P pilot countries, smallholder farmers' organizations were assisted in marketing their crops to HGSF programmes. By linking local agricultural production to school meals, these programmes multiply the benefits for rural communities: increasing school enrolment, improving nutrition, boosting local economies, improving smallholders' livelihoods and developing government capacity. Reflecting the diversity of country contexts, each HGSF programme is unique. However, strong partnerships between national and district governments and WFP have generally led to more effective uptake by schools and farmers' organizations.

In P4P countries **Ethiopia, Malawi and Mozambique**, collaboration with government has been strengthened through the Purchase from Africans for Africa (PAA Africa) project, which is jointly implemented by FAO, WFP, local governments and the Government of Brazil, and was inspired by Brazil's national Food Purchase Programme. In these countries, P4P-supported smallholders are assisted in marketing a variety of fresh and staple crops to HGSF programmes. These activities have enabled the testing of innovative models for school feeding. For example, in Ethiopia and Malawi, WFP has transferred funds to district departments of education and schools, allowing them to purchase food directly from local farmers' organizations. In Malawi, smallholder farmers have provided primary schools with a range of locally available foods, including fish, groundnuts, bananas and staple grains. Since the beginning of the HGSF pilot in Malawi, enrolment has increased by approximately 15 percent in participating schools.

In **Honduras** the national school feeding programme reaches 90 percent of schoolchildren. In 2013, nearly half the maize and beans required for the programme was provided by P4P-supported farmers' organizations. WFP manages procurement on behalf of the government, and has worked with the government to improve links between P4P and school feeding, including through exchange visits to WFP's Centre of Excellence in Brazil.

HGSF programmes have also provided targeted support to women farmers by focusing on crops that are traditionally farmed and marketed by women, such as pulses. In Zambia, for example, 30–50 percent of pulses required for HGSF are procured from P4P-supported organizations of women farmers.

Smallholders grow with improved government services

To varying degrees, governments in the P4P pilot countries have ensured that agricultural services provide smallholder farmers with much-needed skills and resources. P4P has collaborated with ministries of agriculture to disseminate information on agricultural production and post-harvest handling through extension workers and state-sponsored agricultural training centres. Many governments have also played major roles in facilitating smallholders' access to credit and agricultural inputs, providing smallholders with the resources to produce and aggregate crops for sale to WFP and other institutional buyers.

Zambia's Ministry of Agriculture and Livestock has been a core P4P partner since the beginning of the pilot. Initially, P4P and the ministry collaborated on identifying farmers' cooperatives to participate in the programme. Selected cooperatives were then given priority in distributions of seeds and fertilizer under the national Farmer Input Support Programme (FISP). The ministry and P4P also developed a much-needed business module for training of farmers by extension workers. P4P supported training-of-trainers courses for ministry staff on the Government's new agricultural marketing bill enabling the staff to disseminate information on the bill to smallholder farmers. The bill emphasizes a more market-led approach with reduced government intervention and provisions for agricultural credit, a WRS, agricultural CEX and an improved agricultural information system.

In **El Salvador**, P4P worked closely with technical institutions of the Ministry of Agriculture and Livestock to provide capacity development for smallholders. For example, the National Center for Agriculture and Forestry Technology provided technical assistance in basic grain production, soil analysis and technology packages. In **Nicaragua**, the government-run Institute for Agricultural Technology played a central role in providing P4P-supported smallholder farmers with technical assistance on a variety of topics. P4P's main partner for project implementation in **Honduras** was the National Agricultural Institute (INA) under the Directorate of Agricultural Science and Technology. INA provided field support, technical assistance and capacity



Malawian farmer Clara Bamusi is a member of the Chibwelera farmers' organization. Chibwelera receives support from P4P to market crops to Ching'ombe school in Mangochi district, where Clara's daughter Ruth is a student. This means that while Clara earns money from her sales, her daughter Ruth benefits from nutritious school meals and lessons on improved nutrition.

In 2014, Clara earned nearly 80,000 kwacha (US\$ 200) from her sales of maize, soya, sweet potatoes and groundnuts, which went to Ching'ombe Primary School.

"The greatest benefit has been the reliable market," says Clara. "With my earnings I bought double the fertilizer and hybrid seed, and because of these inputs I was able to grow and harvest more bags of maize this year compared to last."

For Pablo Alcides Ochoa, Minister of Agriculture, El Salvador: "P4P has been quite effective in the transformation of the National Agricultural Strategy. P4P demonstrated to the El Salvador Government how effective it is to work jointly between governments and international development actors such as WFP, FAO, IFAD and IICA in order to strengthen smallholder farmers' capacities along the entire value chain."

Charles Walwa, Chief Executive Officer, NFRA, the United Republic of Tanzania says: "The NFRA provides a service to the nation in times of local food shortages by gathering stocks so that we can effectively manage emergency preparedness and response. At the same time, part of our mission is also to uplift smallholder farmers. We do so by buying directly from farmers' organizations, at fair prices that cover their costs for adding quality to the grains. Our relationship with WFP now allows us to extend our response to neighbouring countries in East and Central Africa. This is helping Tanzania to be recognized as a food basket for the region, and uplifting smallholder farmers in doing so."

development in good agricultural practices, post-harvest handling and cost management. P4P encouraged the directorate to provide extension services through farmers' organizations and to link this with other services, such as input packages, being provided by farmers' organizations. In **Guatemala**, P4P is currently providing technical assistance to the Ministry of Agriculture, Livestock and Food for the procurement of maize and beans. Gender sensitization for extension workers seeks to ensure that these services fully benefit women farmers.

Challenges posed by policy and legislation

Although governments have consistently expressed strong enthusiasm for P4P, experience shows that without essential enabling conditions, smallholders may not benefit extensively from the programme. Government action can even sometimes have negative impacts on work to increase smallholders' access to formal markets.

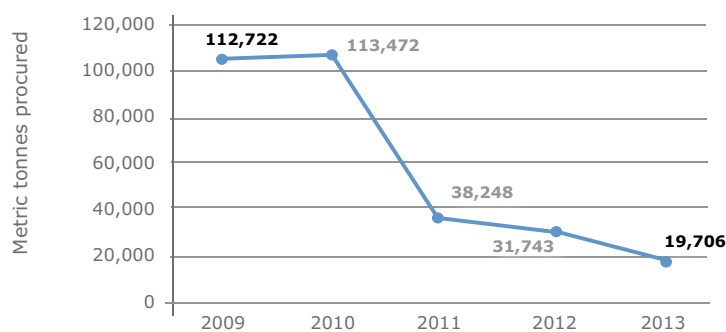
In **Liberia**, tax incentives that favour imports over local purchases lead to high local prices, making it difficult for WFP to purchase rice produced locally by smallholder farmers, and creating a disincentive for other buyers. To help smallholder farmers become more competitive in local markets, cowpea production for school feeding programmes is being promoted.

In **Malawi** and the **United Republic of Tanzania**, export bans implemented during the pilot made it difficult for WFP to purchase food for use in other countries in the region, reducing the potential market for P4P-supported smallholder farmers. The governments of **Kenya** and **Zambia** set floor prices above market prices, leading to reduced purchases from the private sector.

In **Zambia**, the pilot was launched in 2009, with the principal objective of linking smallholders to sustainable private-sector markets through the emerging Zambia Agricultural Commodity Exchange (ZAMACE). However, between 2010 and 2012, the Government purchased 80 percent of marketed crops at prices that were well above those of the market. Because of this, farmers sold their crops to the government through the Food Reserve Agency rather than through the certified warehouses put in place by ZAMACE. In 2012, this resulted in the collapse of ZAMACE, a potentially sustainable market for smallholder farmers. WFP's procurement of staple crops was also drastically reduced, although the country had previously been a significant source of commodities for WFP's regional programmes.

Prior to P4P, WFP bought significant volumes of grain in **Uganda** for programmes in the East Africa region. In 2007, these purchases were worth US\$ 54.7 million annually, making WFP the largest purchaser of high-quality grain in the country. This trend was expected to continue under P4P, especially with Uganda's strengthening position as a net exporter of maize and pulses in the region. However, WFP's procurement ambitions were curtailed by the move to harmonize quality standards across East Africa. Differences in enforcement of these quality standards among countries in the region have not yet been fully resolved, leading to difficulties for WFP exports of Ugandan maize for use in other countries. A further challenge for WFP's local procurement in Uganda is the thriving and high-paying market for non-graded grains, which are bought by traders mostly from South Sudan. Farmers have less incentive to clean their grains when they can earn similar or higher prices for ungraded crops.

