



## Local and Regional Food Aid Procurement Program Report to the United States Congress Fiscal Year 2016

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### Overview

The U.S. Congress established the USDA Local and Regional Food Aid Procurement Program (7 U.S.C. 1726c) in the Agricultural Act of 2014 (2014 Farm Bill). The 2014 Farm Bill provides USDA the authority to administer the program and an authorization of appropriations up to \$80 million annually through fiscal year (FY) 2018. Under the USDA Local and Regional Food Aid Procurement Program (LRP), USDA is authorized to provide grants to, or enter into cooperative agreements with, private voluntary organizations, cooperatives, and the World Food Program (WFP) to undertake the local and or regional procurement of commodities for distribution in developing countries. Congress appropriated initial funding of \$5 million for FY 2016.

The current LRP Program was enacted by Congress, following a pilot program and independent evaluation<sup>1</sup> that was authorized and funded under Section 3206 of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill).

### Objectives

Congress' objective for USDA's LRP, 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."

To address food safety and quality and market sensitivities, USDA LRP will build 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 will work with its recipients to improve the reliability and utility of market intelligence in areas where USDA's LRP is implemented, seeking to ensure that USDA LRP minimizes potential adverse impacts and maximizes potential benefits.

### Fiscal Year 2016 Funding and Activities

In December 2015, the Consolidated Appropriations Act, 2016 provided \$5 million of FY 2016 McGovern-Dole program funds to be used to conduct the USDA LRP Program. This estimated program value includes local and or regional commodity purchases, inland costs, transportation, storage and handling, and other allowable direct and support-related costs. In the Explanatory Statement for the FY 2016 appropriations act, Congress directed USDA to use the funds to "build long-term agriculture sustainability and establish a local investment in school feeding programs" and "conduct the Local and Regional Food Aid Procurement Project Program in accordance with the priorities of the McGovern-Dole International Food for Education and Child Nutrition Program."

On July 1, 2016, USDA published a final rule implementing the program and establishing rules to govern the administration of the LRP by the Foreign Agricultural Service (FAS).<sup>2</sup> On July 14, 2016, FAS announced a solicitation for proposals for projects to be funded under USDA LRP for FY 2016. The

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<sup>1</sup> [www.fas.usda.gov/sites/default/files/lrp\\_report\\_12-03-12\\_to\\_print.pdf](http://www.fas.usda.gov/sites/default/files/lrp_report_12-03-12_to_print.pdf)

<sup>2</sup> [www.ecfr.gov/cgi-bin/text-](http://www.ecfr.gov/cgi-bin/text-idx?SID=4c2c800138711d50775161c3c22e6885&mc=true&node=pt7.10.1590&rgn=div5)

[idx?SID=4c2c800138711d50775161c3c22e6885&mc=true&node=pt7.10.1590&rgn=div5](http://www.ecfr.gov/cgi-bin/text-idx?SID=4c2c800138711d50775161c3c22e6885&mc=true&node=pt7.10.1590&rgn=div5)

application period closed on August 15, 2016. FAS received a total of six applications for the FY 2016 LRP Program. Through a competitive merit-based selection process, FAS selected three proposals for LRP projects in Laos, Mozambique and Rwanda with all of the LRP projects designed to complement existing McGovern-Dole programs.

### **Program Requirements**

The governing regulations of USDA's LRP obligates implementing partners to ensure that eligible commodities are procured locally or regionally without a disruptive impact on farmers located in, or the economy of, the target country or any country in the target region and without unduly disrupting world prices for agricultural commodities or normal patterns of commercial trade with foreign countries.<sup>3</sup> Additionally, each LRP agreement requires implementing partners to submit evaluation and performance monitoring plans to USDA and provide semiannual performance reports by April and October.

### **Fiscal Year 2016 Projects**

#### **Project I: Laos – Complementing McGovern-Dole with Local Production in Luang Namatha Province**

In Laos, \$1 million in USDA funds will be used to build the capacity of smallholder farmers in communities where participating McGovern-Dole schools are located in order to improve local agriculture production. This will create a reliable supply of local agriculture commodities which will be procured to supplement the USDA-donated meals. This agreement's estimated project completion date is September 2018.

