

FSN FORUM - DISCUSSION TOPIC NO 47
PUBLIC PROCUREMENT OF AGRICULTURAL GOODS
FROM 26 OCTOBER TO 23 NOVEMBER 2009

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I. GENERAL INFORMATION

Duration:	from 26.10.09 to 23.11.09
Number of participants:	8
Number of Contributions:	12

II. INTRODUCTION OF THE TOPIC

Dear colleagues,

My name is Darana Souza, I am the coordinator of the agricultural development team of IPC-IG. The [International Policy Centre for Inclusive Growth](http://www.ipc-undp.org) (IPC-IG) is a joint project between the United Nations Development Programme and the Brazilian Government to facilitate South-South Cooperation on key development issues.

It specializes in offering research-based policy recommendations for inclusive growth. By encouraging South-South cooperation, the centre specifically aims to expand the knowledge base and capacities of developing countries to design and implement nationally-owned poverty reduction strategies.

IPC-IG's recently established research and training program on Agricultural Development aims to facilitate South-South learning on agricultural development policies that promote access to markets, food security and income generation.

In this context, public purchase policies of agricultural goods from targeted producers are of great interest. They can guarantee market opportunities and income for farmers, as well as promote food security through price regulation, food supply for key public institutions (hospitals, schools etc.), and provision for food aid programs.

We are therefore mapping experiences of public procurement of agricultural goods from smallholder farmers in developing countries, in order to identify and share best practices.

We would therefore be very grateful if you could share experiences in this area:

- **We are looking for information and knowledge resources on country programs, evaluations, national project/ program materials and so forth. We are mainly interested in experiences where government institutions directly purchase or finance the procurement of agricultural goods to support specific farmers' groups, who otherwise might have difficulties in market access.**

For example, in Brazil a public supply institution, CONAB, purchases food items from smallholder farmers, which will be further donated in food aid programs or used as market regulating stocks.

We thank you very much in advance.

Kind regards from Brazil,

Darana Souza
International Policy Centre for Inclusive Growth (IPC-IG)
Poverty Practice, Bureau for Development Policy, UNDP
Brasilia, Brazil
<http://www.ipc-undp.org>

III. LIST OF CONTRIBUTIONS

Contribution by Shantanu Mukherjee from UNDP, USA

Dear All,

WFP has launched a Purchase for Progress Program (P4P) <http://www.wfp.org/purchase-progress> last year that might be useful. They source their materials from local farmers/neighbouring countries wherever possible. I'm afraid I don't have the details, but perhaps the policy network or their website will have more info.

Various countries have their own procurement programs – India and Pakistan for example. I am not aware of UNDP support in these areas.

Best,

Shantanu

Contribution by Hideko Hadzialic and Barbara Kosny from UNDP, USA

Dear Colleagues,

Please find the below resources on the Purchase for Progress Programme.

WFP- P4P Purchase for Progress Programme

Purchase for Progress builds on WFP's local food procurement programme and takes it a step further – reaching smallholder and low-income farmers and enabling them to gain more from supplying food to our global operations.

<http://www.wfp.org/sites/default/files/WFP%20P4P%20leaflet%20-%200209%20-%20English.pdf>

Overview P4P Power Point Presentation

http://www.fanrpan.org/documents/d00719/P4P_Connecting_Farmers_to_Markets.pps.

Video

<http://documents.wfp.org/stellent/groups/public/documents/newsroom/wfp181358.wmv>

P4P Frequently asked questions

<http://documents.wfp.org/stellent/groups/public/documents/newsroom/wfp188839.pdf>

Local Procurement fact sheet

<http://documents.wfp.org/stellent/groups/public/documents/newsroom/wfp179626.pdf>

Bill and Melinda Gates + WFP

<http://www.un.org/millenniumgoals/2008highlevel/pdf/pr/WFP%20Gates%20Foundation.pdf>

