

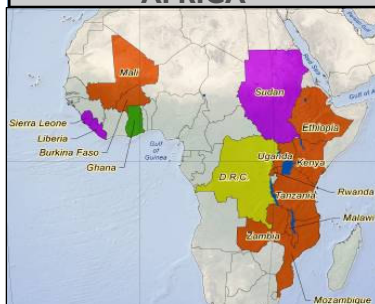
PURCHASE FOR PROGRESS JUNE UPDATE

FOOD SAFETY AND QUALITY CONTROL SYSTEM AND PROCESSING

ISSUE 21
JUNE 2010

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 approval.
- **Laos & Ghana:** development of CIP planned for 2010.
- **P4P Assessments:** all 21 Assessments finalized.

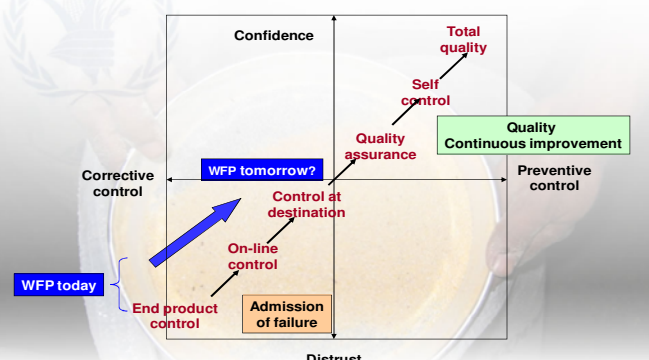
HIGHLIGHTS OF THE MONTH

- WFP **Ethiopia** signed an MoU with the Ethiopian Commodity Exchange on 16 June. Following the signature, WFP is purchasing 1,120 metric tons (mt) of maize through the Exchange. P4P was officially launched in Addis on 24 June. Since February 2010, WFP Ethiopia has bought more than 5,500mt of maize and beans from cooperative unions in Amhara, Oromya and SNNP regions [page 7].
- For the first time ever in **Malawi**, a farmers' organization representing 95,000 smallholder farmers won a competitive tender from WFP. On 28 June, WFP purchased 50mt of maize from the Grain and Legumes Association through the Malawi Agricultural Commodity Exchange for Africa (ACE). WFP is working with the ACE to help smallholder farmers sell their surplus through the Exchange. WFP has purchased over 3,100mt of food commodities through ACE since February 2010.
- WFP **Mali** signed its first "pre-planting" forward contracts for 620mt of sorghum with 6 farmers' organisations in June, for delivery in December. USDA visited four purchase sites and talked to farmers about how P4P is affecting the way they do business [page 6]
- Experts in markets, trade and agriculture, provided high level independent advice to WFP at the **Second P4P Technical Review Panel** held in Jinja, Uganda, on 14-18 June [page 7].

WFP's NEW FOOD SAFETY & QUALITY MANAGEMENT SYSTEM

As WFP purchases more food from farmers' organizations (FOs) or local traders, it is reviewing its food safety and quality management system. A "WFP Food Safety and Quality Management System" Policy Paper, developed with the support of FAO's Food Quality and Standards Service, is being adopted. UNILEVER is helping implement the improved system.

Evolution of Quality at WFP: from quality control to quality management



Some components of the new System

- Clear food specifications for all WFP commodities (including those not traditionally purchased by WFP but of interest to P4P, such as pigeon peas or broad beans), in line with the recipient country's food regulations as well as with international standards and regulations (e.g. Codex Alimentarius);
- Clear procedures on how to introduce new food products in the WFP food basket (through the Nutrition Technical Advisory Group);
- Certification of suppliers of raw materials and processed foods, or requiring compliance to Quality Standards of suppliers, traders and processors (including FOs), of inspection companies and laboratories;
- Regular supplier performance monitoring. Suppliers will be gradually encouraged to reach WFP standards, and inspection companies to invest in "WFP specific requirements" through long term agreements where it makes sense;
- Commodity origin will need to be ascertained by a certificate of origin;
- Mapping of laboratory capacity by region, and selection of "reference" laboratories;
- Reinforcing pre-delivery inspections and on-line recording of inspection and laboratory results;
- Engage National Food Authorities to build their confidence in the WFP food quality and safety management system;
- A comprehensive training package for WFP staff and partners to allow field testing.



