Dear Friends and Colleagues,

As I write, 2014 is rapidly drawing to a close. This has been a year of transition. The WFP Strategic Plan (2014-2017) confirms WFP’s commitment to continue to use our procurement footprint to connect smallholder farmers to quality markets, working closely with our many supply-side partners. During the pilot period, WFP purchases have put over US$ 148 million more directly into the pockets of smallholder farmers. We seek to increase this in the post-pilot period. Also, through these purchases, WFP saved US$ 42 million as compared to the cost for imported commodities.

The Strategic Final Evaluation of the P4P pilot has been underway since November 2013 and will be presented to WFP’s Executive Board in February 2015. As we move towards mainstreaming the most effective elements of the P4P pilot within WFP’s programmes, we are planning a consultative process with governments, partners and the research community. The recommendations from the Strategic Final Evaluation will help to shape the process and dialogue.

Wishing you a happy holiday season with warm regards from the P4P team,

Ken Davies
P4P Global Coordinator

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**Contents**

- Procurement catalysing market development **pgs. 1-5**
- Collaboration with Heifer International in Zambia **pgs. 6-7**
- P4P in South Sudan **pgs. 8-9**
- International Year of Family Farming closes **pg. 9**
- P4P in the news, updates and contacts **pg. 10**
Catalysing market development through smallholder-friendly procurement

As the world’s largest humanitarian agency, the World Food Programme (WFP) is a major buyer of staple food. In 2013 alone, WFP bought some US$ 1.16 billion worth of commodities, 80 percent of which were supplied by traders in developing countries, injecting revenue into local economies. To explore the best ways of extending these economic benefits to small-scale farm families and their communities, WFP launched the P4P pilot in September 2008.

The rationale behind P4P is to link WFP’s demand for staple food commodities, such as cereals, pulses and blended foods, with the technical expertise of a wide range of partners. This collaboration provides smallholders with the skills and knowledge to improve their agricultural productivity and an incentive to do so, as they have an assured market in which to sell their surplus crops.

So far, P4P has reached more than 1 million farmers in 20 diverse countries. However, the benefits of smallholder-friendly procurement models are widely extended by catalysing further investment by the public and private sectors. While P4P has showcased this potential, a global scale-up of support to family farmers is necessary to improve food security and promote inclusive growth.

To best inform future efforts, P4P has emphasized an honest and transparent examination of what works and what does not. Throughout the five-year pilot, P4P has studied and documented the most effective ways of linking smallholder farmers’ organizations to formal markets, and how an institutional procurement footprint can be leveraged to promote sustainable agricultural and market development.

**Partnerships along the value chain**

An essential part of P4P’s work has been coordinating and facilitating some 500 partnerships across the staple food supply chain in the 20 pilot countries. These partnerships have supported smallholders to access the skills and resources needed to most effectively market their crops to formal markets. Partners include host and donor governments, non-governmental organizations, United Nations agencies, academic institutions, research bodies and private sector partners. Two key WFP partners throughout the P4P implementation have been the United Nations Food and Agriculture Organization (FAO) and the International Fund for Agricultural Development (IFAD). FAO facilitated smallholders’ access to agricultural inputs and training, while IFAD supported representatives from farmers’ organizations and partners in their negotiations with financial institutions where programmes aligned.

Due to deeply-rooted challenges faced by rural smallholder farmers, capacity development efforts are vital to linking them to markets. Thanks to active engagement with partners, nearly 800,000 farmers, agricultural technicians, warehouse operators and small and medium traders have been trained in a variety of topics. These include improved agricultural productivity, post-harvest handling, quality assurance, group marketing and business management.
By bringing WFP’s demand for quality food into the equation, P4P has been able to enhance partners’ capacity development efforts by providing smallholders with a tangible market opportunity. This has provided an incentive to learn new skills and stimulated investment to enhance agricultural productivity. The assured market presented by WFP also ensures that smallholders can sell their quality surplus for premium prices, and don’t risk losing on their investments. During the pilot period, WFP contracted over 50,000 metric tons of food commodities, valued at more than US$177 million, using procurement modalities that address the various marketing constraints of smallholder farmers. The majority of the food was purchased through farmers’ organizations, but some quantities also came from small and medium-sized traders and marketing platforms such as commodity exchanges and warehouse receipt systems.