Figure 5. WFP's local and regional purchases in Uganda



Continued support to governments

Governments' commitment to developing sustainable smallholder farming systems is essential for rapid gains in smallholders' productivity and market capacity; there can be no lasting success without it. The P4P pilot demonstrated that linking

“The P4P pilot demonstrated that linking smallholders to formal markets is a viable investment in countries that have an enabling environment,”

smallholders to formal markets is a viable investment in countries that have an enabling environment. WFP and partners will therefore continue to support national governments in providing enabling environments for sustained P4P-like projects. This support includes advocating for policy reform and institutional innovation

to improve support for smallholder farmers, and strengthening governments' technical capacities to design and implement P4P-like projects based on the public procurement of staple foods.

Challenges for P4P investments

- Insufficient agricultural extension services and other support such as market information systems.
- Weak enforcement of food quality grading and standards.
- Insufficient quantity or quality of storage infrastructure.
- Inadequate transport infrastructure.
- Limited availability and affordability of agricultural inputs.
- National/regional agricultural, trade or tax policies that undermine the marketing efforts of smallholder farmers.





Esinta checks her maize

Gender equity

Before taking part in P4P, Esinta Jickson from Malawi profited little from her agricultural labour, making occasional sales to local people and small traders.

After participating in a P4P workshop on leadership, gender and public speaking for women, Esinta became the treasurer of the Chiwoza farmers' cooperative, which has more than 400 members. In 2013, Chiwoza marketed an estimated US\$ 15,800-worth of maize (50 mt) to WFP. The maize was used in the school meals programme to provide students with nutritious porridge.

“Being on this committee has really helped the women members. It has taught us to be independent. We know we’re equal to the men and that has improved our standing in the community,” says Esinta.

Throughout the five-year pilot, P4P has improved the lives and livelihoods of smallholder farmers who face many challenges in profiting from their agricultural labour. Because women farmers face even more challenges than their male counterparts, P4P adopted a gender transformative approach, directly focusing on women to ensure that they benefit from the project. As a result, P4P has seen women gain greater control over their lives and an enhanced voice in their communities and households. By adopting multifaceted interventions to address major constraints faced by women farmers, P4P has helped to promote gender equity and the economic empowerment of women in agriculture.

Driving rural development

In developing countries, women are the backbone of the rural economy. Although women play a crucial role in agriculture, particularly food production, their labour is often invisible, unpaid and undervalued. Because of the extensive challenges they face, improving the livelihoods of women farmers is a vital part of developing rural economies. Involving women more fully in agriculture has the potential to drive economic development, increase food security and improve household welfare. In fact, gender equality is seen as an essential step towards reducing poverty and hunger.



3

Chapter

Many rural women work as unpaid labourers on family farms, with male family members making most decisions about agricultural production, marketing and how to use the income from crop sales. Because obstacles prevent them from owning land, women are often not considered to be farmers. This means that fewer women than men are registered members of the farmers' organizations that market staple crops to WFP through P4P. Women working in agriculture assume many roles, which vary within and among countries.

They work as unpaid family workers and casual agricultural labourers, and are sometimes the principal producers of crops. These roles overlap and giving rise to the diverse needs of women farmers.



Generoza Mukamazimpaka from Rwanda works hard to care for her family and make a living on her family farm, waking up early and resting very little. After she began working with P4P through the Amizero farmers' organization in 2010, Generoza's life started to change. She is now producing higher-quality crops and marketing them to WFP through her cooperative. "I'm so happy because now I have money to solve my own problems," she says. Generoza is now able to provide for her children's education and pay for medical care for her family. She has purchased a cow, and uses its waste to generate biogas for cooking, which reduces the time she needs to prepare food. She says: "Women in rural areas work very hard, and they are always exhausted and stressed due to too much work at home. They are seen as if they have every answer to any challenge at home."

**"Women farm, they are not farmers."
Male members of a P4P-supported farmers' organization in Ethiopia, 2012.**

Gender norms and traditional divisions of labour are major barriers to ensuring women's full engagement in agriculture, as evidenced by the above quote.





P4P's gender achievements in numbers

29 percent of P4P-supported farmers are women, rising to **48 percent** if Ethiopia is excluded.

36 percent of leadership positions in P4P leadership positions are held by women.

On average, women who sold crops through P4P supported farmers' organizations earned **US\$ 48** per year from their sales.

200,000 women have been trained in various capacities.

P4P's potential to support women in increasing their participation in agriculture has been recognized since the outset. The initiative adopted the ambitious goal of having women account for 50 percent of participants in P4P-supported farmers' organizations and 50 percent of sales to WFP. This quota was to ensure that women farmers' agricultural productivity and income increased alongside those of men. However, the deep-seated gender roles in rural agricultural economies posed a major challenge.

Context is key to catalyse change

Agricultural programmes can have impacts on gender equality and promote women's empowerment in many different ways, each of which has limitations. Development practitioners are often tempted to use a single activity to address the many different challenges related to gender, but efforts that are not specifically targeted and do not have clear goals risk being ineffective. To determine feasible ways of improving women farmers' lives and livelihoods, WFP commissioned external expertise from the Agriculture Learning Impacts Network (ALINE) to develop a global gender strategy for P4P.¹⁸ The strategy outlines ways of integrating women into the P4P model in cost-effective and context-specific ways, and identifies targeted gender activities that build on the strengths of P4P. It defines four goals to guide P4P's approach to gender, complemented by nine strategic objectives describing how to reach these goals in the longer term. These are outlined on the following page.

The global strategy encouraged pilot countries to undertake country-specific gender assessments based on these long-term goals and strategies. The assessments identified variations in culture, religion and infrastructure that can exist in areas that are only a few kilometres apart, presenting different opportunities and challenges. Appropriate gender activities were then selected from a menu of suggested activities and based on the assessment findings, for inclusion in the country's P4P project.

In 2011, **Guatemala** became the first pilot country to design and formulate a country specific P4P gender strategy. The strategy emphasized the importance of providing women with capacity development and practical help to balance their work in- and outside the home. Tailored P4P gender strategies and action plans were developed in 14 pilot countries; in **Ghana** and **Mozambique** they were developed with the support of UN Women.

18. P4P Gender Strategy: <https://www.wfp.org/content/p4p-gender-strategy>

Toolkit for change

Activities to support gender mainstreaming in P4P addressed the three interrelated spheres of social empowerment, economic empowerment and empowerment through capacity building, as shown in Figure 6 on the following page.

Planting the seeds of empowerment

Despite women's prominent role in household-level crop production, men generally make decisions about which crops to grow, and when and where to market them. Efforts to improve women's economic situation must therefore encourage changes in mindsets, while supporting women in negotiating for change. When gender sensitization takes into account the needs and desires of both men and women, it can open up opportunities for women to participate more fully in markets. On the other hand, efforts to increase women's income that ignore household gender relations can have a negative impact on the well-being of women and their households. For example, project activities risk decreasing the time women spend with their children, increasing their exposure to domestic violence and even reducing their incomes.¹⁹ To avoid these negative outcomes, gender sensitization involving both men and women was the centrepiece of P4P's gender efforts and approach to promoting the economic empowerment of women.

19. If, for example, activities undertaken previously by women were more profitable, or men's assistance decreases.

P4P gender goals and strategic objectives

Goal 1

Increase understanding of the importance of equitable gender relations in beneficiaries' households, farmers' organizations and supply-side partner organizations.

Strategic objective 1

Promote gender sensitization activities and approaches.

Goal 2

Increase and create opportunities for women to participate in groups and decision-making.

Strategic objective 2

Facilitate women's participation.

Goal 3

Facilitate and increase rural women's access to and control and management of resources and agricultural services.

Strategic objective 3.a

Facilitate women's access to and control over resources.

Strategic objective 3.b

Promote gender-friendly and ethical approaches to financial services delivery.

Strategic objective 3.c

Promote gender-friendly approaches to extension services.

Goal 4

Diversify opportunities for women in income-generating agricultural activities.

Strategic objective 4.a

Promote and encourage the procurement of crops and foods for which women control production.

Strategic objective 4.b

Facilitate better use of women's time, particularly through time-saving technologies.

Strategic objective 4.c

Promote women's employment in new income-generating agricultural activities in rural areas.

