



Local and Regional Food Aid Procurement Program Report to the United States Congress Fiscal Year 2017

Overview

The U.S. Congress established the USDA Local and Regional Food Aid Procurement (USDA LRP) Program through the Agricultural Act of 2014 (2014 Farm Bill). Congress authorized this program following USDA's successful implementation of a pilot program authorized and funded under Section 3206 of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill). In the 2014 Farm Bill, Congress amended section 3206 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1726c) to provide USDA the authority to administer the USDA LRP Program and authorize annual appropriations of \$80 million for the program through fiscal year (FY) 2018.

Under the USDA LRP Program, USDA is authorized to provide grants to, or enter into cooperative agreements with, private voluntary organizations, cooperatives, and intergovernmental organizations such as the United Nations' World Food Programme (WFP) to undertake the local or regional procurement of commodities to carry out field-based projects in developing countries. Congress provided initial funding of \$5 million for FY 2016 and second year funding of \$5 million for FY 2017.

Objectives

Congress' objective for the USDA LRP Program, as expressed in report language accompanying the 2014 Farm Bill, is "to complement existing food aid programs, especially the McGovern-Dole program, and to fill in nutritional gaps for targeted populations or food availability gaps generated by unexpected emergencies." H.R. REP. No. 113-333, at 432 (2014)(Conf. Rep.).

The USDA LRP Program is building capacity to meet quality standards and product specifications to ensure food safety and nutritional content within each project. To address market sensitivities around local and regional purchases, the USDA LRP Program worked with its recipients to improve the reliability and utility of market intelligence in areas where the program was implemented, and sought to ensure that the USDA LRP Program minimized potential adverse impacts and maximized potential benefits.

Fiscal Year 2017 Funding and Activities

The Consolidated Appropriations Act, 2017, provided that \$5 million of the funds made available in that Act for the McGovern-Dole International Food for Education and Child Nutrition (Mc-Govern-Dole) Program would be available to conduct the USDA LRP Program.

On March 13, 2017, the Foreign Agricultural Service (FAS) announced a solicitation for proposals for projects to be funded under the USDA LRP Program for FY 2017. The application period closed on May 12, 2017. FAS received a total of six applications. Through a competitive and quantitative merit-based selection process, FAS selected three proposals for USDA LRP Program projects in Benin, Kenya, and Tanzania to complement existing USDA McGovern-Dole Program projects.

Fiscal Year 2017 New Projects

Project I: Benin – Supporting Local Engagement for School Meals Provision

In FY 2017, USDA awarded \$2 million to Catholic Relief Services (CRS) to implement a two year USDA LRP Program project in Benin. This USDA LRP Program project will support community efforts to manage the entire school meals process (e.g., from procurement to preparation to storage) currently funded under the McGovern-Dole Program. The project will also stimulate economic development by procuring food from local markets, thereby increasing farmers' incomes and creating additional jobs in the community. The estimated project completion date is September 2019.

Project Activities:

Under the USDA LRP Program project, CRS will engage key agricultural sectors within the Parakou, Perere, N'Dali, and Tchaourou communes in the Department of Borgou to procure locally produced commodities, including maize, shea butter, pulses, and rice for programming into school meals. The USDA LRP Program project will build the capacity of local maize producer groups and school management committees, linking the two entities to facilitate a reliable demand and supply relationship between the farmers and schools supported under the McGovern-Dole Program. Producer groups will receive training on improved agriculture techniques in production, harvest, post-harvest handling, and storage. School management committees will receive training in commodity management, canteen planning, food storage, ration measurement, food monitoring, and data collection. In addition, CRS will work with Parent Teacher Associations to provide supplementary commodities from their own private production to promote community engagement and local ownership. This comprehensive whole-of-community approach will ensure the continuity of the school meals programming when McGovern-Dole Program support to Benin ends.

Project II: Kenya – Ensuring National Ownership of School Meals Programs

In FY 2017, USDA awarded \$1 million to the World Food Programme (WFP) to implement a two year USDA LRP Program project in Kenya. The project will support the Government of Kenya's effort to expand, in a sustainable manner, Kenya's national Home-Grown School Meals Program (HGSMP) into the arid lands. Procurement of food from local markets will stimulate local economies by increasing farmers' incomes and creating additional jobs in the community. The estimated project completion date is March 2020.

Project Activities:

The Government of Kenya (GoK) is committed to roll out a nationwide school feeding program independent of McGovern-Dole Program funding. In 2018, a year ahead of the target, WFP will complete handing over to the GoK the school meals program currently funded through the McGovern-Dole Program. The USDA LRP Program project, implemented by WFP, will assist the government in this handover process. WFP will help the government to assess local agricultural sectors in three counties to identify and map locally produced commodities such as drought-tolerant sorghum and cowpeas. Training will encompass production, post-harvest processing, distribution channels, and consumption and the nutrition impact of the identified commodities on the agriculture system. Following this assessment, the USDA LRP Program project will train farmer organization members and traders on how to become safe and reliable suppliers to the HGSMP. WFP will partner with the Ministry of Education to train school teachers, parents, and education officers on how to improve food procurement in the schools. To sustain the gains achieved through the McGovern-Dole Program in improving nutrition in school-aged children, the USDA LRP Program project will integrate health and nutrition education in the national school curriculum and develop menus that use culturally acceptable, nutrient-rich food. The curriculum will also include a set of HGSMP dietary guidelines for government officials, school administrators, and school meals procurement committees.

