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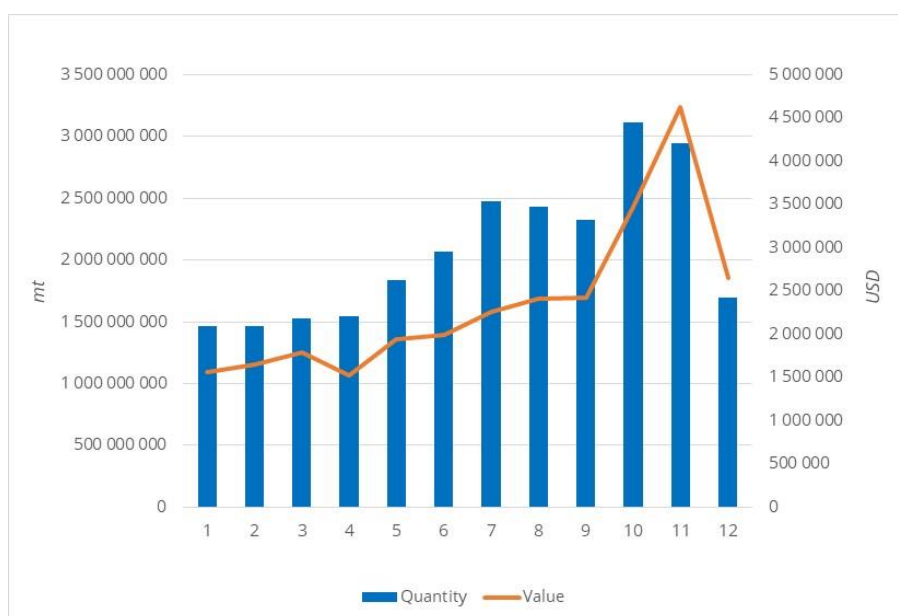
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## Update on food procurement

### WFP food procurement in 2023

1. In 2023, WFP procured **2.4 million metric tons (mt)** of food at a cost of **USD 1.87 billion**. Both the total volume and the total cost of the food procured declined by 43 percent compared with 2022 owing to WFP's overall decrease in funding, but the percentage volumes of food procured by category remained consistent with the procurement trends of 2022.<sup>1</sup> About 99 percent of the volume of food procured was for WFP operations, while 27,173 mt was procured on behalf of national governments as part of WFP's service provision activities.

**Figure 1: WFP food procurement, 2012–2023**



<sup>1</sup> The categories of food procured are as follows: cereals and grains; fish; pre-packaged food parcels; miscellaneous; meat; mixed and blended foods; oils and fats; pulses and vegetables. See figure 2.

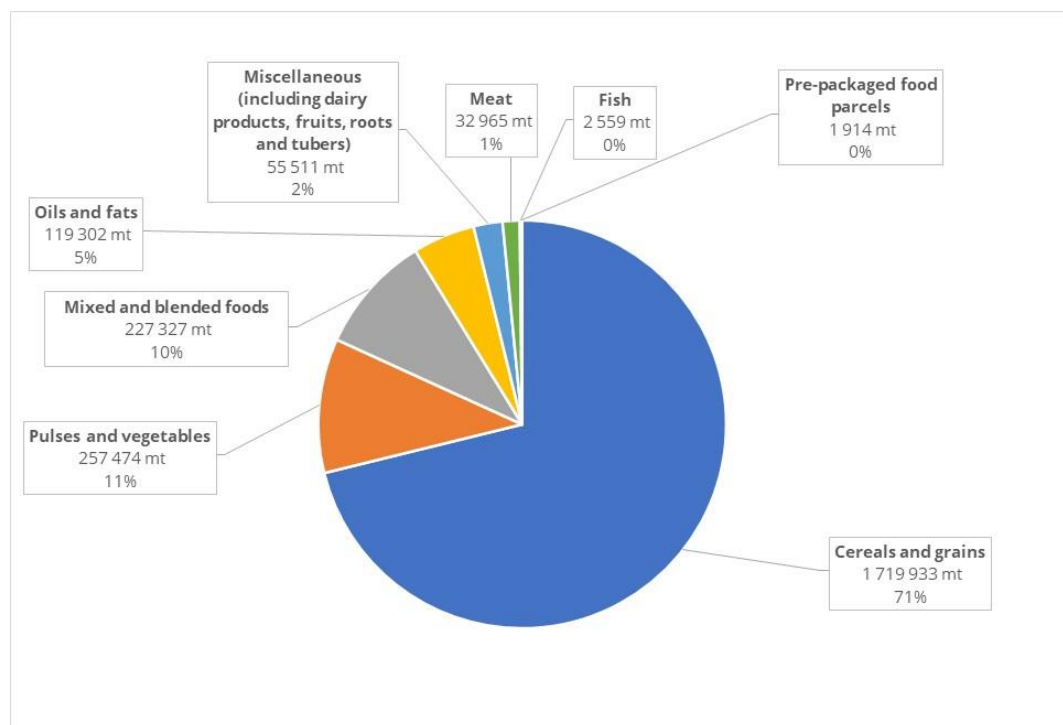
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2. WFP operations in **Yemen** and **Afghanistan** saw the greatest reductions in the volumes of food procured compared with 2022, with drops of at least 70 percent in both countries.
3. **Cereals** remained the largest category of food procured by volume, accounting for 71 percent of the total, followed by **pulses**, at 10 percent. The share of **specialized nutritious foods** declined from 25 to 9 percent.

