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———— A practical guide to ————

CEREAL BANKS

A practical guide to cereal banks

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A practical guide to

CEREAL BANKS

By Liu Liu

PREFACE

From Senegal to Somalia, countries in the Sahel have been using cereal banks to combat hunger for decades. They can be an effective way to tackle food insecurity, which is often a problem across the region. However, cereal banks are not easy to operate or manage. Many fail within three years of being set up.

This booklet aims to help development organisations, churches and other community-based organisations to establish and manage cereal banks in a sustainable way. It draws on learning from organisations that have used this method and on the experience of groups that have succeeded and others that have failed. This guide can be used:

- as a strategic tool to plan how resources and people can be allocated
- as a management tool by frontline project managers, churches and leaders within community organisations
- as a technical guide for everyone involved in a cereal bank scheme.

Later in the booklet, when the word 'we' is used, it refers to these three groups of potential users.

Cereal banks need to be viewed as a way to improve food security. It is not the setting up of a bank that solves the problem: the key lies in how the community manages the bank. It is also vitally important to use this method alongside other community-based development initiatives, such as church and community development. Each community is unique, so it is important to involve people from across the community so that the most appropriate solutions are found to meet local needs.

Learning teaches us that certain steps in the process of setting up and running a cereal bank are particularly important, such as steps 5, 6, 9, 10, 12 and 13 (see page 3): readers should pay special attention to them. In the guide, each step has some discussion questions to help link the project to the local context.

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1 WHAT IS A CEREAL BANK?

Cereal banks are community-based institutions that buy, store and sell basic food grains.

- Most cereal banks offer farmers the opportunity to store their harvest in a community warehouse and to wait until prices increase before selling their surplus in the market.
- Cereal banks can also benefit the most vulnerable people in the community. Grain purchased at harvest time is resold during the hunger gap at an affordable price.
- An alternative system is to have everyone put in grain and then, during times of crisis, to make this grain available for members of the community. Each person who has contributed to it can receive grain at a time when it is most needed.
- When food reserves have been used up, an empty bank can be used to store emergency food supplies.

SOURCE: *Disasters and the local church*, Tearfund



Illustration: wingfinger.co.uk

A cereal bank can help a community survive during hunger gaps.

It is important to clarify what exactly a cereal bank is as there is often confusion about what the term means. There are in fact several types of bank that all come under the loose term 'cereal bank'. It is very important to understand the difference between the various types and make sure the right one is chosen for your context. The same principles that are needed to manage a cereal bank may also apply to other types of banks.

■ **Cereal bank**

This is a place where specifically only cereals are stored, eg sorghum, millet, wheat or corn. It does not normally stock cowpea, groundnut or other grains.

■ **Community granary/grain bank**

This is a storage place for dry food items more generally, including cereals plus groundnuts or beans in some locations. In some areas, this type of bank is referred to as a cereal bank.

■ **Seed bank**

This is a place for storing local seed or improved seed. Strict storage conditions are usually maintained, to conserve the quality of seeds.

■ **Inputs bank**

This is a place for storing agricultural inputs, such as seeds, fertilisers, pesticides and farming equipment.

SOURCE: UEEP, Niger



DISCUSSION

- When we hear the phrase 'cereal bank', what does it mean to us?
- Apart from the types of bank listed here, do we know of any other type of bank relating to food?

2

IS A CEREAL BANK RIGHT FOR OUR CONTEXT?

- Food security is based on four key factors:
 - availability of food
 - access to food (economically and physically)
 - quality and nutritional value of food
 - stability in the supply of food.
- **A cereal bank alone cannot solve the problem of food security. It is always important to explore ways to improve the four other elements of food security:**
 - agricultural good practice to improve the quality and quantity of food production, animal health and livestock management
 - livelihood diversification
 - market gardening
 - setting up small businesses to reduce people's vulnerability.



Illustration: Petra Röhr-Rouendaal, *Where there is no artist* (second edition)

Setting up small businesses can reduce people's vulnerability to food insecurity.