While the need for capacity development is often extensive, the overall P4P experience has shown that when smallholder farmers see the benefits of engaging with formal markets and are provided with appropriate support, they will seize market opportunities and respond to quality demands. Not only have P4P-participating smallholders sold to WFP, but with the technical know-how and confidence built from these sales, they have also marketed more than 150,000 metric tons of quality commodities to other institutional and private sector markets, valued at an estimated US$63 million.

**Government engagement**

Almost without exception, pilot country governments have embraced the P4P concept. Their engagement and the presence of an enabling environment has proven to be vital for effectively linking smallholder farmers to markets. The methods tested through P4P have presented governments with innovative tools to support smallholder farmers, with a number already developing initiatives modelled after or similar to P4P.

The Government of Rwanda has taken ownership of the P4P project through the creation of a government-run initiative called Common P4P (CP4P). CP4P is implemented through the Ministry of Agriculture and Animal Resources, which buys up to 40 per cent of the requirements of the National Strategic Grain Reserve from smallholder farmers’ organizations. P4P’s role has been to support the Government to design a programme which best fits the country’s needs, while mobilizing partners to train participating farmers in post-harvest handling and storage. The successful adaptation of smallholder-friendly procurement models has led the Rwandan Government to host several exchange visits from countries including Burkina Faso, Ghana and Kenya. Today, the Government of Burkina Faso is beginning to implement a project similar to P4P, with the national food reserve committing to procure 30 per cent of its purchases from smallholder farmers’ organizations.

In Ethiopia, the Government has made programmes such as P4P central to national policies, enhancing opportunities for smallholder farmers. Through partnerships coordinated by the Government’s Agricultural Transformation Agency, P4P provides the platform around which to effectively coordinate the support needed to build smallholder farmers’ capacity to engage in structured markets. With its creation, an effective mechanism was formed that brought together
several important players supporting the maize value chain. The Government of Ethiopia has recognized maize as vital to economic growth and development in the country.

In Ethiopia, Malawi and Mozambique, government partnerships are further strengthened through the Purchase for Africans from Africans (PAA Africa) programme, which is jointly implemented by FAO and WFP. PAA Africa was inspired by Brazil’s national Programa de Aquisição de Alimentos (Food Purchase Programme). In these countries, as well as in non-P4P countries Niger and Senegal, smallholders are supported to market a variety of fresh and staple crops to home-grown school feeding programmes. This has contributed to the testing of innovative financial models. For example, in Ethiopia and Malawi, funds have been transferred from WFP to district departments of education or schools, allowing them to purchase food directly from local farmers’ organizations.

Triggering innovation
P4P has provided the impetus for public, private and civil society actors to leverage their investments to better respond to the needs and potential of smallholder farmers, and has proven that linking them to formal markets is a viable investment. Emerging evidence now shows that a wide variety of stakeholders, including governments, financial institutions and local leaders, have recognized the value of these investments, benefitting smallholder farmers, their organizations and communities in various ways.

Microfinance institutions, banks, input suppliers, WFP and other partners have now collaborated to make financial services available and affordable in remote areas. New solutions include providing smallholders with financial management and literacy training, as well as the use of food supply contracts and warehouse receipts as collateral for loans. Thanks to these initiatives, farmers’ organizations have been able to facilitate access to credit for their members and to acquire productive resources, enabling them to produce larger quantities of high quality food and to aggregate and market crops collectively. Forward delivery contracts (FDCs) have proven effective in several countries. The Commercial Bank of Ethiopia has endorsed FDCs as loan qualifying criteria, enabling cooperative unions in Ethiopia to access credit where they were often unable to previously. FDCs have also been used in other P4P pilot countries, allowing farmers’ organizations to access credit at favourable interest rates.

Agriculture, nutrition and gender
Women face many challenges that can preclude them from independently owning or managing land and productive assets. In many households, men control the production and marketing of crops as well as household finances. The P4P pilot specifically targeted women farmers in order to address the particular difficulties they face, with an ambitious goal to have 50 per cent women participants. While P4P succeeded in tripling women’s participation in P4P-supported farmers’ organizations during the pilot period, the experience demonstrated that mere numerical participation does not directly translate into a
positive impact on the lives of women farmers, nor provide them with the same financial gains as their male counterparts.

