

# Challenges and Opportunities: Smallholders and School Feeding



Initial Baseline Report – 2012



Procurement Governance for  
Home Grown School Feeding Project

Learning Series #1



**SNV**



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By Dick Commandeur, Senior Technical Advisor

November 2013



## Author's Note

This report is the result of a project-wide effort. Based on a standard methodology shared across countries, data were collected in Kenya by education officers of the Ministry of Education and in Ghana and Mali by local consultants and non-governmental organizations. The data were organized and reviewed by SNV advisory teams in the three countries and brought together in one database by Mohammed Lukumanu, who also made a first selection of the topics on which this report is built. Drafts of the document were then returned to the country teams to validate with their first-hand experience. Additionally, the findings and concluding remarks received the contributions and critical observations from the project manager Eliana Vera and learning coordinator José Tegels. Zarrin Caldwell edited the document with the final look and feel by Kathy Strauss in close coordination with SNV USA communication specialist Joni Renick. I'm grateful to everyone in bringing this document to completion and to the Bill and Melinda Gates Foundation for their financial support of the Procurement Governance for Home Grown School Feeding project, of which this exercise is a part. I'm confident that this initial baseline report will help to orient and deepen the work of the PGHGSF project as well as the efforts of other organizations engaged in similar endeavors.

*This report is based on research funded by the Bill & Melinda Gates Foundation. The findings and conclusions contained within are those of the authors and do not necessarily reflect positions or policies of the Bill & Melinda Gates Foundation.*

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## About SNV

SNV is an international not-for-profit development organization. We believe that no-one should have to live in poverty and that all people should have the opportunity to pursue their own sustainable development.

Founded in the Netherlands nearly 50 years ago, we have built a long-term, local presence in 38 of the poorest countries in Asia, Africa and Latin America. Our global team of local and international advisors work with local partners to equip communities, businesses and organizations with the tools, knowledge and connections they need to increase their incomes and gain access to basic services – empowering them to break the cycle of poverty and guide their own development.

By sharing our specialist expertise in Agriculture, Renewable Energy, and Water, Sanitation & Hygiene, we contribute to solving some of the leading problems facing the world today – helping to find local solutions to global challenges and sowing the seeds of lasting change.

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# 1. INTRODUCTION

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School feeding programs are widely recognized as a potential market for (local) smallholder farmers and as a way to link economic development with food security. To date, however, it is hard to find evidence that these linkages are happening effectively. A number of barriers also exist, including inaccessible state procurement procedures, absence of organization among farmers, and unreliable production.

Because developing good programs requires good data, SNV has conducted research to further explore the linkages between smallholder farmers (SHF) and government-led school feeding programs. This report takes a closer look at these linkages in several parts of three countries in Sub-Saharan Africa where SNV is implementing pilots for the Procurement Governance for Home Grown School Feeding Project (PG-HGSF) in Ghana, Kenya, and Mali.

This report explores the validity of the assumptions about the market potential for SHF and outlines some of conditions needed to respond to these opportunities. It also examines some of the challenges that these programs face. More work remains to be

done in this arena, but SNV hopes to use the findings presented in the report to generate new insights. Since international interest is growing in this topic, SNV is eager to contribute to the discussion with evidence-based data.

**Government school feeding programs in Ghana, Kenya, and Mali offer a market potential of US\$ 71 million per year for agriculture products that could be supplied by smallholder farmers.**

The report briefly describes the project (Section 2), and the assumptions on which it is based (Section 3). Section 4 reviews government school feeding programs in the three countries. Sections 5–10 explain the methodology and findings of the baseline survey, including the reality of smallholder farmers, supply chains, food reserves, and social accountability. The report concludes with an analysis of where further work is needed.



## 2. PROJECT OVERVIEW

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PG-HGSF aims to demonstrate ways in which smallholder farmers can participate effectively in the structured market presented by national school feeding programs in Ghana, Kenya, and Mali. PG-HGSF proposes to improve smallholder farmer's access to this potential market as a way of improving their livelihoods. With this objective in mind, it focuses on three main topics:

1. Making the procurement process easier for smallholder farmers;
2. Enhancing the supply chain governance and making it more inclusive for farmers and farmer's organizations, as well as strengthening the capacities of those organizations; and
3. Introducing social accountability practices that prioritize smallholder farmers and local production as a means to influence local policy implementation.

In combination, these three elements are meant to reinforce each other and to increase the inclusion of smallholder farmers. The pilot interventions have also been designed to identify the obstacles that limit farmer's participation. The project was developed on the informed assumption that procurement processes for school feeding programs were uneven and may work against this participation.

As a first step in identifying these diverse obstacles, the project team developed a process to capture baseline data on the three topic areas. These included:

1. Procurement Process: Examining the duration of the process, products, quantities, and value/timeframe of demand;

2. Supply Chain: Researching the numbers and percentages of supplies by smallholder farmers and farmer-based organizations (FBOs) both directly and indirectly; contract compliance; production and organization of farmers; activities by FBO's and support received; private sector involvement (by traders, caterers); employment of those working along the supply chain; use and capacities of cereal banks and other storage facilities; and waste along the chain;
3. Social Accountability: Reviewing the existence of multi-stakeholder and social audit events; the participation of stakeholders and civil society in planning and evaluation; the type of decisions taken; and change achieved.

The baseline data were collected through a series of surveys conducted at the district level. The baseline survey was conducted between August and November 2012 in the first set of districts where the project is being implemented in Ghana, Kenya, and Mali.

This report of the baseline survey gives a picture of the situation of smallholder farmer (SHF) engagement with the structured market of school feeding programs in the three countries. It explores the current relationship, the market potential, and the obstacles that must be overcome. It is meant to contribute to reflection and learning among local national and international stakeholders, especially with respect to how school feeding programs can be designed to boost local production and to improve the situation of the rural poor. It is not a definitive study, per se, but establishes a starting point from which to measure progress and results in the future.





