

World Food Programme Programme Alimentaire Mondial Programa Mundial de Alimentos برنامج الأغذية العالمي **Executive Board** 

Annual session Rome, 26–30 June 2022

Distribution: General Date: 22 May 2023 Original: English \* Reissued for technical reasons on 27 June 2023 Agenda item 10 WFP/EB.A/2023/10-E\* Administrative and managerial matters For information

Executive Board documents are available on WFP's website (https://executiveboard.wfp.org).

## Update on food procurement

## WFP food procurement in 2022

1. In 2022 WFP purchased **4.2 million metric tons (mt)** of food, at a record cost of **USD 3.3 billion**. While the volume of food purchased was 5 percent lower than in 2021, the cost rose by 37 percent. This reflects the price increases that WFP faced throughout the year, as well as the cost of switching to more expensive commodities, for example wheat flour instead of wheat grain, as a result of programmatic decisions. In 2022 almost all food procured was for WFP operations, (approximately 4.1 million mt against 3.5 million mt in 2021), with 116,000 mt purchased for "service provision", i.e., procured by WFP on behalf of national governments.



Figure 1: WFP food procurement, 2011-2022

#### **Focal points:**

Mr A. Marianelli Director Supply Chain Operations Division email: alex.marianelli@wfp.org

Ms B. Ka Deputy Director Supply Chain Operations Division email: betty.ka@wfp.org

World Food Programme, Via Cesare Giulio Viola, 68/70, 00148 Rome, Italy

- 2. The sharp increase in expenditure on food procurement can be attributed to significant price rises for commodities compared to pre-coronavirus disease 2019 levels; prices in 2022 were 39 percent higher than prices in 2019.
- 3. In 2022, **cereals** were the largest category by volume (71 percent) and value (44 percent) of food purchased by WFP. Within the cereal category, **wheat flour** replaced wheat grain as the top commodity purchased.
- 4. Mixed and blended foods (lipid-based nutrient supplements and fortified blended food), also known as specialized nutritious foods, accounted for 25 percent of total expenditure on food procurement, increasing from 16 percent in 2021. Oils and fats accounted for 15 percent of the cost of all procured food, down from 16 percent in 2021.
- 5. **Pulses** accounted for 10 percent of the food procured by WFP by volume. Yellow split peas were the most common pulse type procured on international markets, while beans and other pea types were procured locally.



#### Figure 2: Food procured in 2022 by category

#### Main countries of origin

- 6. Fifty-eight percent (by value) of the food procured by WFP in 2022 was sourced from places where WFP was providing assistance, including least-developed and lower-middle-income countries. WFP was therefore able to stimulate developing economies through local and regional procurement, consistent with its local and regional food procurement policy (LRFPP), approved by the Executive Board in November 2019.
- The 4.2 million mt of food procured by WFP in 2022 was sourced from 101 countries, with 80 percent by value from countries on the Organisation of Economic Co-operation and Development-Development Assistance Committee list of official development assistance recipients.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> Organisation for Economic Co-operation and Development. 2023. *DAC List of ODA Recipients: Effective for reporting on 2022 and 2023 flows*.

TABLE 1: WFP FOOD PROCUREMENT BY DEVELOPMENT ASSISTANCE COMMITTEE CATEGORY				
Development assistance Committee category	Value		Quantity	
	USD	%	mt	%
Least developed	521 959 300	16.0	847 950	20.0
Low-income	26 629 776	0.8	22 840	0.5
Lower-middle-income	1 167 857 871	35.9	1 650 804	38.9
Upper-middle-income	887 894 555	27.3	1 203 809	28.4
Developed	653 103 018	20.0	514 739	12.1
Total	3 257 444 520	100.0	4 239 728	100.0

8. The top ten countries from which food was procured in 2022 accounted for 62 percent by **volume** and 58 percent by cost of all food procured.

