Dear Friends and Colleagues,

After almost six years with P4P, I will be retiring from WFP on June 1, 2015. As you know, pro-smallholder market development has been incorporated into WFP’s Strategic Plan (2014-17) and will continue as a component of WFP’s business model, when governments request it and where an enabling environment exists. All 20 pilot countries are continuing P4P-like programmes and another 15 countries are planning or have already begun such efforts. The learning and sharing process that has been a central component of P4P will continue.

Working together, the “soft infrastructure” of staples markets has been strengthened in many diverse environments, but this evolution is an on-going process that requires time and patience. I know that our joint efforts have had a positive impact on the incomes and opportunities for hundreds of thousands of smallholder farmers, who are now marketing higher quality staple crops to WFP and other quality buyers. Many are beginning to apply the principals of quality to higher margin crops. We look forward to our continued partnership, with WFP bringing its demand to the table to complement the supply side efforts of partners along the value chain.

I am pleased to introduce my successor as the Director of P4P, Mr. George Heymell, who was most recently WFP Country Director, Haiti, and who I am pleased to say grew up on a working farm in Germany.

I wish you continued success with our joint efforts and look forward to staying in touch with many of you from Uganda, where my wife and I will be living.

With warm regards,

Ken Davies
P4P Director and Global Coordinator
Government of Guatemala Builds on Lessons Learned from P4P

In Guatemala, WFP is supporting the Government to institutionalize and integrate the P4P approach on a national level. Lessons learned and best practices from the pilot period are being used to increase the capacity of government institutions to carry out pro-smallholder procurement, enhance gender equity and improve quality control and post-harvest handling.

One third of land in Guatemala is arable, with only a small amount devoted to staple food crops like maize and black beans. The majority of farmers – over one million families – engage in subsistence agriculture. Since P4P began in February 2009, the Government has collaborated closely with WFP to support the integration of smallholder farmers into agricultural markets. This work has been according to national strategies for poverty reduction, food security and nutrition. Today, smallholder farmers participating in P4P are becoming small businesses capable of producing high quality crops in greater quantities, and are making sales to both government and private sector buyers.

Government trust fund to integrate pro-smallholder efforts

In February 2014, WFP and the Guatemalan Ministry of Agriculture (MAGA) signed an agreement with the long-term objective of integrating the P4P approach into the Government’s practices. Under this agreement, which is eligible for renewal on an annual basis, WFP would use a trust fund to support pro-smallholder procurement and the capacity development of government institutions. The trust fund was created with the Government’s initial contribution of US$2.1 million from the national budget. These efforts build upon the “Triangle of Dignity programme” inspired by P4P, which was launched in 2012, and provides financial access and technical support to farming families for the marketing of staple crops.
“P4P is aligned with the legal and political framework [in Guatemala] and it has shown in the field that it is possible to move forward from aid to trade,” says Oscar Hernandez, Adviser of the Minister of Agriculture, Sebastian Marcucci. “Five years ago it was a kind of paradigm that farmers’ organizations could not sell in the market meeting high quality standards. But after five years we have seen that it is possible.”

To date, WFP has purchased some 4,300 metric tons (mt) of maize from 17 P4P-supported farmers’ organizations using the government trust fund. The maize was used in national food assistance programmes and the national food reserve, as well as WFP’s Food for Assets and emergency food assistance programmes.

WFP is also providing support to government institutions in pro-smallholder procurement, quality assurance and logistics. Rural extension agents have particularly benefited from training in post-harvest loss reduction and crop quality and safety analysis using the Blue Box field testing kit, which was developed by the WFP Guatemala office. Training in good agricultural practices was provided by the Inter-American Institute for Cooperation on Agriculture (IICA) and MAGA. In order to increase the capacity of national food stores, WFP provides training and logistical support to the regional warehouses managed by the Instituto Nacional de Comercialización Agricola (INDECA).