World Food Programme

wfp.org

FOOD SAFETY & QUALITY MANAGEMENT SYSTEM & CAPACITY BUILDING

To implement the improved food safety and quality management system, a series of trainings will take place to inform managers and train WFP staff and partners.

- An **e-learning** tool for Country Directors has been developed and is accessible through the corporate Learning Management System (LMS).
- A **Food Quality Manual** is being developed which will take into account specificities of P4P.
- A comprehensive **training package** is being designed to help a range of WFP staff (including procurement, logistics and programme officers) implement the new system, and explain procedures and tools to implement quality control along the whole food supply chain. A first mission to refine the content of such training will take place in South Africa in July.
- More basic training will be developed, in particular:
 - ⇒ a general overview of what is quality and food processing; and
 - ⇒ a more specific training for WFP staff and partners on grading basic P4P commodities (grains and pulses), based on an “extended” Blue Box concept.

WFP is defining an “**extended**” **blue box concept**, developing ‘visual cards’ as well as a training package (including sampling procedures and interpretations of results) to enable interested staff to check the quality of the food purchased directly at farmer organization level (before sending samples to the Food Inspectors). This will:

- empower WFP staff to better understand what all the parameters mean; and
- enable WFP staff to provide a concrete and instant feedback to farmers, building trust between the two parties.

Increasing laboratory capacities

With the support of FAO and other partners, P4P plans to strengthen laboratory capacities. For example:

- In **Afghanistan**, FAO is helping the WFP country office to assess the gaps in Government and private laboratories, and WFP will support necessary complementary activities.
- In **Mozambique**, a USAID funded project will expand the range of analytical capability of commercial laboratories, while supporting efforts to obtain accreditation.

Guatemala's Blue Box

Guatemala successfully improved quality with appropriate training and equipment, by introducing the “**Blue Box**” in 2009, a kit containing a set of quality control tools (calibrated scale, a moisture meter, sieves, an aflatoxin measurement set) to enable on-site quality control checks of maize. The results have been substantial: the Blue Boxes (and the related training on quality assurance) have enabled P4P targeted FOs to:

1. provide aflatoxin free maize to the Vitacereal Processing Factory in 2009;
2. contribute to building the industry's confidence in the ability of FOs to provide high quality grain;
3. the field testing has increased farmers' confidence that the grain will not be rejected by the buyer, thus increasing their bargaining power. This has also reduced the length of the procurement process, as it decreases likelihood of rejection when the commodity reaches Food Inspectors.

Training on quality and quality analysis in the field have been instrumental in developing consciousness among farmers of the importance of quality, in developing a quality culture, and in significantly reducing rejections by Food Inspectors.



P4P invests in strengthening laboratory capacity for aflatoxin testing in Nampula Province, Mozambique

In Mozambique, WFP/P4P will invest in providing equipment to and training the technical team at the UniLurio laboratory, a microbiology laboratory at Lurio University, Nampula, Northern Mozambique. WFP investment will enable the laboratory to conduct advanced scientific research in the area of food contamination, and to efficiently provide the quality control services (including aflatoxin testing and other quality tests) normally required by WFP. WFP investment will also allow the laboratory to gain international ISO 17025 accreditation.

Once trained, fully equipped and accredited, the laboratory and its technicians will provide quality testing services locally to interested buyers and businesses wishing to export, at lower costs and more rapidly. Prior to the laboratory's installation, commodity trading companies used the services of a South African laboratory to screen for aflatoxin contamination at a total cost of approximately \$150. The results would take three weeks. The new laboratory will offer the same test for \$36 and with results available within the hour. This will benefit not only WFP, but the Mozambican agricultural industry in general.

LINKS & RESOURCES ON FOOD SAFETY & QUALITY

Food Quality website: houses a wide variety of information on quality assurance, food processing, WFP procedures <http://foodquality.wfp.org/>. Tools such as questionnaires and evaluation forms to assess various phases of the supply chain can be found at <http://foodquality.wfp.org/QualityProcedures/Commoditychoice/tabid/486/Default.aspx>.

