HIGHLIGHTS OF THE MONTH

- WFP Executive Director Josette Sheeran visited three P4P pilot countries—Democratic Republic of Congo (DRC), Rwanda and Uganda - during July. In Uganda, in addition to a joint visit with Professor Jeffrey Sachs to the Millennium Village in Ruhiira, the ED toured two agro-processing warehouses: the new Gulu warehouse (6,000 metric ton capacity, equipped with machinery for cleaning, drying, bagging and grading maize, millet, sorghum and rice), due to open soon and to be managed directly by WFP, and the Jinja Warehouse (2,000mt capacity) managed by the private sector and similarly fully equipped.

- Faso Jigi, a P4P targeted farmers’ organisation (FO) in Mali has successfully delivered 1,000mt of rice for the Niger emergency operation. This demonstrates their capacity to respond in a timely manner to emergency requirements.

- WFP signed two more partnership agreements with the Food and Agriculture Organisation (FAO) - in Ethiopia [page 5] and in Uganda [page 2] - to further technical collaboration in support of P4P.

- Implementation challenges across the pilots remain centred on competitiveness of FOs and their ability to access credit for staple commodities. For example, WFP Mozambique was obliged to postpone proposed P4P purchases totalling 4,304mt of white maize due to prices quoted by FOs that are above import parity and other lower-priced commercially available commodities in Mozambique. Also, P4P targeted FOs have been refused loans from a lending institution given the low margins on maize and pulses which might potentially discourage the smallholders from repaying their loans.

WFP, FAO and IFAD Deliver as One at Zambia’s Agricultural Show

The three Rome-based UN agencies showcased their programmes in support of Zambia’s agricultural sector at Zambia’s 84th Agricultural and Commercial Show held in Lusaka, July 29-August 2, 2010: “Achieving Sustainable Development by delivering as one UN through Social and Economic Investment in the Agricultural Sector.”

The World Food Programme (WFP), the Food and Agricultural Organisation (FAO), and the International Fund for Agricultural Development (IFAD) jointly presented their work. The annual show is an opportunity for businesses and organizations from across the country and the region to exhibit their products and services. WFP’s presentation highlighted the P4P programme. P4P in Zambia focuses on transforming the way smallholders market their produce. By strengthening the commodity exchange and promoting district warehouses certified by the Zambia Agricultural Commodity Exchange (ZAMACE), WFP and partners are providing the smallholder sector with direct access to the commercial market.

This will change the way smallholder farmers sell their commodities: from selling a small quantity through an informal market at a low price to directly accessing the commercial market and selling aggregated quantities of higher quality for a better price. Connecting farmers not only to WFP but also to wider commercial markets should ensure the sustainability of P4P activities in Zambia [continued on next page].
WFP, FAO and IFAD Deliver as One at Zambia’s Agricultural Show (cont’d)

In addition to farmers, retailers and fellow exhibitors, a number of dignitaries visited the UN stand, including the guest of honour and President of Malawi, Professor Bingu Wa Mutharika. The event helped demonstrate the ongoing UN reform to increase national ownership, reduce transaction costs and increase effectiveness by combining expertise and creating synergies between the agencies. Providing support to the agriculture sector in Zambia is a major component of the UN’s efforts to help the country achieve the Millennium Development Goals by 2015.

Some examples of ongoing WFP collaboration with the Alliance for a Green Revolution in Africa (AGRA), FAO and IFAD

Central America
El Salvador: Through P4P, WFP collaborates with two IFAD funded programmes: PREMODER in 3 smallholder associations in Ahuachapan department and PRODAP in one association in San Vicente department, with P4P targeted farmers receiving technical support in storage infrastructure, business development and technical assistance for bean production. Collaboration with a new programme - PRODEMORO is planned to benefit another two associations in the Eastern Region. Meanwhile FAO provides technical assistance for technological packages and storage facilities.