Gender and agriculture
In Guatemala, P4P has had a strong focus on strengthening the equitable participation of women in agriculture. A joint UN project, Accelerating Progress towards the Economic Empowerment of Rural Women (RWEE), is being carried out with UN Women, the Food and Agriculture Organization (FAO) and the International Fund for Agricultural Development (IFAD) under the leadership of WFP.

Good practices identified under P4P were used to develop an institutional gender policy for MAGA. The policy will be launched in June 2015. Gender sensitisation activities are carried out with government extension workers to ensure their activities take the specific needs of women farmers into account, ensuring that they benefit fully.

Private sector engagement
Strengthening institutional procurement is only one part of efforts to fully integrate smallholder farmers into agricultural markets in Guatemala. As a part of the government’s participation in the Scaling Up Nutrition (SUN) initiative, smallholder farmers now selling to the agro-industry companies that produce nutritious fortified foods. These foods are distributed to at-risk populations in Guatemala. Smallholder farmers’ organizations have also been linked to local, regional and international private sector buyers including Walmart and Maseca.

Read more about P4P in Guatemala:
Guatemalan smallholders support improved nutrition
Five rural women share their stories
Responding to Farmers’ Needs with Locally-Developed Technology

Improved post-harvest handling techniques and technologies are key to increasing the quantity and quality of crops farmers and their families can sell and eat. In Burkina Faso, P4P and partners, including local entrepreneurs, are working together to support the development, manufacture and sale of equipment that can reduce post-harvest losses. These efforts are improving the tools available to smallholder farmers and supporting the growth of local businesses.

Increasing farmers’ access to simple technologies for storage, treatment and processing can substantially improve grain quality and contribute to reducing post-harvest losses. In Burkina Faso, P4P-supported farmers’ organizations participated in a WFP action research trial, providing specialized training and access to storage equipment.

Today, P4P is building on the success of the trial in collaboration with a variety of partners, including local entrepreneurs, to provide smallholders with equipment for the post-harvest treatment of crops. Tools such as threshers and blowers can decrease the time and effort farmers spend treating their harvests, as well as improving crop quality and reducing post-harvest losses.

Promoting local innovation
Abdou Sanou is a farmer and an entrepreneur. Working from Bobo-Dioulasso, a hub for agricultural production in Burkina Faso, he has developed a number of agricultural tools which are now benefitting P4P-supported farmers’ organizations. “I’m interested in finding solutions to things that make small farmers suffer,” he says.

In 2012, Abdou was approached by Fédération des Professionnels Agricoles du Burkina (Federation of Agricultural Professionals of Burkina Faso, FEPAB), a national umbrella farmers’ organization that participated in the P4P pilot. FEPAB asked Abdou to design a new type of thresher for the diverse crops grown by smallholders in Burkina Faso—notably maize, sorghum, millet and cowpeas. Most farmers grow at least two of these crops to feed their families and sell to local markets. Because other threshers work
only with one crop – due to differences in grain or seed size and plant type – these farmers would need multiple machines.

Abdou immediately accepted the challenge. “I couldn’t sleep for days,” he recalls. “I kept a notebook next to my bed to sketch ideas as they came to me.” His dedication, and lack of sleep, paid off. The tool he developed has several easily-exchangeable sorters for use with differently sized grain, and a textured cover that can release even small grains of millet from their shells. This allows farmers to efficiently thresh maize, sorghum, millet and cowpeas without damaging the grain. This also simplifies the time-consuming and labour-intensive task of removing grains from shells or husks.

**Access to quality markets**

Local manufacturers have the ability to create equipment which responds directly to farmers’ needs and make adjustments as necessary. Abdou was able to constantly improve his creation by communicating with farmers, particularly through consultation with the national P4P Stakeholder Consultation Group co-led by the Government and WFP. His latest model has wheels in response to farmers’ comments that the equipment was difficult to transport from one site to another.