- We need to find out how the local community normally copes with food insecurity and hunger gaps between harvests. It is good to make use of these local coping methods.
- We need to establish if the community has considered the underlying causes of food insecurity and whether measures need to be taken to address these causes.
- We need to ask as many people as possible if they think a cereal bank will help solve the hunger problem and why.
 - Why do you think a cereal bank can reduce food insecurity in our area?
 - Would other methods such as a self-help group or village saving association also be useful?
 - Should a cereal bank work together with other methods? If so, how do we do this?



HELPFUL TIPS

- People take more ownership if the request for a cereal bank comes directly from the community and if as many of them as possible are involved in the discussion and decision-making process.
- The cereal bank needs to work hand in hand with other long-term development activities to address all four factors contributing to food security.



DISCUSSION

- Looking at the four key factors contributing to food security, what are the ones affecting food security in our community?
- What kind of activities are taking place to tackle food insecurity in our community at the moment? How effective are they?
- Who is most at risk of food insecurity in our community? Who is helping them at the moment during hunger gaps?
- Has anyone heard about a cereal bank being set up in another nearby community? What did they say about this method?

3 THINGS TO CONSIDER BEFORE GETTING STARTED

We need to ask our community what their expectations are of a cereal bank. This process needs to include all the different groups in the community: men, women, children, elderly people, disabled people and people of different ethnicity.

- What kind of bank is most suitable for our needs? Do we want to be able to borrow seed, or buy it at reduced prices, or just store it together?
- Do we view the bank as a way to kick-start a longer-term sustainable solution to help us become more self-sufficient? Or do we see it as a distribution point for food relief coming in from outside?
- We need to discuss with the community where the resources for this work will come from, including labour, time, knowledge and financial contributions.



Illustration: Petra Röhr-Rouendaal, Where there is no artist (second edition)

Before starting a cereal bank, it is important to hold discussions with the whole community.

- We need to find out about any existing policies on cereal banks at national and local levels, and within our organisation.
- Do we need to get approval from any government authority to start a cereal bank? Do the local authorities have any expectations about cereal banks? For example, would they expect the cereal bank to fulfil responsibilities that belong to the government, such as providing assistance in emergencies? Roles and responsibilities need to be made clear from the start.



HELPFUL TIPS

- It is very important to clarify people's expectations, rights and responsibilities relating to all aspects of the cereal bank before you start. This will help you set up a committee and select its members later in the process.
- Many countries have policies and regulations on cereal banks: it is important to know what these are and to work within them.
- A donor NGO needs to be clear as to whether the cereal bank is a one-off initiative or part of an ongoing project. It will also want to know if there is sufficient local commitment behind the idea (eg finances and people with the technical expertise to run the bank).
- For local NGOs, it is important to consider organisational policy and strategy, as well as the following question: do you see this as a path to a self-sufficient, food-secure community, or as another way of getting funding every year?



DISCUSSION

- Who was included in the discussions and decision-making about the cereal bank? Have we included different groups from across the community?
- Whom should this cereal bank serve?
- Where can we get the resources needed to carry out this work?
- Are the resources we need within the community already? If not, can we work out a plan to find the resources we need in time?

4 WHERE DO WE START?

We need to conduct a baseline survey to gather information. This process needs to include all the different groups in the community. We need to know:

- the total population of the village(s)
- a list of different local age groups
- average family size
- male to female ratio
- length of the hunger gap
- typical staple food (to determine the type of cereal to stock)
- the number of families or individuals to be covered by the cereal bank
- whether these families are willing and able to become members of the bank and be responsible to restock it in the future
- who is willing and able to manage the cereal bank when it is set up



Illustration: Petra Röhr-Rouendaal, Where there is no artist (second edition)

It is important to consider transportation costs for restocking the cereal bank.

- a calculation of the amount of cereal needed per person per day and the number of days we plan to provide this through the bank (the daily allowance varies by country: for more details, please check with the Sphere Project or other standards).

This information will be very useful as the process moves forward.



TIPS FOR SELECTING THE CEREAL BANK SITE

- The location of the bank needs to be decided through a fair and participatory process to make sure it is accessible to all.
- Consider who owns the land where the bank will be built.
- The location should not be at risk of flooding, landslides, pollution or other possible hazards.
- Consider whether it is better to build one big warehouse or several small to medium-sized ones.
- What is the distance from the cereal bank location to the nearest market that sells cereal? Transportation costs for stocking and restocking can be very high and are often overlooked. It is important to take this into consideration at the beginning of the process.