Strategic objective 4.d

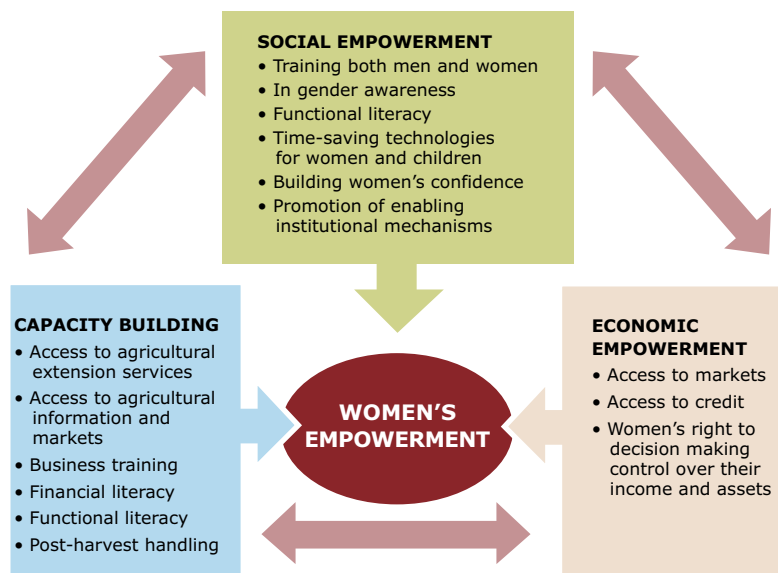
Promote the delivery of gender-tailored and gender-friendly training on useful skill-sets, including literacy. Provide support to partners for mainstreaming holistic or activity-focused gender sensitization approaches within their organizations.



Mazouma Sanou is a farmer and P4P trainer from Burkina Faso. She says that since their involvement in P4P, more women are able to make decisions together with their husbands. This has made income management easier, allowing families to plan for the possibility of unexpected illness and to set aside money for their children’s school fees. While Mazouma says that gender dynamics are certainly changing for the better in her community, she acknowledges that there are still challenges ahead. She says that some men resist women’s increasing voice. However, she works with women to help them learn new ways of negotiating with their husbands.

“Women have to help educate their husbands. Dialogue can certainly change attitudes, but you can’t command people to do things” she says.

Figure 6. P4P’s approach to women’s empowerment



Many gender sensitization efforts under P4P focused on demonstrating the tangible economic benefits that accrue to households and communities when women are fully included in agriculture. A household negotiation tool created by P4P provided a consultative framework for families to discuss the management of household resources and led to the greater inclusion of women in decision-making on agricultural production and the use of income from farming. This approach also proved effective in securing the buy-in of not only male family members, but also elders and local leaders, who are generally the most influential people in their communities.

Increasingly, men report that they see their entrepreneurial and economically independent wives as key partners in improving household welfare. This is an important shift from previous views that women’s economic power somehow threatened the role of men in the household. The household negotiation approach has the added benefit of reducing risks of gender-based violence. Domestic violence towards women can increase as they become more economically independent, sometimes because men perceive such a move, especially when supported by external actors, as branding them as weak or incapable of providing for their households. When they used the skills gained through household negotiation training, many women reported an easing of tensions arising from their economic independence, as men increasingly viewed their wives’ efforts as a contribution to the improved livelihoods and welfare for the whole family. By devoting time and resources to

improving household communication, P4P helped to create a safe and supportive environment within households and communities, where women can pursue their economic independence.

Women speak out and work together

Many women have used the skills gained through household negotiation training to make their needs heard. With growing confidence and men's increased acceptance of their engagement, women are now more fully involved in decision-making beyond their households, and there is growing evidence of fundamental changes at the community and farmers' organization levels.

Overall, the numbers of women in farmers' organizations and in leadership positions have grown. Today, women occupy 36 percent of leadership positions on the boards of P4P-affiliated organizations. At the start, the proportion of women leaders was as low as 16 percent in some pilot countries. Although the current level of women's participation in leadership is still short of the 50 percent target, women and men board members testify that having the perspective of women in leadership positions has benefited women's membership in organizations. In countries such as **Nicaragua**, farmers' organizations have formulated their own gender policies, and some - such as the *Cooperative 20 de Abril* - have elected a woman chairperson for the first time.

Women's participation in farmers' organizations, particularly women's groups, gives them better access to much-needed resources and services. Women-only groups of producers and traders have created economies of scale that help women tackle the greater difficulties they may face in comparison with men.



Fatu Namieh Nyen, a farmer in Liberia, led the Gbonkuma Rural Women's Association to become a P4P producer in October 2012, after she wrote a formal letter of request to WFP for her organization to be incorporated into the P4P programme. The women have used their organization as a space to protect one another and their children in a post-war context with high risks for gender-based violence. Gbonkuma Women Association's impressive achievements have not gone unnoticed: the President of Liberia has visited them twice to encourage them in their efforts.

Fatu says: "P4P is not just helping us earn money; it is bringing us peace we have not had. It is rebuilding trust and [our sense of] community. This is what P4P is to me."



After her husband's death, Rosa Michelo, from Zambia, wasn't sure whether she would be able to provide for her six children. However, thanks to the two draft cattle she received through P4P partner Heifer International, she has been able to manage her time more effectively and increase her yields while caring for her family.

"Look at my maize field," she says, "Out of faith, I planted this maize and for the first time in so many years, it was planted in good time and I can expect a good harvest!"

Increasing women's access to land and resources

Difficulties with owning and controlling resources are one of the main barriers to women's full participation in agriculture.

“According to FAO, if women had the same access to productive resources as men have, they could increase agricultural yields by 20–30 percent, which would lift 100–150 million people out of hunger”

Compared with men smallholder farmers, women have less access to productive resources, including agricultural skills, improved seeds and fertilizer and farming equipment. They often face greater challenges in obtaining credit to purchase inputs and equipment, including high levels of illiteracy and lack of independently owned assets to use as collateral. One of the largest gender gaps in rural areas is in access to land. Many women cultivate gardens for household consumption that are generally too small to be commercially viable. According to FAO, if women had the same access to productive resources as men have, they could increase agricultural yields by 20–30 percent, which would lift 100–150 million people out of hunger.



Esther Lumamba and her husband Severino pose next to one of the heifers they received through WEAT.

When women do have access to land, they often have problems in obtaining timely and affordable ploughing services. This is because men generally own the equipment for ploughing and focus on working their own land first, before ploughing for other farmers, for a fee. In collaboration with Heifer International, P4P addressed this challenge in **Zambia** through the Women Empowerment through Animal Traction (WEAT) project. Through this project, 30 selected women farmers each received two heifers,²⁰ a ripper or plough, bean seeds and an animal health drug kit. Participants also benefited from training on how to use and care for the animals. Using the heifers, these women farmers and their households are now able to plough more land and plant crops in a timely fashion. WFP provides an assured market for participants' surplus production, enabling them to realise a higher income for their surplus produce. Additional cattle are distributed using Heifer International's "pass on the gift" principle, under which participating farmers pass on their cattle's first offspring, along with training, to other families in their community. This fosters ownership and ensures that many more women continue to benefit from the project.

Recognizing the benefits of women's participation in agriculture, community leaders in a village in Mali granted women's groups 500 ha of land. The local administration approved the grant with official titling and the women are now able to make decisions about the production and marketing of their crops, resulting in increased incomes.

Freeing up women's time

In rural areas of developing countries, as in much of the rest of the world, there is often an unequal division of labour, with women carrying out labour-intensive and often unpaid household tasks such as carrying water, cooking, cleaning and caring for children and the elderly, while also being engaged in unpaid agricultural work on the family's plot and in other informal businesses. Many women spend up to 16 hours a day carrying out physically demanding and time-consuming work. Most do not have access to technologies that could lighten their agricultural workloads, such as cattle, ploughs or maize shellers.

Time- and labour-saving technologies can enable women to complete farm work more efficiently and with less time and effort. The women can then produce larger quantities of higher-quality crops and balance their time between farming and domestic duties more effectively. Seemingly simple technologies such as bicycles can make a significant difference in women's lives by allowing them to transport crops to markets more quickly and move between their homes and fields more easily. This gives them more time to care for their children and to rest.

20. Young female cow.





With the support of USAID, women in **Ethiopia, Kenya, Malawi, Mali, Mozambique, the United Republic of Tanzania, Uganda** and **Zambia** received tools for agriculture and value addition, including tractors, cattle and ploughs or carts, milling machines and equipment for parboiling rice. Technologies that are most relevant to each local context and women's needs were chosen. Equipment such as shellers and maize mills was provided to farmers' organizations on a cost-sharing basis to foster ownership. The organizations were also encouraged to think creatively about how to cover maintenance costs, for example, by using the equipment to provide services to farmers for a fee.