### 3. ASSUMPTIONS

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The project was conceived and developed with explicit and implicit assumptions about the potential and challenges for linking (local) smallholder farmers with state school feeding programs. These assumptions can be summarized as follows:

1. As school feeding programs run for a fixed number of days per year and have a pre-determined food basket, they can also benefit farmers and producers by generating a structured and predictable demand for their products, thereby building the market and surrounding enabling systems.
2. Most of the food in the school feeding programs is not produced locally or in areas in the immediate vicinity of the schools.
3. In practice, smallholder farmers have not been able to access HGSF programs to the extent expected. The programs' impact on agricultural development and, particularly, on smallholder farmers has not reached its full potential.
4. Causes of limited access by smallholder farmers include:
  - Lack of accurate and timely information regarding the tenders issued by the programs, in order to respond;
  - Lack of ability to obtain and qualify for formal eligibility because of their informal status, which does not permit smallholder farmers to enter the market as sellers (at enterprise or organizational levels, for example);
  - Lack of bidding experience, which reduces farmer's ability to compete effectively against commercial and large-scale producers;
  - Lack of adequate and sufficient infrastructure, such as storage and processing facilities, that are necessary to meet provision requirements;
  - Lack of liquidity to pre-finance delivery; and
5. The weak management and lack of accountability in the system leads to the inefficient allocation of significant funds, creates waste, and deviates from the objective to improve the local smallholder economy.
6. The current suppliers to school feeding programs try not to involve farmers in the supply chains due to, among others, a history of mutual distrust, lack of confidence in the farmer's ability to comply with requirements, and cultural differences. In practice, the relationship between smallholder farmers (especially women) and entities along the supply chain is often not an easy one.



7. The HGSF supply chains are not strong and successful because they lack the following conditions:
- Effective matches between local food producers and the traders/caterers;
  - Effective storage facilities for food products, especially at the levels of the traders/caterers and the HGSF implementing government body itself.<sup>1</sup>
  - Preparation of quality rations to both guarantee food's nutritional value and a mix of staple and non-staple food-stuffs to ensure balanced diets; and
- Access to the finance that allows for extended delays between the time of product delivery and that of payment.
8. All too often, people, agencies, and other organizations do not have a sense of their own stake in a given system. They may also lack the necessary information, tools, and knowledge to press for accountability.

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1. The adequate availability, capacity, and management of storage infrastructure mitigates waste and ensures that year-round demand is met, especially given that production seasons are limited.

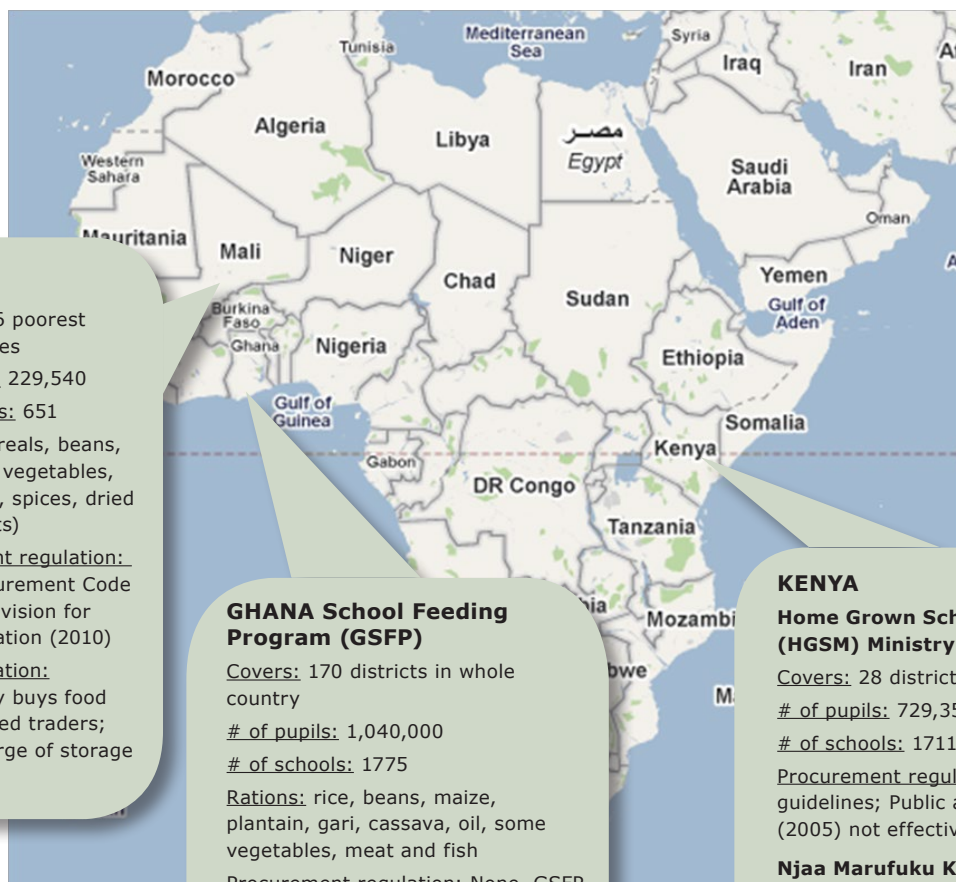


# 4. SCHOOL FEEDING PROGRAMS IN GHANA, KENYA, AND MALI

Ghana, Kenya, and Mali all implement school feeding programs differently, and have different procurement modalities. In all three countries, however, the procurement for school feeding still falls outside the general procurement regulations. For example, while governments have procurement regulations for the state purchases of products and ser-

vices, these regulations are not necessarily adhered to for school feeding programs and/or the authorities may not be effectively overseeing these processes.

The map below highlights key details of the government-led school feeding programs in Ghana, Kenya, and Mali.



