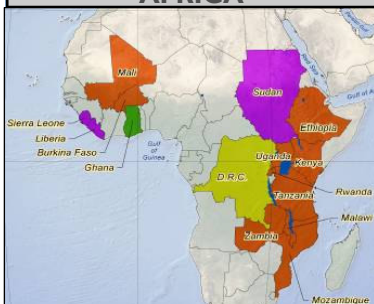


P4P Pilot Countries

AFRICA



CENTRAL AMERICA



ASIA



IMPLEMENTATION STATUS 21 P4P Pilots:

- **17 Approved Country Implementation Plans (CIP):** Afghanistan, El Salvador, Ethiopia, Honduras, Guatemala, Kenya, Nicaragua, Burkina Faso, Liberia, Mali, Malawi, Mozambique, Sierra Leone, Sudan, Tanzania, Uganda and Zambia.
- **DRC and Rwanda:** CIPs under development.
- **Laos & Ghana:** development of CIP planned for 2010.
- **P4P Assessments:** all 21 Assessments finalized.

HIGHLIGHTS OF THE MONTH

- **Sierra Leone** took delivery of the first lot of milled rice from a women's Farmers' Organization (FO). This is the first time WFP has purchased food in this post-conflict country [see page 4].
- **Liberia** also took delivery of 60 metric tons (mt) of milled rice, while handing over a semi-industrial rice milling machine to Dokodan Cooperative, a P4P targeted FO, in a ceremony attended by the President of Liberia. [see page 4].
- **Malawi** undertook its first P4P purchase through the Agricultural Commodity Exchange (ACE) [see page 2].
- P4P purchases in **El Salvador** and **Guatemala** imply more work for the farmers to bring their produce up to WFP standards, but also higher net incomes (pages 1 & 2).
- **Ghana** P4P assessment mission took place from 3 to 17 March, with the participation of the Ghanaian Government and AGRA. The mission met with different stakeholders including Government, ACDI/VOCA, AfDB, AGRA, CLUSA, IFDC, JICA, MiDA, Millennium Village Project, Stanbic Bank, World Bank, National Farmers' Organizations and the private sector.

GUATEMALA — increased quality means farmers get better prices

In Southern Guatemala, ACDIMAR, a 48– member female FO, joined P4P in 2008.

With its partner, the Inter-American Institute for Agricultural Cooperation (IICA), demonstration plots are used to teach new production techniques. Farmers in the area, *Aldea de Bracito*, traditionally grow maize. But there is also potential for beans, a more profitable crop.

Farmer Odilia Alvarez offered her land to be used as a demonstration plot. Odilia learned how to plant and grow beans, and pest and disease control techniques. She sold 0.45mt of maize to WFP as part of a 14mt contract that ACDIMAR signed with WFP. Selling to WFP meant more work, because she had to clean and sort the maize, but also gave her a chance to learn about quality, cost recovery and marketing. The women were able to sell at a better price - \$344/mt, instead of \$289/mt normally paid by the local middle man. Odilia was proud of their achievement, especially when she was told that her organization supplied the best quality of maize among the 7 FOs that sold maize to WFP in 2009.



Odilia Alvarez in her plot in Southern Guatemala and El Salvador's locally designed maize cleaning machine



EL SALVADOR — P4P designs and assembles locally a cleaning and sorting machine for maize and beans

The P4P project in El Salvador hired an engineer to adapt a current model of a coffee cleaning and sorting machine. The machine was developed specifically for selecting, cleaning and drying maize and beans. Such machines did not exist previously on the local market. P4P FOs will be able to purchase them under a co-financing modality, and use them for their members as well as for the other farmers for a fee. The machine costs about US\$20,000; farmers' organizations will finance half the cost while the other half is financed through the P4P project.



EL SALVADOR – selling to WFP means more work to bring maize to standards, but also higher net profits



Adilio de Jesus is a 26 year old farmer in El Salvador. Coming from a poor family, Adilio does not own land. He has to rent it every season to grow basic crops including maize and beans.

In 2009, Adilio's association, **El Pesote**, joined P4P.

As part of the project, the 64 members of the organization received technical assistance to improve their farming techniques. They also received seed capital from the Howard G. Buffett Foundation which enabled them to establish a revolving credit fund to allow members to buy good quality seeds and fertilizers on credit, to be repaid in-kind at harvest time. They received training in post-harvest handling, quality standards and organizational management. As a result, El Pesote was able to sign a contract with WFP to sell 97mt of maize. Adilio sold 80 quintals (3.6mt) of maize.