In **Kenya**, 18 women-only farmers' organizations received ox ploughs to be used on both individual plots and land that the organizations leased collectively. Previously, many of these farmers had relied on hired labour to plough their fields. Hand shellers are especially useful for easing women's workload within their households. In most countries where P4P works, women and children are usually responsible for such tasks as maize shelling and winnowing. However, the introduction of shellers has transformed traditional divisions of labour in some areas. These simple mechanized technologies encourage men to participate in tasks that were previously women's domain, transferring some of the women's workload to the men in a non-contentious way. There are risks, however. Because men tend to see mechanized devices as their own domain, this could reduce women's ability to control and benefit from these assets. To mitigate this risk, P4P and partners provided gender awareness training when the equipment was handed over to farmers.

Women have used the increased income or credit they obtained through farmers' organizations to invest in equipment and agricultural inputs such as seeds and fertilizer. For example, Azeta Sawadogo from **Burkina Faso** invested money earned from cowpea sales to purchase a bicycle, making it easier for her to move heavy loads of commodities between her house and the market. Chaltu Bultom Ede from **Ethiopia** used a loan from her cooperative union to purchase a cow to plough her field. Previously, she – along with many other women in her community – had to give a large portion of her crop as payment to the men who ploughed the field for them.



Chaltu Bultom Ede,
Ethiopia.

In **Burkina Faso** and **Uganda**, improved on-farm storage technologies and training helped smallholder farmers to store more produce on their farms and retain their high quality. The crops could then be sold at better prices later in the year. Esther from Uganda was among the farmers who benefited. Before participating in the trial, Esther was forced to sell her crop immediately after harvest at low prices, to avoid losing up to 40 percent of the crop through spoilage. Using a hermetically sealed, locally produced metal silo and new skills in farm-level storage, Esther can now store her crops and sell them when prices are more advantageous. Her own household stocks also maintain their good quality until consumed, yielding health and nutritional benefits for her whole household.

Although notable gains have been made, many women still lack access to much-needed equipment. Koné Korotoumou, president of the Sabati women's group in Zantiébougou, **Mali** says that she and other women in her community are still unable to purchase the farming equipment they require to plant and harvest their crops efficiently, obliging them to pay high prices to hire equipment.



Awa Tesougue, a mother of four, is a member of a women farmers' organization in Logo, central Mali. Awa was among a small group of women whose husbands or other relatives gave them small parcels of land to grow *niébé*, a variety of cowpea, for sale in local markets. With the support of P4P, she has significantly increased her income, and her husband has provided her with a larger plot. She has used the additional income to support her children's education.

Awa says: "I even give my children money to buy snacks during their break at school. I've noticed that they are now more motivated to go to school."

New ways of generating income

One of the main desires of women producers was to have diverse strategies for earning income to ensure their family's resilience to market price fluctuations and shocks. A major lesson learned through P4P was that women's ability to market certain crops remains limited despite gender awareness efforts.



Awa Tesougue, Mali.

In many societies, crops such as maize and sorghum are traditionally considered to be men's domain. Women generally grow pulses – such as cowpeas, beans and pigeon peas – on small plots, in limited quantities, and usually for household consumption rather than sale. Women also prefer to grow and market different crops from their husbands to avoid competition within the household.

WFP responded to this challenge by increasing the quantities of pulses it purchased from women farmers. This enabled women to participate in P4P in their own right, selling a crop over which they have traditionally retained control of production and the income generated. Additional benefits of encouraging increased pulse production and sale by women is that pulses are drought-tolerant, enhance soil quality by fixing nutrients, and can improve nutrition as they are rich in protein.

In West Africa, purchases of the local cowpea *niébé* proved effective in engaging women farmers. However, many challenges first had to be overcome. Farmers generally grow only small quantities of *niébé* for household consumption because of the high cost of seeds and difficulties with storage – *niébé* is prone to infestation. P4P and partners therefore provided training and inputs specifically designed for *niébé* and based on each country's production conditions. In **Mali** and other P4P-supported countries, farmers' organizations began using Purdue Improved Cowpea Storage triple bags, which are designed to extend the shelf-life of peas and beans. In **Burkina Faso**, 96 percent of the people selling pulses to WFP were women, and the majority of the members of farmers' unions now producing surplus *niébé* in **Liberia** and **Mali** are women. The money earned therefore goes more directly into women's hands, helping to increase their voice and raising their status in their households and communities.



Women in Mali work to harvest *niébé*.





Carmelina Oloroso,
Guatemala.

María de Jesús López,
Secretary of *Fuente de Vida* farmers' organization and coordinator of the Women's Office of San Jerónimo in Comayagua, Honduras, joined P4P with the other 729 members of *Fuente de Vida*.

"Our income in the farmers' organization has improved since we started working with P4P. Because of the training provided through FAO's farmer field schools we have learned new farming techniques and our crops have become more resistant to climate change. Last year, I was able to grow 1.4 ha more than in previous seasons, and now I am using the revenues from my sales of grains to recover an abandoned plot and continue to increase my production," she says.

Making farming women's business

To earn more from their efforts, smallholder farmers, particularly women, often require training to strengthen their agricultural and business skills. Throughout the P4P pilot, more than 200,000 women were trained. The new skills boosted women's confidence, as well as their agricultural productivity.

Carmelina Oloroso from **Guatemala** is the secretary of the board of directors of the *Asociacion De Desarrollo Empresarial Comunitario El Rodeo Camotan-Adecro*, which worked with P4P for three years. Since Carmelina began participating in P4P, she has learned how to use new and more effective agricultural techniques, allowing her to nearly triple her yields of maize and beans and market her surpluses to WFP. With her increased income, she has been able to open a savings account for the first time, improve her home and even buy more land. She can now better provide for the needs of her six children. "The training courses specifically aimed at women have motivated me, because they value us, give us the opportunity to express ourselves, bear us in mind. They also encourage us to excel and to empower ourselves through our economic activities," she says.

Women farmers have also been trained to operate their farmers' organizations as businesses, marketing crops collectively and negotiating better prices. In many countries, the combination of increased confidence and improved business skills enabled the women to become small entrepreneurs. Members of the Gbelaygeh Women's Structure in **Liberia** gained confidence and skills that helped them negotiate a substantial loan from a commercial bank. The loan was used to aggregate almost twice as much paddy rice as had been sold in previous years, to fulfil the organization's contract with WFP.

Where a training-of-trainers approach was used, women learned to pass on the knowledge they gained. Empowering women as trainers enables them to become role models for other women farmers, and increases their access to information and advice on agricultural issues. In **Burkina Faso**, Mazouma Sanou now works as a field monitor for WFP and Oxfam, coaching 25 rural women's groups. Mazouma helps the women to manage their farmers' organizations more effectively, and supports them through the production process to ensure that their crops meet quality standards. She also helps them gain access to financial services. In **El Salvador**, training-of-trainers sessions were used to achieve gains in gender equity, including in leadership and teamwork. All sessions were held at times suitable to women and offered day-care services to enable women with young children to participate.

Learning to read and write

After participating in training run by P4P and partners, many women realized the limitations posed by their inability to read and write. This led some farmers' organizations to provide functional literacy training for their members. One of the lessons learned from the pilot is that literacy training is a necessary step towards empowering women farmers, particularly as they tend to have lower literacy levels than men. The ability to read and write is crucial for women in learning other skills and allowing them to manage farmers' organizations and keep records of financial transactions. Literacy programmes bring other benefits: boosting women's confidence, helping them participate more fully in their households and communities, allowing them to follow their children's schooling better and prepare household budgets. Literacy training has been provided to P4P-supported farmers in diverse countries, including **Burkina Faso, the Democratic Republic of the Congo, Guatemala, Honduras, Liberia, Mali** and **Mozambique**.

One of the most successful examples of literacy training was in the **Democratic Republic of the Congo**, where encouraging women's participation proved particularly challenging, partly because of high rates of illiteracy. To increase women's participation, literacy programmes were implemented in the two districts where P4P operated, through partnership with the local NGO BUCODED in Kabalo territory in eastern Katanga province, and with Oxfam in Bikoro territory in western Équateur province. Through this project, 2,000 women received literacy training in Swahili and Lingala languages. The programme also provided training in basic calculation skills and information on child-raising, sanitation, family planning, women's rights and HIV/AIDS prevention, to further improve the lives of women and their families.



