



GUATEMALA



WFP
World Food Programme

SAVING LIVES
CHANGING LIVES

Local and Regional Food Procurement Policy

Guatemala is one of the countries in Latin America with the highest rates of chronic malnutrition and infant mortality in the region. One out of every two children under the age of five is stunted, and this figure rises to eight out of ten among rural indigenous populations (Global Hunger Index, 2020).

This situation is due to a combination of several factors, including limited access to nutritious foods and reliance on subsistence agriculture, as well as climate variability. Guatemala is one of the 10 countries most affected by climate change.

Smallholder farmers, who represent 82% of agricultural holdings in Guatemala, occupy only one-sixth of the arable land and primarily produce basic foods for their own consumption. With an average of 0.6 hectares of land, the majority of these producers are unable to rely solely on agriculture for their income (FAO, 2018).

To address this problem in the country, a comprehensive approach is required that includes strengthening inclusive and sustainable local food systems in favor of smallholders.

FOOD PROCUREMENT IN GUATEMALA IN 2022



37,705 MT
of food



82%
purchased in
Guatemala



350 MT
from farmers
associations



100%
maize and beans
purchased locally

Opportunities

The Ministry of Agriculture, Livestock and Food (MAGA) has become an important buyer of food in Guatemala. Since 2020, it has signed agreements with the World Food Program (WFP) for the purchase of considerable quantities of maize, black beans and other products, initially as part of the government's response to the COVID-19 pandemic and more recently for the Strategic Grain Reserve (SGR) as well as for the regular MAGA food purchasing programmes.

Guatemala has three harvest periods of maize and beans during the period from August to March. During the months of shortage of domestic product, these grains are imported from other countries, especially the United States and Mexico. Most Mexican grains enter the country through informal border channels and are distributed in traditional wholesale markets, which are also the main distribution channels for the national product.

WFP presents itself as a facilitator in the sourcing of basic grains for MAGA, promoting interventions that encourage the inclusion of smallholder farmers, both on the demand side and on the supply side. Among other mechanisms, WFP has positioned itself as a key actor in the integration of conditional clauses for local production by smallholder farmers in public procurement policies.

The pilot implementation of WFP's Local and Regional Food Procurement Policy (LRFP) aims to positively impact the competitiveness and income of subsistence farmers, while developing sustainable and effective value chains that contribute to strengthening and enhancing the resilience of food systems.

Solutions



SERVICE PROVISION

Provide services to the government to enable its effective and timely sourcing of basic grains of required quality for the Strategic Grain Reserve (SGR) that covers the needs of the population in case of national emergency as well as for the regular programmes of MAGA.

2

INCLUSIVE LOCAL PRODUCTION

Incorporate the production of smallholder farmers and their organizations into MAGA procurement through various mechanisms that ensure their direct or indirect participation. This provides smallholders with access to institutional markets and stable demand, and promotes an inclusive local economy. By giving small farmers and their organizations the opportunity to sell their products to MAGA, income and employment are generated in local communities. This can significantly impact the reduction of poverty and foster sustainable development in rural areas, where the smallest and most vulnerable farmers often reside. Additionally, by supporting local farmers, the resilience of communities to food and climate crises is strengthened. With MAGA support, these farmers can diversify their income and improve their agricultural practices, making them better prepared to face challenges such as drought or fluctuations in food prices.

3



ROUND TABLE DIALOGUE

Influence governmental dialogue by promoting local purchases from smallholder farmers in public food procurement. Promote contract modalities that allow greater inclusion and the strengthening of existing mechanisms in favor of local agricultural production.

Programmatic Integration

Thanks to the operationalization of the LRFP policy, WFP can promote the programmatic integration of its operations establishing solid operational coherence.

Firstly, the collaboration between the **Programme and the Supply Chain unit** has been strengthened. Due to the implementation of the LRFPP, workstreams have been established in which WFP, as a demand generator, plays a key role in achieving programmatic and development objectives.

On the other hand, the need to strengthen the supply side has intensified efforts in lines of work related to **access to markets**.



Supporting farmer organizations to strengthen their capacities, increase production, and reduce post-harvest losses is directly related to responding to demand from markets linked to the WFP as well as other formal markets.

Thirdly, the LRFP policy facilitates connections with **diversification activities** and the improvement of agricultural livelihoods,

especially in projects that promote the production and marketing of bio-fortified seeds. WFP and MAGA are analyzing the possibility of integrating these types of seeds due to their nutritional value, thus establishing potential links with these markets.

Finally, the **gender transformation approach** is integrated into all WFP interventions, including the LRFP policy, thereby promoting initiatives that involve women in all processes, especially in empowering them to make decisions.

WFP Role

WFP, thanks to its experience and positioning, has the capacity to support government institutions such as MAGA in procurement processes. Supporting the provision of the SGR and MAGA's regular programmes has four main benefits.

Firstly, MAGA is supported by strengthening its capacities in food purchase with a view to enhancing the sustainability of its activities to achieve future independent management encouraging pro-smallholder farmers purchases.

On the other hand, work is being done on the supply side by strengthening farmer organizations so that they can respond to the demand requested by MAGA, as well as facilitating access to other formal markets.

Thirdly, WFP supports the development of regulations that guarantee market access for smallholder farmers in the SGR and in MAGA's regular programmes.

Finally, it is proposed that opportunities for dialogue be established at the national level to improve the efficiency of the maize and black bean value chains in Guatemala.



DEMAND SIDE INTERVENTIONS

- Substitution of maize flour purchases for grain
- Planning purchases based on national harvest periods
- Promotion of indirect contract modalities targeting pro-smallholder farmers
- Acquisition of bio-fortified grain varieties



SUPPLY SIDE INTERVENTIONS

- Registration of farmer organizations as WFP suppliers
- Establishment of links between farmer organizations and traders
- Strengthening the capacities of farmer organizations
- Promotion of links between farmer organizations and maquila services
- Promotion of financial inclusion

COUNTRY OFFICE GUATEMALA

World Food Programme

13 Calle 8-44 zona 10, edificio Edyma,
Ciudad de Guatemala, Guatemala
Tel. +520 230-6000

wfp.org

Photo Page 1: WFP/ Barrier
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