TABLE 2: TOP 10 WFP SOURCE COUNTRIES, 2022				
Origin country	Value		Quantity	
	USD	%	mt	%
Тор 10	1 890 882 738	58.0	2 605 596	61.5
Türkiye	341 151 800	10.5	430 643	10.2
Pakistan	320 246 301	9.8	386 921	9.1
Ukraine	279 452 342	8.6	643 189	15.2
Kazakhstan	251 852 303	7.7	448 458	10.6
Belgium	157 335 783	4.8	124 264	2.9
France	144 555 244	4.4	48 449	1.1
India	106 123 785	3.3	160 414	3.8
Indonesia	104 376 145	3.2	69 497	1.6
Afghanistan	103 181 911	3.2	189 004	4.5
Russian Federation	82 607 123	2.5	104 757	2.5
Others	1 366 561 782	42.0	1 634 132	38.5
Total	3 257 444 520	100.0	4 239 728	100.0

9. **Türkiye**, the largest supplier, mainly provided wheat flour (230,000 mt, or a quarter of the total volume purchased by WFP), vegetable oil and yellow split peas. **Pakistan** mainly supplied wheat (235,000 mt, or a third of the total volume purchased by WFP), lipid-based nutritional supplements and rice. Despite overall market disruptions due to conflict, **Ukraine** remained the largest supplier of wheat (providing half of the quantity bought by WFP), thanks in large part to the Black Sea Grain Initiative.

- 10. Although they were not major food suppliers in 2021, **Afghanistan** (wheat flour), **India** (rice, wheat and lipid-based nutritional supplements) and **Indonesia** (vegetable oil) were among the **top ten source countries** in 2022.
- 11. **Belgium** remained a top source country for Super Cereal (a fortified blended food) in 2022, providing 124,000 mt, or approximately half of the total quantity of Super Cereal procured by WFP.

#### Support for procurement in countries where WFP operates

12. WFP primarily undertakes food procurement in countries with reported surplus stocks in order to minimize the risk that its actions will cause food shortages or price increases. In 2022, cereals and pulses were purchased from various regions based on demand and market availability, with approximately **58 percent** of total food procurement expenditure spent in **countries where WFP** has an operational presence, providing either food or cash-based transfers.

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

- 13. The Supply Chain Operations and Programme Humanitarian and Development divisions are co-leading implementation of WFP's LRFPP. The policy was launched in 2020 in order to boost local and regional food purchases, including from smallholder farmers (SHFs), while taking into consideration the cost-efficiency principle that drives WFP food procurement.
- 14. In 2022, the two divisions continued to implement the transition phase of the policy (2020–2022), focusing on the further testing and development of foundational tools and systems such as the risk register. The operationalization of the policy continued in 11 pilot countries across three WFP regions<sup>2</sup> and was extended to other countries with significant potential for local procurement. For example, Nigeria, despite not being a pilot country, was among the top countries for local procurement and pro-SHF purchases.
- 15. Throughout the year progress was made in demand and supply analysis in two out of three pilot regions, namely Eastern and Southern Africa. Demand and supply analysis for the Latin America and the Caribbean region proved challenging due to a lack of long-term funding. WFP also made progress with regard to **localization and commodity substitutions** in all three pilot regions. In Eastern Africa, for example, 34,000 mt of wheat was replaced with 29,048 mt of maize and 5,000 mt of sorghum, 5,000 mt of split peas were replaced with local beans, and 13,000 mt of vegetable oil was procured locally instead of on international markets. The procurement team continued to provide sensitization training for suppliers and traders at a number of country offices. In addition, WFP provided further **training for procurement and programme staff**, including through webinars on value chain analysis, traceability and procurement activities.
- 16. In 2022, approximately 50 percent of the value of the food procured by WFP was spent in local and regional markets, injecting more than USD 1.6 billion into local economies. That figure includes approximately USD 576 million disbursed through the Regional Bureau for the Middle East, Northern Africa and Eastern Europe, USD 499 million disbursed through the Regional Bureau for Asia and the Pacific and USD 253 million disbursed through the Regional Bureau for Eastern Africa. Although the quantity of commodities purchased locally in 2022 did

<sup>&</sup>lt;sup>2</sup> Those countries were Mozambique, the United Republic of Tanzania, Zambia and Zimbabwe (Regional Bureau for Southern Africa), El Salvador, Guatemala, Honduras and Nicaragua (Regional Bureau for Latin America and the Caribbean), and Ethiopia, the Sudan and Uganda (Regional Bureau for Eastern Africa).

not increase significantly compared to 2021, the monetary value of local and regional purchases by WFP increased by 50 percent due to food price inflation.

