

UPDATE ON FOOD PROCUREMENT



World Food
Programme

Supply Chain Division
SCO

INTRODUCTION

- **Record level of food procurement** in 2021, both in terms of value and volume
- **Escalation in emergencies** (e.g. Afghanistan, Ethiopia)
- **Increased service provision** to governments
- **Main challenges:** increasing prices and limited suppliers for some commodities



4.4 MILLION MT

of food
procured



2.5 MILLION MT

Purchased by countries
running L3 emergency
responses



~60%

From countries with
ongoing operations



USD 52 MILLION

Procured from
smallholder
farmers

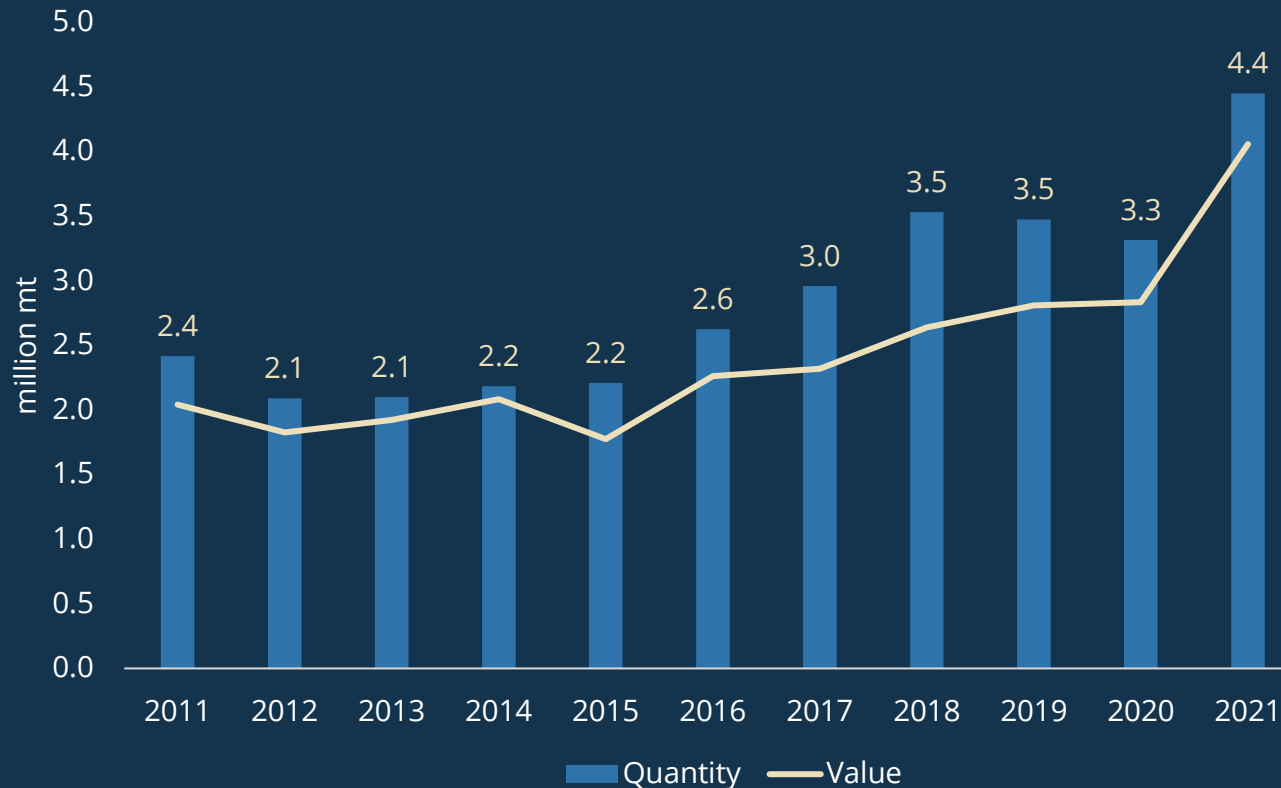


900,000 MT

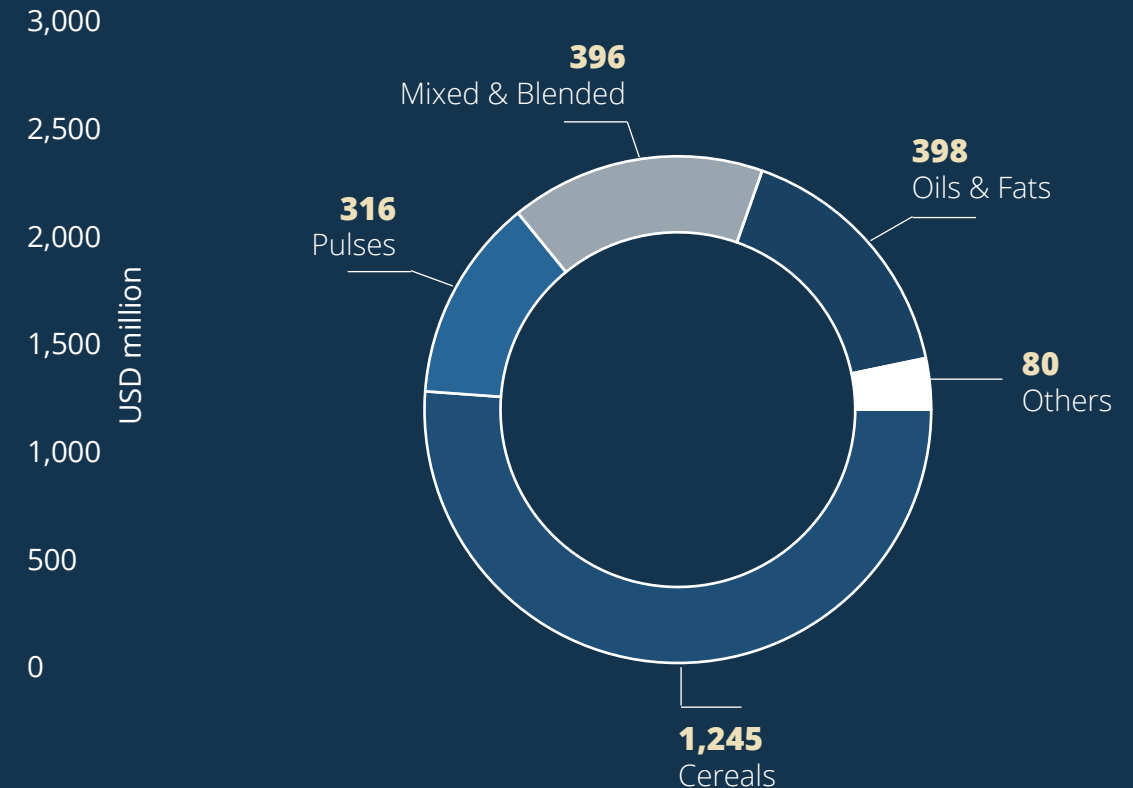
Sourced on behalf of
national Governments
(Ethiopia, Guatemala, Sudan)

FOOD PROCUREMENT IN 2021

PROCUREMENT TRENDS
(2011-21)



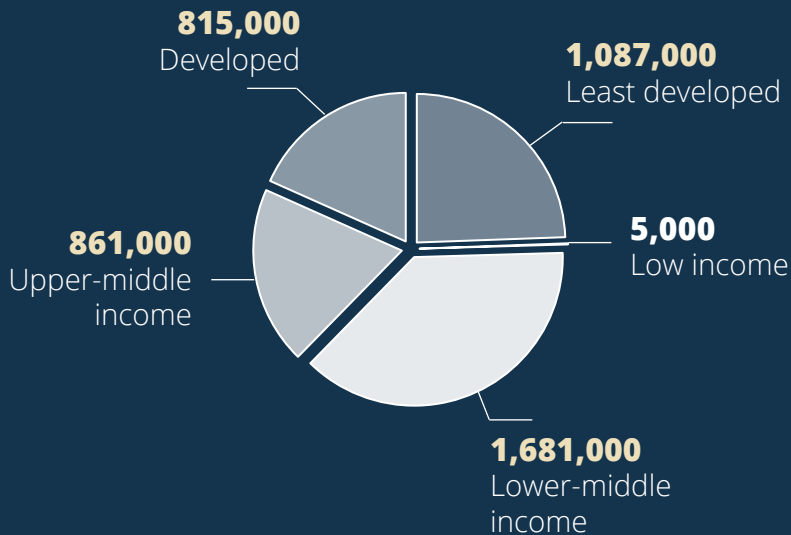
2021 PROCUREMENT BY CATEGORY
(USD million)



