

World Food Programme

Weathering the Storm



Local Procurement

- WFP's policy is to purchase food at the most advantageous price, taking into account the cost of transport and shipping, with a preference towards procuring locally or regionally in developing countries wherever possible.
- Local procurement refers to buying in the same country where the food is to be distributed; regional procurement is a purchase in a different country in the same region.
- Much of the food that WFP purchases in developing countries is for local or regional distribution.
- **Markets are stimulated** and supported through buying food locally or regionally, thus giving farmers an incentive to produce more as well as helping to boost the local economy. Given the current high food prices and rising fuel costs, local procurement can sometimes stretch WFP's resources for the hungry poor, while also helping to provide small-scale farmers with an income.
- Local procurement allows WFP to make purchases more quickly and also allows us to adapt the food basket to the tastes of our beneficiaries.
- **In 2007, some 80 percent of food purchased by WFP - a record US\$612 million - was procured in 69 developing countries. In 2008, WFP purchases of food in developing countries may reach US\$1 billion.**
- The largest quantity of food bought by WFP last year was in Uganda (210,000 metric tons) valued at nearly US\$55 million - enough to assist some 3.4 million people for one year.



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For more information:
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- In Africa, WFP purchased 902,297 metric tons at a cost of US\$253 million.
- In Latin America, WFP purchased 135,316 metric tons at a cost of US\$1 million.
- In Asia, WFP purchased 667,961 metric tons of food at a cost of US\$262 million.
- **Between 2001 and 2007**, WFP purchased food valued at more than US\$1.2 billion on domestic markets in Africa as a whole.
- WFP purchases food through competitive bidding to guarantee the best prices and ensure that the process is transparent. Commodity costs are carefully analysed, as are the costs of transport and handling.



Purchase for Progress

- In line with WFP's strategy to use its purchasing power to support sustainable development of food security, in 2008 we are launching a set of pilot activities in many countries in Africa, Asia and Latin America to connect small-scale farmers to markets. This effort is known as "Purchase for Progress" or P4P.
- Through P4P, WFP plans to expand its food procurement activities, as a support to local markets, so that they better support sustainable crop production and help to address the root causes of hunger.
- WFP will purchase more food from low-income farmers and farmers' groups, as partners in agriculture and market development in countries where WFP has operations. This will help reduce the risks farmers face from uncertain markets, boost incomes and encourage them to invest in technologies and practices to increase and improve production.
- The vision behind P4P is for agricultural markets in Africa to develop in such a way that by 2015, a significant number of African smallholder farmers - the majority of whom are women - will produce large surpluses of food, sell them at a fair price and earn better incomes. With increased incomes, education, sanitation and health services would become more accessible to these farmers and their families.

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