Guatemala: Under the EU Food Facility project (EUFF), WFP received euros 6,350,000 and FAO euros 4,650,000 to implement the three components of the project:

i. P4P: technical assistance, commercialization and purchase of maize from 16 P4P targeted FOs (FAO and WFP), FAO has been distributing agricultural inputs (fertilizer and seeds) and training FOs in maize production, including soil preparation while WFP has been conducting post harvest handling training and buying maize from FOs.

ii. Vitacereal production: the maize used for the production of Vitacereal (a local Corn Soya Blend) is obtained from P4P FOs (WFP).

iii. Improved agricultural practices by 8,000 subsistence farmers through food for work (FFW) activities. Maize distributed through FFW is bought through P4P (FAO and WFP).

Nicaragua: Eight areas of common interest have been identified by FAO and WFP and a joint plan has been prepared for FAO to provide advisory services from September 2010 to June 2011. FAO specialists will assist 8 P4P FOs on issues including integrated crop management, fertilization, post-harvest handling and marketing. Further to an assessment of the FOs carried out by the Inter-American Institute for Cooperation on Agriculture (IICA), the two agencies jointly identified needs for machinery and processing equipment, to be supplied by FAO to three P4P FOs.

West Africa
Burkina Faso: AGRA and WFP have agreed on the following priorities for joint collaboration: improving FOs’ financial management; agricultural pre-financing and general management strengthening (including human resources). For the time being, FEBAF, the national producers federation, will be the principal FO to benefit from AGRA assistance.

Sierra Leone: FAO will contribute to developing quality specifications for pigeon peas and other pulses in collaboration with the Sierra Leone Agricultural Research Institute. Pigeon peas and other pulses have been introduced in the P4P food basket in addition to locally milled rice during the second phase of P4P in Sierra Leone to enhance the participation of women farmers, which are the main producers and sellers of these staple crops. In 2009, FAO contributed to the development of quality standards for rice.

Eastern and Southern Africa
Tanzania: Through a Tripartite Agreement between WFP, AGRA and RUDI, a standard training package is being rolled out to farmer groups (SACCOS) since April 2010, expected to finalized in December 2010. So far all 29 P4P targeted SACCOS received a first round of trainings, reaching 1,450 smallholder farmers (704 female and 746 male). FAO, through German funding, has two projects relevant to P4P: food systems development and advisory service capacity development in support of food security. Both projects are being implemented with multiple local partners from public, private and non-profit sectors under the authority of the Ministry of Agriculture, Food Security and Cooperatives. However, AGRA and FAO are concentrating their efforts in the high producing areas (southen highlands) while the P4P initiative provides support to smallholder farmers mainly in the central and northern regions. Nonetheless, programme linkages are being sought, since P4P is also implemented through 3 pilot Farmers Groups/SACCOS located in Songea, Njombe and Sumbawanga districts where FAO is present. A new IFAD programme is under design which focuses on market access, value chains and rural finance. P4P has participated in the consultative assessment mission for the design of the MIVARF (Market Infrastructure Value Addition Rural Finance) project, to be financed by the World Bank, African Development Bank and AGRA. Recommendations include that some of “P4P” Farmers Groups be included in the priority list for “MIVARF” Farmers Groups.

Uganda: A Letter of Agreement has been signed between FAO and WFP for a period of 15 months to strengthen production, organisational, post-harvest and marketing capacities of 30 Farmer Field School (FFS) networks and over 450 individual FFS groups to increase their ability to access output markets in Northern Uganda. Following a comprehensive and participatory review of all FFS networks in Acholi and Lango regions to assess training needs and leadership capacity, implementing partners will be selected to conduct the relevant training modules.
Updates on the P4P M&E system

Following internal reflections on the baselines experience during the first year and a half of P4P implementation, and the recommendations of the second P4P Technical Review Panel (TRP) which met in Jinja, Uganda on June 14-18, the P4P M&E system has been adjusted to achieve a better balance between quantitative and qualitative data, and to address human capacity constraints of many country offices:

1. **Frequency of quantitative data** collection from smallholder farmers and traders has been reduced to years 1 (baseline), 3 and 5, while farmers’ organizations (FOs) surveys will continue to be administered annually.
2. **A panel approach** to data collection from smallholder farmer households will be adopted (i.e., interviewing the same households in years 1, 3 and 5) to facilitate beneficiary counting and improve accuracy of household income measures as the main measure of P4P impact.
3. Emphasis on **qualitative data** collection will be increased, especially case studies, and synthesis of best practices and lessons learned in years 2 and 4.
4. More attention will be given to data collection from farmers’ organizations records, to provide gender-disaggregated data on quantities aggregated by the FOs, quantities sold through FOs by members, prices received by the FO from different buyers and prices paid to FO members, etc.

