Improve availability, accessibility and affordability of nutritious food

According to the World Bank, 800 Million people live below the poverty line (US$1.90 per day). The poorest spend a vast majority of their income in retail shops: over 50 percent is spent on food alone, often in retail markets that are inefficient. According to the German Development Institute, there are no comprehensive national strategies for dealing with the transformation of the retail sector in developing countries, and no donor agency has a clearly defined perspective on retail modernization in development terms.

The World Food Program provides food assistance in 80 countries to 80 million of the most vulnerable people. We have over 50 years of experience and expertise delivering food assistance to any place in the world, no matter the context. To do so, on any given day, WFP uses approximately 20 ships, close to 6000 trucks and 92 aircraft. Additionally, WFP has decades of experience working in local markets.

Since 2015, WFP has also started helping modernize local retail sectors in different countries as a sustainable way to bridge some of the gap between the 80 million people WFP serves and the 800 million living below the poverty line. We believe that in order to achieve a world with zero hunger, strengthening local markets and developing retail sectors are critical.

By increasing retail efficiencies, we can reduce the price of the food basket, thereby increasing the purchasing power of all customers, while maintaining or even enhancing the profitability of retailers. Moreover, developing Retail Sectors is a commercially viable exit strategy for WFP, which will lead to a gradual reduction in humanitarian needs in many countries.
WFP first started engaging directly with retailers in Lebanon and Jordan following the Syrian refugee crisis. Smaller retailers were taught how to organize themselves into buying clubs to get more negotiating power with main suppliers and distributors. WFP also helped improving retailers’ working capital. Today, in the ~450 stores that were contracted, prices have been reduced by up to ~10 percent, improving not only the lives of refugees but also of the host communities.

The biggest opportunity remains, however, in sub-Saharan Africa. Prior to our Retail Engagement in Kenya, a bunch of bananas cost 880 Kenyan Shillings (KES) for beneficiaries in Mombasa, while the initial price paid to farmers was KES180. In part due to fees paid to brokers, taxes at point of destination and transportation costs, the increase was primarily driven by the mark-ups of market sellers who raised prices from KES480 to KES880 per bunch. Our retail engagement in Kenya has increased the availability of nutritious food at more affordable prices. We created links between retailers and local farmers, giving the latter more opportunities to sell their crops. Sheds provided by WFP to mama mbogas (women vegetable sellers) have meanwhile brought new hygiene standards to the handling of fresh food, while enabling traders to buy in volume thus reducing the price.

So far we have helped increase the cumulative purchasing power of beneficiaries by US$21 million per year, and we continue to help drive prices down in the countries where we have actively engaged with Retailers. After focusing on transforming the Retail sectors in Lebanon, Jordan, Iraq and Kenya since 2015, we are now expanding into eight new countries—Bangladesh, Egypt, Ethiopia, South Sudan, Sudan, Syria, Uganda and Yemen—in order to reduce bottlenecks, improve the efficiency of local retail supply chains and offer better prices to all customers.