Guatemala

[http://www.iica.int/Esp/conocimiento/actualidad/Documents/Guatemala.%20Poorest%20farmers%20glimpse%20a%20future%20free%20from%20hunger%20\(English\).pdf](http://www.iica.int/Esp/conocimiento/actualidad/Documents/Guatemala.%20Poorest%20farmers%20glimpse%20a%20future%20free%20from%20hunger%20(English).pdf)

Rethinking School Feeding in WFP - FAO: FAO Home PPT

<http://www.fao.org/sd/erp/WorkshopJune2009/presentations/ThursdayMorning/faomeeting.ppt>

Interview Burkina Faso Program
http://www.friendsofwfp.org/site/c.hrKJIXPF1qE/b.5266415/k.310A/QA_with_C233lestine_Ou233draogo_WFP_Program_Assistant_Burkina_Faso.htm

P4P Overview Webpage
http://one.wfp.org/p4p/?section=12&sub_section=6

P4P in the news:

Can Bill Gates Help Africa Feed Itself?
<http://www.time.com/time/world/article/0,8599,1844632,00.html?xid=rss-topstories>

Weaving Africa's Breadbasket
Gates and Buffett Foundations Fund Agriculture Market for Overlooked Small Farms
<http://online.wsj.com/article/SB122230173670373419.html>

UN pledges to buy from poor farmers
http://www.ft.com/cms/s/888a51aa-8a9b-11dd-a76a-0000779fd18c,Authorised=false.html?_i_location=http%3A%2F%2Fwww.ft.com%2Fcms%2Fs%2F0%2F888a51aa-8a9b-11dd-a76a-0000779fd18c.html&_i_referer=http%3A%2F%2Fone.wfp.org%2Fp4p%2F%3Fsection%3D12%26sub_section%3D6

WFP Helps Connect Farmers in Mozambique to Markets- Video included
<http://www.wfp.org/stories/wfp-helps-connect-farmers-mozambique-markets>

P4P in Kenya
<http://www.wfp.org/purchase-progress/kenya>

P4P in Mozambique
<http://www.wfp.org/purchase-progress/mozambique>

P4P in Uganda
<http://www.wfp.org/purchase-progress/uganda>

Additional Resources:

Review of WFP Policies, Objectives and Strategies
<http://www.wfp.org/sites/default/files/cfa37p7.pdf>

(Not WFP, but interesting implementation) MEDICARE "PAY FOR PERFORMANCE (P4P)" INITIATIVES
<http://www.cms.hhs.gov/apps/media/press/release.asp?counter=1343>

Regards

Hideko Hadzialic and Barbara Kosny

Contribution by Mahtab S. Bamji from the Dangoria Charitable Trust, India

Dear Darana Souza

In India the government fixes the minimum procurement price of food grains like rice and wheat, to benefit the farmers.

While I am not a subject expert, the criticism that I have read about this strategy from even personalities like the Nobel Laureate Amritya Sen is: procurement is from big farmers who can

dictate terms and push up the procurement price. This in turn affects the market price of these food grains and the poor and middle class suffer. Small and marginal farmers do not have much grain to sell to the government. Also dry- land grains like maize, sorghum, millets and pulses are not covered by this procurement policy. We nutrition scientists are suggesting that these nutritious grains be included in the basket of food grains supplied through the public distribution system which is targeted at the below the poverty line population only (a policy being criticised). Price support for procuring them, particularly millets may provide boost to their production and benefit the small and marginal farmers. Recently small quantum of pulses has been included in public distribution systems.