"If I had sold my crops to the regular traders that come here at the harvest, I would have made just enough to cover my costs", said Adilio Jesus. "Instead, by selling to WFP I made a US\$500 net profit."

All members admit that they had to do a lot more work to be able to sell to WFP than usually required by the local middlemen, also known as 'coyotes'. They had to sort, clean and bag the maize manually. But it was worthwhile. "We work hard but we are rewarded for our work", said Adilio.

"A very dignifying project", World Vision, El Salvador.

Agrotropical in Taciba, in the department of Ahuachapan, is a second tier farmers' organization supported by World Vision. It involves four FOs with a total of 506 members, most of whom produce basic grains and pulses (beans, maize and sorghum). Their main problem, according to World Vision, is the lack of equity between farmers and those to whom they sell. Farmers have hardly any leverage to negotiate prices and no alternatives to market their produce.

P4P offers farmers the opportunity to link with other markets – NGOs, government and the private sector. The organization has now sold 263mt of maize to WFP. "This project brought farmers hope and trust in the future", said Carlos Gomez, World Vision National Coordinator for Agriculture Projects in El Salvador.

Through the collaboration between WFP, World Vision and other institutions, farmers are able to produce more, improve the quality of their grains, and obtain higher incomes as a result. "It is a very dignifying project that increases the resiliency at family and community level" added Gomez "it also changes the social dynamic. For years, we have been promoting associations, but there was not much enthusiasm about it. P4P gives farmers a purpose to work together and invest in their associations. They see the benefits and as result, they are putting a lot of work into the associations and doing it with a lot of enthusiasm", concluded Gomez.

MALAWI's FIRST PURCHASE THROUGH THE AGRICULTURAL COMMODITY EXCHANGE FOR AFRICA (ACE)

P4P Malawi purchased 963mt of maize, maize meal and pulses through the Agriculture Commodity Exchange for Africa (ACE) in February 2010 for the first time. These purchases follow the Zambian model (P4P in Zambia has to date purchased

NASFAM, the National Smallholder Farmers' Association of Malawi, and **Farmers World** are the founding members of ACE. ACE was first established to respond to NASFAM's identified need to bring more order to the market place, and devise a transparent price discovery mechanism. ACE is registered as a non-profit making trust and as an NGO, and is dependent on donor funding. It is expected that it will become sustainable through membership fees and levies to members.

The **vision of success** is to ensure "economic development and improved food security in the region, and an increase by 50% in the incomes of smallholder farmers in the target group earning less than US\$ 2 per day".

Current and planned **activities** include: exchange operations, definition and ensuring quality standards, arbitration, training and capacity building, and development of a Warehouse Receipt System (WRS).

regional scale from the development of ACE, as price discovery between neighbouring countries can help level price expectations and distortions, particularly for pulses (peas and beans).

By trading on ACE, WFP can support other emerging initiatives like the Market Linkages Initiative, funded by USAID and implemented by ACDI/VOCA-CARANA. The trade on ACE is expected to stimulate the demand for certified warehouses, particularly at the district level, close to production locations.

over 10,000mt through the Exchange), however, the difference is that in the Malawi case, Farmers' Unions, including NASFAM, and Grain Traders and Processors Association (GTPA), are members and brokers of ACE. This provides an excellent entry point for this target group - the numerous associations of smallholder farmers affiliated with NASFAM. These farmers not only benefit from greater price transparency and from the capacity building activities through their participation in ACE, but may also directly compete with regular WFP suppliers.

WFP is clearly recognized as a pull factor with a substantial demand base that can help farmers and traders (small to large) identify demand and market prices. WFP could also benefit on a

Mali — Accepting delivery of cereals from Farmers' Organizations

P4P Mali signed contracts in December 2009 with 13 Farmers' Organizations (FOs) for 1,500 metric tons (mt) of cereals (millet and sorghum), to be delivered from January through April 2010.

The Local Union for Cereal Producers (ULPC) of Dioila was the first supplier to deliver. Established in November 2001, ULPC is a group of 43 cereals producers' cooperatives.

On 16 March 2010, WFP organised a ceremony to accept delivery of the first 500mt of sorghum purchased from ULPC using funds from a **Kingdom of Saudi Arabia** donation of US\$ 2.6 million for food purchases in 2009-2010. The rest (approximately 2,000mt of millet and beans) will be purchased in the next buying season — November 2010 — through forward contracts to be signed as early as May 2010, and through direct contracts closer to harvest time.