17. In the **mainstream and sustain phase** (2023–2027) of the LRFPP, the systems and models that have been developed in recent years will be mainstreamed into WFP business processes with a view to enhancing the capacity, efficiency and sustainability of the programme.

#### Scaling up procurement from smallholder farmers

- 18. In 2022 WFP conducted pro-SHF procurement in 24 countries, including in LRFPP pilot countries. The amount spent on pro-SHF purchases totalled USD 71 million, an increase of 36 percent from 2021, while the total quantity of SHF-procured food in 2022 was 123,000 mt (compared with 117,000 mt in 2021), accounting for 2.9 percent of WFP's food procurement by volume and 2.2 percent by value. The top five countries for pro-SHF procurement were the Sudan, Nigeria, the United Republic of Tanzania, Ethiopia and Uganda, which together accounted for 79 percent of total pro-SHF procurement by volume (97,000 mt) and 72 percent by value (USD 51 million).
- 19. Of the total quantity of SHF-procured food (123,000 mt), 106,000 mt (86 percent, valued at USD 57 million), was procured through the **Global Commodity Management Facility** (GCMF), an advance financing mechanism that allows WFP to scale up various contract modalities, including those pertaining to SHF procurement, by providing timely access to resources and reducing delivery lead times. Of the 117,000 mt of food purchased from SHFs in 2021, almost 92,000 mt (valued at USD 34.5 million) was procured through the GCMF.
- 20. With the implementation of the LRFPP, WFP aims to increase the share of pro-SHF procurement, with a goal of reaching 10 percent of total volume by 2027, in order to positively affect the livelihoods of local farmers. In 2023 WFP will continue to scale up its pro-SHF purchases, not only for use in its own programmes and operations but also to support public programmes and local market development, for example by linking smallholders with local producers of key commodities, including specialized nutritious foods.

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

21. In 2022 WFP revised its emergency activation protocol, replacing the L1/L2/L3 designations with new emergency classifications: "corporate attention", "corporate scale-up" and "early action and emergency response".<sup>3</sup> At the time of writing, that change has not been reflected in the WFP Information Network and Global System (WINGS). However, table 3 provides approximate figures for the volume of food procured for activities under each emergency category:

TABLE 3: VOLUME AND SHARE OF FOOD PROCURED IN 2022 PER EMERGENCY CLASSIFICATION		
Emergency classification	Volume ( <i>mt</i> )	Share of total volume procured (%)
Corporate attention	2 392 041	55
Corporate scale-up	37 804	1
Early action and emergency response	522 471	12

<sup>&</sup>lt;sup>3</sup> For further information, see Executive Director's circular "WFP Emergency Activation Protocol" (OED2022/003), 24 February 2023.

- 22. With the intensification of the conflict in Ukraine and neighbouring countries in February 2022, WFP was compelled to update its sourcing strategies, including by purchasing from new suppliers and expanding underutilized markets. Companies inside Ukraine and neighbouring countries were identified and included in an ad hoc emergency roster that allowed for rapid food assistance to be delivered within the first days of the emergency response operation. In 2021, WFP purchased a total of 1.4 million mt of wheat, of which 800,000 mt, or 57 percent, was procured from Ukraine. Furthermore, WFP procured 19.8 percent of all commodities by volume from Ukraine in 2021, compared to just 8.6 percent in 2022.
- 23. In addition to measures to mitigate the impact of the ongoing conflict in Ukraine, WFP is continuing its efforts to **expand its supplier base** globally and facilitate rapid procurement when faced with sudden-onset emergencies. Through its standard review process, in 2022 WFP added **19 new vendors from 15 countries** to its international food vendor rosters for cereals, pulses, specialized nutritious foods, vegetable oil and canned food.
- 24. The Food Procurement Unit is continually **developing global sourcing strategies and operational intervention plans** for addressing the increase in requirements for emergency response operations, with staff participating in emergency preparedness activities and advising governments on related measures. When emergencies arise, food procurement staff are regularly deployed to support local and international procurement efforts, often within 24 hours.