**CASE STUDIES — a vital element of the P4P M&E system**

Quantitative survey data and data coming from FO’s and WFP procurement records are complemented by in-depth case studies of a small number of participating farmers, FOs and traders throughout the P4P pilot, which provide qualitative evidence of how, why and under what conditions P4P is affecting these groups. Granting insight into why and how P4P does or does not show the expected results, case studies, a joint effort of WFP and partners, are key to the process of learning and sharing and considerably contribute to identifying best practices and lessons learned.

What follows are examples from the first round of case studies in Burkina Faso, Malawi and Ethiopia.

**BURKINA FASO — a successful FO experience shapes P4P’s capacity development strategy**

As in most of West Africa, in Burkina Faso agricultural markets are fully liberalized but weakly structured. As a consequence, smallholder farmers suffer from poor economy of scale and lack of access to credit and markets. Since the modernization of the Cooperative Code, thousands of small “groupements” have emerged. There is no lack of good will, but efforts are hampered by gaps in managerial skills and technical sophistication.

The notable exception is the highly acclaimed *Union des Groupements pour la Commercialisation des Produits Agricoles* (UGCPA). The union, with 80 primary groups as members, has been supported since its creation in 1993 by the Canadian agri-agency, *Union des producteurs agricoles–Développement international* (UPA-DI).

UGCPA has established a pre-financing scheme that enables each member to receive a loan at the beginning of the agricultural season against a contract that commits the farmer to market her/his surplus through the organization. Farmers receive up to 55% cash advance months ahead of harvest time, thus easing potentially hazardous income fluctuations. In addition, they can request seeds and fertilizer equivalent to 30% of the value of the surplus they commit to deliver.

For the provision of cash advances and inputs on credit, the cooperative has set up an elaborate scoring system to determine credit-worthiness of their members and gradual sanctions for those who violate commonly agreed group-sale rules. The score is based on the farmers’ rate of compliancy with previous contracts. If a farmer delivers less than 70% of contract value, she/he is down-graded and entitled to a lower level of pre-financing. The organization further asks members to pledge animals and tools as loan collateral. Every year, UGCPA bundles hundreds of micro loans into one big package that is placed in the financial system as a commercial loan. Because the union has a guarantee fund to back up the riskiest segment of the loan package, it can obtain agricultural credit at a fraction of the rate the market would offer to an individual smallholder farmer.

The UGCPA example is a promising model that guides P4P’s capacity building strategy in Burkina Faso. To make use of what works in UGCPA, P4P Burkina recently launched a joint tender with AGRA to contract an implementing partner with the technical know-how to support FOs in the areas of collective marketing and value chain finance. Among other candidates, UPA-DI has been invited to elaborate a proposal and shape P4P’s strategy to build the capacity of other groups participating in the pilot, drawing on lessons and best practices from their experiences with UGCPA.
MALAWI — Rosemary contributes maize to P4P Malawi’s first purchase from a farmer organization

The P4P pilot in Malawi uses WFP’s procurement as a catalyst to improve smallholder market access along the entire supply chain. At the top of the chain, pilot purchases through the Agricultural Commodity Exchange for Africa Trust (ACE), initiated in February 2010, is expected to encourage other market actors to participate on ACE and thus support its emergence as a marketing platform. Simultaneously, WFP procures from farmers’ organizations (FOs) and small and medium traders, to catalyze the efforts of partners working to promote smallholder productivity and market access at lower levels of the supply chain.

Rosemary Kaphadzaleza is a smallholder farmer and member of the Chikwatula Cooperative, a FO targeted through P4P. Mother of seven children and secretary to Chisimo Smallholder Farmers Club (affiliated to Chikwatula), Rosemary was the only woman contributing maize to WFP’s first purchase from a FO. She supplied 1.9mt out of the 19.1mt Chikwatula delivered to WFP as the first instalment in February 2010, and added another 3.65mt to the second instalment of 21.6mt, delivered in April 2010.