**Figure 2: Food procured in 2023 by category**



### Main countries of origin

4. About **77 percent** of the volume of food procured in 2023 was sourced from countries where WFP is providing assistance.
5. **More than 71 percent of the volume** of procured, or 1,722,809 mt, was sourced from least-developed, low-income and lower-middle-income countries, thereby providing support to developing economies.<sup>2</sup>

**TABLE 1: WFP FOOD PROCUREMENT BY DEVELOPMENT ASSISTANCE COMMITTEE CATEGORY, 2023**

Development Assistance Committee category	Value		Quantity	
	USD	%	mt	%
Least-developed	468 382 904	25.2	717 498	29.7
Low-income	24 057 498	1.3	55 529	2.3
Lower-middle-income	684 937 965	36.9	949 782	39.3
Upper-middle-income	352 701 125	19.1	411 341	17.2
Developed	323 268 458	17.4	277 440	11.5
<b>Total</b>	<b>1 853 347 950</b>	<b>100</b>	<b>2 411 590</b>	<b>100</b>

<sup>2</sup> Organisation for Economic Co-operation and Development. 2023. [DAC List of ODA Recipients: Effective for reporting on 2022 and 2023 flows.](#)

6. **Ukraine** and **Türkiye** continued to be the most competitive sources of **cereals** and **rations** – combinations of pasta, dry pulses, salt, canned vegetables and halawa. The competitive sourcing of these commodities helps to increase the number of beneficiaries who can be reached with food assistance, regardless of the challenging resourcing situation. Despite the non-renewal of the Black Sea Grain Initiative agreement in July 2023, WFP continued to purchase significant quantities of wheat from Ukraine. The volume of wheat procured from Afghanistan reflects the fact that 82 percent of the food for WFP operations in that country is sourced locally.

Country of origin	Quantity		Value	
	<i>mt</i>	%	<i>USD</i>	%
<b>Top 10 countries</b>	<b>1 263 785</b>	<b>52</b>	<b>782 594 595</b>	<b>42</b>
Ukraine	418 018	17	158 312 571	9
Afghanistan	155 567	6	74 529 619	4
Türkiye	141 519	6	133 641 697	7
Kazakhstan	107 314	4	50 063 860	3
Pakistan	90 637	4	140 162 923	8
Nigeria	79 160	3	75 640 607	4
Uganda	74 846	3	43 617 170	2
Romania	68 368	3	35 572 746	2
India	66 630	3	48 958 253	3
Australia	61 725	3	22 095 150	1
<b>Others</b>	<b>1 152 179</b>	<b>48</b>	<b>1 073 447 754</b>	<b>58</b>
<b>Total</b>	<b>2 415 964</b>	<b>100</b>	<b>1 856 042 350</b>	<b>100</b>

### Supporting countries of operation through procurement

7. Following the Executive Board's approval of the local and regional food procurement policy in 2019, WFP launched a pilot of the policy in 11 countries and 3 regions. The policy has a dual focus on supporting local governments by promoting localized and cost-efficient procurement while promoting the resilience of local food systems, including the livelihoods of smallholder farmers. This allows WFP to increasingly integrate procurement into its own programme activities and those of national governments, including in the areas of nutrition, resilience and smallholder incomes and livelihoods, and women's empowerment and gender equality.
8. In line with the policy, WFP undertakes food procurement in countries with reported surplus stocks so as to minimize the risk of causing food shortages or price increases. In 2023, **approximately 1.86 million mt, or 77 percent, of WFP's total food procurement** was sourced in countries where WFP has an operational presence.

