



**Local and Regional Food Aid Procurement Program
Report to the U.S. Congress
Fiscal Year 2018**



Laotian schoolchildren enjoying vegetables grown by their parents, for lunch under USDA's Local and Regional Food Aid Procurement

Overview

The U.S. Congress established the U.S. Department of Agriculture (USDA) Local and Regional Food Aid Procurement Program (LRP) (7 U.S.C. 1726c) through the Agricultural Act of 2014. The 2014 Farm Bill, Section 3206 of the Food, Conservation, and Energy Act of 2008, as amended by the Agricultural Act of 2014, provides that the Secretary of Agriculture will provide grants to, or enter into cooperative agreements with, eligible organizations to implement field-based projects that consist of local or regional procurements of eligible commodities in developing countries to provide development assistance and respond to food crises and disasters. The intended outcomes of USDA LRP are to enhance trade capacity of food-insecure developing countries and address the cause of chronic food insecurity. The 2014 Farm Bill provides USDA the authority to administer the program and authorizes annual appropriations of up to \$80 million through fiscal year (FY) 2018. The Consolidated Appropriations Act, 2018, directed \$10 million of FY 2018 McGovern-Dole program funds to be used to conduct USDA LRP.

Objectives

Congress' objective for USDA's LRP program, as expressed in report language accompanying the 2014 Farm Bill, is "to complement existing food aid programs, especially the McGovern-Dole International Food for Education and Child Nutrition program, and to fill in nutritional gaps for targeted populations or food availability gaps generated by unexpected emergencies."

USDA LRP is building capacity to meet quality standards and product specifications to ensure food safety and nutritional content within each project and with its beneficiaries. To address market sensitivities around local and regional purchases, USDA LRP works with its recipients to improve the reliability and utility of market intelligence in areas where USDA LRP is implemented and seeks to ensure that USDA LRP minimizes potential adverse impacts and maximizes potential benefits.

Fiscal Year 2018 Solicitation

On May 8, 2018, the Foreign Agricultural Service (FAS) announced a Notice of Funding Opportunity (NOFO) for FY 2018 proposals and received a total of six applications. The NOFO requested the following information: types of commodity producers and volumes produced, input supply, producer organizations, levels of aggregations, process, distribution, end-market use, governance, and enabling environment. This approach warranted that the funding would be used to support farmers, producers, and cooperatives to ensure that the commodities to the end users—school children—would continue to build sustainability for school feeding.

FAS selected three proposals for LRP projects in Guatemala, Honduras, and Senegal, to complement existing USDA McGovern-Dole programs.

Fiscal Year 2018 New Projects

Project I: Honduras

In FY 2018, USDA awarded \$2.4 million to Catholic Relief Services (CRS) to implement a 2-year LRP project in Honduras. The project will reach eight of the 17 municipalities where McGovern-Dole is currently active in the Department of Intibucá and aims to benefit nearly 15,400 school-aged children in about 280 schools. The project will supplement and improve school feeding programs with locally procured eggs and vegetables. The improved ration will address micronutrient deficiencies among the target beneficiary population, particularly with respect to deficiencies in iron, protein, zinc, and vitamin A. To increase the utilization of eggs and vegetables in school meals, CRS will coordinate with existing projects, funded by the U.S. Agency for International Development and the World Bank, to build farmer capacity and create reliable sources of demand from schools. CRS plans to partner with the Ministry of Development and Social Inclusion, the Ministry of Agriculture and Livestock, and the Ministry of Education to codify administrative processes and increase the efficacy of public food procurements.

Project II: Senegal

In FY 2018, USDA awarded \$3.6 million to Counterpart International (CPI) to implement a 3-year LRP project in Senegal. The project will link local cowpea and millet producers with 270 schools and provide additional support to approximately 30,000 children currently supported under the McGovern-Dole project in the St. Louis Region. Additionally, the project will strengthen and expand local garden production already supplying to McGovern-Dole schools by incorporating donations of orange-fleshed sweet potatoes and mung beans into the daily ration. The program calls for developing a local supply of

staple crops and diverse garden fruits and vegetables to help establish a path for sustainable school meals in the region. CPI will provide technical assistance to schools to establish cooperative procurement groups that will position the schools to take over when donor contributions end. These groups will be linked to government-certified processors and millet and cowpea producer organizations, including those from the USDA Food for Progress-funded millet and cowpea project implemented by the National Cooperative Business Association/Cooperative League of the United States of America. CPI will also provide training, tools, and planting materials to support community demonstration farm production of fruits and vegetables, which in turn support local school meals.

Project III: Guatemala

In FY 2018, USDA awarded \$4 million to Project Concern International (PCI) to implement a 3-year LRP project in Guatemala. The project will complement three existing McGovern-Dole projects in Guatemala implemented by PCI, Save the Children, and CRS, by working with parent-teacher associations (PTAs) to procure fruits, vegetables, and eggs from local producers in five departments. In partnership with the PTAs, PCI will develop procurement plans and identify local food suppliers that can meet quality standards and packaging requirements, and ensure timely delivery of procured commodities.