DISCUSSION

- Who is going to carry out this survey as part of the preparation? When should we do it?
- Is there a development committee either set up by the government or elected by the community that already exists? Can they take responsibility for the bank?
- If government registration or permission is needed for the cereal bank, who is going to apply for this? How long does it take?

5 SETTING UP A MANAGEMENT COMMITTEE

- A management committee is vitally important if a cereal bank is to be successful and sustainable. Committee members need to come from a wide range of different backgrounds in terms of status, age, ethnic group and profession.
- Above all else, **a committee must be transparent**. It should be open for questions and checks by bank members at any time.
- If there is an existing development committee of some kind, it is worth considering if this committee could take on the responsibility of managing the cereal bank. However, if we wish to use an existing committee for this purpose, we need to recognise that additional training may be required.
- Whether we use an existing committee or set up a new one, these are the suggested roles of the committee, although our context may mean we need other roles too:
 - **PRESIDENT/CHAIRPERSON:** This person is responsible for the overall management of the bank. He or she is also the contact person for government and other external agencies. This person needs to be trusted and respected by the community, and open to new ideas. (It is recommended that the role of president is not given automatically to a village leader, to avoid a power imbalance or bias in decision-making. It is better to have a president who is elected.)
 - **SECRETARY:** This person is responsible for the administrative tasks of the committee, such as organising regular meetings and record-keeping. It is this person's role to include the wider community in running the cereal bank.
 - **TREASURER:** This person is responsible for the financial management of the cereal bank, such as book-keeping, making payments for purchasing, collecting fees and dealing with (monetary) banks.
 - **MANAGER:** This person is responsible for the day-to-day running of the bank. Duties can include stock-checking, purchasing and selling stock, and making sure the store is in good condition.



HELPFUL TIPS

- It is important to have women on the committee. Studies show that women are often more skilful and reliable in carrying out the duties of treasurer or manager. In some countries, such as Niger, it is a government requirement to have women on a cereal bank management committee.
- If there is an existing development committee, it is important not to assume the current set-up will be good enough to manage a cereal bank, or that the members will have enough knowledge. A cereal bank requires its management committee members to have specific skills and knowledge to make it successful and sustainable. People who want to be members of a cereal bank management committee need to understand their responsibilities fully.



DISCUSSION

- Who should be members of the committee and why?
- Looking at the different roles of each committee member, what other responsibilities should be included? What kind of skills, knowledge and experience is required for each role?
- Can we recommend anyone for a particular role in the committee and why?



A management committee is vital to the success of a cereal bank.

Illustration: Petra Röhr-Rouendaal, 'Where there is no artist' (second edition)

6 HOW DO WE CHOOSE CEREAL BANK MEMBERS?

- Membership of the cereal bank is not the same as membership of the management committee.
- Membership of the cereal bank is for everyone who is willing to participate, take responsibility for contributing to restocking the bank, and in turn benefit from it.
- A sustainable cereal bank is always set up with a membership system, involving the following:
 - There is a membership agreement between the cereal bank management committee and community members who wish to join.



Illustration: Petra Röhr-Rouendaal, Where there is no artist (second edition)

We need to consider how to include people who are very poor in the cereal bank scheme.

- The key element of the membership agreement is a commitment from members to restock the bank on a regular basis. The restock can be hard after a bad harvest, but having this commitment from members and a strong management committee are key to finding solutions to food security problems.
- The agreement needs to state clearly the responsibility of the committee for ensuring the bank is managed with skill, commitment and integrity.
- An agreement between committee and members on operational and management regulation and procedures needs to be made and documented.



HELPFUL TIPS

- Although a cereal bank aims to reduce the local population's hunger gap, studies show that almost all cereal banks without a membership system fail. Membership encourages specific individuals to take ownership and responsibility and so reduces dependency.
- The number of members will have a bearing on the number or size of cereal warehouses to be constructed. It will also have a bearing on the resources needed.
- People who are in most need of a cereal bank are often very poor. The community needs to work out how they can be included in the scheme without them having to make a contribution which is beyond their means.



DISCUSSION

- How many people can become members of this cereal bank?
- Who should contribute towards the resources required for a cereal bank: only members or anyone willing to do so?
- If non-members contribute towards the resources, how can they benefit from the bank?
- If people who want to be members do not have resources to contribute, what should we do?