Mahtab S. Bamji
INSA Honorary Scientist, Dangoria Charitable Trust, Hyderabad

Contribution by K V Peter from India

Dear All,

Barter system of exchange of agricultural goods and value added goods was in vogue in India before 1947 when British currency was in limited circulation. The landlords collected agricultural produces from tenants and used the same for domestic purposes and also to procure other essentials from local/distant markets. With urbanisation and abolishment of tenancy public distribution systems came into existence. Procurement of food grains started to feed the public distribution systems. A buffer stock was maintained to ensure grain supply in the event of scarcity. With centralised storage and loss in storage village grain banks near to places of production is planned and executed. Minimum support prices were declared to protect farmers from fall in prices and increased cost of production. Waving off loans was also done to save farmers from debt. Many models are available in procurement of perishable and non-perishable agricultural produces:

1. Prepayment to farmers and collection after harvest.
2. Contract farming and procurement
3. Padasekharam as in paddy by group of farmers
4. Co-operatives specialised in commodities
5. Local commodity dealer who pays on daily market prices
6. Commodity auction centres/exchanges, E –exchanges
7. Agricultural Export Promotion Zones
8. Commodity Futures
9. Commodity Banks

In a country like India with a population of 1.12 billion, procurement, storage, transport and distribution are Herculean tasks. In food grains loss during post-harvest is put at 10-15 percentage and 20-30 percentage in fruits and vegetables. What is needed is to optimise the benefits of all above systems and minimise the negatives including post harvest losses.

K V Peter

Contribution by Annie Luteijn from The Netherlands

Dear all,

I have read a contribution to the closed discussion "How to Feed the World in 2050?" by Gangadhara Swamy from India (see here: http://km.fao.org/fileadmin/user_upload/fsn/docs/PROCEEDINGS_How_to_Feed_the_World_in_2050.doc#_Toc244490947) and I am of the opinion that he brings up very good points that are also applicable in this discussion.

In my opinion food security and public procurement should not remain in the hands of big co-operations and governments. Although they appear to be working in the best interest of 'the public', their long communication-lines and bureaucracy stand in the way of actual progress.

For food procurement you could also contact 'fair trade'-foundations, such as: <http://maxhavelaar.nl/english> and <http://www.nukuhiva.nl/>. There are a lot of foundations alike worldwide and they can surely advise or even assist on the subject.

Furthermore, you could also promote small farmers to join forces and form a cooperative society. That is how agriculture in The Netherlands became this strong.

Co-operation is the key to success.

Kind regards,
Annie Luteijn

Contribution by Danuta Chmielewska

My name is Danuta Chmielewska and I work with Darana Souza on the agricultural development team of IPC-IG ([International Policy Centre for Inclusive Growth](#)). I am particularly working on the mapping of public procurement of agricultural goods so I will be interacting with you on this discussion.

I would like to thank all participants for their most valuable contributions so far. We still have one and a half week to go with this topic so hope we can continue exchanging these ideas.

Kind regards from Brazil, Danuta

Response to Shantanu Mukherjee and to Hideko Hadzialic and Barbara Kosny: Many thanks for the links to P4P! The program just completed 1 year (duration: September 2008 to September 2013) and the pilot projects cover 21 countries, spread through Africa, Asia and Latin America. We are trying to get further information on the pilot projects.

In Brazil, we have a similar program that sets to purchase agricultural goods from smallholder farmers. Here though, the resources used for the procurement come from the government, therefore a public procurement. The Brazilian program is called Program of Acquisition of Food from Family Agriculture, known as PAA.

We'll also look for procurement programs in India and Pakistan, as suggested.

Response to Mahtab S. Bamji: A policy that fixes prices might incur such impact if not directed to target groups. In the case you mentioned the fixed prices apply to the whole range of farmers – big, middle class and poor farmers – so the most "prepared" would benefit the most. Both the P4P (Purchase for Progress) and the PAA in Brazil, are directed to smallholder farmers, with the intention that the most vulnerable farmers are the ones to benefit most from these programs.

Regarding the capacity/possibility that smallholder farmers have to generate a surplus, some programs like P4P, are promoting a greater support for farmers to produce in addition to the purpose of facilitating the access to the market. On the other hand, in Brazil, stronger support for farmers to produce is still lacking, as technical assistance in the field often does not reach the most vulnerable farmers.