One beneficiary of the literacy project in the Democratic Republic of the Congo, Moma Maua Evaristine, is now the president of BONIGE farmers' organization. Three of BONIGE's 25 members are women. Moma says that because of the literacy programme she is now able to manage her household better, live and work independently, and participate in her farmers' organization more, including by managing its warehouse. "I am happy to have responsibilities as a woman in a group of men because, in my society, it is often said that a woman should not speak in a group where there are men, and especially should not speak directly to them. What I am doing now is a great joy to me," Moma says.

Lessons learned

WFP's experience of mainstreaming gender into P4P has generated some important lessons, notably:

- A culturally-relevant approach to women's empowerment is key to promoting sustainable gender equality and women's rights in rural contexts.
- Community, customary and religious leaders can be reliable partners in moving gender equality objectives forward if these objectives are selected through an inclusive approach.
- Men are receptive to women's empowerment and gender equality when gender issues are presented in terms of economic benefits to households. Men's support can have positive impacts on women's access to land as well as household decision-making.
- Because of the cultural underpinning of gender relationships, results to empower women and promote gender equality may not be immediate, but take longer time and arrive gradually.



Margreth Simon Mgeni,
United Republic of
Tanzania.

Smallholders seize change

*Margreth Simon Mgeni is a farmer from the **United Republic of Tanzania** who works with P4P through her farmers' organization, Usomama Savings and Credit Cooperative.*

Thanks to improved agricultural skills and knowledge Margreth has increased her yields from 500 kg/hectare to 1,500– 2,000 kg/hectare. Her increased sales through her farmers' organization have also given her resources to reinvest in production and purchase additional land.

In 2013, Usomama marketed crops to the United Republic of Tanzania's National Food Reserve Agency (NFRA) for the first time. Margreth says that these sales were made possible by Usomama's four years of selling to WFP, which gave the organization experience and understanding of how to interact with a formal market.

Today, Margreth works as a quality controller at the warehouse managed by Usomama, checking the moisture content and cleanliness of the maize, and ensuring that it is not infested. She says that while progress takes time, her farmers' organization has improved quality and reduced food losses between the farm and the warehouse, thanks to improved post-harvest practices.

Margreth says: "Before P4P I was living in a mud house, but now I have an improved house. I am now taking my children to school without any problem. Today my neighbours are learning from me, understanding how the market works, and doing as I do."

P4P has been a game-changing investment that has strengthened the livelihoods and formal market opportunities of smallholder farmers. Beyond effects on the farmers themselves, the programme has also generated a wide range of both anticipated and unanticipated impacts that have benefited a range of actors in farming communities and along the supply chain.



Chapter

Throughout the relatively short five year pilot period, the lives and livelihoods of smallholder farmers around the world have been transformed for the better. Magreth, Etalvinha and Aiah, (see story boxes) reflect these changes, in their increasing understanding of the value of investing in staple crop production. Farmers are generating greater profits from their efforts, thanks to coordinated support provided by P4P and partners from the moment the seed goes into the ground until cash is paid into the farmer's hand. Plus, these farmers are increasingly recognizing the potential for working together to market their crops collectively through farmers' organizations.

With the support of P4P and partners, these organizations are becoming businesses capable of competing in formal markets, negotiating better prices and dictating the terms of their market engagement. P4P has not only changed farmers' lives, it has also altered the environment in which they work, by encouraging a pro-smallholder response from value chain actors.

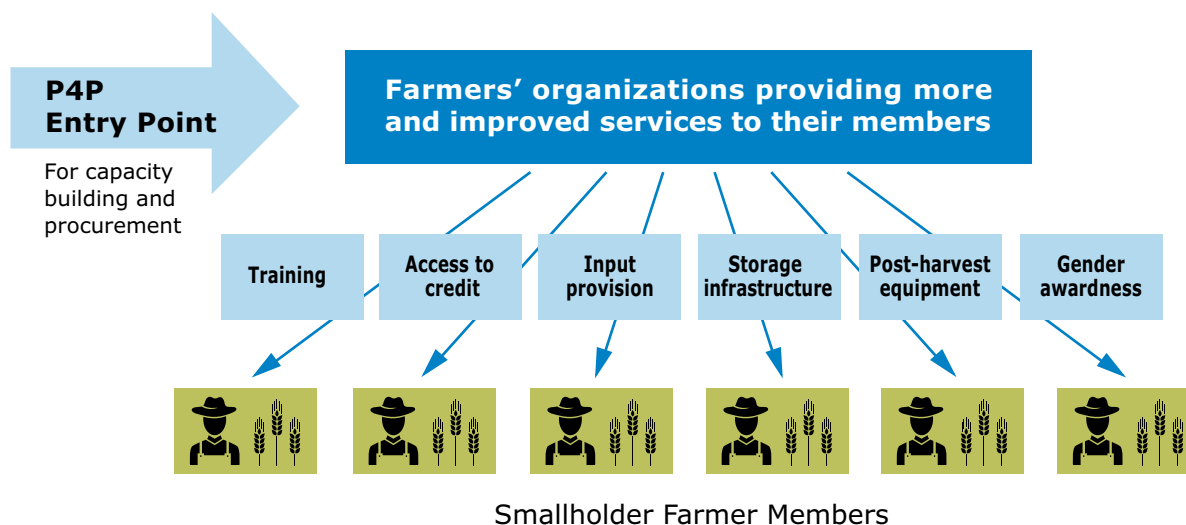
The market landscape is shifting as actors such as buyers, extension workers and input providers increasingly recognize the potential of working with smallholder farmers.

Collective action to boost gains

By definition, smallholder farmers cultivate small plots of land. Even with support from P4P and partners, individual smallholders generally cannot produce enough to meet buyers' quantity requirements. By selling as a group through farmers' organizations, smallholders can better access formal markets, negotiating better prices from buyers, gaining more favourable discounts through bulk purchases of inputs and benefiting from lowered interest rates on agricultural loans.

Much of P4P's work has focused on strengthening farmers' organizations through training sessions, and supporting the increased availability of storage infrastructure and equipment. With this support, farmers' organizations are better able to aggregate and market their staple crops and meet quality standards. Survey data shows that P4P-supported organizations have gained significantly more capacity to function as businesses than groups that did not participate in the pilot. Organizations supported by P4P are now offering more and higher quality services to their members, enabling farmers to access storage, input supply, agricultural training, marketing and post-harvest handling.

Figure 7. Services offered through P4P supported farmers' organizations



Etalvinha is a farmer from Mozambique who has benefited from joint United Nations efforts under P4P. Etalvinha has been growing maize, beans and cassava since she was 14. She started to work with P4P through her farmers' organization, Alto Molocu, in 2010. Speaking in 2012, she reports: "The income gained from increased sales of maize and beans allows me to expand production, educate my children and take care of other family needs. I did not expect such a big difference in two years. Once you know what it takes to produce good crops and you know someone will buy it, then I am inspired to do more each year."

Seizing new marketing opportunities

During the pilot period, WFP bought US\$ 148-million worth of food more directly from smallholder farmers, mainly through farmers' organizations, but also through small and medium-sized traders, or marketing platforms such as CEX and WRS, all of which foster the participation of smallholder farmers. Although challenges with defaults and quality persist, these sales represent a massive achievement for smallholder farmers

“During the pilot period, WFP bought US\$ 148-million worth of food more directly from smallholder farmers,”

and their organizations, many of which had never sold to formal markets previously. Smallholders and their organizations benefit in many ways from selling to WFP. Establishing business relationships with WFP provides experience of formal contracts, access to capacity development and can increase farmers' profile with other buyers. Farmers' organizations have also engaged with other formal buyers, selling at least US\$ 60 million-worth of staple crops to markets such as millers, seed companies, agrobusinesses, government-run school feeding programmes, national food reserves and hospitals. This is one of the fundamental gains made by smallholder farmers through the initiative. As farmers' organizations become important actors in the supply chain, they need access to sustainable markets and premium prices that compensate for their investment of time and energy in reaching quality standards. Although a lack of quality markets

sometimes limited opportunities, data demonstrate that farmers' organizations have increased their reach into higher quality markets.



Aiah Fundowa from Sierra Leone has been working with P4P through Bassankoe farmers' organization since 2010. With WFP as an assured market, Aiah has consistently increased his rice production, which has risen from 10 to 55 100-kg bags a year.

"With the money, I have built a five-room house. That was not possible before. It was very difficult to earn money," Aiah says.