7 WHAT KIND OF TRAINING IS NEEDED?

- First of all, we need to identify who needs to be trained, who is going to give the training and when we can do the training.
- Cereal bank management committee members need to be trained. Based on their job descriptions, their training needs to cover:
 - their duties and responsibilities to the community
 - record-keeping and financial management
 - storage methods, stock inventory, building management etc.
- For cereal bank members, training normally covers:
 - their rights and responsibilities towards the cereal bank
 - how to prepare stock for storage
 - how to plan for the year.
- Trainers can be sourced from government agencies, other villages and local or international organisations. There is normally a cost involved.
- We need to think about where we can get regular support or refresher training. Regular support is an important part of success and sustainability, so it is good to think through where the regular support might come from. This is especially important when a cereal bank first begins to operate.



HELPFUL TIPS

- Training takes time. It needs to begin before the cereal bank is constructed, or happen at the same time.
- Training needs to take place when all trainees are available. For example, this might be during non-farming seasons, early evenings or other suitable times agreed by all the people involved.
- One major reason for people going hungry is poor planning. This means they might have enough crops to last until the next harvest, but due to poor planning, the stock does not last that long. Training in planning is also an important tool to tackle food insecurity.



DISCUSSION

- What subjects should we cover in committee members' training?
- For the committee members' training, what subjects and skills need to be covered at the same time? Which ones need to be covered separately? Why?
- What subjects should we cover in members' training? Should we share the knowledge with non-members in the community as well?
- Where can we find trainers for different subjects?
- Do we have to pay for the trainers? If so, where can we get the money to do this?



Illustration: Petra Röhr-Rouendaal, Where there is no artist (second edition)

Training is important for both the management committee and cereal bank members.

8

CONSTRUCTING A CEREAL BANK WAREHOUSE

- There is no set design for the construction of the cereal bank warehouse, but there is usually one design that is widely used in the locality. It is always best to start with the local design. However, it is also important to examine the local design to see if it could be improved upon.
- We need to consider if any new design is culturally appropriate.
- For any design, a careful study needs to be carried out on possible threats to the cereal bank structure and the stock, such as flooding, earthquakes, heavy rain, dampness, fire, animal attack or theft.
- Cereal banks are usually built with mud bricks, cement, straw and wood. They can be structures above the ground or semi-underground. We need to consider where the materials will come from.



Illustration: wingfinger.co.uk

This is one example of a cereal bank warehouse. Note the air vents, which allow moisture to escape and so help prevent damage to the cereal.

- We need to consider where we can find skilled people for the building work. We need to work out how much they will cost, how long the project will take, and whether it will affect people's normal work.
- Building a cereal bank normally requires funding. The money can be raised through a collection from cereal bank members, a donation from an external source or a loan. If it is loan, the repayment plan needs to be in place before the bank starts to function.
- It is right to ask members to contribute labour or finance towards the construction of the bank. We also need to consider those who are not able to contribute, such as elderly or disabled people. How can we include them in the process but not burden them by having too many expectations of them?
- Are there non-members from the local community who are going to contribute finance or labour to the construction of the cereal bank? If there are, it is good to clarify their expectations beforehand.



HELPFUL TIP

- The best time for building work is during the dry season. This allows the construction to dry quickly. It also makes the transportation of building materials easier.



DISCUSSION

- What kind of design is most suitable for our community?
- Do we know people in our community who are able to deliver this design? If our own community does not have a designer, where can we find one? What is the cost?
- Do we have skilled labourers in our community to do the building work? If not, where can we find them? And what are the costs?
- If the people who are able to help with the building of the cereal bank are not members, how can we get their support?
- How can we raise the money required to build the cereal bank?

