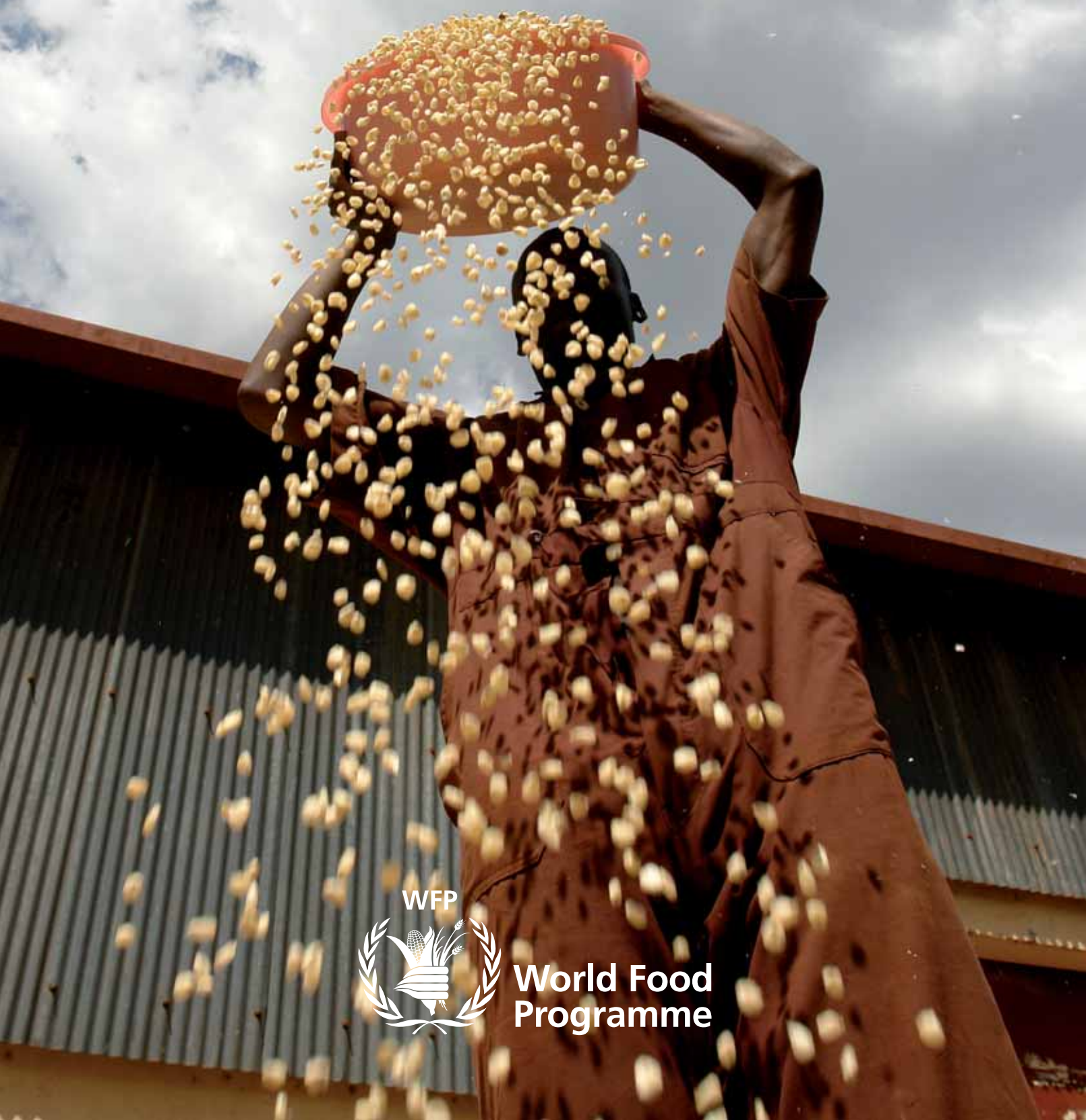


PURCHASE FOR PROGRESS

Connecting Farmers to Markets



World Food
Programme

TRANSFORMING LIVES

Purchase for Progress builds on WFP's local food procurement programme and takes it a step further – reaching smallholder and low-income farmers and enabling them to gain more from supplying food to our global operations.

While targeting the hunger needs of 103 million people in 2008, the United Nations World Food Programme (WFP) bought US\$1.1 billion worth of food in 73 developing countries. Through "Purchase for Progress" or P4P, WFP will harness this market power and use it to transform the lives of poor farmers. How? By giving them the know-how and tools to be competitive players in the agricultural marketplace, and by putting more cash directly into their pockets in return for their crops.

WHY WFP? WHY NOW?

The global fuel and food crisis, combined with natural and man-made disasters, has resulted in unprecedented food needs worldwide.

By combining its purchasing power with the technical and managerial contributions of other partners, WFP is developing a new business model as one of a range of tools to tackle both the global high food price crisis and chronic hunger.

This sets up an opportunity to help hundreds of thousands of small-scale farmers to produce more food than their families need, enabling them to sell the surplus to augment their income – a major achievement in the context of the present global food crisis.