**MALI**  
Covers: 166 poorest municipalities  
# of pupils: 229,540  
# of schools: 651  
Rations: cereals, beans, oil (gov.) + vegetables, groundnuts, spices, dried fish (parents)  
Procurement regulation: Public Procurement Code (1995) + revision for decentralization (2010)  
Implementation: municipality buys food from selected traders; SMC in charge of storage and rations

**GHANA School Feeding Program (GSFP)**  
Covers: 170 districts in whole country  
# of pupils: 1,040,000  
# of schools: 1775  
Rations: rice, beans, maize, plantain, gari, cassava, oil, some vegetables, meat and fish  
Procurement regulation: None, GSFP not under Public Procurement Act (2003)  
Implementation: District Assembly selects caterers, who buy food, store, and provide meals for a specific cost per child  
Governance bodies: District Implementation Committee (DIC) and School Implementation Committee (SIC)

**KENYA**  
**Home Grown School Meals (HGSM) Ministry of Education:**  
Covers: 28 districts  
# of pupils: 729,355  
# of schools: 1711  
Procurement regulation: MoE guidelines; Public and Disposal Act (2005) not effective at school level  
**Njaa Marufuku Kenya (NMK) – Ministry of Agriculture**  
Covers: 6 provinces with high and medium agricultural potential  
# of pupils: 31,720  
# of schools: 48  
**Both:**  
Rations: beans, maize, oil  
Implementation: schools buy the foodstuffs from selected suppliers; store and hire cooks

The Ghana School Feeding Program (GSFP) has a target of 80% of the foodstuffs to be bought from smallholder farmers. Ghana also uses the “caterer model.” Under this model, the District and Municipal Assemblies hire caterers to supply meals to designated schools. One caterer may service a maximum of three schools. This procurement of services is, in principle, done through open tendering. The caterers purchase foodstuff from different suppliers for preparing school meals.

In Kenya, there is no specific target that has been set for a specific percentage of food to be bought from local farmers. The “school model” is being used in the Home Grown School Meals Program (HGSM) whereby schools are mandated to undertake procurement of foodstuff and other goods and services used in preparation and supply of meals to pupils. Schools use a public procurement process for this purpose, which involves a

competitive bidding process. Interested prospective bidders, usually traders and other enterprises are invited to participate through public notices and advertisements.

The Malian school feeding program (ALISCO) requires that 50% of foodstuffs be bought from smallholder farmers. The procurement modality in Mali has some similarity to the one in Kenya and is called the “school canteen model.” In this model, the schools establish canteens that are used for the preparation and supply of meals. *Comités de Gestion Scolaires* (CGS)—comprised of representatives from the community and school—are appointed for each school canteen. CGS’s do undertake minor purchase of food ingredients, such as the salt, cooking oil, and spices that are used in preparing meals. However, the bulk of procurement of major foodstuff for school feeding, such as rice and millet, is undertaken by Collectivites/Communes (local government authorities in Mali).



# 5. BASELINE SURVEY

## 5.1 BACKGROUND

The baseline survey of the Procurement-Governance for Home Grown School Feeding (PG-HGSF) project is a major monitoring and evaluation activity and is critical to the learning component of the project. It represents the first effort at collecting primary data and information from target beneficiaries of the project.

The collected data have been presented and discussed at local stakeholder workshops, which has included school management, local government representatives, farmer organizations, involved NGOs, and agriculture and education officers. Representatives from the private sector also informed the design of strategies and interventions that would increase smallholder farmer participation in the school feeding programs.

The baseline data collection gave some initial insights into the existence (and absence) of sources of data and the need to strengthen them. It highlighted the need for direct and indirect smallholder farmer involvement in procurement and social accountability.

The baseline data used for this report were collected from the initial 20 districts where the project started its activities.<sup>2</sup> Research was conducted at five sites in Ghana (4 rural and 1 peri-urban), 11 in Kenya (all rural) and 15 in Mali (all rural). This small sample limits the survey's statistical value. However, from previous knowledge and discussion with stakeholders, the sites used are quite representative. In the next two years of the project, the same baseline data will be collected from additional districts, for a total of 20 sites in Ghana, 15 in Kenya, and 20 in Mali.

Table 1: Coverage of school feeding in surveyed districts. (See Annex 1 for the disaggregated data for the 20 districts.) below gives the details of the coverage of the school feeding in those districts selected by the PG-HGSF program. These data are compared with the total school feeding coverage in the country overall. On average, the data are representative of 8% of the total country school feeding programs.

**Table 1: Coverage of school feeding in surveyed districts.** (See Annex 1 for the disaggregated data for the 20 districts.)

Country	No. of schools participating in government school feeding program in the 20 districts	No of pupils in those schools	No of pupils in total country with government school feeding	% of coverage
Ghana Total	203	43,214	1,040,000	4%
Kenya Total	314	111,409	729,355	15%
Mali	37	10,973	229,540	5%
<b>Project Total</b>	<b>554</b>	<b>165,596</b>	<b>1,998,895</b>	<b>8%</b>

2. By district is meant the level of local government, which in Ghana is called "district," in Kenya "sub-county" (since 2012), and in Mali "commune."



## 5.2 METHODOLOGY

In each district five different groups were surveyed: 1) Schools and district officials (the procuring entity); 2) Farmer-based organizations (FBOs); 3) Caterers; 4) Traders; and 5) ministries of agriculture (MoA).

In Ghana and Mali, Local Capacity Builders/ Non-Governmental Organizations (LCBs/ NGOs) conducted the surveys. In Kenya, local education and agriculture officers identified by the project carried out this task. All were trained, including in the field use of the survey instruments. All the questions, as well as their respective optional responses, were discussed and clarified. When necessary, the surveys were translated into the main local dialects in the districts where the survey was conducted. The data were inserted in a general data entry spreadsheet to facilitate analysis. The LCBs themselves did this task and, in Kenya, an SNV advisor did so. SNV

advisors in each country supervised the field data collection and analysis, in collaboration with the project-level learning coordinator.

The main categories of respondents and beneficiaries of the project (at the local level) included FBOs, traders, caterers, schools, and district level education and agriculture officers. This sample included all of those who are (potentially) involved in the implementation of the school feeding programs in their respective countries. The total sample size was 1353, as detailed in the Table 2: Sample size per category below.<sup>3</sup>

Although the results of the initial baseline provided rich information, SNV acknowledges that deficient recordkeeping—especially on food sourcing and production—may have, in many cases, led surveyors to record estimates rather than to rely on documented data. This fact may lead to some inaccuracies that affect the findings.

**Table 2: Sample size per category**

Category	Ghana	Kenya	Mali	Total
FBO	273	70	59 <sup>3</sup>	402
Trader	49	144	12	205
Caterer	147			147
Schools	203	314	37	554
District education offices	5	11	7	23
District agriculture offices	5	11	6	22

<sup>3</sup> The FBOs in Mali are cooperatives, which are organized in four unions.



