Inclusive Public Procurement: Connecting Farmers to School Feeding

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Public food procurement from smallholder farmers - some possible assumptions on potentialities to promote improvements on farming and farmers’ organizations:

- Targeted, predictable, regular and diversified food procurement is adapted to the small farmers’ needs and promotes inclusiveness of public food procurement.
- Targeted purchases may positively interfere on non competitive markets and on farmers’ revenues, promoting market inclusiveness for smallholder farmers;
- Predictability of prices and contracted quantities may reduce farmers’ risks of engaging on food production and marketing, by providing information of future variables and therefore supporting better planning;
- Regularity of contracted quantities may provide a learning curve opportunity to farmers and farmers’ organizations, in order to progressively improve quantity (productivity/aggregation) and quality of food produced in a timely manner;
- Diversified and/or context based school feeding menus (traditional local products) may be adapted to farmers' skills.
Aggregated and general profile of agriculture in Sub-Saharan Africa

>570 million farms in the world
>500 million of these are owned by families
>475 million farms are less than 2 hectares in size
>410 million farms are less than 1 hectare in size

Mostly rain fed agriculture with lack of:
- Financial services
- Technical services
- Technologies
- Structured value chains
- Infra-structure
- Enabling regulatory environment

Worldwide:

>570 million farms in the world
>500 million of these are owned by families
>475 million farms are less than 2 hectares in size
>410 million farms are less than 1 hectare in size

(FAO, ESA working paper 14-02)
How much responsive the small farming and farmers’ organizations would be to the scaling-up of governmental food purchases?

Estimated Ethiopian HGSF annual demand (2012):
- 561,581 tons of maize (62% of the maize supplied by national producers).
- 160,816 tons of haricot beans (78% more than farmers’ supply).

* Estimates do not consider elasticities.
PAA Africa programme implemented in the region of Kédougou – Senegal (2012-2013)

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<tr>
<th>Farmers’ profile - Senegal</th>
<th>Productive support provided by FAO and MoA</th>
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<td><strong>One or two hectares of rice</strong>, with severe constraints related to their access to productive assets;</td>
<td>- Inputs subsidies – free distribution of seeds and fertilizers;</td>
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<tr>
<td><strong>55% of households do not produce enough</strong> cereals for even half of their annual needs;</td>
<td>- Peer-to-peer farming technical assistance;</td>
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<td>illiteracy is high among household heads;</td>
<td>- Processing rice facilities and packing;</td>
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<td>Yearly incomes revolve around USD400.</td>
<td>- Transportation and packing services (WFP).</td>
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**Results:**

- Purchase contracts signed with five unions of FO for the provision of 200 tons of peeled rice for school meals (WFP);
- An increase in productivity from 800 kg/ha to 2.5t/ha in the 2012-2013 campaign, and to 3t/ha in the 2013-2014 campaign;
- **Low compliance levels of procurement contracts** (25% of what was agreed) in the 2012 campaign, **which improved in the following campaigns**;
- An average increment of US$27 in each farmers’ revenues, which represents around 7% of their declared income.

(FAO, Rosana Miranda Et al., 2016)
PAA Africa programme implemented in the region of Maradi – Niger (2012 2013)

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<td>Engaged 611 small-scale family farmers (out of which 54% women);</td>
<td>Distribution of inputs (seeds, fertilizers, defensives and storage bags) in the 2012-2013 campaign;</td>
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<td>77.5% can be considered very poor or poor;</td>
<td>Trainings on alternated millet-cowpea crop systems;</td>
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<td>Disposing of an average of 1.5 to 2 hectares;</td>
<td>Process of awareness-raising was adopted along with farmers organizations to support their capacity for selling, including negotiating a price differential in order to offer less unfavorable conditions than local traders (WFP).</td>
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<td>Incidence of food and nutrition insecurity is high;</td>
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<td>In average, households spend up to 70% of their total income on food.</td>
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Results:
- An increase in productivity from 237kg/ha to 494 kg/ha in the case of millet and from 132 kg/ha to 265 kg/ha to the haricot bean;
- WFP purchased 137.2 tons of millet and 100.9 tons of beans from 7 FO unions, which represents nearly 5% of all its procurement in Niger in 2013;
- With the prices agreed with farmers' unions, producers received a total differential of US$ 34,000 or 21% more when compared to the market price, which positively affected revenues at the individual level.

(FAO, Rosana Miranda Et al., 2016)
Limits when targeting the food insecure and resource constrained farmers in institutional food procurement programmes: inputs for a debate.

- **Access to inputs and improved farming techniques:** distribution of inputs extenuated access issues; nonetheless, concerns regarding the sustainability and public policy and/or policy enabling environments.

Similarly, even the community-based approach of capacity building faced obstacles vis-à-vis farmers’ high levels of illiteracy and uneven capacities.

- **FOs’ organizational weaknesses:** organizations’ limited capacities to provide services having an impact in the compliance of procurement contracts.

- **Farmers’ low income and liquidity and side-selling adopted as a coping strategy:** guaranteed demand should include tailor-made tools to ensure diligent payment and/or access to financial services.

- **Low surplus production and potentialities for diversification:** Small-scale and financially constrained rain fed farming faces high opportunity costs to expand land cultivation thus a limited opportunity to diversify or increase productivity based on available technologies.

*(FAO, Rosana Miranda Et al., 2016)*
Opportunities when targeting food insecure and resource constrained farmers in institutional food procurement programmes: inputs for a debate.

- Revitalizing an area with productive potential and easing market distortions;

- Developing a cost-effective and inclusive approach of public food procurement;

- In a context of high poverty levels such as Niger’s, PP can benefit from the use of broader criteria of targeting leading to a less costly targeting process;

- **Approach centered on farmers organizations**’ counting on FO’s as the programme’s entry point has the advantage of increasing ownership and facilitating service provision. **Nonetheless, there are limits to whether these networks are capable of reaching most vulnerable farmers at the grassroots’ level:**

- Synergies among institutional food procurement, social protection and agricultural investments. It may prove to be a sustainable tool for economic and productive inclusion, complementing social safety nets;

- Local procurement that target resource-constrained women can have a positive impact on gender inequalities for agricultural production and marketing. In Niger, women’s unions had the best results in terms of procurement contracts compliance.

(FAO, Rosana Miranda et al., 2016)
Questions for a national public policy formulation on school feeding with local procurement from small farmers in the Sub-Saharan African context:

A widely and enabling productive agricultural environment relies on several factors to be promoted, which are more critical to small farmers, increasing risks of engaging on production and marketing (policy and legal environments, technical agricultural and financial services, access to technology).

- How could a national school feeding programme in a semi-arid, food insecure and food deficit geographic region overcome the agricultural and FO constraints in the short/medium term?

- How complementarities and convergence of agricultural policies and programmes could be part of the design and support to national HGSF programmes?
Thank you!

Questions and comments are welcome!

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