With the farmers’ stamp of approval, P4P and partners have begun purchasing equipment from Abdou and other artisans. In early 2015, P4P provided post-harvest handling equipment to six farmers’ organizations, including four locally-manufactured blowers and mechanized threshers. The farmers’ organizations are responsible for the maintenance of the equipment, with individual farmers paying a small fee for its use. Each organization participated in training on the equipment’s use and upkeep organized by a team of local manufacturers and P4P staff. The engagement of artisans in these trainings allowed farmers to voice concerns with the tools and fix minor problems right away.

Farmers have quickly put the equipment to use, benefiting from the reduced time required to treat the grain. *Union des Groupements de Producteurs des Céréales à Nyala* (Union of Cereal Producing Groups from Nyala, UGPERCER), has already processed 600 bags – 60 metric tons (mt) – of grain with Abdou’s universal thresher. When a replacement part was needed, farmers knew who to call—and Abdou had them up and running in no time. This resolved difficulties which can arise with imported equipment, for which it can be difficult to find replacement parts locally.

**Looking forward**

P4P also provided farmers’ organizations with management tools to record the amount of grain processed. This allows them to demonstrate the financial benefits of using the equipment as opposed to traditional techniques and encourages organizations to consider purchasing similar equipment on their own. Abdou is currently working to obtain a patent for his universal thresher, a tool unlike any other on the market. He also hopes to open a training center for youth.

P4P in Burkina Faso will continue to support innovation to reduce post-harvest losses. A joint effort to reduce post-harvest losses was recently launched by the Food and Agriculture Organization of the United Nations, the International Fund for Agricultural Development, and WFP to scale up best practices for reducing food losses.

*Story by Eliza Warren-Shriner, P4P Burkina Faso*
P4P Ghana: Bringing Smallholders’ Produce to Students’ Plates

In Ghana, multiple challenges have been overcome to help a smallholder farmers’ organization market crops to the national school feeding programme. Small-scale farming families without household savings generally need immediate cash payments upon delivery of their crops, which most caterers supplying school meals in Ghana are unable to provide. Under Purchase for Progress (P4P), an agreement with a rural bank has helped bridge this gap, providing the Bobgu Nye Yaa farmers’ organization in the Tamale Metropolis with a new market.

Purchase for Progress (P4P) supports smallholder farmers to supply food for school meals through home grown school feeding (HGSF) projects. HGSF projects are implemented by governments with the support of partners, including WFP. By linking local agricultural production with school meals, HGSF can increase enrolment and attendance, improve food security of school children, provide farmers with an assured market for their crops and boost local economies. Though this model is ideal, the reality of linking smallholder farmers and school feeding programmes can be challenging.

Cash flow constraints
The Ghana School Feeding Programme uses a decentralized model in which local governments appoint school caterers to purchase food and prepare meals. The caterers must purchase the food with their own funds, receiving reimbursement from the government only after the meals have been provided. The reimbursement process can take between six and nine months. This means that most caterers are unable to pay cash on delivery of crops, but purchase food on credit from traders who can afford to wait for repayment.

In general, this procedure makes it difficult for smallholder farmers to sell to school caterers, because they need cash to meet their expenses after harvest. After exhausting much of their resources during the lean season, farming families need to pay for food, school fees and medical services. Many must also repay debts acquired during the harvest period for agricultural inputs, such as fertilizer and tractor hire.

Financial institution bridges gap
In March 2014, the Bonzali Rural Bank signed an agreement with P4P partner Netherlands Development Organization (SNV), in collaboration with P4P and local government. This agreement provided school feeding caterers with loans, enabling them to pay...
farmers with cash on delivery. Under this agreement, SNV provided a fund as a guarantee against defaults and the Tamale government agreed to transfer caterers’ reimbursement directly to their accounts so the bank can deduct repayments automatically when due. This agreement allowed Bonzali Rural Bank to provide the loans with favourable interest rates and no penalty for late repayment due to delayed reimbursement by the government.