## 6. FINDINGS OF THE BASELINE STUDY

HGSF, besides aiming to improve nutrition and consequently the health and education standards for children, also wants to offer market opportunities for smallholder farmers. As school feeding programs run for a fixed number of days per year and have a pre-determined food basket, they can provide the opportunity to benefit farmers and producers by generating a structured and predictable demand for their products, thereby building the market and surrounding enabling systems.

### 6.1 MARKET SIZE

Table 3: Coverage of School Feeding in intervention districts shows the estimated cost of feeding in the districts covered by the project, based upon the number of pupils in the schools who benefit from the school feeding programs, as well as the official costs of the rations per country. The latter was US\$0.21 in Ghana, US\$0.12 in Kenya, and US\$0.25 in Mali.<sup>4</sup>

This table shows that, for just the first 20 districts covered by the project in the first year, an investment of more than US\$5.5 million per year could represent a significant demand for products and services. With an estimated 90% of agriculture products used in the diets, this would equal a market size of almost US\$5 million per year for smallholder farmers.<sup>5</sup>

As seen in Table 4 below, the main demand for the school feeding menus in the surveyed districts was for maize, rice, beans, and millet/sorghum. These are all products that are produced by smallholder farmers in the three countries, although not necessarily in the same districts or nearby. A strategy of linking smallholder farmers with school feeding may, thus, need a broader scope, i.e. toward acquiring some foodstuffs at regional or national levels (see also Chapter 3).

**Table 3: Coverage of School Feeding in intervention districts**

Country	No. of districts	No. of schools	No of pupils	Estimate cost of feeding (US\$)	
				Per day	Per year
Ghana	5	209	43,214	9,074.94	1,960,187
Kenya	11	314	111,409	13,369.08	2,967,935
Mali	4	37	10973	2,743.25	592,542
<b>Project Totals</b>		<b>560</b>	<b>165,596</b>	<b>25,187.27</b>	<b>5,520,664</b>

4 For Ghana and Mali , 216 feeding days per year are used; for Kenya, 222.

5 This percentage may vary among the countries, being lower in Ghana where the labor costs and profit of the caterer is included in the ration cost and higher in Kenya where the only non-agriculture-product cost is for oil and salt.



**Table 4: Use of food products each term (three per year) produced by smallholder farmers in school feeding menus**

Country	Quantity of foodstuff used for school feeding (metric tons)			
	Rice	Maize	Beans	Millet/sorghum
Ghana (5 districts)	339.78	129.44	244.44	–
Kenya (11 districts)	–	585.97	155.36	–
Mali (4 districts)	81.92	–	0.25	58.45
<b>Totals</b>	<b>421.70</b>	<b>715.41</b>	<b>400.05</b>	<b>58.45</b>

In Kenya, maize and beans were the only two food products approved for school feeding. Local farmers who produce crops other than these two items may not be able to sell their produce to school feeding programs. The survey in Mali also revealed that rice and millet were the crops largely used for school feeding. Even though soya beans and other crops are locally advantageous to produce, farmers may not be able to sell such foodstuff to school feeding programs. The inclusion of additional products in the school feeding menus may, on the other hand, provide smallholder farmers an opportunity to increase market demand for their products.

Based on the data collected in the districts covered by the survey, one can estimate the total cost allocation of governments' school

feeding programs nationwide. This calculation is based on the approved national rate of feeding per child per day and the average number of feeding days per year. This data is presented in Table 5: Estimated national cost allocation of school feeding in Ghana, Kenya, and Mali, 2012.

Based on this data, the school feeding programs in the three countries have a total estimated cost of US\$79 million. When one takes into account that 90% of school menus are composed of agriculture products, this means a potential total market size of US\$71 million for smallholder farmers.

The next graph shows the estimated market demand that could be expected from the government school feeding programs in the three countries.

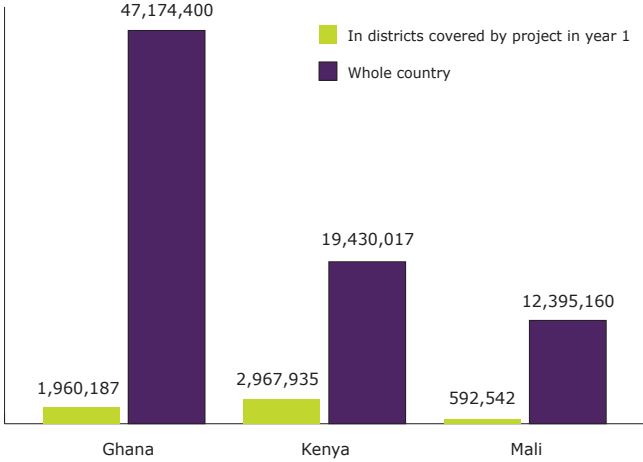
**Table 5: Estimated national cost allocation of school feeding in Ghana, Kenya, and Mali, 2012.**

Country	No. of children	Average annual number of feeding days	Approved rate of feeding per child per day (US\$)	Total estimated cost of feeding per year (US\$)
Ghana	1,040,000	216	0.21	47,174,400
Kenya	729,355	222	0.12	19,430,017
Mali	229,540	216	0.25	12,395,160
<b>Total</b>	<b>1,998,895</b>	<b>–</b>	<b>–</b>	<b>78,999,577</b>





**Graph 1: Estimated market demand from government school feeding programs (in US\$ per year)**



**6.2 MARKET RELIABILITY**

The above scenario assumes that the market is structured and predictable and, hence, a reliable market for smallholder farmers. The baseline survey, however, found reliability problems related to how funding flows from the national governments to the direct procurement entity. This is one among several barriers that limit smallholder farmers from participating in the procurement process.

Funding for the governments’ school feeding programs in Ghana, Kenya, and Mali have come from central governments through the annual budget process. In Ghana, funds for school feeding are provided from the annual budget of the Ministry of Local Government and Rural Development. Funds then flow through the Ghana School Feeding Program Secretariat to District/ Municipal/Metropolitan Assemblies who, eventually, effect payments to caterers.