I apologize for using so much the case of Brazil, but this is often my reference. Recently, with the approval of a new law that complements the guidelines for the School Feeding program in Brazil, it was

set that 30% of all procurement for the School Feeding program should come from family farmers, preferably within the municipality or region. This has increased the available market for family farmers and, in respect to the menu served by schools; it has enabled a greater amount of local food products to be consumed. This example, dialogues with the case of the dry-land grains and might present an alternative to deal with this issue.

Would you have more information on how this recent purchase of pulses worked?

Response to K V Peter: Thank you for sharing these procurement models available in India! Would you know which of these lines involve smallholder farmers? Do you think there would be some information available on a website about some of these lines – specifying who (beneficiaries), when (long term initiatives or punctual), how they take place? Or maybe some publications?

Response to Annie Luteijn: Among the points raised by Gangadhara Swamy from India, the issue of decentralized agriculture brings the discussion of a local production and consumption cycle, which is strongly connected to the topic of our discussion.

Regarding the long communication-lines and bureaucracy present in big-operations and most governments, indeed it is a strong constrain. In the Brazilian case of the PAA, for example, we are conscious that information often did not reach the target group or that bureaucracy kept some family farmers away from accessing the program, though still the program has benefited a large number of farmers. It is hard to argue about the critic of big-operations, but for our reality, now I talk again about Brazil, large schemes are part of our everyday life.

In relation to Fair Trade, the idea of a local/regional market is not present in most cases. Exportation is often involved, as Fair Trade is usually based on a production in the South for consumption in the North, being directed to a specific niche market. I see two strong constraints in the idea of directing Fair Trade products to a population living in a condition of food insecurity: the amounts needed by this population being much greater than what is produced by Fair Trade and the focus of Fair Trade, shown by its structure South-North.

Contribution by R. Shashi Kumar

Respected Darana Souza

Procurement decisions have significant socio-economic and environmental implications, both locally and globally, now and for future generations. Procurement is a process whereby organizations meet their needs for goods and services in a way that achieves value for money on a whole-life-cost basis in terms of generating benefits not only to the organization but also to society and the economy whilst minimizing damage to the environment. Sustainable food procurement is therefore about taking environmental, social and economic factors into account when making purchasing decisions.

Experiences of India

The Government of India (GOI) maintains an elaborate set of food grain policies which include public procurement and price support operations, price stabilization through buffer stocks, public food grain distribution, and extensive controls on private trade. We use aggregate and household level evidence to show that this system is costly, generates inefficiencies in the food grain marketing system (for both the public and the private sector), and often offers few, if any, benefits to its intended beneficiaries, the poor.

The agricultural marketing system in India operates primarily according to the forces of supply and demand in the private sector. Indian Government intervention is limited to protecting the interests of producers and consumers and promoting organized marketing of agricultural commodities. In 1991 there were 6,640 regulated markets to which the central government provided assistance in the establishment of infrastructure and in setting up rural warehouses. Various central government organizations are involved in agricultural marketing, including the Commission for Agricultural Costs and Prices, the Food Corporation of India, the Cotton

Corporation of India, and the Jute Corporation of India. There also are specialized marketing boards for rubber, coffee, tea, tobacco, spices, coconut, oilseeds, vegetable oil, and horticulture.

A network of cooperatives at the local, state, and national levels assist in agricultural marketing in India. The major commodities handled are food grains, jute, cotton, sugar, milk, and areca nuts. Established in 1958 as the apex of the state marketing federations, the National Agricultural Cooperative Marketing Federation of India handles much of the domestic and most of the export marketing for its member organizations.

Most agricultural produce in India is sold by farmers in the private sector to moneylenders (to whom the farmer may be indebted) or to village traders. Produce is sold in various ways. Private traders and the corporate sector had making direct purchases from the farmers the previous year, affecting public procurement.

It might be sold at a weekly village market in the farmer's own village or in a neighbouring village. If these outlets are not available, then produce might be sold at irregularly held markets in a nearby village or town, or in the mandi. Farmers also can sell to traders who come to the work site.