Deo Bapfaguheka, chairperson of the Nyagatare union of maize farmers in Rwanda, says: "Before WFP assisted us to access market opportunities, there was a gap between us and the big buyers. We were forced to work through middlemen, usually getting unfair prices, but now we discuss directly with the big buyers."

Sales to markets beyond WFP in **El Salvador, Guatemala, Honduras** and **Nicaragua** demonstrate the potential for P4P-supported farmers' organizations to expand into higher-value retail markets, including through buyers such as Walmart. In El Salvador, organizations have grouped together into "clusters" for marketing larger volumes of grain, adding value to their products and negotiating better prices. Through this cluster system, with support from P4P, farmers' organizations have created their own brands and patents for selling beans directly to retail and supermarkets. This process has enabled farmers not only to reach sustainable formal markets more directly, but also to understand the importance of meeting marketing criteria – from nutrient analysis and health inspection to product design – and to strengthen their business skills.



Logos designed by P4P-supported clusters in El Salvador

Angela Marko Malle from Mbulumbulu Umoja Savings and Credit Cooperative in the United Republic of Tanzania is now benefiting from premium payments for her quality produce. In 2010, she marketed 1,000 kg of maize to WFP through her cooperative. This market is not the only benefit she sees in P4P: "The benefits of P4P go beyond the extra money I'm earning; it is mainly the knowledge that I am acquiring. Thanks to the training, I have learned to increase quality, better store my maize and avoid post-harvest losses, to keep records and to work together with the other members of our group."

Smallholders seize change



Warehouse manager Bornwell Kaunga (right) shows Mwandama's maize mill to the visiting farmers and explains how it links to the organization's business strategy.

Participation in P4P helped members of Mwandama farmers' organization in Malawi to become active participants in the commercial agricultural market. After receiving training in improved organizational and agricultural skills, Mwandama first marketed crops to WFP in early 2010 and is now among the most active and successful among the P4P-supported organizations in Malawi, having been awarded a total of 11 WFP contracts with a value of about US\$ 176,000 for 750 mt. The organization has also bid for and won competitive WFP tenders through the ACE online commodity exchange, and sells in bulk to government boarding schools, a processing company and a government fisheries company.

Members now use a portion of their profits to employ Bornwell Kaunga as full-time warehouse manager, to oversee the organization's business activities and storage. He assists the farmers in marketing their products successfully, and improves their knowledge of business practices and strategy.

"Because of the support from P4P, Mwandama has increased its sales, sells at better and fairer prices and now understands how to deliver food that

meets globally accepted quality standards to many buyers on the market," says Bornwell. He notes that the organization's sales to WFP allowed farmers to see the tangible benefits of working as a cooperative, and the potential for growth through reinvestment.

To share their accomplishments and inspire others, Mwandama hosted a study tour for seven other Malawian farmers' organizations to learn how Mwandama has evolved into a self-sufficient business. Participants in the tour asked Mwandama's members about everything from legal resources and challenges to business plans and strategies, farmers' expectations, and leadership skills.

Clement Mpoto, from Kaso farmers' organization in Dowa district participated in the study tour, which inspired him to expand and reinvest in his business by collaborating with other farmers in his cooperative. "After seeing the Mwandama model, I think it would be good to designate a certain amount of production that a member has to contribute to the cooperative's stock in exchange for loans or inputs. This would make sure that the business moves forward as we could produce and sell more," says Clement.

Tangible changes for smallholder farmers

Positive changes in smallholder farmers' lives have been documented in all P4P countries. In four of the countries, impact assessments²¹ were conducted to provide more in-depth analysis on the impact attributable to P4P. While findings on household impact are still preliminary, data shows that membership in a P4P-supported farmers' organization is associated with statistically significant increases in yields, particularly in **El Salvador** and to a lesser extent in **Ethiopia**, relative to the yields the farmers would have achieved without P4P. Results also reaffirmed the importance of supply-side support; where such assistance was limited, as in the **United Republic of Tanzania**, the yields of surveyed farmers did not increase as significantly. Combined with reduced post-harvest losses, enhanced quality of products and improved marketing opportunities, this increase in production can have an important impact on the food and nutrition security of farmers' households. Income and expenditure data collected throughout the pilot confirm that households are better off now than at the start of the P4P programme. However, it has not yet been scientifically proven that P4P is the cause of this improved welfare.

Although there have been positive changes within households, there is still scope for expanding the opportunities offered by P4P across the full membership of participating farmers' organizations. A core group of "lead farmers" more able to take risks, has largely been the first to respond. Participation of these farmers has been essential in strengthening farmers' organizations and paving the way for less resilient farmers, who tend to be more cautious. It is expected that over time, as more farmers follow the example of those selling through their organizations, the impact on farmers' welfare will be more widespread and the attribution of this positive impact to P4P will become clearer. This phenomenon of early adopters setting the example for their peers, is not uncommon in development projects. Farmers who own larger plots, have higher levels of education and/or live closer to community storage points are more likely to contribute the larger quantities to collective sales, and therefore to benefit more initially.



21. El Salvador, Ethiopia and the United Republic of Tanzania were three of the countries identified for more intensive monitoring and evaluation through impact assessments. The impact assessment in Ghana will be concluded in 2015.



Quality control in the value chain

One of P4P's greatest challenges, but also one of its main successes, was assisting smallholder farmers in meeting international food quality standards. WFP imposes quality requirements on the food it buys to ensure that beneficiaries receive food that is safe for consumption. The same standards are applied to all suppliers without exception. While WFP adjusted procurement procedures to accommodate smallholders, no compromise was made on quality standards. To avoid problems with food quality, P4P and partners provided training, equipment and infrastructure for improving post-harvest handling. Farmers under the P4P pilot learned quickly and quality related defaults reduced quickly.

Particular attention was paid to the prevalence of mycotoxins, especially aflatoxin, a poisonous chemical compound linked to liver cancer, which – if consumed regularly over an extended period – poses a serious threat to human health. Aflatoxin generally develops on crops such as maize or groundnuts as a result of inadequate drying, when excess moisture allows the growth of aflatoxin-producing moulds. It can largely be prevented through appropriate post-harvest handling techniques. A portable field kit – the “Blue Box” – was developed and launched in Guatemala in collaboration with P4P partners after several incidents in which WFP rejected commodities supplied by P4P-supported farmers due to high aflatoxin levels and non-adherence to other quality parameters. Each Blue Box contains grain sampling and grading equipment, a moisture metre, an aflatoxin testing kit and other supplies to allow on-the-spot screening of food-quality parameters and grading at any stage of the supply chain. This P4P innovation has been spread globally and is being used by farmers' organizations, government food reserve agency buying points and WFP procurement staff. Early detection of quality problems reduced the number of rejected deliveries and limited post-harvest losses, generating savings for the farmers.

Globally, WFP's increased advocacy for enforcing quality standards and establishing protocols for monitoring has contributed to the international agenda on addressing food quality and safety issues. In **South Sudan**, for example, dialogue around aflatoxin catalysed improvements in national laboratory capacity and the systematic screening of local maize. Following severe aflatoxin outbreaks in **Kenya**, WFP collaborated with the government to increase public awareness, improve post-harvest handling and storage, and enhance local aflatoxin testing capacity. In **Ethiopia**, although aflatoxin testing is not required by national standards, WFP's collaboration with the government has resulted in systematic testing for aflatoxin in staple crops supplied by cooperative unions to formal markets.

Changing the rules of the game

Impacts are not limited to farmers and their organizations. In some countries, P4P has also generated systematic changes in markets. In areas where P4P was implemented, these developments are benefiting all smallholders, not only those who participated in the programme.