# Enabling government-run food assistance programmes through service provision activities

- 25. In line with the Sustainable Development Goals, particularly Goal 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development, and WFP's strategic plan for 2022–2025, WFP is increasingly focused on supporting food systems and national and local actors in their efforts to address food insecurity. WFP offers a range of services to its partners, including other United Nations entities, non-governmental organizations and government counterparts, to facilitate assistance delivery and meet national food security objectives. Those services include food procurement service provision, whereby WFP, on behalf of a partner, procures specific commodities for local programmes. WFP uses its procurement expertise and its large-scale network and reach to buy economically and at scale while prioritizing procurement from locations that best support national objectives of eradicating hunger and malnutrition.
- 26. Significant volumes of food were procured through service provision in 2020, with 550,000 mt of wheat purchased on behalf of the governments of Ethiopia and the Sudan, and in 2021 when almost 1 million mt was purchased on behalf of the governments of Ethiopia, Guatemala and the Sudan. WFP procured most food on international markets, which allowed it to benefit from competitive food prices and rapid response and delivery times.
- 27. In 2022, service provision demand decreased overall, due in part to a bumper wheat harvest in Ethiopia, which enabled the Ethiopian Government to cover most domestic needs using local supplies. In total, WFP bought **116,000 mt of food** on behalf of the governments of Burkina Faso (rice and sorghum), Ethiopia (wheat) and Guatemala (a mix of commodities).

## An increasingly decentralized approach to procurement

- 28. WFP procurement activities are largely decentralized, based on a network of procurement units located at headquarters, the six regional bureaux and **55 country offices**. Senior procurement staff are posted to the field wherever large quantities of food are purchased.
- 29. The **international procurement** of most food is administered at headquarters, although a share of it has been decentralized to position it closer to the main markets and areas where it is grown.

TABLE 4: FOOD PROCUREMENT BY PURCHASING OFFICE, 2022				
Purchasing office	Value		Quantity	
	USD	%	mt	%
Headquarters	1 787 516 572	54.9	2 230 661	52.6
Regional bureaux	430 015 487	13.2	560 512	13.2
Country offices	1 039 912 461	31.9	1 448 555	34.2
Total	3 257 444 520	100.0	4 239 728	100.0

- 30. In 2022, the Food Procurement Unit at headquarters procured more than 2.2 million mt of food valued at USD 1.79 billion. That amounted to 52.6 percent of global tonnage (slightly less than the 57 percent procured in 2021) and 54.9 percent of the total value procured (a similar percentage to that in 2021).
- 31. After headquarters, WFP offices in Asia, the Afghanistan and Pakistan country offices and the Regional Bureau for Asia and the Pacific procured the largest quantities in 2022, an average of 250,000 mt per quarter. In the fourth quarter of 2022, following the establishment and scale-up of the local procurement workforce, the Ukraine country office quickly ramped up activity and procured more than 50,000 mt.

## **Ensuring sustainability**

32. In line with its 2017 environmental policy,<sup>4</sup> WFP is committed to upholding sustainable procurement principles. In recent years, WFP has taken action to develop environmental service specifications and evaluation criteria.

#### Reducing the carbon footprint

33. Internal and external stakeholders have continued their collaboration in order to refine and scale an environmental footprint calculation tool. The tool will allow WFP to measure CO<sup>2</sup> emissions and the environmental and social impact of procurement activities across the supply chain.

<sup>&</sup>lt;sup>4</sup> "<u>Environmental Policy</u>" (WFP/EB.1/2017/4-B/Rev.1).

- 34. To calculate supply chain carbon footprints, WFP is continuing its efforts to measure emissions originating from the production of food and packaging. The methodology it uses is in line with the Greenhouse Gas Protocol and the emissions factors used are those developed in the context of the Humanitarian Carbon Calculator, a tool developed for the humanitarian community under the umbrella of the Sustainable Supply Chain Alliance, a collaborative project led by the International Committee of the Red Cross.<sup>5</sup>
- 35. The calculation methodology takes into account the quantity of a specific food procured within a definite timeframe by a given regional bureau, in tandem with relevant emission factors. Emission factors are not always available for specific commodities and are not country specific, and a number of assumptions therefore need to be made. This means that the calculation only provides an estimate of emissions, which must then be refined over time. Similarly, emissions from the most frequently used primary and secondary food packaging are calculated on the basis of a range of emission factors. The analysis allows stakeholders to identify the food commodities purchased by WFP with the highest environmental impact, and therefore facilitates the formulation of targeted and prioritized environmental strategies.