The 500mt of sorghum purchased this season will be used to replenish the National Security Stock, after the Early Warning System reported risk of food insecurity in 43 communes in the Northern part of the country following the 2009/2010 poor rainy season. During the delivery ceremony, Daouda Traoré, the president of ULPC affirmed: "the P4P programme helps to increase smallholder farmers' revenue. For the next year, I wish we can sign contracts with WFP even before the rainy season begins, as it will stimulate us to produce more cereals".

On 18 March 2010, a similar ceremony took place in the capital Bamako with representatives of the US Embassy at the Djelibougou warehouse, to acknowledge partial delivery of 1,040mt of cereals locally purchased with a **United States Department of Agriculture (USDA)** contribution of US\$ 1 million.

Representatives from the Ministry of Agriculture and from implementing partners (Afrique Verte, CRS, PRECAD and Sasakawa Africa Association) were present along with a farmers' representative from Loutana (Sikasso).

After the delivery ceremony, Robert Hanson, the Regional USDA Representative in Dakar declared: "I am very impressed by the P4P programme. In addition to contributing to increase smallholder farmers' revenue, the programme also involves many others local stakeholders including bag manufacturers, transporters, agricultural Ministry staff for quality control and farmers supervision".

With the Sahara desert in the north and the central plains within the arid Sahel, Mali often suffers drought problems and the agricultural sector is vulnerable to climatic shocks. The cereals locally purchased with the USDA funds will be used to provide food assistance to 58,000 individuals, of which 28,000 pregnant and lactating women and 15,000 vulnerable men and women through food-for-work and food-for-training activities.



Ceremony to thank the Kingdom of Saudi Arabia (16 March), Dioila



Ceremony to thank the US Department of Agriculture (USDA, 18 March), Djelibougou warehouse, Bamako

P4P supports the development of new food staple quality specifications

In 2009, a comprehensive review of all WFP food specifications was conducted by WFP food technologists.

Specifications for commodities that are not traditionally purchased by WFP but which are grown by smallholder farmers and hence are of interest to P4P (specific beans such as pigeon peas or broad beans) were specifically developed. All specifications are in-line with the country of origin regulations, as well as with the Codex Alimentarius requirements.

WFP rice specifications for Sierra Leone, a country where WFP had never before undertaken local purchase, were defined in 2009 in collaboration with the Ministry of Agriculture and FAO.

For more information on WFP food quality specifications, please contact VanHoan.Nguyen@wfp.org; for food safety, hygiene and processing, and to download the Food Storage Manual, check WFP Quality website: <http://foodquality.wfp.org>

SIERRA LEONE—HAND OVER CEREMONY OF FIRST RICE PURCHASED BY WFP FOR SCHOOL MEALS



Hand-over ceremony of first rice purchased by WFP in Sierra Leone, 9 March 2010.

The **Koinadugu Women's Vegetable Farmers' Cooperative** delivered the first consignment of milled rice ever purchased by WFP in Sierra Leone on March 9, 2010.

Founded in 1994, the organization benefits from the support of the USAID-funded "Promoting Agriculture Governance and the Environment" (PAGE) programme. The 25mt of rice will be distributed through the WFP's school meals programme. This rice - enough to feed 3,800 primary school children for 3 months - is the first batch out of a total 500mt that WFP contracted at the end of 2009 from 10 different organizations in Sierra Leone.

For the Koinadugu Women's Vegetable Farmers' Cooperative, which represents 750 women, the contract to supply rice to WFP at a cost of US\$560 per metric ton was a major breakthrough.

"P4P has given us an income that allows us to expand our production, educate our children and take care of the needs of our families", said Haja Marah chairwoman of the Koinadugu Women's Vegetable Farmers' Cooperative.

With P4P, WFP is not only buying locally produced rice, it is also working with the Government and supply-side partners to improve smallholders' capacity to deliver high quality milled rice. The project helps connect farmers with agricultural markets, in line with the Government's Smallholder Commercialization Scheme.

The Howard G. Buffett Foundation provided the seed money for the implementation of P4P in Sierra Leone; the European Union and the Governments of Japan and Switzerland provided the funds to procure about 500 metric tons of rice in 2010.

