



A PROMISING START: Local Purchases of Food Aid in Ethiopia

After decades of criticism of the inefficiency of US programs that ship food aid thousands of miles overseas, new efforts are underway to test local and regional purchases of food aid in developing countries. This practice has the potential to dramatically reduce the cost and the time involved in delivering food to hungry people. It could also help to strengthen local efforts to improve longer-term food security and rural livelihoods.

The United States is the single largest provider of food aid, supplying about half of total global resources. While there is no doubt that this aid has saved countless lives, the current program is seriously out of date. When its food aid program was created over 50 years ago, the US had substantial excess food reserves. Shipping US food overseas served as an outlet for those excess stocks while also promoting vital humanitarian objectives.

Once the US eliminated its supply management program in 1996, however, those reserves vanished. Since then, food has been purchased on the market by agribusiness firms, and shipped on US carriers to developing countries. In 2007, the Government Accountability Office estimated that shipping and administrative costs absorbed 65 percent of US food aid dollars. In 2008, skyrocketing fuel and commodity prices drove those prices even higher, resulting in falling volumes of food aid just as it was needed most.

That crisis also opened the door for new programs to less expensive and quicker ways to provide food aid. The first

tentative step in this transition was the approval in the 2008 Farm Bill of a \$60 million pilot program over four years to test local and regional purchases of food aid, starting with a study of previous experiences in late 2008. USAID's Office of Foreign Disaster Assistance also received \$125 million in supplementary funding in 2008 to address urgent humanitarian needs created by the food crisis, giving it new capacity to experiment with this new approach.¹

ActionAid contacted partners in Ethiopia to learn about the impacts of these new initiatives on the ground.² While ActionAid does not implement US food aid programs in Ethiopia, we have carried out food security and disaster risk reduction programs in the country for more than 20 years. We do not have a stake in the distribution of food aid dollars. We do have a firm commitment to solutions that increase both the availability of food and poor people's access to the resources they need to feed their families and their nations.

Ethiopia is well known as a country confronting numerous food security challenges. The complexities of geography, climate and agricultural policies have all contributed to a series of food crises and even famines in recent decades. Overwhelming poverty creates its own vicious circle, as poor people lack the productive assets they need to grow or buy sufficient food, increasing their vulnerability to short-term shocks such as droughts.

The din of urgent appeals for food aid to confront those shortages may have obscured the fact that Ethiopian

farmers actually produce substantial food. In their annual Crop and Food Security Assessment, the Food and Agriculture Organization and the World Food Program (WFP) estimated total cereal and pulse production for 2009 in Ethiopia at 18 million tons. Total food use, based on a population of 78 million with an average per capita consumption of 185 kg of cereals and pulses, is projected to be 14.5 million tons. Even taking into account estimates of crop losses due to inadequate harvest and storage facilities, Ethiopian farmers actually produced more than enough food this year to feed their people.

Availability of food, however, is not the same thing as access. There are huge regional disparities in food production. Some regions, particularly in central and western Ethiopia, traditionally produce surpluses, while others face chronic shortages. Long term food security programs are needed to increase farmers' access to credit, land, water, technical assistance and other productive resources. Improvements are also needed in information and decision making structures so that Ethiopians can determine the best ways to meet their food needs.

In the short term, food aid agencies seek to meet people's nutritional needs during food emergencies through the provision of commodities where needs are greatest. European and other donors have been supporting local and regional purchases of food aid for more than a decade. The Ethiopian government, concerned about possible impacts on food price inflation, suspended direct purchase of food grains for food aid starting in 2007. It placed no restrictions, however, on purchases from blended food manufacturers.

Many food aid agencies have increased purchases from local companies that process corn, soy and minerals into foods that provide a more balanced mix of nutrients than single grains. According to the World Food Program, there are eight blended food manufacturing companies in Ethiopia. These companies currently produce about 50,000 tons a year of blended food, but they have the capacity to process up to 100,000 tons. These operations also generate considerable local employment for those working at the factories, as well as providing more stable markets for local farmers.