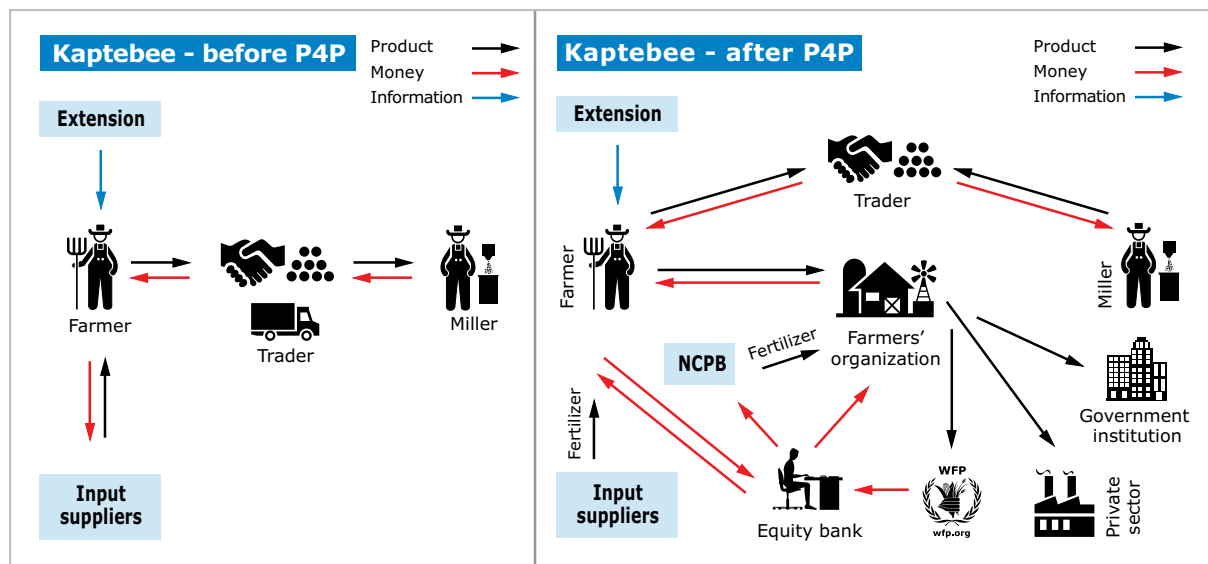
Expanding linkages with value chain actors

As farmers' organizations gained skills, they have been able to build or reinforce mutually beneficial relationships with other value chain actors, including buyers, financial institutions and input suppliers. Farmers' organizations have become professional businesses in their dealings with WFP, raising their profile with stakeholders. Financial institutions are now more likely to trust farmers' organizations and provide larger loans with better conditions. Input suppliers are developing formal relationships with farmers' organizations. On the demand side, new local, national or international buyers are increasingly looking to farmers' organizations as suppliers of quality products. These developments, coupled with WFP's advocacy for public investments in smallholder farmers, have encouraged other agricultural actors to foster smallholders' participation.

Figure 8 provides an example of how the external relationships of a farmers' organization in Kenya, called Kaptebee, evolved with the support of P4P. Kaptebee's evolution illustrates the potential large-scale changes that can be generated by integrating smallholder farmers' organizations into formal markets. Prior to P4P, the members of Kaptebee had only one channel for marketing their production: small local traders, with whom engagements were often sporadic or one-off. Since participating in P4P, members of Kaptebee have tapped into diverse marketing options, and can sell either individually or collectively through their organization. Farmers now benefit from a larger set of production, marketing and post-harvest services, particularly credit and farming inputs. Kaptebee has also benefited from tailored financial products, developed by Equity Bank and tested with P4P-supported farmers' organizations. The bank has assurance of their loans being repaid by the farmers and their organizations thanks to an agreement between Kaptebee, Equity Bank and WFP, in which the loans are repaid directly from the proceeds of Kaptebee's sales to WFP. Furthermore, the farmers' organization has started selling to buyers beyond WFP, such as institutional and commercial markets.



Figure 8. Changing relationships between farmers' organizations and other value chain actors – Kaptebee farmers' organization in Kenya



The P4P ripple effect

By increasing smallholder farmers' agricultural production and linking them to formal markets, P4P aims to improve their lives and livelihoods. Along with improved profits and food security for smallholders, P4P brought diverse unanticipated benefits.

Fostering trust in post-conflict communities

In post-conflict countries, P4P's encouragement of collective marketing among smallholders fostered trust within rural farming communities devastated by conflict. By participating in organizations, farmers began to work together and function as effective businesses.

More than a decade of civil war in **Liberia** left the agriculture sector in pieces. The limited infrastructure in place prior to the conflict was destroyed, and displaced communities were returning to overgrown land. The few remaining farmers' groups were loosely organized and their members struggled to produce high-quality rice in adequate quantities. When the P4P pilot started in 2009, identifying cooperatives to join proved difficult, as farmers were wary of working together and handing over their rice to an organization for collective sales to WFP.

Many Liberian farmers also doubted that producing high-quality rice in greater quantities was feasible or worth the effort. Local rice, traditionally milled by hand, was sold by the kilogram or "sardine can", and was considered inferior to imported rice. With

no assurance that their efforts would pay off, many farmers were unwilling to invest time and resources in increasing production. Addressing these issues proved challenging, partly because of the lack of supply-side partners in the field. However, in collaboration with FAO, other United Nations agencies and the Ministry of Agriculture, P4P was soon supporting smallholders in rebuilding relationships and developing their production capacity in a culturally appropriate manner.

Today, P4P-supported farmers' organizations in Liberia have developed both trust and a spirit of entrepreneurship. They are functioning as effective businesses with timely deliveries and fewer defaults. Organizations report increasing membership as more farmers become interested in joining. Farmers' organizations are also expanding their labour-force and farm size and opening bank accounts, reflecting a shift of mind-set among farmers, who now view their collaborative work as a business. Similar stories of increased social cohesion after decades of conflict have been observed in P4P implementation areas of the **Democratic Republic of the Congo** and **Sierra Leone**.

Catalysing improvements in nutrition

In many P4P pilot countries, efforts to enhance smallholder farmers' involvement in agricultural markets led to links with nutrition activities, generating additional benefits for farmers and their communities. Nutrition-sensitive activities under P4P include improving and diversifying agricultural production, supporting resilience and providing nutrition education. These efforts generate improvements in nutritional status by increasing households' access to nutritious foods and their knowledge of good nutrition practices. P4P also supported nutrition-specific interventions, such as food fortification and micronutrient supplementation.

Blended foods using staple crops produced by smallholder farmers have been successfully produced and distributed in several P4P pilot countries, including **Afghanistan**, **Ethiopia**, **Kenya** and **Malawi**. In Kenya, these blended foods are being distributed through the school feeding programme in Kakuma refugee camp. In **Afghanistan**, mass media campaigns and promotions at the national level are increasing public awareness and consumption of fortified foods. Marketing campaigns educate people on the importance of fortification in improving micronutrient consumption, and the Ministry of Public Health has worked with P4P and WFP to develop a "seal of authenticity" for fortified foods on the market. Nutrition training is also provided to P4P-supported farmers. Women are trained to utilize soya flour, which is rich in protein and amino acids, when preparing naan bread for household use.





Pictured is the community health centre being built in Cinzana thanks to increased local taxes.

In **Rwanda, Uganda and Zambia**, P4P collaborated with HarvestPlus to increase the availability of micronutrient-rich staple foods. Smallholders are participating in seed multiplication activities, growing the biofortified crops and selling part of their produce back to HarvestPlus for redistribution, while retaining a portion for household consumption. In **Burkina Faso, Liberia, Mali** and **Sierra Leone**, P4P encouraged the production and consumption of a regional variety of cowpea called *niébé*, which is rich in protein and traditionally farmed by women.²² This project generates multiple nutrition benefits by encouraging households' consumption of *niébé* and providing women with additional income to spend on improving their families' diets. In **Zambia**, P4P is connecting farmers who own cattle to processing units that provide milk for school feeding programmes. A similar initiative is being planned in **Burkina Faso**.

Incomes and taxes fuel community growth

In Cinzana municipality in **Mali**, the additional income generated by P4P-supported smallholder farmers from sales to WFP is directly linked to increases in local government tax revenues. With the local

“**Before the start of the P4P project, local tax recovery rate was about 50 to 60 percent in Cinzana municipality, but now it's about 83 to 86 percent, thanks to a better income for farmers**”
Bamoussa Traoré

government investing this extra income in social services, entire communities benefit indirectly from P4P. “Before the start of the P4P project, local tax recovery rate was about 50 to 60 percent in Cinzana municipality, but now it's about 83 to 86 percent, thanks to a better income for farmers,” says Bamoussa Traoré, Mayor of

Cinzana. “This local tax increase is extremely important as it allows the municipality council to meet the needs of the communities by building schools and health centres in many villages”.



22. See Chapter 3.

Enhanced transparency with weighing scales

Under P4P, WFP provided weighing scales, tarpaulin sheets, sacks and sewing machines to farmers' organizations in **Ghana**. The scales have helped farmers to receive more accurate payments for their produce based on weight rather than volume; volume-based pricing often results in farmers being underpaid for their crops. This development has been effective in raising farmers' awareness about fair prices.