Existing LRP Projects Awarded in FY 2017 and FY 2016

Benin: Supporting Local Engagement for School Meals Provision

In FY 2017, USDA awarded CRS \$1.96 million to implement a 2-year LRP project in Benin. Focused in the Department of Borgou, CRS is currently supplying locally procured maize, parboiled rice, cowpeas, and shea butter to create a nutrient-dense meal to approximately 80 schools. The project has procured locally produced commodities, including the following: 95.1 metric tons (MT) of parboiled rice, 30.2 MT of cowpeas, and 26.7 MT of shea butter; the project also plans to procure an additional 279.6 MT of commodities in the latter half of the FY 2018 school year.



Direction Départementale de l'Agriculture, de l'Élevage et de la Pêche (DDAEP) inspecting locally procured maize with Cooperative members, CRS staff, and Warehouse Security. Photo by CRS

To promote community engagement and local ownership, the project established expectations for supplemental community contributions of salt, chili peppers, onions, and locally available under-used nutritious ingredients such as moringa leaves, baobab leaves and powder, and curcuma. To build the capacity of local farmers, the project provided training on purchasing processes and procedures to over 650 members of producer associations (of which over 500 were female) and 12 Commune Procurement Committees that oversee procurement of commodities for participating schools.¹ In addition, the project trained 280 School Management Committee² members and 273 cooks during a 5-day training workshop on commodity management, canteen planning, food storage, ration measurement, food monitoring, and data collection.

¹ Producer associations are groups in which farmers are members that aim to sell their commodities collectively. Commune Procurement Committees are municipal staff who participate in/oversee the procurement of the commodities for the schools.

² The School Management Committees and cooks oversee daily school feeding activities at participating schools.

In FY 2019, CRS will continue to strengthen the capacity of the school committees and cooks through regular monitoring and refresher trainings. CRS will also enhance the capacity of local producer groups through regular trainings and support during the procurement process. Engaging Commune Procurement Committees and Commune Level Oversight Committees throughout the procurement process of local commodities is essential to building sustainability. Finally, the project will provide multiple trainings to a steering committee formed in year one. These trainings will be composed of local and national government representatives and will focus on budgeting, contracting, procurement, quality control, storage, monitoring, and evaluation. The Committees will review project progress, discuss challenges, and conduct field visits to build sustainability.

Kenya: Ensuring National Ownership of School Meals Programs

In FY 2017, USDA awarded \$1 million to the World Food Program (WFP) to implement a 2-year LRP project in Kenya. The project is supporting the Government of Kenya’s effort to expand, in a sustainable manner, the government’s own national Home-Grown School Feeding Program (HGSMP) into the arid lands. In FY 2018, WFP contracted local farmers to produce the drought-resistant crops of sorghum and cowpeas for use in the school meals program. Procurement of food from the local farmers has stimulated local food production, increased their incomes, and created additional jobs in the community. With LRP funding, WFP helped the government assess the local agricultural sectors in the three counties of Baringo, Turkana, and West Pokot by identifying and mapping the locally produced drought-tolerant sorghum and cowpeas. WFP proceeded to train local farmers on food production, post-harvest handling techniques, and marketing and sales. To sustain the benefits of McGovern-Dole in improving nutrition in school-aged children, the LRP project continues to integrate health and nutrition education in the national school curriculum and has developed menus that use culturally acceptable, nutrient-rich food. The curriculum includes a set of HGSMP dietary guidelines for government officials, school administrators, and school meals procurement committees.



assets such as a modern store and a hammer mill to enable women to earn an income. Cowpeas locally procured are being displayed by a member of the Etic Women’s Group. Photo by WFP

Tanzania: Improving Agriculture Production



A mother at a *Chakula Chetu* school proudly displays her locally procured maize, purchased for the school meal. Photo by USDA

In October 2017, USDA awarded PCI \$2 million to implement a 2-year LRP project called *Chakula Chetu*, which means “Our Food” in Swahili. In the first year of the program, PCI provided a daily school meal to over 14,000 pre-primary and primary students from 16 schools located in Butiama District in the Mara Region of Tanzania.

Emphasizing local capacity strengthening that promotes longer-term ownership and sustainability, *Chakula Chetu* delivers a cost-effective and timely school feeding program through locally procured foods (maize, beans, and oil). In FY 2018, nearly 200 MTs of maize, beans, and fortified oil valued at an estimated \$90,000 were purchased from three qualified local food suppliers to provide 621,100 meals to students. As a result of LRP activities that took place in FY 2018, three seed companies provided 48 kilograms of improved maize

seeds to farmers, and PCI established a partnership with one financial institution that supported farmers' access to loans. PCI has established 13 farmer groups consisting of 295 farmers, training them in conservation agriculture, integrated crop management, post-harvest handling and storage practices, business skills, and market systems. Community contributions valued at over \$62,000 included community-constructed kitchens and storage rooms, payments to cooks, and food contributions from farmer groups. Additional contributions in the forms of loans to farmers and seeds for school demonstration gardens were valued at around \$13,500. Local commodity purchases have proven more timely and reduced procurement time.