USAID's Office of Foreign Disaster Assistance provided \$3.9 million to the World Food Program for local and regional purchase of food aid. This is a small amount in comparison to the \$608 million spent in 2008 for humanitarian assistance, 88 percent of which was delivered as commodities shipped from the United States. The WFP used the funds to purchase blended food products for distribution throughout the country. Within 45 days of receiving the funds, the WFP purchased 2101 metric tons of blended food mix and 1589

tons of beans from local markets. The lower transport, shipping and handling costs involved in local procurement dramatically reduced the total cost of the food aid, making it possible to serve more people with those funds.

It is important to note that these costs were cut despite the fact that food prices in Ethiopia have been rising. In addition to the rising cost of imported fuel, fertilizer and other inputs, changes within the country contributed to increasing prices. Improvements in market information systems (especially due to the growing use of cell phones), road infrastructure and storage facilities have strengthened farmers' bargaining power when they sell their grains. Changes in access to credit have also meant that farmers are able to spread out loan repayments over longer periods. Rather than selling their crops early in the harvest season at whatever price they can get, more farmers are spreading out the sales to improve their incomes.

According to the 2008 Central Statistics Authority report, food prices increased 58.7 percent in November, around the time the pilot program was implemented. Food price inflation has fallen since then, but even with the high rates at that time, the WFP was able to cut the total cost of the food aid by 50 percent under the USAID pilot program.

The ability to purchase food locally also increased the WFP's ability to respond to food shortages in other ways. Delivery time was cut by nearly five months compared to food shipped from the United States. It also increased flexibility, so that the agency was able to quickly direct a partial shipment of food aid to a community in urgent need while the blending factory was still completing the final order.

ActionAid researchers visited two communities receiving food aid to better understand the impacts of the local purchase program. The first case study, in southern Ethiopia, received food under the WFP program. The second case, in the north of the country, did not participate because of budget constraints.

SOROBO VILLAGE: TIMELY DELIVERY AVERTS DISASTER

Sorobo Village, in the Southern Region, experiences chronic poverty and food insecurity, the severity of which varies from year to year. High population density, land shortages and declining soil fertility are among the underlying causes of food shortages in the area. These problems are exacerbated in bad years by droughts and crop infestations, as well as periodic outbreaks of malaria, which significantly affect people's ability to tend to crops. Seasonal food shortages typically occur from February to June most years, and from November to June in bad years. The joint UN, NGO and government multi-agency assessment conducted in July



2008 estimated that nearly 70 percent of the village population needed food assistance.

Food production in the village was hit hard by the seasonal drought in late 2008, exposing many children to severe acute malnutrition. Civil society organizations, UN agencies and the government worked together to establish the Stabilization Center and Outpatient Therapy Program (OTP). These programs supported thousands of children in the zone affected by the food crisis. Timely delivery of life saving foods such as Famix and other blended foods, a significant portion of which were provided under the USAID/OFDA pilot program, helped many of these children to survive. The local clinic staff at Karat, a town near Sorobo, confirmed that the delivery of Famix by WFP contributed to significantly reducing malnutrition and mortality rates in the area. They indicated that, “If the Famix was delayed even by a few weeks, many children could have been pushed over the edge into severe malnutrition and death.”

According to Barakale Onkoshaya, a 46 year old father of seven in Etikle village, near Sorobo, “In early May 2008, my entire family was at risk. I had no food to give them. We had tried eating wild foods but it did not last long. Thanks to the wheat, Fafa and Famix given to us, our children survived. My youngest child was admitted to the OTP program, where he was given highly nutritive food and health care by going to the local health center every Friday.” He added that, “by now all my children are ok and healthy and are attending school.”

According to the WFP, without the support of the pilot program for local purchase, they would not have been able to purchase enough of the blended food products quickly enough, and most of the children in the village could have died. Unfortunately, the lack of sufficient blended food, as well as funding to cover associated health programs, meant that many integrated food and health programs run by WFP, UNICEF and international NGOs were cut in half in 2008.

