

**Progress Report - [Food Aid and Markets Related Research and Outreach](#)
by the Michigan State University Food Security Group (May 6, 2006)**

The Food Security Group (FSG) has begun a series of activities related to food aid, emergency response, and food markets that are designed to support the objectives of the Initiative to End Hunger in Africa (IEHA), and to contribute to USAID's Agricultural Strategy, the agriculture and rural sector strategy of the New Partnership for Africa's Development (NEPAD), and the Poverty Reduction Strategy Papers (PRSPs) of countries in which the FSIII Cooperative Agreement works. In the context of other FSG research on grain markets, income diversification, the effects of HIV/AIDS, and other research, the current food aid analyses and recommendations seek to improve the effectiveness of aid efforts in both emergency and development contexts.

Key papers and outreach are expected by the end of September, 2006 on the following themes:

- 1) Local/Regional Procurement
- 2) Alternative Emergency Response Strategies
- 3) Market Assessment in Food Emergencies

Under the local food aid procurement theme, funded by Food for Peace (FFP), FSG researchers will evaluate the relevance of local and regional food aid purchase for US policy makers, the benefits of local and regional purchase for meeting emergency aid objectives, the potential positive and negative effects of such purchases on local markets, and alternative modalities for such procurement. Since cost efficiency is one of the main objectives in using local and regional procurement rather than international procurement, the paper evaluates World Food Program (WFP) activities in four sub-Saharan Africa countries to assess whether they have met the cost efficiency objective. The authors reach generally favorable conclusions regarding WFP's performance. The paper proposes guidelines for local/regional purchase that can be used by US food aid officers to determine whether or not use such purchases to meet specific emergency food needs, and, if so, what modalities to use. Outreach will focus on Capitol Hill, the NGO community, USAID and other donor agencies, as well as other stakeholders.

Also with FFP funding, FSG researchers are developing a framework for the evaluation of response alternatives to food emergencies. Will Whelan of FFP has challenged FSG, with collaborator John Hoddinott of IFPRI, to assist in identifying alternative response options and the conditions under which each option might be most appropriate. Many options may be available, including direct food aid to households, food vouchers, cash, food system interventions, or other non-food interventions. The framework under development links circumstances prior to any shock with the characteristics of the shock itself to guide the identification of needs in affected areas, then links that needs assessment to appropriate response. Stylized "emergencies" will demonstrate the practical use of the tool and future work will enable us to apply it under specific regional or national emergencies. Outreach to date includes presentations in London in January to EC-ECHO and EC-AIDCO, along with representatives of Canada, Greece, Italy, and other bilateral donors.

In October 2005, FSG also began assisting the World Food Programme (WFP) on topics related to markets and emergency needs assessments. In March 2006, at a workshop with WFP and FAO staff and others from NGOs and donors, MSU staff presented the [Desk Review on Emergency Assessments and the Impact of Food Aid on Markets](#). This document, which helps non-economists to understand why knowledge of markets is fundamental to their work in an emergency, was a centerpiece of the workshop. Recommended market profiles and market models will contribute to WFP decision-making and improve capacity within WFP partners, including national governments, to design responses which meet immediate needs while enhancing the resiliency of households and markets over the longer term. A range of market assessment tools to enable linking of food needs to markets and response options will be ready for field testing by the end of May 2006, and presented in Rome in late May at WFP meetings. Outreach in Mozambique with FEWSNET, WFP, National Early Warning System and others from the Ministry of Agriculture demonstrated the usefulness of the Desk Study and the potential value of the market models to meet the demands of the field staff and policy makers when determining actions to take to respond to food emergencies.