Food Quality E-learning guide for WFP staff: aimed at equipping WFP Country Directors (and other staff) with basic tools and knowledge to allow them to deal with food quality and safety issues: <http://wfp.cobentdev.com/>

Food Storage Manual: developed by WFP logistics can support the “storage phase” of the supply chain <http://foodquality.wfp.org/Portals/0/Foodstoragemanual.pdf>.

Processed Foods for Improved Livelihoods published by FAO (by Peter Fellows, 2004) includes information on small-scale processing options on a variety of commodities. References provide links to more technical information and books published on the topic <http://www.fao.org/docrep/007/y5113e/y5113e00.HTM>.

FOOD QUALITY—AFLATOXIN

What is aflatoxin?

- Aflatoxins are poisonous chemical compounds produced by mycotoxigenic fungi. High risk commodities include maize and peanuts which can lead to contamination of food and animal feed and consequently, of the entire food chain.

Main causes

- Fungal development takes place before and after harvest, under high humidity and warm weather conditions. Some of the most common causes of contamination are (for maize, but this applies to other crops): insufficient/rapid drying of maize within 48h after harvest; storing maize in houses with inadequate ventilation and high humidity; storing of maize in propylene bags while not dried.

Where is it located

- Mycotoxins contamination is widespread in a band from 40 degrees North to 40 degrees South around the world. As such, Sub-Saharan Africa (SSA) is known to be very exposed, especially in areas with high temperature and relative humidity.

How is it prevented?

- By promoting rapid methods for drying (ideally within 48 hours after harvest), by sun drying (on a tarpaulin or concrete clean space), or mechanical drying
- By adapting storage technologies to local conditions, for example, grain warehouses with dryers and rapid grain moisture testers
- By promoting good traditional practices such as sorting, and by using sieving and density segregation to reduce mycotoxin contamination.

For more information on aflatoxin consult IFPRI's AflaControl website: <http://programs.ifpri.org/afla/afla.asp>

For WFP Standard Operating Procedures for Aflatoxin, consult the quality website: <http://foodquality.wfp.org>



Although WFP procures maize and pulses locally in SSA through both its standard local and regional procurement and its P4P programme, it is difficult to appreciate the extent of the problem because:

- There is significant variation in standards across nations (20 parts per billion –ppb– by US Food and Drug Administration; 4 ppb by EU);
- Testing for aflatoxin is not yet systematic or compulsory in all countries (only 14 African countries have standards, and these vary);
- Inspection companies and labs are not always available, or may not have the capacity for testing for aflatoxin.

What is WFP doing ?

1. Testing WFP consignments with private laboratories, where it is required or where risk of aflatoxin contamination is known to exist;
2. Developing field testing equipment (and training) for WFP staff and partners, such as the application of the Blue Box concept in the Southern Africa region;
3. Defining Standard Operating Procedures for aflatoxin testing;
4. Prevention through promotion of post-harvest interventions with partners such as FAO;
5. Working with FAO to develop a surveillance system and mapping of laboratory capacity in the aflatoxin belt;
6. Working with machine makers to design containerized drying, cleaning and sorting equipment.

WFP food technologist participates in global aflatoxin workshops

On 17-18 June, the Bill & Melinda Gates Foundation (BMGF) convened a meeting in Washington D.C. to discuss aflatoxin issues and determine whether to invest (and to get others to co-invest) in a proposed solution. WFP food technologist Bertrand Salvignol participated.

The main outcome of the meeting is the proposed creation of a “**Partnership for Aflatoxin Control**” (PAC), gathering experts around the world to develop an integrated and holistic strategy to abate and control aflatoxin, starting with Sub-Saharan Africa. First proposed target countries are Kenya and Nigeria.

The strategy includes bio-control measures; promoting good practices in post-harvest drying, storage and processing; finding alternative uses for contaminated foodstuffs; developing more accurate and lower cost diagnostics; building laboratory capacity; strengthening awareness, education and extension; aligning policies, legislations and standards; commercializing relevant aspects; and linking agricultural interventions to human and animal health and nutrition.

To ensure alignment with African government priorities and the CAADP Framework, it is proposed that the PAC be based in both ECOWAS and COMESA.