### Contributions to gender equality and the empowerment of women

9. In South Sudan, in collaboration with the United Nations Entity for Gender Equality and the Empowerment of Women and the United Nations Development Programme, WFP organized a conference aimed at raising awareness about the opportunities for women-owned

businesses to participate in United Nations procurement exercises. The conference was attended by more than 50 women business leaders in South Sudan.

10. Examples of WFP's procurement contributing to women's empowerment and gender equality include a contract with a woman-led business in South Sudan for the supply of 3,000 mt of sorghum – the largest contract in volume terms that WFP has ever awarded to a woman-led business in South Sudan. In Burkina Faso, a woman-led group that has been a key partner of WFP was the organization's largest supplier of beans, maize, millet and sorghum, providing a total of 12,700 mt in 2023 for use in WFP operations in that country.

### **Implementation of the local and regional food procurement policy**

11. In 2023, the local and regional food procurement policy was implemented in 23 countries across 4 regions, contributing to the policy's integration into WFP programmes and operations. Overall, more than 60 percent of the food procured by WFP was used in operations in the region in which it was purchased.
12. At the global level, the use of indirect contract modalities that facilitate procurement from smallholder farmers increased by 16 percent in 2023 compared with 2022.<sup>3</sup> This contract modality is part of the framework of the local and regional food procurement policy, which seeks to maximize the amount of safe and nutritious food that is sourced from smallholder farmers, thereby improving the farmers' access to formal markets and strengthening their economic resilience. In 2023, such pro-smallholder farmer purchases accounted for 3.1 percent of WFP's total food procurement in value terms, and 3.8 percent in volume.
13. The Eastern Africa region accounted for 61 percent of the total volume of pro-smallholder farmer procurement in 2023, with 56,000 mt purchased in the region. Western Africa accounted for approximately 22 percent, with 20,000 mt, Southern Africa for 13 percent, and Latin America and the Caribbean for 4 percent.
14. There is still high potential to scale up the implementation of the local and regional food procurement policy to an increased number of countries as part of localization efforts.

### **Enabling responses to unfolding emergencies**

15. In 2023, WFP procured 876,593 mt of food for ongoing emergency operations, representing approximately 36 percent of the total food procured. In addition, over the same period, country offices classified as being under emergency conditions (see table 3) directly procured 1,366,574 mt from the corporate stock held in WFP's Global Commodity Management Facility, which comprised commodities that were procured in 2022.

<b>Emergency classification</b>	<b>Volume (mt)</b>
Corporate attention	591 199
Corporate scale-up	99 623
Early action and emergency response	185 771
<b>Total</b>	<b>876 593</b>

16. In the last quarter of 2023, several emergency operations – including those in Armenia, Libya, Morocco and the State of Palestine – required the scale-up of an ongoing WFP operation.

<sup>3</sup> Pro-smallholder farmer procurement is procurement from smallholder farms that cultivate crops or rear livestock on a limited scale for local consumption and are mostly family owned.

17. As WFP initiated and scaled up operations in response to the conflict in Gaza, the need for ready-to-eat food posed several challenges that required the close coordination of procurement activities at the international, regional and local levels. In Gaza, the demand for canned foods such as meat, chicken, tuna, canned beans and lentils increased from 3,000 mt to 21,000 mt per month in two months (October and November). A 97 percent increase in WFP’s total procurement of canned foods in the last quarter of 2023 reflected that rise in demand.

**An increasingly decentralized approach to procurement**

18. WFP’s procurement activities are decentralized and based on a network of procurement units located at headquarters, in the six regional bureaux and in 55 country offices. Senior procurement staff are posted to the field wherever massive quantities of food are purchased locally.