Caterers were expected to commit to pre-financing procurement of foods that they buy for preparation of school meals, and then make requests for payments later. The survey revealed that payments to caterers for their services have taken up to three to four months. For instance, at the beginning of the

third school term of 2012, caterers in Ghana did not receive payments for foods/meals that they supplied to schools during the second school term of 2012, which was a period of three to four months. The caterers indicated that this practice makes buying from smallholder farmers difficult as the latter require immediate payments, which puts pressure on the caterer’s liquidity capacity. Buying from traders can more easily be done on credit.

In Kenya, school feeding funds are provided by the central government through the annual budget of the Ministry of Education. From there, the funds are disbursed to respective schools for procurement and the implementation of school feeding programs generally. Funds for school feeding in Mali are also provided by the central government through the annual budget of the Ministry of Education. These funds are subsequently directed to regional administration offices and then to respective districts, which undertake procurement of foodstuff for school feeding.

In 2012, both Kenya and Mali faced stagnation in the disbursement of funds for school feeding. In Kenya, there seemed to be a lack of political will to support the transfer of school feeding from the World Food Programme (WFP) to the national government and, although the budget was allocated, funding was not disbursed. In Mali, failure to disburse funds was caused by the political situation, in which extra government funds were directed towards defense; this could be considered an exceptional situation.



These situations in the three countries show that although the school feeding demand is predictable in that pupils will attend school every year and the growing political support for school feeding guarantees procurement, the predictability of market demand is far

from being absolute. The latter is a real disincentive for farmers to see this market as a potential sales opportunity and invest in specific production and marketing. Alternative market opportunities may be needed to reduce marketing risks.



# 7. SMALLHOLDER FARMERS' PARTICIPATION

The main justifications for the HGSF project were built around several assumptions. Namely, that despite good intentions—even sometimes expressed in official objectives and targets for the school feeding programs—the participation of smallholder farmers in the supply of foodstuffs for school feeding is very small. Additionally, there is a general lack of information on the participation of smallholder farmers.

## 7.1 SCHOOL FEEDING PROCUREMENT

The survey revealed that smallholder farmers have participated directly in school feed-

ing supply and have sold different types of produce in Ghana and Kenya. Their participation has occurred in different ways. For example, farmers have supplied food to schools through their FBOs either to traders or directly to schools, individually through traders, or directly to caterers. In Mali, local smallholder farmers have not sold any foodstuff directly to school feeding programs.

In Table 6 traders' purchases from local farmers during the second school term of 2011/12 gives data for the second school term in 2011/12 on sales (through traders) from Ghana and Kenya.

**Table 6: Traders' purchases from local farmers during the second school term of 2011/12**

Country	Districts	No. of Traders buying from SHFs	No. of local SHFs traders bought foodstuff from			Total volume of products supplied to school feeding (MT)	Total volume of produce bought from local SHFs (MT)
			Male	Female	Total		
Ghana	East Gonja	24	114	13	127	25.4	3.78
	Karaga	0	0	0	0	3.1	0.00
	Sissala East	8	18	7	25	8.5	5.90
	Wa East	0	0	0	0	14.0	0.00
	Ga West	2	0	32	32	3.2	12.50
<b>Ghana Sub-Total</b>		<b>34</b>	<b>132</b>	<b>52</b>	<b>184</b>	<b>54.2</b>	<b>22.18</b>
Kenya	Keiyo South	20	243	246	489	1539.7	73.44
	Keiyo North	2	35	18	53	427.5	27.99
	Marakwet Et	33	134	197	331	1760.4	215.82
	Nyahururu	13	114	13	127	436.5	102.60
	Laikipia Cral	4	0	0	0	714.9	0.00
	Laikipia Nth	0	0	0	0	136.9	0.00
	Mwingi East	9	385	670	1055	7036,0	255,74



Country	Districts	No. of Traders buying from SHFs	No. of local SHFs traders bought foodstuff from			Total volume of products supplied to school feeding (MT)	Total volume of produce bought from local SHFs (MT)
			Male	Female	Total		
Kenya (con't)	Mwingi Cral	-	-	-	0	288.0	271.78
	Baringo Cral	2	20	42	62	369.0	11.88
	Baringo Nth	12	52	28	80	1381.5	749.80
	Marigat	12	67	39	106	1494.0	152.46
<b>Kenya Sub-Totals</b>		<b>107</b>	<b>1050</b>	<b>1253</b>	<b>2303</b>	<b>15584.4</b>	<b>1861.51</b>
<b>Project Totals (In Mali there were no purchases from SHF)</b>		<b>141</b>	<b>1182</b>	<b>1305</b>	<b>2487</b>	<b>15638.6</b>	<b>1883.69</b>

Additionally, traders' purchases from local farmers during the second school term of 2011/12 shows that an overall maximum of 13% (1,883.68/15,638.6 metric tons) of the products supplied to school feeding by way of traders in Ghana and Kenya comes from smallholder farms (SHF).<sup>6</sup>

In Table 7 details of caterer's purchases of foodstuff from local smallholder farmers in Ghana below shows that, in the case of

Ghana, 31% (49 of 146) of the caterers say they buy from SHF, although no data exist for the proportion of their total purchase that this represents. Caterers indicated that the delay of payment by the Ghana School Feeding Program GSFP makes them reluctant to buy from SHF, because they don't sell on credit. Combining both facts, it is clear that caterers make minimal purchases from farmers.

**Table 7: Details of caterer's purchases of foodstuff from local smallholder farmers in Ghana**

Districts	No. of caterers	No. of caterers buying from SHFs	%	No. of local SHFs that caterers bought foodstuff from		
				Male	Female	Total
East Gonja	26	24	92	88	6	94
Karaga	27	9	33	23	18	41
Sissala East	43	8	19	48	44	92
Wa East	32	5	16	21	40	61
Ga West	18	3	17	6	4	10
<b>Total</b>	<b>146</b>	<b>49</b>	<b>31</b>	<b>186</b>	<b>112</b>	<b>298</b>

<sup>6</sup> As the data from the Ga West district in Ghana show, traders can buy more produce from SHF than they sell to the school feeding program, assuming that another part goes to other markets. This means that the 13% is a maximum for the percentage of school feeding purchased from traders that was bought from SHF.