Realizing the market opportunities WFP represents for staple crops, she provided not only her own produce, but used part of her earnings from her first sale to WFP and income generated through her small-scale tomato business to aggregate maize from non-members, and contributed this to the second delivery by her cooperative to WFP. Because she paid non-members a fair price – 40% above the prevailing price paid by local informal traders – she was able to aggregate maize of adequate quality within a short period of time. “This is my first time to sell and earn more money from maize than other crops and I feel rewarded for my hard work”, Rosemary concludes. With the income realized from her sale to WFP though the Chikwatula Cooperative, Rosemary decided to buy cement to improve her house floor, procured fertilizer for maize production, paid for the education of her children, ensured a balanced diet at her household and invested in her tomato business.

According to the P4P baseline results, only 8 percent of Malawian female spouses in smallholder households are involved in marketing decisions. Data collected from participating FOs show that few key decision making FO positions are occupied by women: 25% of Chairpersons, 32% of Secretaries, and 9% of Treasurers. Rosemary says female members of Chikwatula are interested in taking up leadership positions but are challenged by time constraints and limited means of transportation.

What P4P learns from Rosemary’s story

- FO members can market through their FO not only their own production, but also non-members’ production if they can afford to purchase it from them. This way, consignments from a P4P FO to WFP can involve production from non members. P4P needs to quantize what share of produce marketed through FOs come from traders versus FO members. A key tool to monitor trader activity under the FO banner is the maintenance and collection of FO records on members’ quantities of crops contributed in relation to the size of cultivated land.

- Despite the challenges women face to actively participate in FO decision-making and group marketing, they have the capacity and interest to engage more and benefit further from the opportunities the FO offers them. P4P needs to develop a strategy for female capacity building in each pilot country, enhance the understanding of issues women face as FO members, and strengthen FO responsiveness to gender aspects.

ETHIOPIA — Efforts to encourage female participation are paying off

Mira Service Development Cooperative Union in the Oromiya Region of Ethiopia strongly encourages its eight primary cooperative member organizations to increase the participation of female farmers. Mira’s efforts have paid off: two of its affiliated groups currently only accept women as new members. One of these is Dandi Gudina Farmers Primary Cooperative. The organization restricts new membership to women until the number of female members has increased from currently 55, accounting for 26% of total membership, up to a minimum of 100. Until then, men can only join the cooperative through their wives.

This arrangement not only leverages women’s immediate access to agricultural services and inputs; it also gives female farmers the opportunity to actively engage in their cooperative’s business and receive the dividend earned from their sales in their own names. Mira strives to make use of this positive example and encourage its other member groups to adopt this or similar measures to boost female participation.
ETIOPIA — Kyla Neilan from the Cornell University shares her experience as a P4P intern

“You have the best internship,” said Berhanu, grinning as he plunged the WFP 4x4 off the main road into a steep, muddy mule track. We had been driving over washed out dirt roads for two weeks now, as two Ethiopian colleagues and I spoke with farmers and the management of their farmers’ cooperatives for our P4P case studies.

I am studying International Development at Cornell University in the US. My studies have led me to question the ways international, macro-level trade agreements and policies impact farmers and their ecosystems on the micro, personal level. I have especially been focused on gender—how women benefit from cultivating and selling their own produce, and how women are marginalized from the very policies and programs that are supposed to help all farmers. My two months internship in Ethiopia took me directly to women farmers’ homes. I spoke with them about how WFP could support them through the P4P initiative.

In Ethiopia, women farmers usually till smaller plots than men (of an already tiny country average), have less access to credit and agricultural inputs, and are expected to keep up their household chores including childcare and food preparation while they farm. Farmers’ cooperatives give them equal access to inputs and services, often at a reduced rate or payable in instalments. P4P in turn directly impacts these cooperatives, by insisting on efforts to raise the number of women in membership and leadership. When conducting our case studies, we saw many examples of how FOs are empowering women, from holding special elections for female leaders and hosting gender equity trainings for members, to limiting new members to women only.

Universities and research institutions are involved in different ways in the P4P pilot programme.