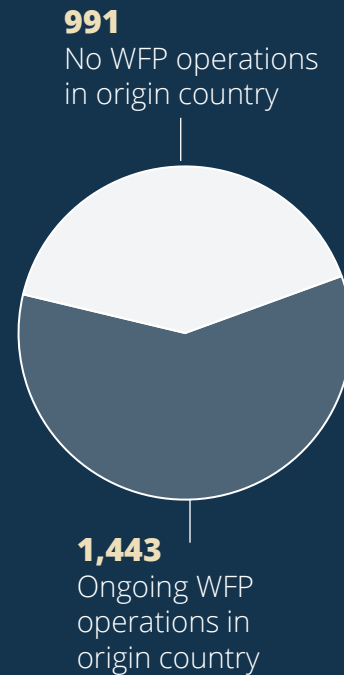
2021 saw a **sharp increase** in both volume and value of food procured due to **increased service provision** to governments (+70 percent from 2020) and **unfolding or escalated emergencies** (e.g. Afghanistan, Ethiopia)

MAIN SOURCING COUNTRIES

2021 PROCUREMENT BY DAC CATEGORY (MT)



2021 PROCUREMENT BY WFP PRESENCE (USD MILLION)



2021 PROCUREMENT BY ORIGIN COUNTRY

ORIGIN COUNTRY	QUANTITY (MT)	VALUE (USD MILLION)
Top 10 (by value)	2,705,000	1,373.0
Turkey	502,000	333.4
Ukraine	880,000	260.1
Russia	246,000	117.6
Pakistan	147,000	114.5
Nigeria	128,000	111.2
Belgium	96,000	100.3
Kazakhstan	185,000	97.7
France	32,000	82.1
Romania	272,000	79.2
Sudan	217,000	77.0
Others	1,744,000	1,061.7
TOTAL	4,449,000	2,434.8