Even factoring in the lack of good recordkeeping with regard to the relative volume and number of SHF involved, the data give sufficient indication of the low participation of SHF in school feeding programs. Looking at some individual districts, however, shows how inclusion of SHF is possible. For instance, Sissala East and Ga West in Ghana and Marakwet East in Kenya get significant supplies from SHF through traders. And, in East Gonja in Ghana, similar levels of SHF supplies come through caterers.

The participation of women farmers in the supply chain for school feeding is a particularly interesting finding. Namely, the percentages of women farmers among the total numbers of selling farmers through traders averaged 28% in Ghana and 54% in Kenya, and the percentage of women farmers selling goods through caterers was at 38% in Ghana.

## 7.2 PRODUCTION AND ORGANIZATION

Smallholder farmers are meant to be the main beneficiaries of the project. Many school feeding programs include the intention to stimulate local production and/or buy from smallholder farmers. However, as we saw in Section 7.1, this outcome is generally not happening. The project assumed that the lack of adequate organization by the farmers to become a relevant commercial partner is one of the main causes.

The baseline survey identified a considerable number of farmer-based organizations (FBOs) among associations, cooperatives, and other type of groups. Table 8 gives details from the districts covered by the project in year one. The data were provided by the district offices of the Ministry of Food and Agriculture in Ghana and Kenya. The data from Mali only refer to cooperatives and come from SNV's internal data.

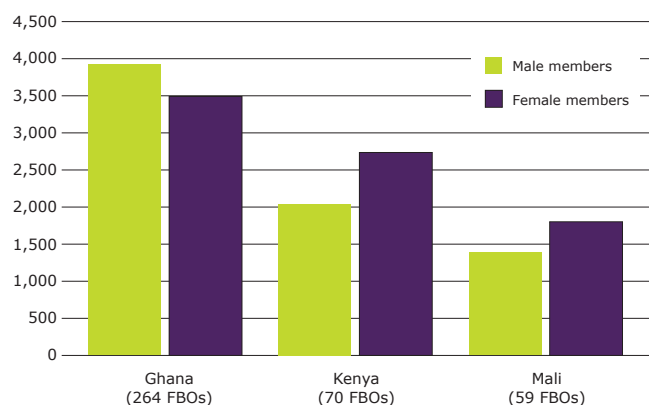
**Table 8: Existing FBOs in intervention districts** (see Annex 2 for disaggregated data)

Country	# of Districts	No. of Existing FBOs	No. of SHF members of FBOs		
			Male	Female	Total
Ghana	5	264	3920	3480	7400
Kenya	11	70	2039	2737	4776
Mali	14	59	1398	1799	3197
<b>Project Totals</b>	<b>30</b>	<b>393</b>	<b>7,357</b>	<b>8,016</b>	<b>15,373</b>



The following graphic shows the level of men’s vs. women’s membership in the FBOs.

**Graph 2: Existing FBOs and membership in project districts.**



In the chart above, on average, men make up 48% of the FBO members and women make up 52%.

The high level of participation in Ghana can be related to the Ministry of Food and Agriculture’s (MoFA) strong focus on mobilizing farmers into producer groups. However, this doesn’t mean that the organizations are prepared for joint commercialization of products to deliver school feeding. The following facts are illustrative:

- From the same data for Ghana, for instance, it appears that only 1.6% of the production of the organized farmers is bulked, i.e. aggregated for sale.
- Of the FBOs surveyed in Ghana, 22% had received financial assistance (such as micro-credit and input supplies) for the purpose of supporting agricultural production, but not for developing commercial activities.
- The availability for sale of beans—one of the major products in demand—is very low. In Ghana, the FBOs had very few records of bean production; only 22 out of the 264 (8%) indicated that any of their members were involved with bean production. In Mali, none of the cooperatives was involved in production or marketing of beans.

In the final analysis, farmer organization does exist, but these organizations may not be prepared to participate effectively in government procurement and sell to the school feeding programs.



## 8. SUPPLY CHAIN COMPLEXITIES

The survey identified different categories of stakeholders that have participated in the supply of goods and services for school feeding in the three countries. These include traders, business enterprises dealing in foodstuff, caterers, farmer-based organizations, and individual smallholder farmers.

The relationships between the actors in the supply chain are generally informal. In Ghana, only 45% of the caterers were in contact with smallholder farmers through informal, or coincidental, circumstance at the market. Afterwards, no formal relationships, contracts, or business arrangements between caterers and local farmers are established—even in the few cases that the caterers bought foodstuff from local farmers. In all three countries, the survey did not identify any case of formal arrangements among FBOs/SHFs, traders and/or caterers for the purposes of procurement of foodstuff for school feeding.

The lack of effective storage facilities for food products was assumed to be a weak point in the school feeding supply chains, especially at the level of the traders/caterers and the government implementing bodies themselves. Inadequate availability, capacity, and management of storage infrastructure leads to waste and can be a barrier to aligning seasonal local farmer production with year-round demand.

In Ghana, 54% of the FBOs have storage facilities, as do 63% of the traders and caterers. Not all stores are in use because of damage or construction errors, but these could be used for the supply chain to school feeding. In Ghana, 30% of the FBO's storage facilities and 60% of the trader's and caterer's storage facilities are supervised by MoFA. Traders indicate that they apply qual-

ity management techniques, like storing limited quantities at any given time, storage in sacks, and treatment with chemicals (60% of the cases). However, there are no data about quality control.

In Kenya, 100% of the schools say they have storage facilities that are in use for school feeding. In practice though, classrooms may be used for storage. All school stores receive supervision from the Ministries of Agriculture (MoA) and Health (MoH), but quality control appears limited. For example, weevil infestation seems to be quite common.

In Mali, only 50% of the school canteens have their own storage facility. However, another 26% of the villages with canteens have village-owned stores (cereal banks) in use for other purposes. These additional community facilities could be integrated into the supply chain to increase the availability of storage for school feeding. No supervision exists in Mali on the good use of storage facilities.

In conclusion, there is a lot space to improve the supply chain—not only to include more smallholder farmers, but also to improve storage and storage management. In all three countries, the level of supervision indicates that it is a known practice, although with insufficient coverage.