This partnership was the final step in a long series of efforts to link the Bobgu Nye Yaa Farmer’s Group to the school meals market. After the success of this a first round in May 2014, a second was extended to another 10 caterers in January 2015. Bobgu Nye Yaa, which receives support to improve production and marketing under P4P, has now supplied around US$6,230 worth (13 metric tons) of rice, beans and maize for meals in 15 schools.

“The proceeds of these sales have improved my business as well as the lives of my children. I also contributed some money to improving my wife’s business. I am also able to improve the dietary needs of my family. I also renovated my house and was even able to invest in my business by procuring more inputs and by investing in new crops like cowpea and rice,” said Alhassan Iddi, secretary of the Bobgu Nye Yaa farmers’ organization.

**Challenges for scale-up**

While sales made by smallholders to the Ghana HGSF programme are still small in scale, this agreement, carried out in close collaboration with partners, provides a potential good practice for future efforts. Though a great deal of progress has been made, challenges remain to apply this practice on a broader scale. Smallholder farmers require additional assistance to increase their productivity, storage capacity and access to credit to ensure they can consistently supply larger quantities of high quality crops throughout the year.

**Read more:**

- P4P and HGSF
- P4P in Ghana - Fact Sheet
- How radio programmes can support agriculture and market development in Ghana
- Farmer organization supported by P4P among award winners in Ghana
Agriculture is Rwanda’s main economic sector, employing around 80 percent of the population. Though there is great potential for growth, farmers are limited by small farm size, declining soil fertility and limited access to value addition services. In collaboration with the national government, WFP’s Purchase for Progress (P4P) project is working to help smallholder farmers meet their potential to improve livelihoods and strengthen the national economy.

The Government is expanding pro-smallholder support under “Common P4P”

The Government of Rwanda is taking ownership of and scaling up P4P under a state-run initiative called “Common P4P” (CP4P), which is increasing the reach of efforts to support smallholder farmers. Government efforts have been key in improving quality control, supporting farmers with inputs and training, and providing farmers with a market under the National Strategic Grain Reserve. Between 2011 and 2014, the Government of Rwanda purchased more than 10,000 metric tons (worth an estimated US$4.5 million) of commodities from cooperatives under CP4P for the National Strategic Grain Reserve.

Other buyers are making more purchases from smallholder farmers

Under P4P, milling companies such as SOSOMA and MINIMEX were linked to P4P-supported cooperatives to demonstrate the feasibility of buying from smallholder farmers’ cooperatives. Many other buyers have also learned from the P4P approach to pro-smallholder procurement, and are now making purchases from smallholder farmers in the country. Big off takers include the Clinton Health Access Initiative (CHAI), Rwanda Cereal and Grain Corporation (RGCC) and SARURA Commodities Ltd. These buyers learned from the P4P experience, particularly on good practices for contracting with farmers and ensuring quality standards.
Land fragmentation limits production

As a small country with a large and growing population, land fragmentation poses a major challenge to agriculture in Rwanda. Much of the country’s land is broken into small fragmented parcels. This means that one family may have small plots of land in many different locations, reducing the efficiency of their agricultural labour and restricting the use of mechanization. Since 2007, the government has implemented a Crop Intensification Programme to mitigate this challenge, increasing productivity through land use consolidation and increased use of agricultural inputs. P4P and CP4P both responded to and stimulated the production surplus created by these efforts.

Smallholder farmers are accessing loans

P4P and partners work with the Rabobank Foundation to help smallholder farmers’ cooperatives access credit. Cooperatives have undergone training in financial literacy, improving their ability to manage finances and increasing their access to loans. Access to credit is vital for farmers to invest in increasing productivity and aggregating crops for sale, enabling the timely purchase of farming inputs – such as seeds and fertilizers – and allowing farmers’ organizations to pay smallholders with cash as soon as they have delivered their crops.