#### Promoting sustainable packaging

36. The bulk of WFP packaging, especially for major food commodities such as cereals, pulses and sugar consists of woven polypropylene bags. In order to reduce plastic waste from the use of those bags, WFP is undertaking a two-year project in coordination with the International Committee of the Red Cross and the Office of the United Nations High Commissioner for Refugees to design, field test and roll out alternative packaging materials. Three proposed packaging prototypes are being tested, and the final results are expected in 2023.

#### Sustainable palm oil

37. In 2022, products certified by the Roundtable on Sustainable Palm Oil (RSPO) accounted for **86 percent of WFP palm oil purchases**. Around 86 percent of all RSPO-certified products purchased were fully sustainable (segregated) palm oil – amounting to 74 percent of the total palm oil purchased by WFP; the remainder was "mass balance" product.<sup>6</sup> This is a significant increase compared to 2021, when only 59 percent of all RSPO-certified products were fully sustainable (segregated). Options for linking RSPO-certified palm oil purchases with SHF procurement in the context of the LRFPP are being explored.

#### Oversight

- 38. In 2022, WFP's Procurement Branch continued to provide oversight and guidance in the field with regard to procurement, conducting remote compliance missions, joint compliance checks in the field with other supply chain teams and providing high-level support for field operations. WFP has continued its efforts to enhance its supply chain **import parity system** in order to help relevant stakeholders **accurately assess procurement options**.
- 39. A number of new tools were developed and rolled out at headquarters and in the field, including a **performance evaluation tool** that facilitates the monitoring of supplier performance. It is now also possible to obtain and print relevant WFP food contracts directly from the WINGS system.

<sup>&</sup>lt;sup>5</sup> For further information, see Humanitarian Carbon Calculator.

<sup>&</sup>lt;sup>6</sup> "Mass balance" refers to the mixing of sustainable palm oil from certified sources with ordinary palm oil throughout the supply chain.

#### Way forward

- 40. With record humanitarian need projected for 2023, the United Nations has appealed for USD 51.5 billion to support 339 million people in need of assistance in 69 countries.<sup>7</sup> The scale of the current global hunger and malnutrition crisis is enormous, with an expected 345.2 million people projected to be food-insecure more than double the number in 2020. An estimated 43.3 million people across 51 countries are at serious risk of famine. In 2023, WFP plans to reach 149.6 million people with full rations while continuing to increase its use of cash-based transfers. Projected operational requirements for 2023 are USD 23.1 billion.<sup>8</sup>
- 41. WFP's Supply Chain Operations Division remains a major stakeholder in the response to the global food, fertilizer and fuel crisis. As part of its worldwide efforts to prevent food and fertilizer market disruptions from causing a decline in agricultural production, which could potentially lead to global food shortages, WFP has continued to advocate the continuation of the **Black Sea Grain Initiative** and is continuing its efforts to facilitate the transportation of donated fertilizer to countries in Southern Africa.
- 42. The Supply Chain Operations Division will continue its implementation of the LRFPP in selected pilot countries, as well as in other countries with significant local or regional procurement or the potential for it. As in previous years WFP will work to scale up pro-SHF procurement, including by exploring options for public and private partnerships and facilitating SHF procurement by governments within the context of their public programmes.
- 43. Finally, the Supply Chain Operations Division is currently conducting a **business process review** of its Procurement Branch in order to streamline processes and simplify workflows, driving efficiency and enabling an increasingly strategic approach to procurement. The revised approach will be aligned with the integrated supply chain management strategy recently adopted by the United Nations Secretariat in the context of the United Nations procurement manual,<sup>9</sup> which places particular emphasis on category management<sup>10</sup> and the sharing of best practices across sectors in order to manage goods and services with greater understanding of client needs and specific supply markets. In the context of WFP food procurement, **increased use of automated tools and advanced planning mechanisms** is envisaged. This will facilitate the integration of market intelligence, seasonality information and information on transport constraints in international and local sourcing and delivery plans.