Challenges remain

Smallholder farmers made a great deal of progress throughout the five years of the P4P pilot. However, the initiative faced many challenges, which must be further addressed to fully integrate smallholders into formal markets. At the beginning of the pilot, smallholder farmers were expected to make rapid increases in productivity so they could supply surplus commodities. However, these improvements were dependent on the availability of supply-side partners, which were not consistently present in P4P target regions. Plus, many farmers' organizations had limited storage facilities and almost no commercial marketing experience. While the availability of storage has generally improved, in many places it is still not sufficient. Access to affordable credit – which is crucial for effective aggregation or access to inputs – also remains a major challenge for many farmers' organizations.

Many buyers have traditionally avoided contractual agreements with smallholders and their organizations, viewing them as lacking the business and agricultural skills to become primary suppliers. In many contexts, WFP has raised the profile of smallholder farmers' organizations as suppliers, with buyers reporting that they are more confident about making purchases from groups with experience selling to WFP. P4P did face some challenges with farmers' organizations defaulting on contracts. However, as organizations' capacities grew, defaults declined significantly: from 30 percent at the beginning of the pilot to 10 percent at its end.

Fati Mahama is a smallholder from Ejura Sekyedumasi district in the Ashanti region of Ghana, and a member of P4P-supported farmers' organization, Nso Nyame Ye Women's Group. She grows maize and cowpeas on a small farm of barely 2 ha. Selling to WFP using a weighing scale, she earned nearly twice what she would have been paid selling with heaped bags to traders.

"I can't believe that I sold only six heaped maxi-bags [usually 100 kg each] and made so much money," says Fati.





The way forward

Throughout the P4P story, smallholder farmers such as Karla Trujillo, Wilber Munjile, and Margreth Simon Mgeni gave voice to the ways their lives were improved by their participation in P4P. With increased profits from sales, farmers have invested in their families, communities, organizations and livelihoods, yielding a wide variety of success stories.

Today, farmers' children are able to attend school, their families are more resilient to shocks, their health and nutrition have improved, and their family farms are run as profitable businesses. Women farmers in particular are now more able to engage in agriculture, voice their needs and make decisions about their lives.

The P4P story is only the start of a long journey. Building on the pilot experience, WFP will continue bringing together a wide variety of actors to transform the lives of smallholder farmers.

WFP's continued commitment to support smallholder farmers' access to quality markets has been incorporated in WFP's Strategic Plan (2014-2017)²³ which is the framework on which WFP's role and operations are guided. The organization's role as a leader in smallholder-friendly market development was further highlighted in the Strategic Final Evaluation²⁴ of P4P. The independent evaluation recommends that WFP deepen its commitment to P4P-like programming, with an emphasis on the demand side, with technical partners continuing to support the supply-side activities.

Learning from the P4P pilot has provided insight into new ways of using stable demand to catalyse market development when coupled with training, advocacy and market investment activities. These lessons will be used to continue improving the implementation of P4P-like projects, both within and beyond WFP, as lessons learned from the pilot are shared widely.

23. WFP Strategic Plan 2014-2017: <http://documents.wfp.org/stellent/groups/public/documents/eb/wfpdoc062522.pdf>

24. The Strategic Final Evaluation was conducted by Oxford Policy Management during 2014. The summary evaluation report can be found here: <http://www.wfp.org/content/wfp-2008-2013-%E2%80%98purchase-progress%E2%80%99-pilot-initiative-strategic-final-evaluation-terms-referenc>



Chapter

An investment, not a handout

P4P has presented a new paradigm with which to develop agricultural markets. P4P is an investment, not only for smallholder farmers, but for WFP, host governments, the private sector and other partners. In the pilot period, WFP saved US\$ 42 million by purchasing food produced by local smallholders rather than importing it. Partners have benefitted from the increased effectiveness of their programmes while the private sector has reached a new segment of the market and gained new suppliers of staple crops. Most important, host governments have benefitted

“
Today, farmers’ children are able to attend school, their families are more resilient to shocks, their health and nutrition have improved, and their family farms are run as profitable businesses
”

from increased food security and the development of the agricultural sector.

P4P has provided national governments with a tool to promote broad development objectives while reaching smallholder farmers and other value chain actors. From Rwanda to El Salvador, Ethiopia to Guatemala, governments

are now using the P4P approach to generate positive change and transformation of agricultural sectors. There is growing demand for initiatives based on the P4P approach. While P4P-like activities continue in the 20 pilot countries, national governments in several other countries have requested support for similar initiatives. WFP is committed to continuing support to these governments, assisting them in taking ownership of P4P-like projects and utilizing their institutional purchasing power to support smallholder farmers. WFP will also encourage governments to create enabling environments for smallholder farmers, with favourable trade regulations, food quality control standards and adequate infrastructure.



Expanding partnerships

New partnerships will be formed and existing ones strengthened as WFP continues providing support to smallholder farmers. To ensure coherent implementation from the outset, projects are being designed and planned together with FAO and IFAD. This collaboration promises to yield powerful new initiatives that maximize the strengths of each organization. Links to civil society are also being enhanced.

Involvement of the private sector will be encouraged by linking smallholder farmers to agribusinesses and financial institutions for access to credit, equipment and inputs. WFP will explore ways of leveraging its purchasing power to create a new platform for private-sector engagement with smallholder farmers.

WFP's goal is scale up its pro-smallholder procurement to 10 percent of its annual purchases. Building on learning from the pilot, WFP has developed a new procurement strategy, which includes the pro-smallholder Patient Procurement Platform. Through this platform, WFP will work with large private-sector actors to help smallholder farmers enter markets by aggregating their produce through appropriate mechanisms. WFP is committed to responding to demands from the public and private sectors for technical and operational support to P4P-like initiatives.



Exploring programme synergies

Where applicable, the inclusion of support for smallholder farmers in WFP's regular programming will allow P4P-like projects to be linked more fully to other development initiatives. In some countries, links with home grown school feeding are already strong, but these will be more fully integrated when P4P continues as an incorporated component of country programmes. Fostering nutrition-sensitive agriculture and linking P4P-like projects with WFP's resilience programming will be another priority. Despite challenges, there is also a great potential for smallholder farmers to benefit from purchases made with cash and vouchers.

P4P will continue to prioritize efforts towards women's economic and social empowerment. However, a great deal of challenges remain for women farmers to overcome, many of which are deeply rooted in social norms. To address these challenges, efforts to support women farmers to increase their agricultural productivity and ability to profitably market staple crops need to be deepened. This, together with community level work to raise awareness about the benefits of gender equality, are important steps towards facilitating women's empowerment.

Need for continued learning

The five-year P4P pilot has provided important lessons and insights to old and new challenges in food systems. These lessons have clear messages for global and regional agendas for change and transformation. For example, P4P sends strong signals to the United Nations Zero Hunger Challenge – to which WFP is highly committed – about the need to reform policies and institutions, strengthen organizations, and boost skills to achieve greater food supply from local production. This include the promotion of fair and well-functioning markets, empowerment of women as well as sustainable partnerships across public, private and civil society actors in food systems. Furthermore, WFP will continue to work with and advocate for sustainable and resilient production practices, reduced post-harvest losses and expanded access to finance.

WFP will continue documenting the outcomes from the P4P pilot in order to ensure that the rich lessons learned are not lost. Furthermore, investment in additional research and continued learning is essential in order to deepen the understanding of the project impacts.



The pilot experience also suggests that caution and realism are warranted. The P4P approach is not immune to the structural and institutional hurdles that push market-based benefits out of smallholders' reach. P4P demonstrated that successful initiatives are complex, time-consuming and context-specific. However, the pilot has also proven that, with programming and care, these challenges can be overcome.



Moving forward together

P4P has demonstrated that the goal of promoting long-term market engagement by smallholders is achievable. To reach this goal, patient purchasers – such as WFP under P4P – are needed to accompany smallholders along the learning curve. With time smallholders will increasingly understand the importance of reliable behaviour in markets, including meeting quality requirements and honouring contracts.

Support to smallholder farmers is a crucial element of working towards a world with Zero Hunger. P4P has brought the marketing challenges faced by smallholder farmers to global attention, but continued efforts are needed to generate changes in the livelihoods of family farmers across the globe. WFP and its partners must continue supporting small-scale producers in growing enough food to meet the world's needs, and – more crucially – ensuring that this food enters markets and reaches the people in need. The power of institutional demand in catalysing change and improving market behaviour must also be used as a tool to support smallholder farmers. As the world strives to respond to the challenge of feeding its population, P4P provides an innovative tool for generating change – linking farmers to markets to feed the world.

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