LIBERIA — HAND OVER CEREMONY OF RICE MILLING MACHINES & MILLED RICE FOR SCHOOL MEALS

"This is one of the best projects that we have going in the country", said President Ellen Johnson Sirleaf of Liberia during a ceremony to hand over a semi-industrial rice milling machine to the Dokodan Farmers Cooperative, one of the FOs working with the P4P project in Gbedin, Nimba County. Four machines, purchased with Howard G. Buffett funds, will be donated and deployed in three different counties (Lofa, Nimba and Bong) to improve the efficiency of farmers' groups in rice processing and help them meet higher quality standards.

During the ceremony - attended also by the US Ambassador to Liberia, the Chinese Ambassador to Liberia, the Ministers of Agriculture, Education and Employment - the Dokodan Cooperative also delivered 60mt of rice purchased by WFP for its school meals programme.

So far, WFP contracted a total of 650mt of rice produced in Liberia — enough to feed 9,000 families for a month. Contracts are being finalized for additional 350mt of rice with other five FOs, including two Women's Groups. These constitute the first local purchases by WFP in this country.

WFP is paying US\$31.50 for a 50 kg bag of milled rice. WFP collects the rice from the processing sites, close to the farmers, which is a major help for low-income farmers who otherwise might not be able to afford transport costs to take their rice to the market in larger centers.

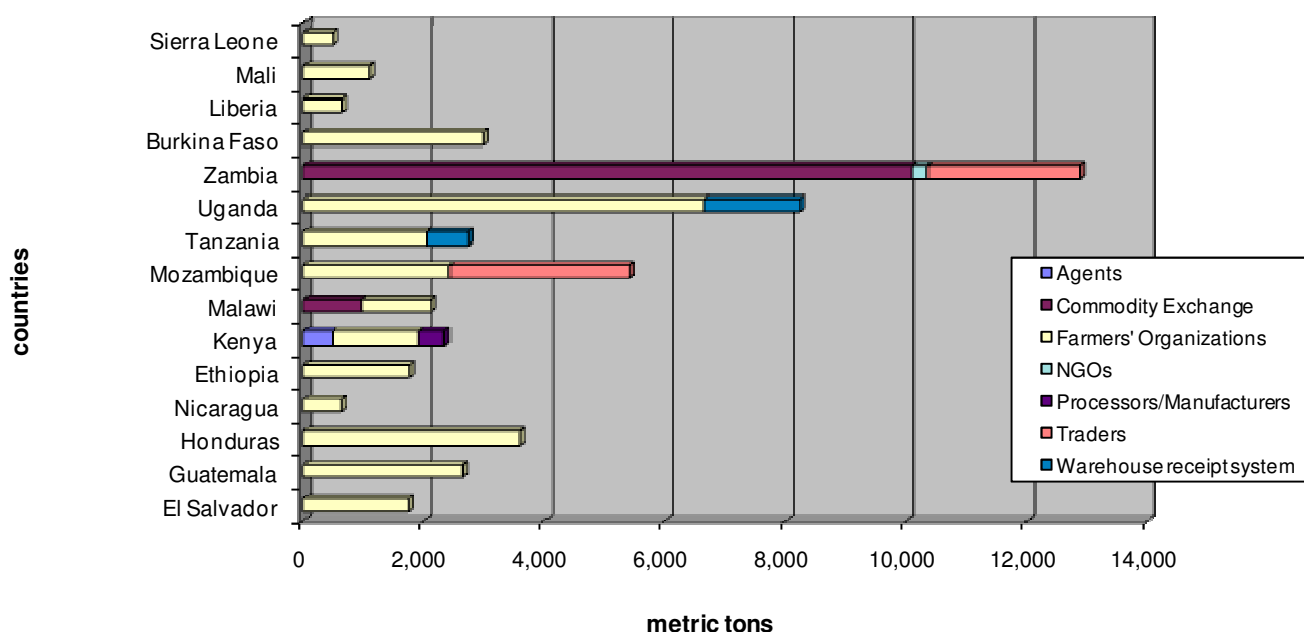
The United States government, through its local USAID mission, donated US\$3.5 million to WFP for its local school meals programme, out of which US\$500,000 were reserved for the purchase and delivery of local parboiled rice under P4P. The Howard G. Buffett Foundation provided US\$1.5 million to implement the capacity-building aspect of P4P in Liberia. The governments of Germany, Ireland, Japan, Switzerland and the European Union have also made donations to support the P4P pilot in Liberia for food purchases and capacity building.