The Food Corporation of India is the sole repository of food grains reserved for the Public Distribution System. Food grains, primarily wheat and rice, account for between 60 and 75 percent of the corporation's total annual purchases. Food-grain procurement was 8.9 million tons in FY 1971, 13.0 million tons in FY 1981, and 17.8 million tons in FY 1991. Food grains supplied through the Public Distribution System amounted to 7.8 million tons in FY 1971, 13.0 million tons in FY 1981, and 17.0 million tons in FY 1991. The corporation has functioned effectively in providing price supports to farmers through its procurement scheme and in keeping a check on large price increases by providing food grains through the Public Distribution System.

How to improve the conditions in developing countries?

1. Market integration could be achieved by cutting down on subsidies, removing tariff distortions and allowing foreign direct investment (FDI) in retail.
2. Except for rice and wheat, all further attempts to include more commodities under the coverage of food subsidies should be resisted as subsidies on goods and public distribution system have distorted prices in the market economy,
3. States should be free to set up public or joint venture companies for food procurement, transport and distribution if it is commercially viable.
4. Good roads and lower transportation cost help in reducing cost of transfer of products from the market where the product is produced to other markets. This will help in integration of product markets.
5. the most important policy distortion is the skewed tariff policy, which overcharges freight movement in order to subsidise passenger traffic. Thus there is need to rebalance the rail tariff to improve the fare-freight ratio,
6. FDI in retailing could lead to lowering of prices and movement towards market integration. Food retailers would be free to sell other agro-based and rural industrial products. Through competition, economies of scale and improved efficiency in the supply chain, product prices would lower, especially in food and grocery sector,
7. The government must ensure a level-playing field for official procurement agencies instead of giving concessions to private companies. At the same time, food procurement will be possible only if farmers' interests are protected. It must be ensured that the official agencies can offer the farmer competitive prices and conditions so as to be able to procure adequate food

grains for the public distribution system. Looking at market trends, it is essential for the government agencies to aggressively go in for procurement with better terms so as to protect farmers' interests and prevent cornering of stocks by private companies.

8. Conduct agronomic research on issues of water, soil fertility, post-harvest losses, climate change, and alternative uses for by-products.

9. Conduct research into crop varieties needed by the poorest and most vulnerable regions.

10. Promote farmer-centred research in accordance with their needs, and investigate alternative uses for agriculture-based by-products along the value chain.

Hence, in addition to environmental benefits, one should value the achievement of efficiency gains and waste minimization as they can result in financial savings which can be used to re-invested in service improvements, or to protect against rising prices resulting from volatile market/economic conditions, both of which directly benefit our customers

Dr. R. Shashi Kumar
World Bank and IEO (IMF)
Bangalore, India

Contribution by the P4P Unit of World Food Programme

Thanks to the UNDP colleagues for mentioning WFP's 5-year pilot Purchase for Progress (P4P) programme that aims to connect smallholder farmers to markets, and for providing links to P4P resources and materials.

We would like to take advantage of this forum to clarify a couple of points regarding this pilot initiative, and also to link you to more updated resources and materials, including a summary of where we stand and what has been achieved after one year of implementation.

- This is a pilot five year programme, launched last September 2008, therefore it is **too soon to talk about best practices for P4P**.
- WFP already purchases a lot of food locally in countries where it has operations, independently of P4P. **P4P is not equal to local purchase**. While in all countries WFP can purchase locally through WFP's regular procurement modalities if market conditions allow, only in the 21 chosen P4P pilot countries can WFP test new ways of buying food such as direct or forward contracts, purchasing through commodity exchanges or warehouse receipt systems. The P4P purchases represent a small percentage of WFP's overall local procurement in a given country.
- Through P4P, WFP is **shifting a small percentage of its overall local and regional procurement** from the higher levels of the marketing chain (large-scale traders and processors, WFP's traditional suppliers) to the lower levels (farmers' organizations and small/medium-scale traders), in order to have a more direct impact on smallholder farmers' income and livelihoods. In order to achieve this, through P4P WFP is:
 1. **adjusting procurement practices** in order to facilitate Farmers' Organizations (FOs) and small/medium-scale traders' participation in WFP tenders through "adjusted" tenders;
 2. **piloting new ways of buying**, for example, through commodity exchanges (Zambia and Uganda), warehouse receipt systems (Tanzania and Uganda), cereal fairs (Mali), or through direct and/or forward contracts with farmers' organizations (all countries)
- Through P4P, WFP **does not buy at the farm gate**, but at farmers' organizations level.