WFP will join the PAC as an implementation partner, contributing to:

- Sharing knowledge and expertise on food safety and quality issues, through both its regular Local and Regional Procurement, and through P4P;
- Promoting innovations in sampling, testing and equipment, in particular field testing kits such as applications of Guatemala's Blue Box;
- Sharing information on laboratory capabilities in SSA (WFP is currently mapping existing laboratory capacities and encouraging their upgrade in collaboration with GAIN/UNIDO and FAO);
- As a quality buyer, WFP can act as catalyst for the harmonization of quality standards, leverage investments in post-harvest handling capacity building, and provide incentives to FOs to adopt good post harvest practices.

On 8-10 November, FAO and WFP will co-present an update on past and ongoing actions, and strategies for mycotoxin issues in relation to food safety and security at the **World Mycotoxin Forum**, organized in the Netherlands. Find out more on http://www.bastiaanse-communication.com/html/wmf6_new.html.

PRO SMALLHOLDER PROCESSING

Afghanistan pilots Containerized Food Processing Units (CFPUs)



With funds from USAID, WFP developed a new concept to rapidly initiate food processing activities. CFPUs are standardised food production lines, electrically pre-wired and pre-assembled into 20 feet shipping containers, allowing their rapid transportation and quick installation in almost any environment. Aimed at processing various basic aid commodities (dried and cleaned grains, maize meals, fortified blended flours, ready to use supplementary food, vegetable oil, biscuits) directly in host countries and from locally available resources, they promote local development and capacity building.

P4P in Afghanistan is developing local capacity for food processing and manufacturing of biscuits and fortified blended foods (FBF).

A mission by the WFP regional food technologist in March 2010 had assessed the readiness of two private biscuit companies (Sadaf Arya and Dama Cake) to start a production line of High Energy Biscuits (HEB) for WFP, and of another biscuit company (Naseeb Bakery) interested in running a containerized biscuit factory.

WFP is initially planning to install 2 CFPUs (of 250kg/h production capacity each) which will produce high energy biscuits. A second WFP mission will be in Afghanistan in July 2010 to finalize pre-selection of interested private partners for the production of biscuits and to look at expanding food processing activities to oil processing, and possibly production of Ready-to-Use-Supplementary Foods. Location of the units will be determined according to location of partners, raw material production areas and /or biscuit distribution areas. Fortified biscuits will be utilized in a national school meals programme.

COUNTRY UPDATES

WFP has encouraged the start up of processing units/factories, and has been directly or indirectly supporting local processing of maize and other local foods in a number of countries prior to P4P. Through P4P, WFP is trying to link existing demand from processors and existing processing factories to smallholder farmers and targeted P4P FOs, and/or is supporting the start up of new pro-smallholder processing options in a number of countries. Some examples are:

Guatemala has been producing Vitacereal (a fortified maize/soya blended flour) since 2007 for supplemental feeding programmes for pregnant and lactating women and children under five. FOs supply the raw material and have received capacity building and training on quality assurance. As a result, FOs provided aflatoxin free maize to the Vitacereal Processing Factory in 2009.

Malawi: P4P will improve quality standards at processing units of Likuni Phala (a locally produced fortified corn-soya blend), established in the 1990's with the support of WFP and the Dutch Government. General Mills is undertaking research in collaboration with WFP Malawi on how to prolong the shelf-life of Likuni Phala. Corn Soya Blend (CSB) samples from Domasi, Ekwendeni and St Gabriel Likuni Phala Production Units (LPPUs) were sent to General Mills during the first part of 2010. General Mills is also looking into how to improve the production line of the LPPUs to increase the likelihood of them becoming WFP suppliers.

Mali will conduct a feasibility study on fortified blended foods (FBFs) during the fall 2010. P4P may consider the purchase of cowpeas and processed foods at a later stage.

Mozambique: following the successful delivery of 463mt of locally produced CSB in 2009, WFP is discussing the possibility of initiating forward contracts in 2010 with Joint Aid Management (JAM), an NGO that has established a CSB processing factory. In June 2010, WFP procured another 500mt of CSB from JAM. Raw materials are sourced from smallholder farmers.