President Ellen Johnson-Sirleaf of Liberia presiding a ceremony to hand over a rice milling machine to the Dokodan Farmers Cooperative on 5 March 2010

GENERAL PROCUREMENT UPDATE

**P4P contracts (metric tons) by country and by vendor type or procurement platform. Total contracted: 49,395mt
[Sept 2008-15 March 2010]**

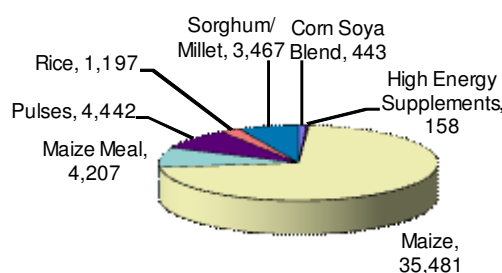


Of the 49,395mt of food contracted in 15 countries by 15 March 2010:

Breakdown by region and country:

- Seventy two percent was contracted in East & Southern Africa, followed by the Central American region (17%) and West Africa (11%).
- Zambia** ranks first, with 26% (12,875mt) contracted, (of which 10,104mt through the Commodity Exchange), followed by Uganda (8,236mt), Mozambique (5,426mt), Honduras (3,596mt) and Burkina Faso (3,005mt).
- Ethiopia** began procuring under P4P in February 2010 (1,759mt of maize and pulses); **Sierra Leone** purchased locally for the first time last December 2009 (500mt of rice contracted directly from 10 FOs) while **Malawi** carried out its first P4P purchase through the Agriculture Commodity Exchange (ACE) this February 2010 (963mt of maize, maize meal and pulses).

P4P contracts (metric tons) by commodity. Total contracted: 49,395mt [Sept 2008-15 March 2010]



Breakdown by vendor or procurement platform:

- Sixty percent (29,366mt) was contracted from **FOs** across all pilot countries except Zambia, either directly or through "pro-smallholder tenders";
- Twenty two percent (11,067mt) was contracted through the **Commodity Exchanges** in Malawi (963mt) and Zambia (10,104mt);
- Eleven percent (5,512mt) was contracted through **small and medium traders** in Mozambique and Zambia;
- Five percent (2,270mt) was contracted through **warehouse receipt systems** in Uganda and Tanzania,
- Just over one percent was procured through **agents** (such as agro-dealers in Kenya), **NGOs** (Zambia) and directly from **processors/manufacturers** in Kenya.

Breakdown by commodity

- Seventy two percent of the food procured under P4P is **maize** in Eastern and Southern Africa and Central America, followed by **pulses** and **maize meal** in Central America, East and Southern Africa.
- Seven percent is **millet** and **sorghum** procured directly or through pro-smallholder tenders from FOs in West Africa (Burkina Faso and Mali) and in Kenya, while two percent is **rice**, contracted directly from farmers' organizations in Kenya, Liberia and Sierra Leone.

P4P COORDINATION UNIT IN ROME

- **Ken Davies**, P4P Coordinator : Ken.Davies@wfp.org
- **Sarah Longford**, Snr Programme Partnerships Adviser: Sarah.Longford@wfp.org
- **Mary-Ellen McGroarty**, Snr Programme Adviser for Afghanistan, Burkina Faso, Ethiopia, Kenya, Laos, Malawi, Mali, Mozambique, Rwanda, Tanzania, Uganda & Zambia: Mary-Ellen.McGroarty@wfp.org
- **Jorge Fanlo**, Snr Programme Adviser for DRC, Ghana, Liberia, Sierra Leone, Sudan, El Salvador, Guatemala, Honduras and Nicaragua: Jorge.Fanlo@wfp.org [currently away on mission]
- **Clare Mbizule**, Snr Programme Adviser, M&E: Clare.Mbizule@wfp.org
- **Elaine Reinke**, M&E Officer : Elaine.Reinke@wfp.org
- **Laura Melo**, Communications Officer: Laura.Melo@wfp.org
- **Alessia De Caterina**, Reports Officer : Alessia.Decaterina@wfp.org
- **Helen Kamau-Waweru**, Finance Officer: Helen.Kamau-Waweru@wfp.org
- **Ruth Habtemariam**, Finance Assistant: Ruth.Habtemariam@wfp.org
- **Amanda Crossland**, Snr Staff Assistant to P4P Coordinator: Amanda.Crossland@wfp.org
- **Kathryn Bell**, Staff & Admin Assistant: Kathryn.Bell@wfp.org