P4P Procurement principles

P4P purchases are underpinned by the same core principle of cost efficiency, like any other WFP food purchase. WFP will not compromise on quality and will not pay above local wholesale market prices when purchasing from smallholder farmers' organizations.

Paying prices above what WFP would expect to pay through normal channels would mean: (i) less tonnage purchased with donor funds, (ii) P4P objectives of sustainable market development are undermined, and (iii) WFP's ability to scale up and mainstream the new procurement models at the end of the pilot phase would be constrained.

Where Are We Piloting P4P?

P4P is being piloted in 21 countries:

Africa – Burkina Faso, Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Liberia, Malawi, Mali, Mozambique, Rwanda, Sierra Leone, Sudan, Tanzania, Uganda and Zambia.

Asia – Afghanistan and Laos.

Latin America – El Salvador, Guatemala, Honduras and Nicaragua.

Which commodities is WFP buying under P4P?

- Staple crops, such as maize, sorghum, millet, wheat and rice.
- Pulses, such as cowpeas and beans.
- Blended fortified foods using local commodities, such as maize meal, corn soya blend or cassava flour.

Updated resources on P4P:

- P4P – Overview:
http://typo3.fao.org/fileadmin/user_upload/fsn/docs/P4P_OVERVIEW_FACT_SHEET-FINAL-Nov09.pdf
- P4P – Achievements:
http://typo3.fao.org/fileadmin/user_upload/fsn/docs/P4P-OUR_ACHIEVEMENTS -FINAL-Nov09.pdf
- October newsletter:
http://typo3.fao.org/fileadmin/user_upload/fsn/docs/OCT2009_P4P_Update_FINAL.pdf

More can be found on the external website:

<http://www.wfp.org/purchase-progress>

Best regards,

All the best

Purchase for Progress (P4P) Unit
WFP

Contribution by K V Peter from India

Agriculture falls under concurrent list and both state and central government are empowered to enact legal measures to procure food grains. The Food Corporation of India (FCI) procures food grains from farmers at minimum support prices fixed by the Agricultural Price Commission based on several parameters. FCI maintains godowns all over the country and releases food grains to states for distribution through PDS as per quota allotted based on intake in previous years.

In the event of scarcity of food grains, FCI even imports grains based on Global tender and approval by Group of Ministers. Availability, pricing and distribution are key issues. Village Grain Banks are suggested to save expenses for transport and create security against scarcity. In a

country like India where basic infrastructure lacks, village grain banks is a good concept. Loss in storage is also phenomenal considering transport loss, spoilage during storage, loss during distribution and even processing. The Ministry of Food Processing has research programmes aimed at minimising losses and maximising quality.

In addition the states have authority to procure, regulate and market in food grains. The volume of business involved is so colossal that likelihood of inefficiency and corruption is also abysmal. With the enactment of FOOD SECURITY ACT the role of FCI will be pivotal. It will be useful if Country papers are made available in this discussion on Food Grain Procurement in countries like USA, China, Vietnam, Indonesia etc.

K V Peter

Contribution by Fredrick Abeyratne from UNDP, Sri Lanka

Dear Darana.

I hope the information below would be useful.

Historically, the state intervention in the marketing of Agriculture produce in Sri Lanka, goes back to early 1970's, with introduction of Guaranteed Price Scheme (GPS), and establishment of the Paddy (Rice) Marketing Board (PMB). It is reported that the PMB, purchased only around 20% of the paddy produced during its peak period. But notably, the GPS acted as a price leader, and determined the open market operations as well. However, with the open market policies of the Government in the late 1970's, the PMB slowly became a non-significant buyer and was eventually closed down.