19. The international procurement of most food is managed by headquarters-based global procurement teams. However, in 2023 an increased proportion of food procurement was decentralized, meaning that the impact of WFP’s purchases is felt closer to the main markets and areas where the food is grown. This increases operational efficiencies, including by reducing transport costs and carbon emissions.

<b>TABLE 4: FOOD PROCUREMENT BY PURCHASING OFFICE, 2023</b>				
<b>Purchasing office</b>	<b>Value</b>		<b>Quantity</b>	
	<i>USD</i>	<b>%</b>	<i>mt</i>	<b>%</b>
Headquarters	743 533 009	40	1 014 808	42
Regional bureaux	280 516 799	15	326 978	14
Country offices	834 897 080	45	1 075 199	44
<b>Total</b>	<b>1 858 946 887</b>	<b>100</b>	<b>2 416 985</b>	<b>100</b>

**Ensuring environmental sustainability**

20. In line with its environmental policy, WFP is systematically enhancing its internal processes and working with its suppliers to minimize the environmental impact and improve the climate resilience of its food procurement activities. In 2023, WFP made significant progress in developing tools and exploring methodologies that will facilitate a deeper integration of environmentally sustainable practices, as explained in the following paragraphs. Such practices will ensure that WFP's decisions relating to food procurement are responsive and resilient to trends and events such as climate change, biohazards and market disruption.

21. WFP has started to build the “environment and carbon optimization, decision and analysis support hub”, a digital tool for quantifying the environmental impact of supply chain operations in terms of direct and indirect carbon emissions, with plans for including other environmental dimensions over time. The solution is expected to be providing basic functionality in selected regions by the end of 2024, with a comprehensive roll-out expected by the third quarter of 2025, depending on funding availability.

22. In 2023, in the Regional Bureau for Latin America and the Caribbean, WFP initiated a project to assess the socioenvironmental benefits and bottlenecks associated with locally purchased beans compared with internationally purchased ones. The project is being implemented in collaboration with the Economic Commission for Latin America and the Caribbean and academia. Comparative life-cycle assessments will provide WFP with insights into the greenhouse gas emissions and water consumption of locally purchased food, including

those generated at the farm level. It will also enable the estimation of potential reductions in environmental impacts that result from hypothetical changes in circumstances, such as alterations in fertilizer use, soil regeneration and the use of alternative production methods.

23. WFP is in the research and development phase of efforts to identify a sustainable alternative to flexible metalized laminate, a type of packaging used for specialized nutritious foods and processed foods such as fortified blended foods, lipid-based nutrient supplements and fortified biscuits. In addition, WFP is committed to exploring packaging solutions that meet the needs of persons with disabilities, fostering accessibility and inclusivity across its operations. One such solution is currently in the final stages of development.

### **Oversight**

24. In 2023, WFP's procurement function continued to provide oversight of and guidance on procurement throughout the organization. Activities included conducting random compliance checks on procurement activities every three months, joint compliance checks in the field between the headquarters-based procurement teams and regional and country office supply chain teams, the provision of high-level support for field operations, and the support for and promotion of knowledge exchange for field operations. Regional bureaux also conduct compliance missions to country offices. In 2023, the headquarters compliance team conducted two missions to Cameroon and Chad, and training sessions were held for the regional bureaux for Eastern Africa and Southern Africa.

### **Way forward**

25. Through a collaborative effort with the regional bureaux and country offices, WFP's procurement function has articulated global procurement priorities for 2024 and 2025. This forward-looking guidance provides an advisory framework on best practices in procurement for all field offices. Key areas of focus include strategic preparedness, local empowerment, service provision and collaboration with other United Nations entities and governments.

## ANNEX

### Additional information on commodities procured

Category	Commodities
Cereals	Barley, buckwheat, bulgur wheat, maize, maize meal, oats, pasta, rice, sorghum/millet, wheat, wheat flour
Pulses and vegetables	Beans, canned pulses, canned vegetables, chickpeas, lentils, peas, split lentils, split peas
Mixed and blended	Biscuits, BP5 emergency rations, date bars, high-energy biscuits, lipid-based nutrient supplements, Super Cereal, Super Cereal Plus, Vitatol, wheat and soy flour
Oils and fats	Olive oil, vegetable oil
Others	Canned beef, canned chicken, canned fish, other canned meat, cassava flour, dried fruits, fresh tubers, halawa, iodized salt, micronutrient powder, plain dried skimmed milk, pre-packed food rations, processed tomato, spices, sugar, tea, UHT milk, yeast