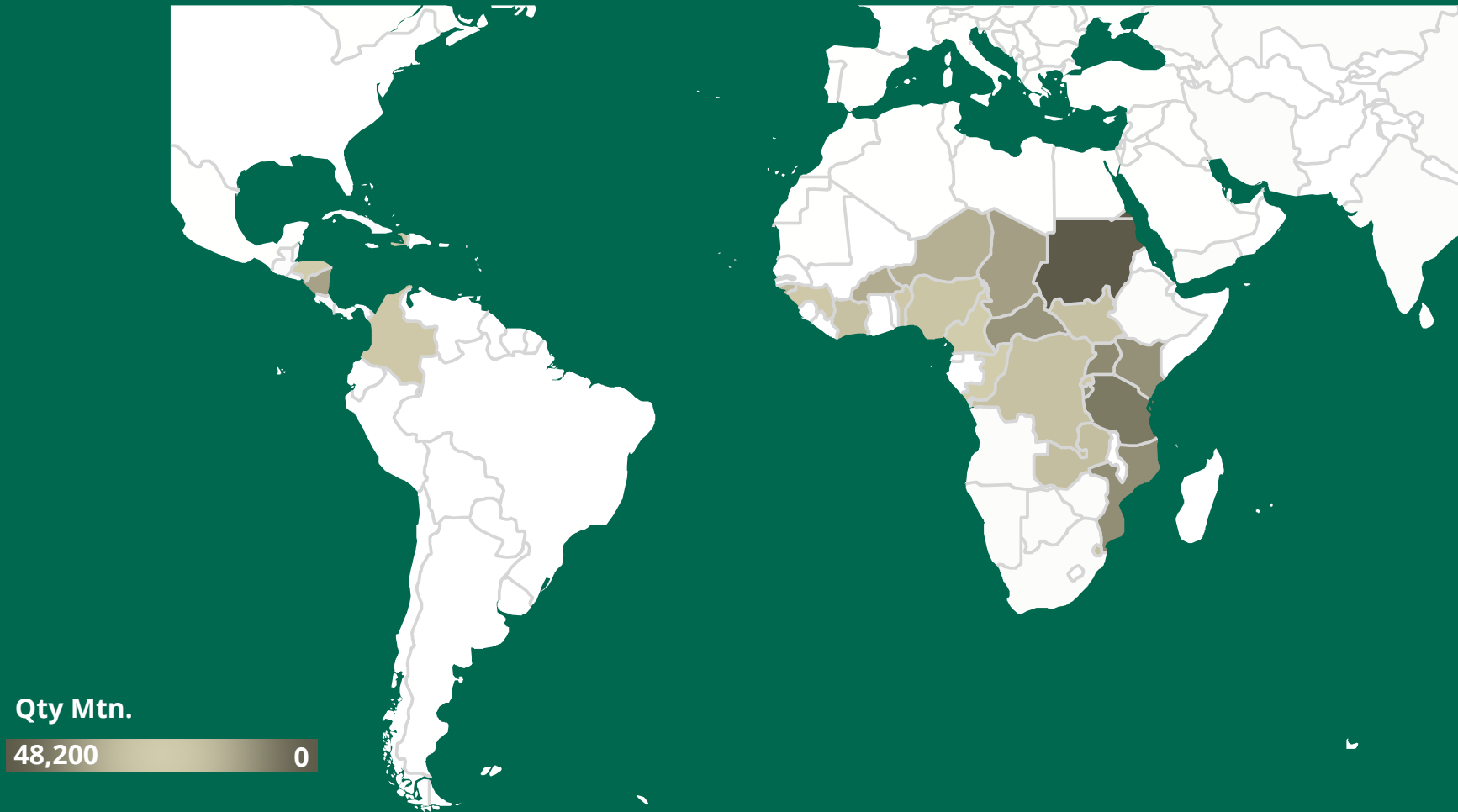
62 percent of the tonnage sourced from **least developed, low and lower-middle income countries**; around **60 percent** of the value procured from **countries with ongoing WFP operations**

IMPLEMENTATION OF THE LOCAL AND REGIONAL FOOD PROCUREMENT POLICY

Implementation is driven by Programme and Supply Chain.
In 2021, the main achievements from Supply Chain were:

- Developing a **risk methodology** and compendium of risks.
- Commencing a **full traceability project**, with the aim to trace our food from farm to fork.
- Developing **guidance and normative** e.g. including **conditionality clauses** in contracts requiring suppliers to source a minimum of 10% from SHFs.
- A **supply and demand analysis** for pro-smallholder farmer procurement in RBN was conducted, identifying ways to increase that share of SHFs purchases.
- Rollout of training for Procurement staff.