Rather, P4P found that a variety of interventions were necessary to empower women farmers, including context-specific action plans, new methods for targeting women farmers, including men in gender sensitization efforts and providing women with time- and labour-saving technology. In many cases, these efforts have assisted women to gain increased voice and greater decision-making ability in their homes and communities. Though these efforts yielded results, in countries such as Ethiopia, cultural barriers and traditional land tenure make it difficult for women to profit from their work. Ensuring that women benefit economically from P4P has been especially challenging in cases in which women are not heads of households.

Through P4P and partners’ efforts, agricultural development and nutrition have been linked, facilitating sustainable improvements within rural households and communities. Nutrition-sensitive approaches include improving smallholders' agricultural production, empowering women, supporting resilience and providing access to nutrition education. In countries such as Afghanistan and Guatemala, P4P-supported smallholders market their crops to processors and millers for the creation of fortified flour and nutritious foods such as high-energy biscuits. Government investment has been vital to these efforts, as has the involvement of the private sector, which has committed to making purchases to best benefit smallholder farmers.

Poor crop quality can have a negative impact on health and nutrition. The consumption of the toxic chemical compound aflatoxin is particularly dangerous, as it can cause liver cancer and may also be linked to stunting in children. Inadequate crop quality initially posed a major challenge for WFP purchases from smallholder farmers. However, WFP’s insistence on quality standards generated results, leading to a decrease in overall default rates by farmers’ organizations, which improved the quality of their crops. Many smallholders and their families previously consumed the low quality grain they were unable to sell. However, thanks to awareness-raising campaigns on the dangers of doing so, P4P observed a reduction in this practice.

In Kenya, WFP’s high quality standards triggered investment in the development of low-cost methods for reducing occurrences of aflatoxin. On national and regional levels, continuous advocacy for the enforcement of national quality standards, the establishment of quality monitoring protocols and the adoption of best practices are critical. One of the innovative tools created to address food quality and safety was the Blue Box, a portable field testing kit which allows farmers’ organizations in remote rural areas to avoid the costly and time-consuming process of sending their crops off for quality testing.

Moving forward
While significant accomplishments and learning have been generated by the P4P pilot, further support is needed to overcome the many complex, contextual and operational challenges. Lessons learned throughout the pilot implementation period have identified priority investment areas to more effectively and sustainably connect smallholder farmers to formal markets. Smallholder farmers’ technical skills and organizational capacity must be at the centre of investment, while investing in policy and institutional reform is essential for future programming.

Though the five-year P4P pilot treatment period concluded in December 2013, efforts to support smallholders will continue as WFP mainstreams key innovations and best practices. In the 2014-2017 Strategic Plan, WFP has committed to further increasing the amount of food it buys from smallholder farmers, and working with governments and private sector buyers to support these farmers to access sustainable markets beyond WFP.

The WFP commitment to support smallholder farmers is global, but the potential impacts of linking smallholders to formal markets can be seen most clearly in Africa. Across the continent, demand for quality food commodities is rising, driven by rapid urbanization, income growth and the increased consumption of processed foods and livestock products. Currently, the majority of these quality food commodities are imported from outside Africa. With the majority of sub-Saharan Africa employed in agriculture, assisting family farmers to access growing quality markets has the potential to create more inclusive growth. Investments in smallholder-friendly procurement can directly contribute to improving food security, boosting local economies, lowering unemployment and decreasing poverty.

By Ken Davies, P4P Global Coordinator
Draft cattle lighten women’s workloads and increase crop production in Zambia

In Zambia, P4P partners with Heifer International to provide women farmers with cattle for draft power. Access to animal traction, coupled with the opportunity to market their crops to WFP, can reduce women’s heavy workload while increasing their production and sales of quality crops. The cattle have the added benefit of improving household nutrition through the consumption of milk and providing a sustainable source of organic fertilizer.

Many smallholder farmers, especially women, struggle to access productive resources and profit from their agricultural labour. P4P’s gender strategy suggested the provision of time- and labour-saving technologies as a vital step towards improving women farmers’ agricultural productivity and access to formal markets. Emerging lessons learned confirm the benefits these technologies can have for women farmers, who generally profit little from their long hours of manual labour. To address these challenges in Zambia, WFP has partnered with Heifer International to provide women with draft power through a project called Women’s Empowerment through Animal Traction (WEAT).

Women’s Empowerment through Animal Traction

WEAT is implemented in the Mazabuka and Kawambwa districts. Women farmers who faced particular challenges were selected to receive two heifers each, as well as a ripper or plough, bean seeds and an animal health drug kit. Participants also benefit from training on animal draft power, cattle management, record keeping and conservation farming. Using the heifers, these farmers are now able to plough more land and plant crops in a timely fashion. WFP provides an assured market for participants’ surplus, enabling them to earn an increased income.