### Cereals

1. Cereals remain the largest category of food procured by WFP, accounting for 71 percent of the total volume procured and 42 percent in value terms – similar to the equivalent figures for 2022. Within this category, fortified wheat flour remained the top commodity procured, although the volume procured decreased by 55 percent, from 1 million mt in 2022 to 0.45 million in 2023. The purchase of rice also declined, by 34 percent, sorghum remained at the same level as in 2022, and maize and maize meal saw marginal increases.
2. In 2023, the total maize purchased was 172,000 mt, 97 percent of which was white maize. Of the white maize purchased, 32 percent, or 54,000 mt, was sourced from smallholder farmers. Most of the white maize procured was sourced and consumed in the Eastern African region, with Uganda supplying the largest volume, at 40 percent.
3. About 311,000 mt of rice was purchased in 2023 compared with 500,000 mt in 2022. The main countries of origin were India, Myanmar, Thailand, Pakistan and Viet Nam, and 50,000 mt was purchased through a tied contribution from the Government of the Republic of Korea. The price of rice increased significantly in 2023 owing to the ban of exports of non-basmati rice imposed by India – the largest exporter of rice globally – in the middle of the year. The ban was a response to increased domestic prices and fear of the potential impacts of El Niño in crucial rice-growing areas, which affected the global market price of rice.

### Pulses

4. By volume, pulses accounted for 10 percent of the total food procured in 2023, similar to the proportion in 2022, with beans replacing split peas as the most purchased commodity within this category. The volume of split peas purchased declined by 65 percent from 2022 owing to the substitution of peas with beans, which are sourced more locally. The substitution is due to reduced funding and beneficiaries' preference.

### Specialized nutritious foods

5. Specialized nutritious foods – lipid-based nutrient supplements and fortified blended foods – accounted for 9 percent of the total expenditure on food procurement, down from 25 percent in 2022. The reduction can be attributed to the large stock of these foods that was built up in 2022.

6. In 2023, WFP purchased about 192,000 mt of specialized nutritious foods at a cost of USD 412 million – accounting for 8 percent of the total volume of food procured and 22 percent in value terms – compared with 393,000 mt and USD 745 million in 2022.
7. There was a significant decrease in funding in 2023, but in 2022 WFP had procured more lipid-based nutrient supplements than the projected demand, creating strategic stocks that can be used to respond to urgent and emergency requirements in the shortest time possible. These strategic stocks were stored in the Global Commodity Management Facility hubs in Dubai, Las Palmas and Mombasa.
8. In 2023, sourcing from newly identified suppliers of Super Cereal in South Africa and Pakistan resulted in WFP having excess capacity over the demand for specialized nutritious foods. Procurement from the new suppliers enabled WFP to reduce the lead time for the delivery of Super Cereal at the port of discharge from six months from when the purchase was requested to three to four months, depending on the shipping transit time.
9. The identification of qualified, locally based producers of Super Cereal closer to WFP operations reduced the lead time even further while supporting local economies through the implementation of the local and regional food procurement policy. In 2023, 48 percent of total food purchases were made through local suppliers, compared with 29 percent in 2022.
10. WFP and the United Nations Children’s Fund have increased their collaboration to better manage the procurement of lipid-based nutrient supplements by holding regular meetings and developing a dashboard that shows the production capacities of lipid-based nutrient supplement suppliers and the forecasted demand for the commodity from WFP and the United Nations Children’s Fund.

## **Oils and fats**

11. In 2023, oils and fats accounted for 6 percent of the total cost of the food procured, down from 15 percent in 2022. WFP procured 119,000 mt of vegetable oil at a cost of USD 182,931,196, representing a decrease of 47 percent in volume compared with 2022. The oil purchased consisted primarily of sunflower oil, sourced in Türkiye and the Russian Federation, and palm olein certified by the Roundtable on Sustainable Palm Oil and purchased from Indonesian and Malaysian suppliers.
12. To reduce delivery lead times, headquarters-level food supply agreements have been put in place with Roundtable on Sustainable Palm Oil-certified palm oil suppliers from Malaysia and Indonesia, and regional bureaux have made several purchases from local suppliers through the Global Commodity Management Facility.