<sup>&</sup>lt;sup>7</sup> United Nations Office for the Coordination of Humanitarian Affairs. 2023. *Global Humanitarian Overview 2023*.

<sup>&</sup>lt;sup>8</sup> WFP. 2023. WFP Global Operational Response Plan 2023: Update #7.

<sup>&</sup>lt;sup>9</sup> United Nations. *Procurement Manual*.

<sup>&</sup>lt;sup>10</sup> Category management is a concept in which the range of goods and services an entity acquires is divided into groups of similar or related products called categories. It defines a systematic approach to managing those goods and services with a much greater understanding of client needs and specific supply markets. For further information see the United Nations *Procurement Manual, chapter 2.1.3*.

## ANNEX

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, BP-5 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

## Additional information on commodities procured

## Cereals

1. In 2022, WFP purchased **3 million mt** of cereals (valued at USD 1.4 billion), accounting for 70 percent of the total volume of food purchased.

#### Wheat

- 2. In 2022, WFP purchased more than 780,000 mt of wheat (valued at USD 284 million), down from 1.4 million mt in 2021. Despite the geopolitical challenges of sourcing wheat from the Black Sea region during the conflict in Ukraine, Ukraine remained the main origin country in 2022, providing 435,000 mt (more than half the total volume of wheat purchased by WFP). Pakistan, the source of 235,000 mt, was the second largest origin country.
- 3. The Black Sea Grain Initiative, signed in Istanbul on 22 July 2022 and recently renewed until May 2023, allows for the export of grain, related foodstuffs and fertilizers, including ammonia, from designated Ukrainian seaports. In 2022, **406,000 mt of wheat (valued at USD 128 million) were procured from Ukraine** under the initiative. In addition, some 90,000 mt were sourced via the Odessa-Danube corridor prior to the signing of the initiative, and 50,000 mt was provided in kind by Ukraine. The recipients of the 406,000 mt were **Ethiopia** (173,000 mt), **Yemen** (107,000 mt), **Afghanistan** (96,000 mt) and **Somalia** (30,000 mt).

#### Wheat flour

- 4. **Wheat flour** replaced wheat grain as the **top food commodity purchased by WFP in 2022** (1.1 million mt, valued at USD 568 million, were purchased). Wheat flour was sourced mainly in Afghanistan, Kazakhstan and Türkiye.
- 5. Yemen mainly receives wheat flour from Türkiye due to the high milling capacity and short lead times in that country. Following the signing of the Black Sea Grain Initiative, the Supply Chain Operations Division facilitated the pre-positioning and milling of wheat in Türkiye, with the wheat flour produced then sent on to Afghanistan and Yemen.

6. In 2022, WFP entered into food supply agreements for the provision of wheat flour to Afghanistan and the Syrian Arab Republic. Given those countries' steady demand for wheat flour, and historical funding trends and purchased volumes, these agreements will allow WFP to achieve economies of scale and will facilitate consistent and timely supplies of wheat flour to the two countries.

#### Maize

- 7. Maize purchases significantly increased in 2022 compared to 2021 (increasing from 107,000 mt in 2021 to **173,000 mt in 2022**) but were still much lower than the 424,000 mt recorded in 2020.
- 8. WFP mainly purchases white maize varieties, which account for only 5 percent of global maize production. More than 90 percent of the global output of white maize is produced in developing countries, where prices are only partly influenced by global market trends.
- 9. **WFP therefore purchases white maize predominantly in the countries where it operates** (and where local markets allow). When harvests are poor and production falls in those countries, additional white maize is bought on more stable markets such as those in Mexico and South Africa.

