

47. ONE MILLION GRAIN STORES IN THE IGAD REGION

ACTION AREA	UNIVERSAL FOOD ACCESS TO BUILD RESILIENCE
SOLUTION CLUSTER	NATIONAL FOOD SUPPLY CHAINS
THEMATIC AREA	FOOD STORAGE FACILITIES
SUBMITTED BY	IGAD, WFP

BACKGROUND AND REGIONAL RATIONALE:

In 2019, **27.6 million people** faced acute food insecurity (IPC/CH Phase 3 or above) **in the Intergovernmental Authority on Development (IGAD) region in East Africa.**

While key drivers of acute food insecurity are climate hazards, conflict, and economic crises, past analyses show that Contributing factors include poverty, low income levels, **and significant proportion of post-harvest losses due to limited access to food storage facilities, credit and financial capital.**³⁴

In 2018, post-harvest grain losses in the IGAD region were approximately 4.1 million metric tons, valued at over 1.3 billion USD.³⁵ In comparison, 2018 cereal import requirements for the region was 10.7 million metric tons, including 706,000 metric tons in food assistance.³⁶ Therefore, **if current post-harvest losses were to be prevented, sufficient grains would become available regionally to fully meet the region's in-kind cereal food assistance requirements,** as well as 38 percent of total import requirements (commercial and food assistance combined).

Additionally, staple food prices in Africa are typically low in the immediate post-harvest period and high during the lean season. However, **most smallholder farmers are not able to take advantage of these seasonal arbitrage opportunities,** as they sell their crop production soon after harvests when prices are low and then become reliant on market purchases for cereals later in the season when prices are much higher.

One reason for early sales is the lack of good storage facilities and technologies that would allow smallholder farmers to keep their production while avoiding losses due to mold and pests.

Another reason that smallholder farmers are unable to exploit these opportunities is that a **lack of adequate access to credit or savings** results in farmers with liquidity constraints selling their harvests to meet urgent cash needs, such as school fees.³⁷ **Financial institutions often perceive small-scale agriculture as being too risky and are reluctant to lend farmers money,** particularly given the frequent lack of collateral and/or farm records.³⁸ Additionally, rural coverage of formal financial services is extremely limited (e.g. roughly 10 percent in Kenya), and is particularly poor in remote areas.³⁹

³⁴ IPC Technical Working Group - Uganda. 2015. *Report of the integrated food security phase classification chronic analysis for Uganda*. Italy, Rome: FAO.

³⁵ African Postharvest Losses Information System (APHLIS). (2019). *Losses table* [Data file]. Retrieved from: <https://www.aphlis.net/en/page/20/data-tables#/>

³⁶ FAO. (2019). *Crop prospects and food situation - quarterly global report no. 3, september 2019*. Italy, Rome: FAO.

³⁷ Ibid.

³⁸ Kiplimo, J. C., Ngenoh, E., Koech, W., & Bett, J. K. (2015). *Determinants of Access to Credit Financial Services by Smallholder Farmers in Kenya*. Journal of Development and Agricultural Economics, 7(9), 303-313.

³⁹ Mutua, J. M., & Oyugi, L. N. (2006). *Access to financial services and poverty reduction in rural Kenya*. Namibia Economic Policy Research Unit.

THE INITIATIVE WITHIN THE GLOBAL AGENDA

Decade of Action to achieve the Sustainable Development Goals (SDGs) by 2030. The Summit will **launch bold new actions to deliver progress on all 17 SDGs**, each of which relies to some degree on healthier, more sustainable and equitable food systems.

In preparation of the Summit, five action tracks have been identified as follows:

- Action track 1: Ensuring access to safe and nutritious food for all
- Action track 2: Shifting to sustainable consumption patterns
- Action track 3: Boosting nature-positive production at scale
- Action track 4: Advancing equitable livelihoods
- Action track 5: Building resilience to vulnerabilities, shocks and stresses

It is anticipated that the FAO, IGAD, WFP initiative could become one of the outcome of the Food System Summit as the summit envisages to succeed in **identifying solutions and leaders**, & issuing a call for action at all levels of the food system, including national and local governments, companies and citizens.

Furthermore, the FAO, IGAD and WFP initiative is **in line with 2014 Malabo declaration pillar 3** "*Commitment to Ending Hunger in Africa by 2025*", especially resolution No. B which aims: "*to halve the current levels of Post-Harvest Losses, by the year 2025*". It further directly supports the SGD Target 12.3 which calls for "*halving per capita global food waste at retail and consumer levels and reducing food loss along production and supply chains, including post-harvest loss, by 2030*".

PROGRAMME SUMMARY AND OBJECTIVES

Post-harvest loss management, combined with an inventory credit or warehouse receipt system, offers a unique opportunity to support hundreds of thousands of vulnerable households to make a marked move towards self-reliance. To this purpose, **FAO, WFP and IGAD are working together on the One Million Grain Stores Initiative with the objective of developing more resilient livelihoods and related food systems** by helping farming and agro-pastoral communities better preserve and manage their food stocks and establish more predictable and favorable terms of trade throughout the year. This initiative will have tangible outcomes on food security in terms of access and consumption as well as on agricultural yields (availability), jobs creation, women empowerment and social cohesion.

Impact

Resilient agri-food system built for smallholder male and female farmers in the IGAD countries

Expected outcomes

Outcome 1: Increased levels of quality produce locally available (household and market levels)

Outcome 2: Improved financial stability amongst targeted male and female farmers

Expected outputs

Output 1: 500 000 tons of good quality product are properly stored

Output 2: At least 2 500 000 rural men and women possess enhanced knowledge and skills on PHM and finance literacy

Output 3: At least 250 000 HH (50 percent of the targeted group) are engaged in inventory credit systems

Output 4: Policy and regulatory frameworks for all IGAD countries are reviewed/formulated and/or strengthened

Strategic actions

Action 1: 1 000 000 silos locally produced and used to enhance access for men and women to improved post harvest technologies and facilities (including hermetic bags)

Action 2: Enhance knowledge and practical skills (Post Harvest Management, finance literacy, Good Agricultural Practices, etc.)

Action 3: Establish a solid and sustainable inventory credit or warehouse receipt system (*warrantage*)

Action 4: Assist countries (and IGAD) to develop harmonized policies and regulatory frameworks to foster access to financing through regulated inventory credit or warehouse receipt system.