Sierra Leone plans to purchase fortified oil and fortified blended foods during the second phase of its P4P programme. A feasibility study carried out in January 2010 found that there is a potential market to start a FBF production line in Sierra Leone. In addition to WFP, UNICEF is interested in procuring part of the production for its programmes, but funding is lacking to support a local entrepreneur to set up a FBF production facility. The study also looked into the possibility of incorporating pigeon peas in the P4P food basket, a commodity largely grown and traded by women. De-husking and splitting is required to reduce cooking time, and the P4P Programme Advisory Group (PAG) is discussing appropriate machinery, to be funded through an Irish Aid grant. A local agro-processing supplier is being identified to develop the prototype. Pigeon peas will be distributed through WFP's school meals programme.

Uganda: P4P envisages the creation of market collection points where smallholders can clean, dry, bag, grade and store quality produce. WFP is purchasing nine units to dry, sort, clean and bag maize for 9 warehouses being constructed or rehabilitated.

Zambia: P4P in Zambia is supporting processing plants producing fortified cassava flour and High Energy Protein Supplement (HEPS), an equivalent of Corn Soya Blend (CSB), for which the raw materials are purchased locally from smallholder farmers. In June, P4P contracted 500mt of HEPS from the Wildlife Conservation Society (WCS) factory, which has a production capacity of 20mt per week.

FOOD QUALITY AND THE PRIVATE SECTOR

P4P procuring through agro-dealers in Mwingi district, Kenya

WFP Kenya began working with smallholder farmers in Mwingi district in March 2009. Mwingi forms part of Kenya's Arid and Semi-arid Lands (ASALs), and the farmers were hit hard by the drought in 2009. To help them recover their livelihoods, the Ministry of Agriculture distributed certified seeds for drought-tolerant crops (like sorghum and millet) to about 12,000 farmers, and trained them on farming as a business. WFP participated in these trainings, introducing the farmers to P4P and emphasizing the quality standards that they would have to meet if they intended to sell to WFP.

The farmers were confident that the crops they had planted would produce good quality grains – they had used certified seeds and followed the agronomic practices recommended by the Ministry of Agriculture. Their concern was rather that, lacking basic equipment such as tarpaulins to thresh on, they did not have the financial resources to maintain the quality of the grain post-harvest.

With the Ministry of Agriculture and the Ministry of Arid Lands, WFP organized a tarpaulin loaning system so that the farmers were not threshing on the ground. To prevent quality problems related to improper storage and handling, WFP turned to the private sector, to see if any small, reputable businesses in the district would be interested in aggregating sorghum from the farmers for sale to WFP. Two village level agro-dealers (stockists) expressed an interest, and WFP contracted them for 112mt of sorghum. WFP worked intensely to prepare the agro-dealers, training them on quality control, food storage and handling, and basic warehouse management.

The agro-dealers opened for buying in March, and the response from farmers was overwhelming: within three weeks, the two agro-dealers had bulked more than 800mt. They delivered the first consignment of 112mt in-full, on-time, and meeting stringent quality standards. WFP is in the process of procuring the balance of their stocks this month.

Chris Mwovi is an agro-dealer in Mwingi town. Business has not been very good in recent years because most farmers planted maize which does not grow well in the rain deficit district. With poor returns for their produce, farmers have less to reinvest in inputs.

"Since WFP started encouraging farmers in the district to grow the more drought tolerant sorghum, my business has picked up," says Chris with a smile, adding that "more and more farmers are buying farming inputs such as fertilizer from me because they have a good market for their surpluses."

WFP, in partnership with AGMARK, is providing training in grain bulking to agro-dealers like Chris. The training includes record-keeping, quality control, storage, and package of grains. *"I can now walk to the bank with my WFP contract and get an over-draft because the bank is confident that I will be able to pay back the loan. With the over-draft, I pay the farmers cash when they deliver their sorghum and they use some of that money to buy seeds and fertilizer in my shop."*



Chris Mwovi, an agro-dealer in Mwingi town contracted by WFP to aggregate sorghum from farmers, in his shop

Two food inspection companies in Kenya conduct field quality checks and train farmers on basic quality issues

WFP Kenya has contracted two food inspection companies (SGS and Intertek) to carry out preliminary quality checks on stocks that farmer groups are considering selling to WFP.