#### Sorghum

- In 2022, WFP's Food Procurement Unit sourced 284,000 mt of sorghum (a 45 percent reduction compared to 2021). The main recipient countries were the Sudan, South Sudan and Nigeria. Nigeria and the Sudan were the main origin countries, each accounting for 23 percent of total purchases, followed by the Niger, Burkina Faso, Chad, the United Republic of Tanzania and South Sudan.
- 11. In 2022, sourcing from the Sudan drastically declined due to the political situation in that country, the imposition of export bans and rising prices.
- 12. The Food Procurement Unit's diversified sourcing strategy has facilitated the timely procurement of sorghum for South Sudan pre-positioning needs. Indeed, WFP has been able to procure more than 260,000 mt of sorghum in the past five years in competitive food commodity markets in Australia, India and the United Republic of Tanzania to address those needs. Additional international suppliers have recently been included in the WFP roster for sorghum. In the first quarter of 2023 an additional 30,000 mt were sourced from Australia at an extremely competitive price, enabling cost savings and the timely pre-positioning of sorghum in South Sudan.

#### Rice

13. The volume of rice purchased in 2022 was similar to the volume procured in 2021 – 500,000 mt. The main origin countries were India, Myanmar and Pakistan.

## Pulses

14. In 2022, WFP purchased **430,000 mt** of pulses, valued at USD 356 million. Chickpeas and yellow split peas were the main pulses procured, followed by beans. Beans are normally procured in the countries where WFP operates; yellow split peas are procured internationally, usually at lower prices, primarily because there are only a few varieties of them, they are consumed worldwide and they can be substituted for other pulses when the latter are unavailable or too expensive.

#### **Specialized nutritious foods**

- 15. In 2022, WFP bought 393,000 mt of specialized nutritious foods valued at USD 745 million (9 percent of the total volume of all food procured and 23 percent of its total value).
- 16. New suppliers of Super Cereal were added in China and Türkiye, thereby helping to narrow the gap between supply and demand.
- 17. In addition, supported by a donation from the Bureau for Humanitarian Assistance of the United States Agency for International Development, suppliers of lipid-based nutrient supplements were able to increase their production capacity in response to increasing demand.
- 18. In 2023, new suppliers of Super Cereal will start production and will be registered in WFP's rosters of approved vendors in Kenya, Pakistan and South Africa, further narrowing the gap between supply and demand and giving WFP the flexibility to build buffer stocks that can be drawn upon immediately in case of an emergency.
- It is envisaged that a new supplier of Super Cereal in Ghana will help bolster production capacity in Africa. The supplier, which fulfilled its first contract for the provision of Super Cereal only in 2021, successfully fulfilled its first international contract in 2022 by shipping nearly 500 mt of Super Cereal to Afghanistan.
- 20. In 2022, WFP formalized its collaboration with the United Nations Industrial Development Organization (UNIDO) by signing a memorandum of understanding on identifying new suppliers and providing them with support through capacity building, technical assistance and enhanced quality inspections. In 2023, implementation of the memorandum of understanding will be facilitated through the establishment of a joint WFP-UNIDO technical working group.

## Vegetable oil and sugar

- 21. In 2022, WFP procured 252,000 mt of vegetable oil, which consisted primarily of sunflower oil and RSPO-certified palm oil. The volume of oil purchased was similar to the volume purchased in 2021.
- 22. In the light of the ongoing conflict in Ukraine, WFP procured most of its vegetable oil in Türkiye (sunflower oil) and Indonesia (palm oil). Despite the export bans imposed in March in Türkiye and in April in Indonesia there were no major disruptions in the availability of vegetable oil, although some WFP operations, including those in Afghanistan, switched temporarily from sunflower oil to palm olein.
- 23. With a view to procuring vegetable oil from local suppliers and reducing lead times, the Regional Bureau for Eastern Africa is purchasing palm olein through the GCMF from suppliers within the region.
- 24. In 2022, WFP procured 45,000 mt of white sugar, some 34,000 mt of which was used in WFP operations in the Syrian Arab Republic. That sugar, which originated in Brazil, was procured in Morocco.

## Acronyms

GCMF	Global Commodity Management Facility
LRFPP	local and regional food procurement policy
RSPO	Roundtable on Sustainable Palm Oil
SHF	smallholder farmer
UNIDO	United Nations Industrial Development Organization
WINGS	WFP Information Network and Global System