DELANTA WOREDA: THE CONSEQUENCES OF INACTION

Delanta Woreda is located in northeastern Ethiopia, in the eastern Amhara region of the North Wollo administrative zone. It is a food insecure area with a long history of involvement in food aid programs. The major causes of food shortages include erratic rains, highly degraded farmlands, shallow and infertile soil, pest infestations and livestock diseases. The dominant crop is barley, along with small quantities of lentils and field peas, which are cultivated on the gentle slopes below the frost line.

Farmers typically prepare land in January and continue with planting in February, with the barley harvest arriving in May to June. The 2008 drought led to bad harvests for nearly all farmers in the area, leading to an extended period of food shortages.

Farmers in Delanta Woreda are contending with more than just bad rains. They also lack the support mechanisms they need to establish food reserves to help them weather what are in fact fairly predictable changes in food availability. Farmers interviewed for this report indicted that after the 2007 harvest, which was unusually good, many sold their crops to local traders at very low prices, often because of pressures arising from social obligations, taxes, and loans. Credit or food storage systems were not available to allow them to sell crops over a longer period. In addition, many reported that local crops were not of high enough quality to compete with food aid imports that crowded neighboring markets just as the harvest arrived. Farmers desperate for income were compelled to sell their crops at whatever price was offered.

According to the WFP and local Amhara government officials, Delanta Woreda was not prioritized for food aid shipments in 2008. Information was available about the impacts of the drought, but resource limitations constrained the volume and timing of food aid deliveries.

A farmer in the village of Areka Chinga, near Delanta, reported that since July 2008, his family was forced to eat what they call “famine food”, which includes wild fruits, roots and grasses. Atnaf, who is now 50 years old, said that, “My son Aytenew, who is 12 years old, was not born crippled, and he didn’t become crippled after birth by diseases like polio. But when there is nothing left to eat, we fed them a wild plant called grass pea. So it is the grass pea that has crippled my son.”

Grass pea is an extremely drought resistant and highly toxic grass that produces seeds. According to studies by the Canadian Biodiversity Information Facility, ingesting grass pea for three to six months can cause neurolathyrism, a syndrome characterized by muscular rigidity, weakness and paralysis of the leg muscles.

Local farmers indicated that in drought years, as the plant continues to grow even with minimal moisture, some people collect it and eat it in breads and sauces. While this can help to satisfy hunger in the short term, eating it over longer periods can cause irreversible crippling, particularly for children. Aytenew is one of many children in the Delanta area experiencing this tragic effect of the drought.

CONCLUSIONS AND RECOMMENDATIONS

The extreme variability in weather, soil productivity and resources mean that many areas of Ethiopia will continue to experience periodic food shortages for the foreseeable

future. These problems could well worsen in coming years, as climate change contributes to increasing droughts and flooding in the country and throughout the region.

Food aid is just one element in a range of programs needed to address food emergencies and build local capacities to achieve stable and appropriate levels of food production throughout the country. Given the resource constraints within Ethiopia and among international donors, however, it is imperative that those funds serve as many people as possible, as quickly as possible. The experience in Ethiopia also demonstrates how increasing local and regional purchase of food aid, particularly locally produced blended food products, can cut costs and delivery times, while strengthening local employment and markets.

New food security legislation has been introduced in Congress that would expand the existing food aid pilot programs. The legislation would continue to support current levels of in-kind food aid programs, while significantly increasing local and regional purchase programs over the next few years. It also promotes efforts to better integrate those efforts into more comprehensive programs to address long term solutions to food insecurity. Policy makers, and the communities they serve in developing countries, need to have the full range of tools available to support farmers’ efforts to feed their families and their nations. Increasing the flexibility to purchase food aid locally or regionally could make a big difference in those efforts.

¹ USDA/FAS Food Aid Fact Sheet, April 2009.

² The information in this article is drawn from “Study of the Price of Food Crops and Local Purchase Options for Food Aid in Ethiopia,” a report by TENTAM Development and Training Services commissioned by ActionAid Ethiopia. The full report is available from ActionAid USA.

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