During the quality checks, SGS trains the farmer groups on how to sample and test for moisture (using digital moisture meters loaned to the groups by WFP), and how to do visual checks to control for other impurities (broken, discoloured, pest damaged and sprouted grains, foreign matter, infestation) in order to meet WFP's quality specifications.

During the training, the inspection companies also provide information to the farmers on how the risk of aflatoxin contamination can be reduced through proper storage and handling of the grains. As a result, defaults due to quality reduced significantly with respect to 2009.

WEST AFRICA NEWS

Mali signs first P4P pre-planting forward contracts

WFP Mali signed its first pre-planting forward contracts for 620mt of sorghum with six FOs in June, for delivery in December. WFP is planning to sign similar contracts with another 8 FOs for a total of 1,161mt of millet, using a Kingdom of Saudi Arabia contribution. WFP Mali had signed forward contracts at the end of 2009, but these are the first forward contracts being signed prior to planting. In fact, the forward contracts signed in December were signed one and a half months prior to expected delivery, and the main lesson learned was that this was too short to allow FOs to apply for and receive loans, which resulted in many FOs not being able to deliver as planned, and in WFP incurring pipeline problems.

By signing forward contracts six months prior to expected delivery (i.e. prior to planting), expected benefits are:

- reducing probability of defaults, as FOs will have more time to apply for loans, and more time to organize aggregation. FOs indicated they will increase their cultivated areas and reserve in advance a part of their production for the WFP contract;

- better meet farmers' cash needs early in the trading season, as FOs can use WFP's contract to access credit;
- better meet WFP's programme needs, realizing savings by procuring earlier in the season.

While the quantity is determined at the signature of the forward contract six months in advance, the price will be determined at the signature of the addenda to the contracts, at delivery time in December, according to the following formula:

PRICE = reference producer price + quality premium equivalent to USD 38/mt.

The reference producer price will be the price reported by the national market information system, OMA (Observatoire des Marchés Agricoles). Concretely, WFP will buy from farmers at a rate of 38 USD above what they would receive at farm gate from their usual buyers (small traders/field collectors). This way, WFP will purchase from farmers at the same cost as WFP would purchase from large-scale traders, but the margin is transferred to the farmer.

MALI: US Department of Agriculture visits P4P FOs and hears farmers' perspectives

A USDA mission visited four P4P FOs in Mopti, Koulikoro and Segou regions at the beginning of June, and collected farmers' testimonies of how P4P has made a difference for them and their FOs.

Larger contracts and swift payment by WFP reduces storage costs and interests paid on loans

- In **Dioila**, Koulikoro region, the technical team of ULPC (*Union Locale des Producteurs de Cereales*), a P4P targeted Farmers' Union, explained how they intend to double the cereals sold to WFP during the next commercialization campaign (October - December): their business plan envisions to order 76mt of fertilizers instead of 36 used last year, to respond to WFP's "secure" market. Earlier, M. Dramane Keita, the ULPC Technical Coordinator, testified that the sale to WFP made a difference in their operations:



Erin Means from USDA and P4P Country Coordinator Martin Kabaluapa amongst women farmers from the Bodjina Bara women group, Logo Village, Bankass.

"unlike the precedent years, we reduced storage/commercialization costs by half. Indeed, we used to keep most of our produce longer because the orders we received from buyers were for limited quantities not exceeding 20mt in general. Long term storage generated losses due to infestation by pests. Finding buyers implied travels for contacts with potential buyers and finally, the value of interest paid on credit was higher than when we sold an important quantity to WFP. The sale was quick, and as a result we had to pay lower amounts of interests on our loan".