Mozambique: Building Sustainability for School Meals

In FY 2017, USDA awarded World Vision, Inc. (World Vision) \$2 million to implement a 2-year LRP project benefiting 43 schools and nearly 25,000 school-aged children in the Nampula Province of Mozambique. World Vision has worked to incorporate orange-fleshed sweet potatoes into the daily school meal. In December 2017, World Vision worked with almost 1,000 farmers to plant three varieties of sweet potatoes. From April to September 2018, these farmer groups were able to harvest 4.7 MT of orange-fleshed sweet potatoes. From the harvest, 3.5 MT (74.5 percent) of the orange-fleshed sweet potatoes were sold to schools participating in the LRP program; 0.54 MT (11.5 percent) were used for home consumption, increasing the dietary diversity for all the households involved in the project; and .66 MT (14 percent) were sold on the local market. With the proceeds earned from selling the orange-fleshed sweet potatoes, the farmers were able to reinvest into the following year's crops, start a shop, and save the remaining balance.



Participating farmers and Orange Fleshed Sweet Potato harvested from fields. Photo by World Vision

The Government of Mozambique National School Feeding Program (PRONAE) officials visited the USDA LRP four times during FY 2018 to exchange experiences in the implementation of school feeding projects using locally procured commodities. During the visits, the officials noted an increased and consistent student attendance in the USDA-supported schools. The School Procurement Committees established and trained under the LRP were also able to ensure constant supply, storage, and management of all the locally procured commodities for feeding activities.

Laos: Complementing McGovern-Dole with Local Production in Luang Namatha Province

In 2016, WFP implemented a 2-year, \$1 million USDA LRP project in 50 target villages in the northern Luang Namtha Province of Laos. The project provided agricultural trainings to farmer groups on topics such as soil improvement, crop lifecycles, group management, and marketing. Case-based transfers are a mechanism to build up the capacity of the schools to purchase local vegetables and build sustainability for school feeding. The LRP project provides inputs and training to the farmers (e.g., seeds and information on soil improvement and crop lifecycles), which then builds Laotian farmers' capacity to produce nutritious food. In addition, the project provided the schools with \$.10 to each pupil per day. The schools used these funds to purchase the fresh fruits and vegetables from the farmers. Nearly 3,500 students in Laos, Nalae district enjoy locally grown meals daily while increasing the community of about 500 local farmers' sales by almost \$72,000.

To assist with the diversification of crops, WFP arranged an exchange visit in September 2018 for 25 farmers and eight government counterpart groups in another Laotian district to learn about the benefits and technical aspects of greenhouses. This initiative enables farmers to diversify their planting to include beans, tomatoes, garlic, pumpkin, and morning glory. Additionally, WFP provided grants to farmers in the form of chickens, fish fingerlings, and fruit trees, which were accompanied by technical support in cooperation with the local agricultural and forestry government office to ensure that the farmers understand how to raise and take care of animals and engage in fruit tree planting to diversify their farming activities.

Rwanda: Maximizing Direct Purchase from Smallholder Farmers



For Emelitha Nyaracumi, a smallholder farmer, LRP project has allowed her to improve her green bean production and grow her sales outside of LRP.

In FY 2016, USDA awarded WFP \$2 million to implement an LRP project aimed at complementing the existing McGovern-Dole Project in Rwanda with maize meal and beans. During the first year-and-a-half of project implementation, WFP purchased 190 MT of beans directly from LRP-supported cooperatives and almost 1,100 MT of maize meal directly from Minimex, the only local producer of fortified maize meal that meets WFP quality standards, to supply McGovern-Dole supported-schools.

During the project's second year of implementation, a target group of LRP-supported cooperatives completed planting activities for the 2018 (July to September 2018) and 2019 (September 2018 to February 2019) seasons, with more than 95 percent of farmers in those cooperatives using improved inputs (seeds and inorganic fertilizers). For hybrid seeds,

farmers contribute approximately 20–25 percent of the value of the purchase, supplemented by the government of Rwanda, who through their input subsidy program, provided the balance directly to the input providers; the total value of seeds purchased by USDA-supported farmers to date is approximately US \$105,000, of which 74 percent (US \$77,000) is contributed by the government.

An additional LRP activity in Rwanda promotes market access for smallholder farmers through the facilitation of forward delivery contracts between private-sector off-takers and market-ready farmer organizations. To further increase access to finance, in FY 2018, five LRP-supported cooperatives established 241 savings groups (2,300 members) that help mobilize the cooperatives' capitalization and establish formal connections with financial institutions.