# 9. CEREAL BANKS AND STRATEGIC RESERVES

The aim of having strategic food reserves, as well as cereal and grain banks, is to both improve national or local food security and to mitigate price fluctuations. These reserves can play a strategic role for HGSF’s project objective when they are inserted in the supply chain for school feeding in the following ways:

- As a mechanism to procure food products from smallholder farmers;
- As a storage facility;
- As a quality control entity; and
- As a distribution mechanism for school feeding.

Simultaneously, school feeding can play a role in the management of the food reserves when school feeding programs are buying foodstuffs regularly, which enables the planned rotation of products in the reserve as part of a quality management strategy.

This survey identified the existence of cereal banks and national food reserves that have the potential for facilitating smallholder farmer’s access to school feeding markets. These include the National Food Buffer Stock Company (NAFCO) in Ghana, Private Food Store (or Grain Hubs) in Kenya, and Cereal Banks in Mali.

In Ghana, NAFCO was established by the state as a national strategic food reserve mandated to mop up excess produce of farmers; preserve and distribute foodstuff; and expand demand for food grown in Ghana by selling to state institutions such as schools, hospitals, and prisons. NAFCO guarantees an assured income to farmers by providing a minimum guaranteed price and ready market. The survey found that NAFCO had

supplied foodstuff—specifically—rice to caterers who were contracted to supply meals to schools under the government’s school feeding program. During the first and second school terms of the 2011/2012 academic year, NAFCO supplied a total of 174.1 metric tons of rice to the caterers across the five project intervention districts, which equaled 24% of total foodstuffs bought by the caterers. This indicates the relevance of NAFCO in the supply chain for school feeding. There are, however, no data available on the origin of the foodstuffs procured by NAFCO. Hence, no conclusion can be made about the relevance of NAFCO for smallholder farmer’s access to school feeding or other structured markets.





In Kenya, the Private Food Stores were identified as farmer entities. Farmers do hold membership of these stores by way of shares, which are proportional to the amount of products delivered to the stores. The food stores receive foodstuff from local farmers during the harvest season. During lean seasons, the food stores sell out their food stock—both locally and to external buyers.

In Mali, communal or public and private cereal banks have been established to promote national food security measures. The government uses communal/public cereal

banks for the purposes of fulfilling food distribution strategies at commune levels. Farmer cooperatives have also established private cereal banks as part of their storage, bulking and marketing strategies—especially in food deficits areas of the country. In the project area, there are 16 cereal banks, with an estimated capacity of 3200 metric tons of millet/sorghum.

The survey did not find data to suggest that either the food stores in Kenya or the private cereal banks in Mali have participated in procurement of foods for school feeding.



# 10. SOCIAL ACCOUNTABILITY

Social accountability refers to building the capacity of the community and other stakeholders to assess the effectiveness of the school feeding programs and their benefits. This approach implies that the stakeholders have the relevant information that enables them to evaluate the program's effectiveness; to understand the decision-making processes and their impact on the program; and to know the level of investment that is taking place and the expected local-level expenditures, among other issues. For this project, it is especially important that smallholder farmer inclusion in the supply chain is seen as one of the indicators for the effectiveness of the school feeding programs. The project assumed, however, that social accountability is insufficient, which leads to inefficient allocation of significant funds, the creation of waste, and deviation from the objective to improve the local smallholder economy.

In Ghana, the District Implementation Committees (DICs) have a role in the decisions taken on the composition of the school feeding menu, as well as oversight over the coverage and quality of the meals. These committees are comprised of stakeholders from the public agencies, such as agriculture, education, health, and environmental health, as well as from relevant sub-committees of the Districts and Municipal Assemblies. At the community level, School Implementation Committees (SICs) have similar roles.

Representatives of caterers and farmer-based organizations (FBOs) have been invited to meetings of the DIC and have attended coordination meetings at one time or the other. At the same time, caterers supplying meals



to school feeding programs are members of associations of caterers and these associations hold group meetings in the various districts. Issues discussed during such meetings include delayed payments by governments, the seasonality of foodstuff in HGSP menu/rations, and sourcing of foodstuff from traders and NAFCO. Caterers supplying meals to schools are usually invited to the SIC meetings of the respective schools that they are supplying foodstuffs to. Issues discussed in such meetings include on-site cooking, storage management, community in-kind contributions for water supply and fuels/wood provision, the supervision of food management, and food preparations.

In Ghana, the survey found that officials of District Assemblies—as well as the Department of Agriculture and the Ghana Education Service—referred to a previous social accountability project that was implemented in the country with SNV involvement.<sup>7</sup> Both public officials and members of civil society were generally involved in the social accountability events, which were

7 The GSFP Social Accountability Project was implemented by SNV between 2009 and 2011, aiming “to introduce tools and mechanisms that could be used by citizens, communities, civil society organizations and independent media to hold public officials and politicians accountable and also [to] strengthen [the capacity of] public officials to deliver [goods and services] efficiently and effectively.”



known as “ZUTA” (Zone, Urban, Town, Area Council). The districts have also reported implementing “peoples’ assemblies” in the past few years. These are social audit events that address general development issues and the expenditures of the government and District Assembly in their locality.

In Kenya, institutions involved in the implementation of the school feeding programs hold regular coordination meetings among themselves. Schools implementing the HGSP in Kenya also hold quarterly coordination meetings. At these forums, they discuss issues such as tendering, stock management, food hygiene, and funding flows for school feeding program activities. The survey revealed that, during school consultation meetings in Kenya, some smallholder farmer organizations have attended such meetings. However, traders and even officials of the MoA were not invited to the school coordination meetings.

In Kenya, all schools surveyed did indicate that they had participated in social audit events on school feeding, which were organized by school feeding committees and heads of schools. Public officials, civil society organizations, a few private sector operators, and local residents also participated in the social audit events. However, the knowledge of content and processes of social audits appears to be very low among the respondents who reported on their participation.

In Kenya and Mali, it emerged that schools implementing school feeding—and that are procuring goods and services using the public procurement processes—largely maintain

records of their transactions and stocks of foods. Also, government departments for agriculture and education—that are leading and collaborating on the implementation of school feeding programs—maintain records and data relating to activities and operations of school feeding programs in their various districts and municipalities. The departments of agriculture also have records of agricultural production and related activities, including market access and FBO development across the three countries.