- In **Segou**, the mission visited Faso Jigi, a farmers' union now grouping some 200 farmers' cooperatives. Faso Jigi has successfully delivered sorghum and millet to WFP several times since early 2009. Faso Jigi testified how WFP purchases and swift payment reduced its commercialization costs by accelerating loan reimbursement to the bank, thus enabling the distribution of larger benefit margins to farmer members. Aboulaye Sisouma, Faso Jigi's coordinator, mentioned how in the past farmers were not considered capable of either producing high quality produce or of holding their own negotiations. P4P, he says, has disproved this theory.
- The cooperative visited in **Cinzana**, Segou region, explained how their stock was initially rejected for non conformity to WFP quality requirements, and how they had to work more to meet the standards. This was a learning process for them.
- The fourth group in **Bankass**, Mopti region, Bodjina Bara, is a women's group supported by CRS which had previously received funding from USDA. The women's group was happy with the profit made through the sale to WFP, but expressed hope that WFP would speed up its payment mechanism.

EASTERN & SOUTHERN AFRICA NEWS

WFP Ethiopia signs MOU with the Ethiopian Commodity Exchange and conducts first purchase

ECX CEO Dr. Eleni Gabre-Madhin and WFP Country Director Mohamed Diab at the signing ceremony

WFP Ethiopia signed a Memorandum of Understanding with the Ethiopian Commodity Exchange (ECX) on 16 June regulating the terms and conditions of how WFP will procure through the ECX, for a pilot period of 6 months.

Both organizations agreed to cooperate to contribute to market development in the country by improving market access for smallholder farmers, while at the same time helping to save lives through cost effective procurement of food for people in need in Ethiopia.

Following the signature of the MOU, WFP Ethiopia is in the process of purchasing 1,120mt of maize. Upon receipt of all necessary clearances on quality and quantity from an independent WFP superintendent, WFP will take consignment of the commodity (in lots of a minimum of 250mt) directly at a pre-established ECX managed warehouse. The ECX will pay the seller on behalf of WFP, while WFP will pay the Exchange.

The second P4P Technical Review Panel meets

The absence of standards and grades was recognized as one of the recurring problems of agriculture production and marketing in Sub-Saharan Africa at the 2nd Technical Review Panel (TRP) meeting in Jinja, Uganda on 14-18 June. Seven members of the P4P Technical Review Panel (ACTESA, FAO, IICA, IFAD, IFPRI, Michigan State University, Sasakawa Africa Association); WFP staff (from the P4P Coordination Unit, Procurement Division, the Food Security and Analysis Service, and P4P Country Coordinators of El Salvador, Liberia, Uganda and Zambia), as well as partners (AGRA, East African Grain Council) met to discuss progress of P4P.

Strengthening FOs, warehouse receipt systems and buying through commodity exchanges as ways to support smallholder farmers' access to profitable markets were some of the topics discussed.

The TRP, composed of experts in markets, trade and agriculture, provides high level independent advice to WFP and the P4P pilot countries. For its second meeting, the TRP was asked to advise on four main themes:

- the assumptions underlying P4P country strategies;
- implications of baseline data collection for impact assessment and approaches to dealing with changing sampling frames over time;
- P4P's proposed definitions of beneficiary counting; and
- how to determine when an organisation is ready to "graduate" (i.e. has the capacity to profitably engage in markets without continued external assistance from WFP and partners).

Some recommendations from the Panel included:

- tracing links between FOs and commodity exchanges to ensure these market platforms benefit smallholder farmers; and
- using an increase in farmers' incomes as the main indicator of impact.

Third Coalition for African Rice Development General Meeting, Arusha, Tanzania

Sierra Leone WFP Country Director and Liberia P4P Country Coordinator, the two countries where WFP is purchasing rice under the P4P programme, attended the 3rd "Coalition for African Rice Development" (CARD) General Meeting on 18-19 May in Arusha, Tanzania. WFP's critical role in rehabilitating rice cultivation areas through Food for Work (FFW) activities and in creating markets for smallholder rice farmers under P4P in Liberia and Sierra Leone was acknowledged. JICA's Senior Vice President Kenzo Oshima welcomed the recently signed MOU with WFP, which foresees collaboration between CARD and the P4P initiative.

The challenges of high prices of locally produced rice were discussed, which highlights the need to establish more efficient smallholder production and commercialization systems. It was noted that in order to determine fair prices between import parity for Asian rice and local production costs in Africa, WFP P4P would require up-to-date information on rice production costs and estimations of gross margins in different rice production systems. The quality standards which WFP sets for its local rice procurement were perceived as challenging but important for the development of the rice sector in Africa.

