Community Grain Banks

By Isabel Carter

Excerpted from “Improving Food Security”
© Tearfund 2001
ISBN 0 9506385 8 7 Africa edition
http://tilz.tearfund.org/webdocs/Tilz/PILLARS/English/PILLARS%20Food%20security_E.pdf

Grain banks can be used to store grain within a community that can be available to people at fair prices during times of shortage.

- Usually grain prices are very low just after the harvest period, when most people have plenty of grain. Later in the year, grain prices may rise sharply. When people need to buy grain as their own supplies run out, prices are often very high.
- Grain banks can buy grain when prices are low around harvest time and sell it at a fair price when it is in short supply.
- In times of drought or famine, community grain banks can prevent traders exploiting a difficult situation and provide a fairer way of organizing food supplies.

Discussion

- Discuss the advantages and disadvantages of the present market system of buying and selling grains in your community.
- How much do prices change throughout the year?
- Are many families in real need of grain in the months before the main harvest?
- Are there any grain banks in the area?
- Do any participants have any experience of them?
- Would grain banks be of benefit in your area?

Establishing Community Grain Banks

There must be a community decision to establish a grain bank. Outsiders should not make this decision. The community must own and control the grain bank itself.

- If a community feels that a grain bank will improve its food security, first it should elect a committee to manage the grain bank. Men may find it easier to travel to distant markets to purchase grain, whilst experience shows that women are often better at keeping open and fair accounts.
- Initially a grain bank will require money or credit to enable the purchase of grain at low prices. Sometimes outside organizations may be able to help. Community members may be able to provide start-up loans or supplies of grain with the assurance that they will receive this back with interest later in the year.
Discussion

- Discuss all the different issues that setting up a grain bank might involve. Is there sufficient interest to call an open meeting to discuss all these issues?
- If possible, ask someone from an outside organization with experience of grain banks to come and give advice.
- What issues would need to be discussed? These might include:
  - Finding or building an appropriate store
  - Who would be able to use the grain store
  - Who would be responsible for setting fair prices.
- Discuss the need for training for specific roles for committee members. These might include record keeping, purchasing good quality grain, preserving grain, marketing the grain and how to manage the store.

Operating a Community Grain Bank

- Successful grain banks need to obtain large amounts of good quality grain at harvest time. Make sure that stored grain is kept dry and free of pests. Grain must be stored in waterproof buildings which are secure from thieves. When local grain prices begin to rise, and grain supplies fall, the bank can make grain available.
- Successful grain banks provide food at fair prices at the times when families need it most. This means farmers will not be forced to work for cash just when they need to spend time on their own land preparing for the next harvest.

Discussion

- Grain banks need to target carefully who their customers will be. They should not provide cheap grain to market traders or anyone else who may wish to sell the grain and make a profit.
- Long before the grain bank opens its doors, the committee members must decide on how grain prices will be set, on the amounts to be sold, on who can use the bank and how often.
- The profit made each year by a successful grain bank should be used first to pay back loans or credit and for any necessary repairs. The remainder should be banked so that it is available ready to purchase grain next harvest.
- It is a good idea for grain banks to try to build up a small fund to cover their expenses during years when the harvest may be so good that people use their services less.