Project III: Tanzania – Improving Agriculture Production

USDA awarded Project Concern International (PCI) a two-year, \$2 million grant to implement a USDA LRP Program project in Tanzania. This USDA LRP Program project will complement the existing

McGovern-Dole Program-supported school meals project in the Mara region of Tanzania by working with schools that are not currently receiving meals through the McGovern-Dole Program. These schools were selected by the Mara district leadership based on demonstrated interest in adopting a school feeding program. The project will procure commodities from established traders who will buy commodities from local farmer groups. This value chain approach is designed to ensure a reliable supply of food continues following the project's completion in 2019.

Project Activities:

PCI will procure almost 400 metric tons (MT) of locally-produced maize, beans, and fortified edible oil from local food suppliers. These commodities will be used for meals that feed over 14,000 students in 16 schools in the Butiama district of the Mara region. To ensure a consistent and reliable supply of these commodities to schools following the end of the project, the USDA LRP Program project will train over 25 farmer groups on farm management and basic business skills. PCI will also train farmers in post-harvest handling and storage practices in order to mitigate the risk of aflatoxin that contaminates many of the region's staple commodities. Sustainability of school meals, however, ultimately requires capacity building of stakeholders at the local, regional and national levels, from farmer group members and school cooks to government officials. To that end, the USDA LRP Program project will demonstrate the importance of school meals and the feasibility of local procurement and will work with Mara's regional officials to include local commodity purchases in future budgets and strategic plans.

Existing USDA LRP Program Projects Awarded in FY 2016

Project I: Laos – Complementing the McGovern-Dole Program with Local Production in Luang Namtha Province

This two year USDA LRP Program project, implemented by WFP, was launched in 50 target villages in Nalae District, Luang Namtha Province. During the first year of implementation, the project established local farmer groups and trained producers on improved agricultural techniques to grow various vegetables all year round. To ensure a coherent and sustainable approach, WFP partnered with the Ministry of Agriculture and Forestry to deliver 40 training sessions to local producers. Instructors taught 500 local farmers the practical skills of identifying the best environment for various crops, preparing soil, and daily care and harvesting techniques. Instructors also provided direct advice to farmers for the 2017-2018 school year to support the successful preparation and planting of the crops. During the second year of project implementation, but the first full growing season, WFP will distribute cash-based transfers of 10 cents per pupil to schools participating in the McGovern-Dole Program project. An estimated \$100,000 of fresh agricultural produce will be purchased to support school lunch activities, providing schoolchildren with local varieties of fresh produce such as long beans and lettuce (in addition to USDA-provided rice and oil). The average Laotian farmer earns about \$400 per year; an additional \$100,000 in sales for a community of 500 farmer is significant income. In FY 2018, the second and final year of the project, WFP will also provide training to 500 farmers on growing seasonally-appropriate crops, long term storage, preservation, pest control, and growth simulation.



Picture 1: Demonstration of drip irrigation technology to USDA LRP-supported farmers in Nalae district, Laos.

Project II: Mozambique – Building Sustainability for School Meals



Picture 2: Training to USDA LRP-supported farmers on improved field preparation techniques in Nampula district, Mozambique.

In FY 2017, the USDA LRP Program, through World Vision, Inc. (WV), supported agronomy training for 33 farmer groups on proper techniques for preparing land for the cultivation of orange flesh sweet potatoes, techniques for multiplication of orange sweet potato vines, mechanisms to prevent pest and disease attacks, and phytosanitary treatment. In addition, the USDA LRP Program project delivered business administration training to farmers to improve their skills in managing forward contracts and agribusiness. At harvest time, WV used USDA LRP Program funds to procure an estimated \$300,000 in produce from local farmers to supplement the agricultural commodities provided by WV in its McGovern-Dole Program-supported

school feeding project. The USDA LRP Program project also provided training to 86 school procurement committees and 235 volunteer cooks on food quality, stock control, and the preparation of locally procured foods. In FY 2018, WV will provide agribusiness and financial services training to farmers to improve their entrepreneurship skills.

Project III: Rwanda – Maximizing Direct Purchase from Smallholder Farmers

During the first year of project implementation, WFP used funds provided through the USDA LRP Program to purchase beans and maize meal directly from smallholder farmers to supply McGovern-Dole Program-supported schools. WFP procured 12,600 MT of beans directly from USDA LRP Program-supported cooperatives. An additional 100 MT of beans were procured through local suppliers. All of the beans were grown by smallholder farmers. In addition, 368 MT of maize meal was procured from the local mill, sourced from 22 USDA LRP Program-supported cooperatives. The value of the beans and maize meal procured from local farmers is \$300,000. In FY 2018, the second and final year of the project, WFP will train 500 farmers on improved pricing and marketing techniques to increase access to quality markets and facilitate the procurement of maize and beans for school meals provided through the McGovern-Dole Program. WFP will also provide training to officials from the Ministry of Agriculture and the Rwanda Agriculture Board to increase the government's capacity to procure locally.



Picture 3: Training on budget management and production planning with the Koabiwa farmer cooperative in Nyaruguru district, Rwanda.