So far, cattle have been distributed to 30 women using Heifer’s “pass on the gift” principle. This means that participants pass on their cattle’s first female offspring, as well as their training, to other families in their community. This fosters ownership and ensures the sustainability of the project. In August 2014, eight of 20 heifers in the Mazabuka district had given birth, and the rest were reported to be in calf. The calves will be distributed to other families in early 2015.

Increasing production and increasing incomes

WEAT participant Esther Lumamba, and her husband Severino, are now producing cowpeas for sale to WFP. Previously, due to poor health, Esther faced difficulties engaging in manual labour such as ploughing her field.

“We used to hire our friends’ cattle to plough our fields, and it delayed the planting time as they only released their cattle when their own fields were done. This used to cost us heavily as we would have poor yields because the maturity...
period in which moisture is most critical would have passed. This year, the story changed, as we were able to cultivate our field in good time just at the onset of the rainy season using our own cattle,” says Esther.

Under WEAT, emphasis has been placed on increasing the production of pulses, because they are traditionally considered “women’s crops”. This enables women to take part in sales to WFP without competing with the men in their households. In Zambia, WFP has procured nearly 3,000 mt of beans and cowpeas from these and other P4P-supported farmers for the home grown school feeding programme. With their increased incomes, women are now better able to invest in their homes, bicycles and pay their children’s school fees. Participants have also marketed maize and cassava to the National Food Reserve and private sector buyers.

**Additional benefits and sustainable solutions**

Heifers provide a variety of other benefits to the participating farmers and their communities. The animals’ manure is now being used as an organic fertilizer, leading to improved productivity and reduced costs for inputs. The milk produced by the cattle is also improving household nutrition, and the surplus is sold for extra income. For example, Martha Miyoba milks around 5 litres of milk a day, and sells half. She says this extra income has allowed her to better care for her family’s needs by purchasing soap, vegetable seeds and medicine.

Participants undergo training on how to care for and feed their heifers to ensure they can provide for the animals’ health. Plus, community members are trained and certified as para-vets through the Zambia Institute for Animal Health. This provides these community health workers with an income generating activity and ensures the recipients will have access to the appropriate vaccinations and medicine to keep their cattle healthy. Despite these efforts, some technical challenges were encountered. In some cases, a shortage of proper spraying facilities for the prevention and control of pests proved challenging. To remedy this, knapsack sprayers were provided. When these proved not to be powerful enough, they were replaced with larger and more powerful boom sprayers.

After undergoing training through WEAT, Matilda Mukuya became a Community Animal Health Worker for the Musungu farmers’ cooperative.

“As being a community animal health worker is a big responsibility that I take very seriously and my community knows that their animals are in very safe hands whenever I am called to attend to any health issue,” says Matilda.
Following many years of internal conflict, the Republic of South Sudan gained independence from the Republic of the Sudan in July 2011. Today, ongoing insecurity and a lack of infrastructure pose major challenges for the 80 percent of the population who derive their livelihoods from subsistence agriculture and livestock keeping. Read on to learn five facts about progress made and challenges faced by P4P in South Sudan:

Insecurity has hindered progress but hasn’t halted it
P4P activities were delayed by the renewal of conflict in late 2013. Implementation began again in April 2014, and is continuing in relatively stable and accessible areas in Western, Central and Eastern Equatoria States. However, the country’s general instability makes long-term planning challenging.

Small-scale traders and smallholder farmers are both benefitting
P4P has sought alternative solutions to create sustainable links between farmers and markets. For example, small-scale traders have benefited from capacity development efforts, and are now purchasing from smallholder farmers at fair prices, selling to WFP as well as other markets. Some have also provided farmers with inputs, tractor hire services and credit. Sales to WFP through P4P procurement modalities have totalled US$ 564,000, providing smallholders with an incentive to continue improving agricultural production.