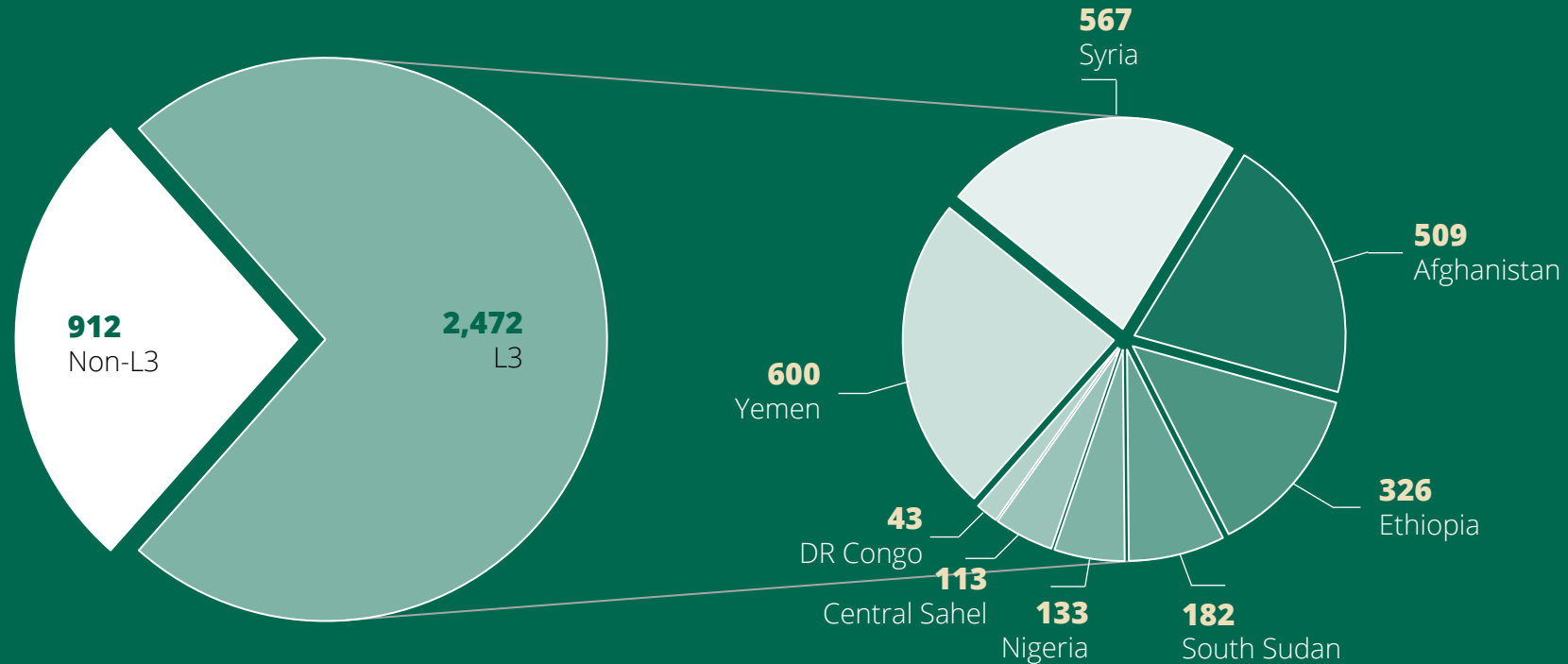
PROCUREMENT FROM SMALLHOLDER FARMERS



USD 52 million procured from SHFs in **27 countries** in 2021 (**2.7 percent** of the total value of food procured); largest purchases took place in **Sudan**

SUPPORT TO L3 EMERGENCY RESPONSES

PURCHASES BY COUNTRIES FACING L3 EMERGENCIES, 2021
(THOUSAND MT)



The L1-L3 emergency classification model was superseded on 1st February 2022 with the adoption of the revised Emergency Activation Protocol

73 percent of the total volume purchased by country offices running **L3 emergency responses**; significant **lead-time reductions** obtained by procuring food through the GCMF

SERVICE PROVISION TO GOVERNMENTS

In line with SDG17 and its Strategic Plan, WFP aims to **support local and national food system actors** to address root causes of hunger.

2021 saw a **further scale-up** in service provision activities:

- **More than 900,000 mt** (value at almost **USD 250 million**) sourced on behalf of national governments, an increase of almost 70 percent from the 2020 record
- **Largest service provision agreements** implemented in **Ethiopia** (790,000 mt), **Sudan** (80,000 mt) and **Guatemala** (18,000 mt)

In 2022, WFP will **continue to support** governments with service provision activities, and **expand its offering** to other countries.

CURRENT SITUATION & THE WAY FORWARD

Current challenges – 4 Cs: COVID, climate, conflict and cost, showcase the **fragility of global food systems** and their **vulnerability to sudden shocks**.

From a procurement perspective, WFP aims to respond to these challenges by:

- Pursuing an **increasingly localized** approach to procurement which includes substitution with local commodities;
- **Diversifying sourcing;**
- Promoting production and use of **indigenous crops;**
- Increased number of **procurement experts** in the field;
- Reduce the **environmental and optimize social impacts** of its procurement;
- Continuing the transformation of procurement by operationalizing its **strategy**.

QUESTIONS



Supply Chain Operations Division
SCO