- Local universities and research institutes have participated in P4P baseline data collection and analysis, and are increasingly involved in the collection and compilation of P4P case studies. For example, the University of Ouagadougou in Burkina Faso participated in both the P4P baseline and case studies, and the University of El Salvador is engaged in the P4P case studies.
- In Mozambique, Michigan State University and WFP conducted a joint study on the Maize Value Chain in Niassa, Zambezia and Tete provinces. WFP staff participated in data collection last April and the results will be relevant for P4P implementation in those provinces.
- In Central America, many agricultural research institutions support P4P through capacity building, demonstration plots and technical support regarding agricultural practices and improved seeds (CIMMYT and ICTA in Guatemala). P4P Nicaragua is negotiating an agreement with the Central American University (UCA) to support the financial and institutional strengthening of P4P FOs.
- Alejandro Lopez, the Guatemala P4P Country Coordinator for the Howard G. Buffett Foundation-funded component of P4P, was selected by IICA to participate in the Hemispheric Forum for Young Agricultural Leaders at the University of Nebraska-Lincoln this August.

I was able to meet some women farmers doing the hard work of empowering their neighbors. Dejeyetnush Yenesew, for example, is both a community organizer with a local NGO and a member of her FO’s managing committee. She mobilized other local female heads of household to stop renting out their land and begin farming it themselves. Dejeyetnush demonstrated the importance of linking income-generating activities with empowerment and health. P4P in Ethiopia strives to do this, and women’s participation is a leading principle. But so far the results are minimal, and P4P in the future will need to put extra emphasis on supporting women in decision-making roles. Leadership allows women to develop their management skills, while allowing them to target the organization’s resources to women’s particular needs.

Conducting P4P case studies has been the best internship. Allowing students to immerse themselves in the monitoring and evaluation of a project takes us far out of the classroom to apply the lessons gained therein. We get practical experience in the difficulties of working outside the ivory tower, but are able to use our academic vantage point to contribute, too. Cornell lets its students use the work they’ve done during their internships to compose “professional reports”—a thesis that is practically relevant to the host organization. Our 14 case studies and almost two dozen interviews will give me ample material to prepare mine. I’ve studied the principles of P4P in school; this summer let me see what they mean in action.

ETIOPIA- Examples of ongoing WFP collaboration with AGRA, FAO and IFAD (cont’d)

An MoU between FAO and WFP Ethiopia was signed in August. FAO, together with other supply-side partners, will support the agricultural production and marketing development of P4P-targeted farmers and FOs in P4P’s implementation regions, through the supply of inputs and the provision of training and technical assistance for the full duration of the pilot project, subject to available resources.

WFP will fund a national officer at FAO for six months in order to review the production needs of the P4P FOs and prepare a project proposal for submission to potential donors.
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P4P Staff update

- Hassan Abdelrazig and Isabelle Mbilla have taken up duty as Ghana and Mali P4P Country Coordinators respectively.
- Laura Melo (Laura.Melo@wfp.org), Snr. P4P Advisor for El Salvador, Guatemala, Honduras and Nicaragua, has moved from the P4P Coordination Unit in Rome to the WFP Regional Bureau Latin America & Caribbean in Panama.
- Her successor, Tobias Bauer (Tobias.Bauer@wfp.org), transferred from the WFP Liaison Office in Germany to join the P4P team in Rome as the new Communications Officer.
- Blake Audsley (Blake.Audsley@wfp.org), Market Analyst and Leland Fellow sponsored by the Congressional Hunger Center in Washington, D.C., is now based in Rome after having supported the P4P pilot in Malawi over the past year.

CALENDAR

- 12-18 September: Basic Price Analysis training organised by WFP’s Food Security Analysis Service, Bangkok.
- 21 September: Informal Briefing to WFP’s Executive Board on P4P, WFP, Rome, Italy.
- 21 September: community-led gender action learning focusing on micro and rural finance value chain development workshop, organized by IFAD/FAO/Oxfam Novib, Lusaka.
- 24 September: AGRA/BMGF M&E data convening meeting, Cape Town, South Africa.
- 25 September–3 October: Bill & Melinda Gates Foundation visit to Zambia.

The update is published by the P4P Coordination Unit in Rome, Italy. Contact us at wfp.p4p@wfp.org
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