P4P Country Coordinators/Focal Points**Asia****Afghanistan:** Mr. Stephane Meaux <Stephane.Meaux@wfp.org>**Laos:** Ms. Karin Manente <Karin.Manente@wfp.org>**Eastern, Southern & Central Africa****Democratic Republic of Congo:** Ms. Melanie Jack <Melanie.Jack@wfp.org>**Ethiopia:** Mr. Enrico Pausilli <Enrico.Pausilli@wfp.org>**Kenya:** Ms. Cheryl Harrison <Cheryl.Harrison@wfp.org>**Malawi:** Mr. Tobias Flaemig <Tobias.Flaemig@wfp.org>**Mozambique:** Mr. Billy Mwiinga <Billy.Mwiinga@wfp.org>**Rwanda:** Ms. Emmanuela Mashayo <Emmanuela.Mashayo@wfp.org>**Sudan:** Mr. Marc Sauveur <Marc.Sauveur@wfp.org>**Tanzania:** Mr. Dominique Leclercq <Dominique.Leclercq@wfp.org>**Uganda:** Mr. Elvis Odeke <Elvis.Odeke@wfp.org>**Zambia:** Mr. Felix Edwards <Felix.Edwards@wfp.org>**West Africa****Burkina Faso:** Ms. Veronique Sainte-Luce <Veronique.Sainte-Luce@wfp.org>**Ghana:** Ismail Omer <Ismail.Omer@wfp.org>**Liberia:** Mr. Lansana Woneh <Lansana.Woneh@wfp.org>**Mali:** Mr. Martin Kabaluapa <Martin.Kabaluapa@wfp.org>**Sierra Leone:** Ms. Miyuki Yamashita <Miyuki.Yamashita@wfp.org>**Latin American & Caribbean****El Salvador:** Mr. Hebert Lopez <Hebert.Lopez@wfp.org>**Guatemala:** Ms. Sheryl Schneider <Sheryl.Schneider@wfp.org>**Honduras:** Mr. Francisco Salinas <Francisco.Salinas@wfp.org>**Nicaragua:** Mr. Francisco Alvarado <Francisco.Alvarado@wfp.org>**RESOURCING UPDATE**

- Funding for food purchases continues to be the priority for P4P: specifically, flexible un-earmarked cash contributions that will enable local/ regional procurement of food for WFP's regular programme of work.
- The **Howard G. Buffett Foundation (HGBF)** confirmed a US\$ 13.2 million contribution for the second phase of P4P in El Salvador, Guatemala and Nicaragua (2010-2014).
- **Canada** released a CAD23,259,000 contribution (USD 21,818,949) for P4P in Afghanistan.
- **Luxembourg** confirmed a US\$ 50,000 contribution for Laos Country Implementation Plan development.

Clarification on P4P February newsletter focussed on Gender

In the previous issue, it was reported that on average only 19% of members of FOs targeted by P4P in 15 countries were women. This figure is biased by Ethiopia, which targets 8 very large FOs with over 520,000 members, 14% of whom only are women. Not counting Ethiopia, female membership rises up to 43%. The percentage of women members (and of women in leadership positions) varies widely across countries, as the type of FOs targeted varies widely.

CALENDAR

- **26-27 March:** Workshop on "Exploring linkages between sustainability of smallholder food value chains and poverty alleviation in low income countries", Cornell University, New York.
- **6-9 April:** Regional Agriculture and Food Security Forum - Zambia, hosted by the International Finance Corporation, The World Bank and the European Union.
- **22 April:** Preparatory meeting for the ECOSOC 2010 Annual Ministerial Review, on the theme "Who Feeds the World in 2010 and Beyond? Rural Women as Agents of Change and Champions of Global Food Security".
- **20-23 April:** CAADP PP (Partnership Platform) in Midrand, South Africa.
- **20-24 April:** El Salvador Stakeholders Forum (20-21 April) followed by a P4P LAC Country Coordinators meeting (22 April) and a two days M&E meeting (23-24 April).
- **10 May:** "Awakening the Sleeping Giant: Making Grain Markets Work for Smallholder Farmers and Consumers in Eastern and Southern Africa", hosted by ACTESA, Lusaka.
- **11-12 May:** ACTESA Third Stakeholders meeting and ACTESA Advisory Board, Lusaka.
- **13 May:** Eastern & Southern Africa Regional P4P Meeting with ACTESA stakeholders, Lusaka.