A NEW FOCUS

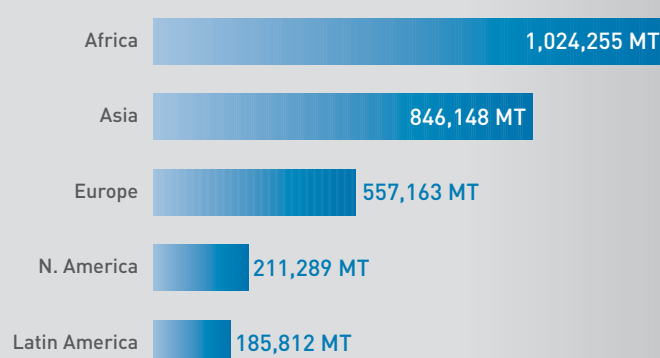
P4P initiatives will be piloted in up to 21 countries over the next five years. This ground-breaking set of activities – valued at US\$76 million – has been designed to enhance smallholder and low-income farmers' access to markets where they can sell their produce at competitive prices.

Starting right from the beginning of the supply chain, WFP will introduce innovative procurement and programme practices to reduce the risks faced by farmers. These practices, which include purchasing directly from farmers' associations and forward contracting, will help to develop secure markets for farmers' surpluses. P4P will also focus on developing local opportunities to process food, thereby increasing the availability of nutritious products in the local markets.

P4P:

- Creates an incentive for farmers to develop their crop management skills so they can produce quality foods.
- Creates a market for the surplus crops of smallholder and low-income farmers
- Realigns the way WFP buys food to better address the root causes of hunger
- Promotes local processing of foods

WFP FOOD PURCHASES, 2008





“Purchase for Progress is a win-win – we help our beneficiaries and we help local farmers and their communities.”

Josette Sheeran, WFP Executive Director

The food WFP buys from farmers will go to feed hungry people in the same country. Thus P4P creates a win-win solution for developing countries. In the first year, WFP expects to purchase 40,000 tons of food – enough to feed 250,000 people for a year.

Many communities struggle for basic agricultural inputs such as seeds and fertilisers. Working with “supply-side” partners specialised in enhancing agricultural productivity, P4P will improve farmers’ access to technologies and practices that can enhance the quantity and quality of their crop production.

WORKING TOGETHER

Smallholder and low-income farmers in developing countries – most of whom are women – are central to P4P, as producers,

traders, agricultural extension workers as well as beneficiaries. Public-private partnerships are important, as are small and medium-size agricultural traders and agro-input suppliers. Governments are pivotal since the cash to pay for the local procurement of food comes from ongoing donor contributions to WFP’s regular operations.

P4P requires a collective effort from the UN agencies, the World Bank Group and NGO partners working with farming communities to enhance crop management capacities and marketing skills. Host governments develop the overall strategy for the agricultural sector while leading the investment drive to improve both agricultural production and rural infrastructure.

FUNDING P4P

The US\$76 million needed to manage and administrate P4P has come from extra-budgetary contributions. The Bill & Melinda Gates and Howard G. Buffett Foundations – recognizing the role of agricultural development to address hunger and poverty in developing countries – provided funding to support the initiative in 17 of the 21 selected countries. The Belgian Government has provided funds for the inclusion of the Democratic Republic of Congo.

The 21 selected countries in the P4P pilot are:

- **Africa:** Burkina Faso, Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Liberia, Malawi, Mali, Mozambique, Rwanda, Sierra Leone, Sudan, Tanzania, Uganda and Zambia
- **Latin America:** El Salvador, Guatemala, Honduras and Nicaragua
- **Asia:** Afghanistan and Laos

P4P PARTNERSHIPS



A FARMER'S STORY

Joyce Banan, Chairperson of Kapchorwa Farming Association in Uganda



Joyce Banan lives in a solid brick house and has managed to send her three children to university - major achievements for a small-scale farmer. But for many years she was poor and was unable to produce more than 8 bags of maize per hectare of land.

In 1999, Joyce and a group of other farmers started an association to change their methods and increase production. They created the Kapchorwa Farming Association. With fertilizers and new farming techniques, Joyce's yields multiplied to 35 bags of maize. Kapchorwa helped Joyce to sell her produce and obtain loans for more inputs like seeds and tools.

WFP has been instrumental to the success of Joyce and other farmers in the Association. Last year, they sold 5,000 metric tonnes directly to WFP and this year they hope to sell more. By providing an assured market and support to associations such as Kapchorwa, WFP can help poor farmers like Joyce build a better future for their families.

"Smallholder farmers, who constitute the large majority of agricultural producers, are often unable to respond to food price increases with increased production due to a lack of access to financing, agricultural inputs and markets."

ECOSOC 2008 High-level Segment Thematic Debate on Rural Development



For more information or feedback, please write to WFP.P4P@wfp.org or visit our website at wfp.org/P4P

WFP

WFP is the United Nations' frontline agency in the fight against global hunger.

In emergencies, WFP gets food to where it is needed, saving the lives of victims of war, civil conflict and natural disasters. After the cause of an emergency has passed, WFP uses food to help communities rebuild their shattered lives.

Working with UN agencies and NGOs, WFP pursues a vision of the world in which every man, woman and child has access to the food needed for an active and healthy life.

In 2009, WFP aims to feed around 100 million people in 77 countries. More than 10,000 people work for WFP, most of them in remote areas, directly serving the hungry poor.



Supported by the Bill & Melinda Gates Foundation and the Howard G. Buffett Foundation