However, at present even though open market operation is common, the Govt. has stipulated a minimum buying price of paddy or unhusked rice seeds, where govt. run cooperatives scattered around the country does the purchases. The govt. also advances money to these cooperatives to buy paddy from small farmers. However, due to lack of adequate storage facilities, advances not available on time, strict quality controls (Moisture percentage in seeds), has reduced the market share of the cooperatives. However, it stills acts as the last resort to small farmers, and the minimum price stipulated by the Govt, has reduced the exploitation by private traders during harvesting time.

Government also over the years has established 9 **Dedicated Economic Centers**, where the wholesale market transaction takes place. One such very successful ones is Dambulla Center, in the North Central province which was established in 1999 is one of the most successful centers. This was a traditional wholesale trading place for long years where, in 1999, Govt. developed through building roads, building stalls, offices etc. This center has 164 stalls (rented out to private dealers), and operates 24 hours. The office is run by the Ministry of Trade. It monitors the prices of random stall at intervals. This data is fed into a computer and is displayed in 5 large screens. This helps the farmers an idea about the prices, for negotiation purposes. The transaction takes place as follows. There are lorries parked with mainly fruits and vegetables at this center. A buyer will negotiate with seller a price. Then the stall owner (He is neither the buyer nor seller), will weigh the stock and takes money from the buyer and pays the seller. He charges Rs.1 commission for price range of Rs. 1-10 per kilo, Rs. 2 for price range Rs. 10-20 and Rs. 5 for prices above Rs 20. It is said a stall owner can make a profit around Rs 20,000 a day. These stalls are tendered every 10 years.

With best regards
Fredrick Abeyratne
Sri Lanka

Contribution by Danuta Chmielewska and Darana Souza, International Policy Centre for Inclusive Growth, Brazil

Response to Shashi Kumar: We are very much in agreement that procurement shall consider environmental, social and economic factors. Thank you for sharing the experiences of India and for your views on how to improve the conditions on developing countries.

Response to P4P Unit of World Food Programme: Many thanks for the clarifications on P4P and for the updated links.

In the Brazilian case of the PAA, purchases are held both at the farm gate level as well as at farmer's organizations level. An ongoing research, being carried out by IPC, assesses the impacts on the development of market oriented productive and organizational practices of family farmers brought by the PAA. We'll soon be able to share some work on that.

Response to K V Peter from India: Thank you for sharing a complementary contribution on the FCI and its lines of action.

Response to Fredrick Abeyratne from UNDP, Sri Lanka: Your example shows how broad such supports can be, as you describe that the minimum price stipulated by the Govt, has reduced the exploitation by private traders during harvesting time, leading us to reflect that not only beneficiaries will benefit from a such governmental action, but there will also be other very interesting indirect impacts.

Concluding remarks by Danuta Chmielewska and Darana Souza from International Policy Centre for Inclusive Growth, Brazil

First of all, we would like to thank all participants for their most valuable contributions!

The Forum has generated some very interesting observations of options and variants of agricultural procurement. Also, it has brought some examples that we shall want to accompany.

In our view, attaining food security implies the double challenge of ensuring proper food supply as well as broad access to food. Therefore, the concern about food security is very much linked to the sources of food and so we believe that it is important to look at, on one hand, the support to the rural poor, providing opportunities to strengthen livelihoods through stable sources of cash and sources of food. And, on the other hand, ensure that all people, and especially the most vulnerable, have access to provisions reinforcing the need of supporting food access in both rural and urban areas. In this context, many lessons can still be learnt from more research assessments of success (and failure) of innovative programs that link support to smallholder agriculture to food access initiatives. We believe that this discussion has brought some new inputs for further research on that direction.

Kind regards from Brazil,

Danuta and Darana