In Mali, every school canteen has a management committee (CGS) that is appointed from members of the local community and the given school. The survey found that 20% of schools surveyed in Mali do participate in social audit events on school feeding. Public officials in the given local government areas also participate. Social audit events are legislated in Mali, which means that social audits are a mandatory event that is organized by local government authorities to account for the use of public funds.

In conclusion, it appears that the engagement of institutions and the practice of social participation are in place. Information is also shared among stakeholders. The previous chapters, however, have shown that these practices are not resulting in improved access and inclusion of smallholder farmers in the supply chains for school feeding. Hence, the existing situation is not effective in reaching one of the main objectives of the Home Grown School Feeding programs supported by the project, which is SHF inclusion.



# 11. CONCLUDING REMARKS

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Although the data collected until now are limited, they generally confirm the assumptions made in the project proposal. This report will be expanded after current data collection is analyzed by the end of 2013, but it is still possible to offer some concluding remarks and identify needs for further study and action:

1. The lack of data on effective procurement from smallholder farmers is notable in almost all documentation related to this topic. The data collection process of the project itself has also served to highlight the very real need to improve and strengthen recordkeeping at all levels, especially by the procurement entities responsible for the expenditure of public funds.
2. The data show that the school feeding market for smallholder farmers is potentially very high, but, in practice, the market is not always very reliable because of disruptions in the flow of funds. Although, the Ghana “caterer” procurement modality is able to buffer those disruptions, it still needs additional financial support to enable buying from smallholder farmers. Improvement in the implementation of procurement processes by the responsible officers—as well as advocacy for higher prioritization of disbursement of funds for school feeding—is necessary to overcome the current funding shortfalls.
3. Smallholder farmers in the surveyed districts do not seem very prepared and organized to effectively sell to the school feeding programs. Effective organization that targets the diverse particularities and procurement modalities of the school feeding markets is required to make SHF eligible participants for government procurement.
4. The existing supply chains show very little vertical integration and governance. The suppliers work individually and have no formal agreements with other established actors. Developing supply chain governance mechanisms, where the actors together define collaboration and improvement opportunities, may support the inclusion of smallholder farmers and improve efficiency. Facilitating collaboration among the farmers and private sector actors can also lead to the enhanced integration and effectiveness of the supply chain.
5. Storage facilities exist, but with little quality control criteria in use. Good storage is a compulsory concern for school feeding, but it can also be transformed into a competitive advantage for local farmers who can establish shorter supply lines. Strategic reserves already play a role in the supply chain, but there is greater potential for targeted procurement that prioritizes smallholder farmers. Quality storage and distribution functions can also be further developed to benefit smallholder farmer inclusion and food security.
6. The baseline studies find that social accountability mechanisms have existed, or are still in use, in the districts covered by the project. Their effectiveness in helping Home Grown School Feeding programs to meet their stated objective of including smallholder farmers is yet to be determined. If strengthened, the specific attention that social accountability mechanisms can draw to the quality of decision making about content, procurement, handling, and other relevant issues can be instrumental in achieving this inclusion and improving local SHF economies.



## ANNEX 1: Coverage of school feeding in surveyed districts

Country	Districts	No. of schools participating in government school feeding program	No of pupils	Total country school feeding coverage	% of coverage
Ghana	East Gonja	29	6.402	1.040.000	4%
	Karaga	27	3.856		
	Sissala East	83	10.463		
	Wa East	32	9.405		
	Ga West	32	13.088		
<b>Ghana Total</b>		<b>203</b>	<b>43.214</b>		
Kenya	Keiyo South	32	9.564	729.355	15%
	Keiyo North	6	2.007		
	Marakwet Et	22	12.874		
	Nyahururu	8	3.467		
	Laikipia Cral	24	5.774		
	Laikipia Nth	20	9.103		
	Mwingi East	70	27.557		
	Mwingi Cral	12	5.667		
	Baringo Cral	27	5.599		
	Baringo Nth	65	16.901		
Marigat	28	12.896			
<b>Kenya Total</b>		<b>314</b>	<b>111.409</b>		
Mali	Boron	6	1.644	229.540	5%
	Dinandougou	2	416		
	Guihoyo	2	532		
	Koula	3	1.213		
	Madina Sacko	2	698		
	Massantola	6	2.313		
	Méguétan	4	1.351		
	Nonkon	2	566		
	Tienfala	2	446		
	Toubacoro	4	737		
	Dogoni	1	492		
	Kléla	1	87		
	Misséni	1	95		
Pimperna	1	383			
<b>Mali Total</b>		<b>37</b>	<b>10.973</b>		
<b>Project Total</b>		<b>554</b>	<b>165.596</b>	<b>1.998.895</b>	<b>8%</b>



## ANNEX 2: Existing FBO's in intervention districts

Country	District	No. of Existing FBOs	No. of SHF members of FBOs		
			Male	Female	Total
Ghana	East Gonja	44	630	263	893
	Karaga	90	1733	1496	3229
	Sissala East	65	865	1110	1975
	Wa East	44	363	368	731
	Ga West	21	329	243	572
<b>Ghana Sub-Total</b>		<b>264</b>	<b>3920</b>	<b>3480</b>	<b>7400</b>
Kenya	Keiyo South	12	95	198	293
	Keiyo North	2	254	208	462
	Marakwet East	3	7	59	66
	Nyahururu	9	363	524	887
	Laikipia Central	4	33	58	91
	Laikipia North	0	0	0	0
	Mwingi East	12	95	198	293
	Mwingi Central	0	0	0	0
	Baringo Central	21	203	175	378
	Baringo North	2	298	373	671
	Marigat	5	691	944	1635
<b>Kenya Sub-Totals</b>		<b>70</b>	<b>2039</b>	<b>2737</b>	<b>4776</b>
Mali	Sikasso	7	283	54	337
	Banamba	16	319	743	1062
	Koulikoro	12	166	71	237
	Kolokani	24	630	931	1561
<b>Mali Sub-Total</b>		<b>59</b>	<b>1398</b>	<b>1799</b>	<b>3197</b>
<b>Project Totals</b>		<b>393</b>	<b>7,357</b>	<b>8,016</b>	<b>15,373</b>







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