Officials from other governments are learning from Rwanda

P4P has facilitated exchange visits to Rwanda by government officials from countries including Burkina Faso, Ghana and Kenya. These visits have provided insight as to how government ownership and pro-smallholder market development policies can generate meaningful and lasting change.
Throughout the P4P pilot, a range of positive changes were observed in the lives and livelihoods of smallholder farmers. To identify which can be directly attributed to P4P, in-depth impact assessments were carried out in four of the 20 pilot countries. Despite methodological challenges, results point to positive changes achieved through P4P support, while providing insights to improve future efforts.

Impact assessments were carried out in El Salvador, Ethiopia, Ghana and Tanzania. Preliminary analyses have been carried out for three of the countries, with the Ghana Impact Assessment to be finalized this year. The studies utilize quasi-experimental designs that differ slightly to fit each country context. For each assessment, a sampling of participating and non-participating farmers and organizations were surveyed to identify changes within farmers’ organizations and households that can be attributed to P4P rather than outside factors.

Increased yields, improved marketing capacities
The most striking changes were found at the level of farmers’ organizations, where P4P’s work was most direct. Data shows that P4P-supported organizations gained significantly more capacity to function as businesses than groups that did not participate in the pilot. Farmers’ organizations supported by P4P are now offering more and higher quality services to members, with farmers accessing storage, inputs, training, marketing and post-harvest handling. In Ethiopia in particular, the increased likelihood of sales to buyers beyond WFP points strikingly to an overall increase in the marketing capacity of P4P-supported Cooperative Unions.
Preliminary data shows that membership in a P4P-supported farmers’ organization is associated with statistically significant increases in yields relative to that which farmers would have achieved without P4P. This held particularly true in El Salvador, where P4P-supported farmers benefited from improved extension services as well as crop and region-specific input packages. Yield increases attributable to P4P were also observed in Ethiopia, but to a lesser extent. In Tanzania, where supply side efforts focused on strengthening the marketing infrastructure and skills of farmers’ organizations, the yields of P4P-supported farmers were not significantly greater than those of non-participants. This result reaffirms the importance of accompanying procurement efforts with production support.

**More resilient farmers lead the way**

Income and expenditure data collected throughout the pilot confirm that P4P-supported households are better off now than at the start of the P4P pilot. However, it has not yet been scientifically proven that P4P is the cause of this improved welfare. However, farmers’ organizations, through which P4P targets smallholder farmers, have unquestionably increased their capacities in comparison to their peers. This suggests that it may require more time than the five-year pilot to see the results trickle down to the household level.

The surveys used in the impact assessments were administered only to farmers cultivating less than 2 hectares. However, sales records suggest that farmers cultivating slightly more land sold more through farmers’ organizations, acquiring more benefits directly attributable to P4P. Other studies have found that a core group of more resilient “lead farmers” with greater land size, access to education, infrastructure and other resources tend to be the first to respond. With time, these “lead farmers” generally pave the way for less resilient farmers. It is expected 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.

Based upon these findings, additional study will be undergone to continue improving the implementation and study of the P4P approach.
UPDATES

P4P supports smallholders in economic recovery during Ebola outbreak

In Sierra Leone, P4P’s continued support for smallholder farmers is helping to re-build livelihoods and to support local economies. Food purchased from farmers has been used for crucial food assistance to Ebola-affected populations.

Read the article here.

Canada contribution to strengthen Nicaraguan farmers’ organizations

A contribution of US$8 million by the Government of Canada will support some 3,000 smallholder grain farmers throughout the next five years. The contribution aims to strengthen the production and marketing of around 18 farmers’ organizations.

Read more here.

IN THE NEWS

Supporting smallholders with good agricultural practices

Collaboration between P4P and the Inter-American Institute for Cooperation on Agriculture (IICA) to support smallholder farmers in Guatemala, El Salvador, Honduras and Nicaragua highlighted in abc del finkero. [In Spanish]

Read the article here.

School meals in Burkina Faso enriched with locally-produced dairy

Smallholder farmers supported by P4P in Burkina Faso are now supplying yoghurt for school meals delivered by WFP. This project provides students and connects farmers with markets.

Read the article here.

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