#### **Project Activities:**

WFP will provide training sessions to farmers on crop and seed production and will coordinate with community organizations and the Ministry of Forestry and Ministry of Education and Sports. Initial trainings include best practices for the operation of a school lunch program; agricultural best practices (planting, propagation, soil care, and harvesting techniques); and the preparation of school meals.

In the next phase of the USDA LRP program in Laos, schools will purchase agriculture commodities from local farmers on a weekly basis. WFP will disseminate lessons learned by farmers during the first growing season.

#### **Project II: Mozambique – Building Support for School Feeding**

USDA donated \$2 million to World Vision, Inc. (WVI) to implement local procurement in Mozambique. This USDA LRP project is designed to supplement the existing McGovern-Dole school meals program to build the capacity of schools and to effectively and efficiently procure local commodities to supply school feeding programs, thus, promoting the sustainability of the project and promoting nutrition. The estimated project completion date is February 2019.

#### **Project Activities:**

The McGovern-Dole project donates corn soy blend plus (CSB+) to 150 Mozambican schools. Under the USDA LRP project, WVI will select 43 schools on which to focus based on their demonstrated strong leadership and connections with strong farmer groups, which have demonstrated a willingness to fully and actively participate in providing school meals. WVI will procure locally grown agricultural commodities (beans, groundnuts, and orange-flesh sweet potatoes) to use in all of the schools targeted under this project.

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<sup>3</sup> <https://www.federalregister.gov/d/2016-15537/p-139>

In addition, to purchasing the local beans, groundnuts, and orange-flesh sweet potatoes, WVI's USDA LRP will strengthen the capacity of local farmer groups, school procurement committees, and government officials to build the farm-to-school supply chain. WVI will also provide training in proper agronomy skills such as quality control, crop planning, and improved techniques that increase yield size and quality consistency, with a focus on orange-flesh sweet potatoes.

To ensure that locally procured foods are of high quality, stored correctly, and utilized to maximize their nutritional content, WVI will establish and train School Procurement Committees (composed of the school principal, cooks, teachers, and parents) in each of the targeted schools. In Year Two of the project, WVI will organize visits for officials from the Government of Mozambique's National School Feeding Program Office (PRONAE) and key local government staff to project sites to facilitate their understanding of the procurement process, as part of the gradual transfer of the program to communities and the Government of Mozambique.

### **Project III: Rwanda – Building Smallholder Farmer Capacity and Procuring Locally**

Under the terms of this agreement, WFP will implement \$2 million in USDA funds to build smallholder farmer capacity and procure local agriculture commodities to complement McGovern-Dole school feeding projects in Rwanda. WFP will take seasonal fluctuations in agricultural harvests into account and will procure reasonably priced, available commodities within Rwanda or from other regional markets such as Tanzania or Uganda. This agreement's estimated project completion date is June 2018.

#### **Project Activities:**

In Rwanda, WFP will implement the USDA LRP program through leveraging its ongoing local procurement program, called Purchase for Progress in order to reach more farmers and school-children. Commenced in 2009, the current WFP local procurement program enhances the capacity of small holder farmers in four districts, two in the south and two in the east. WFP is already working with farmers to grow and sell beans to schools that complement the vegetable oil and CSB+ that McGovern-Dole donates to Rwandan schools. The USDA LRP funds will allow WFP to reach even more farmers than it does already, using a proven method; these farmers are parents of current schoolchildren being fed by McGovern-Dole foods. Seeing their children eating the food they grow provides these same farmer-parents even more incentive to send their children to school.

As Rwandan small holder farmers currently lack the capacity to fortify maize, WFP will purchase fortified maize meal from larger suppliers, with the requirement that at least 50 percent of the maize used in the maize meal will be procured from small holder farmers. In addition, WFP will teach the smallholder farmers business skills that allow them to establish commercial relationships with milling cooperatives and factories, warehouse management, and safety and quality standards. WFP will also train farmers on post-harvest handling and provide low-cost storage equipment for up to 2,000 farmers. WFP will work with the Ministry of Agriculture and Animal Resources and the Rwanda Agriculture Board to ensure a strengthened, sustainable local procurement program.