Twelve Sub-Saharan African countries (8 of which are P4P pilot countries, including Sierra Leone) have already formulated their National Rice Development Strategy (NRDS), while another eleven countries (6 of which are P4P pilot countries, including Liberia) are in the process of formulating their NRDS.

After having defined WFP **rice specifications** for Sierra Leone in 2009 (a country where WFP had never previously undertaken local procurement), WFP will contract FAO and the Sierra Leone Agricultural Research Institute to determine quality standards for **peas** and **pulses**, which are being introduced alongside milled rice in the P4P food basket.

KEY P4P CONTACTS IN ROME**P4P COORDINATION UNIT**

- **Ken Davies**, P4P Coordinator : Ken.Davies@wfp.org
- **Sarah Longford**, Snr Programme Adviser, Partnerships: Sarah.Longford@wfp.org
- **Mary-Ellen McGroarty**, Snr Programme Adviser for Ethiopia, Kenya, Laos, Malawi, Mozambique, Rwanda, Tanzania, Uganda & Zambia: Mary-Ellen.McGroarty@wfp.org
- **Jorge Fanlo**, Snr Programme Adviser for Afghanistan, Burkina Faso, DRC, Ghana, Liberia, Mali, Sierra Leone, Sudan: Jorge.Fanlo@wfp.org
- **Laura Melo**, Snr Programme Adviser for El Salvador, Guatemala, Honduras and Nicaragua: Laura.Melo@wfp.org
- **Clare Mbizule**, Snr Programme Adviser, M&E: Clare.Mbizule@wfp.org
- **Elaine Reinke**, M&E Officer : Elaine.Reinke@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
- **Alessia Rossi**, Staff Assistant: Alessia.Rossi@wfp.org

PROCUREMENT DIVISION

- **Bertrand Salvignol**, Food Technologist: Bertrand.Salvignol@wfp.org
- **Jeffrey Marzilli**, P4P liaison: Jeffrey.Marzilli@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 Jacq <melanie.jacq@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 Wonneh <Lansana.Wonneh@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. Jaime Guerrero <Jaime.Guerrero@wfp.org>
Nicaragua: Mr. Francisco Alvarado <Francisco.Alvarado@wfp.org>

AFGHANISTAN P4P COUNTRY COORDINATOR PROFILE

An agronomist and a Geographic Information Systems (GIS) specialist, Stephane Meaux knows Afghanistan well: prior to working as a GIS specialist in Ethiopia in 2007, Stephane had worked for two years with the French Agricultural Cooperation in Afghanistan, and then returned to the country in 2007 to work for WFP, where he has assumed the role of P4P Country Coordinator in 2009.

"In a war torn country like Afghanistan, P4P contributes to the recovery of the agricultural sector by encouraging crop diversification and food transformation in a more sustainable and quality oriented fashion" says Stephane.

Food processing in particular is an important component of P4P in Afghanistan, providing incentives for increasing local production of wheat, soybean and vegetable oil. Despite obvious security constraints, WFP aims to purchase 2,000mt of High Energy Biscuits and 2,000mt of wheat grain, soybean and vegetable oil in 2010.

CALENDAR

- **Week of 28 June:** ECOSOC Opening of High-level Segment/Annual Ministerial Review, New York. Theme of 2010 AMR: "Implementing the internationally agreed goals and commitments in regard to gender equality and the empowerment of women".
- **1 July:** WFP Informal Consultation: Update on WFP Gender Policy, Rome, Italy.
- **6-9 July:** WFP Global Meeting, Madrid, Spain.
- **12-13 July:** COMESA Third Joint Agriculture, Environment and Natural Resources Meeting, Lusaka, Zambia
- **13-14 July:** Borlaug Symposium, Addis Ababa, Ethiopia. P4P Coordinator will participate on the panel "Improving Postharvest Handling/Agroprocessing & Marketing".
- **19-20 July:** Forum for Agricultural Research in Africa - FARA, Burkina Faso.
- **2-4 August:** International Food Aid & Development Conference (IFADC), Kansas City, Missouri.

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

External: www.wfp.org/p4p ; Internal: <http://go.wfp.org/web/purchaseforprogress>