Poor roads make reaching markets a challenge
Smallholders located in rural areas are often unable to reach markets to sell their crops due to the paucity of passable roads. Efforts have been made to link P4P-supported farmers with WFP’s feeder roads operation. Though these efforts have proven challenging, they will be strengthened as P4P is mainstreamed. This will also more fully integrate P4P-supported smallholder farmers into asset creation efforts to improve the condition of community access roads and potentially increase the extent of cultivated land in South Sudan.
Knowledge is being shared amongst farmers

To ensure that information is passed on amongst smallholders, P4P and partners are utilizing training approaches in which participants learn to teach others. 60 training manuals in post-harvest handling have been distributed. Training posters have been translated into four local languages allowing this information to be disseminated widely beyond the immediate beneficiaries of the training. Smallholders have been supported by World Vision through farmer field schools, and GIZ has provided seeds, agricultural production tools and extension services.

WFP is assisting the government to improve crop quality

P4P’s efforts to link smallholders to sustainable markets complement the government’s commitment to invest in agriculture. The Government of South Sudan has been a key partner through the Ministry of Agriculture, Livestock, Cooperatives and Rural Development. WFP is also working with the South Sudan National Bureau of Standards to improve commodity quality testing and administration.

The International Year of Family Farming closes

In late 2011, the UN General Assembly declared 2014 to be the International Year of Family Farming (IYFF). This resolution recognizes the important contribution of family and smallholder farming to improving food security and nutrition and eradicating poverty. The World Rural Forum (WRF) helped to mobilize grassroots support for this declaration.

At the request of the United Nations Food and Agricultural Organization (FAO), an Inter-Agency Standing Committee was formed to organize a year of dialogue and commitment around family farming. WFP actively participated throughout the year, and continued to advocate for smallholder farmers, while also supporting host governments, who provided the enabling environment, and smallholder farmers.

Assistant Executive Director Elisabeth Rasmusson spoke at the October session of the Global Dialogue on Family Farming in Rome, saying: “Women lie at the centre of farming and food security and we cannot achieve a Zero Hunger world without them. We must work together to give family farmers the attention they need and deserve as major contributors to global stability and food security.”

The International Year of Family Farming came to a close on November 27, 2014, in Manila, where 300 participants, including WFP Country Director in the Philippines, gathered, injecting new vigour into the global campaign against hunger, malnutrition and poverty worldwide.

President Aquino was represented by Senate President Franklin Drilon, who delivered the keynote address, declaring IYFF a great success.

Agriculture Secretary Proceso Alcala accepted the “Legacy of IYFF 2014 and the Way Forward” on behalf of the Philippines from the IYFF Steering Committee Chair Lupino Lazaro.

WFP’s commitment to purchasing 10 percent of its commodities from smallholder family farmers in developing countries, out of an over $1 billion annual food procurement budget, was highlighted in this document.

Participants noted that awareness has been raised on all levels, generating real improvements for family farmers.

Read more about IYFF:

IYFF web page
IYFF Legacy Document (PDF)
IN THE NEWS

P4P participant interviewed on Ebola’s impact in Sierra Leone
Smallholder farmer Lansana Kajue was recently interviewed by France 24 on the negative impact of the Ebola outbreak on agriculture in Sierra Leone. Lansana is a founding member of the Kona Kpindibu Agricultural Business Centre (ABC), which has been working with P4P since 2010. In 2013, Kona Kpindibu won the second runner up prize in the “Governance, Accountability and Professional Capacity” category of the African Farmer Organization of the Year Awards.
Watch the video here (beginning at 4:45)

P4P-supported smallholder farmers featured in Italian news
A visit to P4P-supported smallholder farmers in Nueva Segovia, Nicaragua has been featured in Italian language news sources Rai News and Internazionale. The articles tell the story of several women farmers, including Rosa Emilia Espinales Garcia. Rosa, who is vice president of her farmers’ cooperative, tells how P4P helped to give women a more profitable role in agriculture.
Read the articles on Rai News and Internazionale

THIS MONTH

Tanzania 24 P4P-supported smallholder farmers’ organizations signed contracts with the National Food Reserve Agency for the 2013/2014 agricultural season. They have now delivered approximately US$ 3.75 million worth (12,500 mt) of maize. In total, 165 farmers’ organizations contracted with the NFRA using smallholder-friendly procurement modalities tested under P4P.

Malawi
From the 8-15 November, a delegation from Burkina Faso, including representatives from the Ministry of Agriculture, farmers’ organizations and WFP staff undertook an exchange visit in Malawi to learn from the country’s experience implementing a Warehouse Receipt System, commodity exchange and commodity pricing system. Led by the P4P Malawi team, the delegation met with government ministers, farmers’ organizations and a number of private sector actors.

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