9 WHAT IS A GOOD WAY TO STOCK THE BANK?

- Firstly, the management committee and bank members need to agree what kind of cereal they want to stock.
- Once the types of cereal are agreed, we need to decide where the stock will come from. There are two ways of stocking: one is from local cereal production, another is purchasing from the market.
- If stocking is from local produce, cereals should be provided by members of the cereal bank.
- If cereal needs to be purchased from the market, we need to consider where the funds come from. Is it from cereal bank members or other sources?
- If it is a loan, a repayment plan needs to be agreed with the lender and between members before taking out the loan.
- It is good to carry out some market research on where cereal of high quality can be bought for the best price.
- If cereal needs to be purchased from an outside market, these are the costs normally involved:
 - cost of cereal purchased
 - warehousing costs
 - bagging costs
 - labour or handling costs
 - transportation costs
 - management costs
 - costs incurred through physical losses due to sample testing, rotting, theft etc.
- Whether the stock comes from the members or from an outside market, a clear inventory record is very important. This is the job of the cereal bank manager. Other committee members need to give this person their full support.



HELPFUL TIPS

- When purchasing cereal from a market, it is important to consider the safety of the cereal and people during transportation. If there is an overnight stay between the market and final destination, a safety plan is needed for the stock and the people who oversee the transportation.
- If an insurance policy can be arranged, it is good to consider this option. However, there is normally a cost for such a policy and it needs to be agreed by all members and the management committee.
- The best time for stocking is normally right after the harvest when the price is low.



DISCUSSION

- Among the members, how do we decide how much cereal to put into the cereal bank?
- When is the best time to stock?
- If non-members want to store cereal in the bank, what should we do?



Illustration: wingfinger.co.uk

We need to decide where our cereal stock will come from.

10 KEEPING STOCK IN GOOD CONDITION

- The cereal bank store manager (who is also a member of the management committee) needs to take lead responsibility for this job.
- Clear labelling of cereal types and deposit dates will make stock management so much easier.
- We must make sure we keep a good record of all stock in writing from the beginning.
- It is important to:
 - check the quality of incoming stock
 - make sure there is no dampness
 - make sure there are no pests or diseases that can affect other stock in the bank
 - use pallets to keep stock off the ground
 - make sure the store has good ventilation
 - protect stock from flooding
 - make sure the store has good roofing to protect stock from rain
 - protect stock from fire
 - protect stock from animal attack, theft or other risks
 - check stock regularly for quality and quantity against our records.
- We should treat stock with chemicals to kill or prevent pests if necessary.
- **Be very careful when handling chemicals.** Always get advice from a trusted agriculturalist on safe use, dosage and handling of any chemicals. (Be aware that input sellers may encourage the overuse of chemical pesticides.)



HELPFUL TIPS

- Stored cereal is often damaged by rodents, insects or damp, and losses can be high.
- Storing the grain in bags raised off the floor, with a tight-fitting door, will help to reduce losses. Turning the bags every few days will help to reduce insect damage.

SOURCE: *Disasters and the local church*, Tearfund

- Apart from checking the stock, it is also important to make regular checks on the structure of the cereal bank to ensure it is in good condition. If repairs are needed, they should be carried out as soon as possible to prevent damage or loss to stock.



DISCUSSION

- In our local context, what threats could there be to our cereal stock?
- What can we do to protect our cereal stock from these threats?



Illustration: wingfinger.co.uk

Storing grain in bags raised off the floor will help to reduce losses.

11 MANAGING THE CEREAL BANK ON A DAILY BASIS

There are three main management systems for cereal banks:

■ The loan system

- One sack (or an agreed number of sacks) of cereal from the cereal bank is loaned to each member family. This is then repaid after the harvest. Ideally the repayments will be in the form of cereal, but otherwise the borrower can repay the cereal bank with money, which can then be used to purchase new cereal. In either case, the borrower will also pay interest and a fee for running costs.
- Decisions about interest and fees are made by the cereal bank management committee in agreement with the members.

SOURCE: 'Developing grain banks' by Abdoul-Azize Sarki, in *Footsteps 77: Food security*, Tearfund

■ The sales system

- The management committee fixes the price of grain according to the market price, which can be worked out from the cost of buying the initial stock.
- Each member is allowed to buy a specific amount of cereal.
- The income is invested by the management committee in a savings account with a bank or cooperative.
- The income from the sale is then used for restocking or to set up new cereal banks according to the needs identified by the members.

SOURCE: 'Developing grain banks' by Abdoul-Azize Sarki, in *Footsteps 77: Food security*, Tearfund

■ The storage system

- Members deposit cereals into the cereal bank after the harvest. A fee is charged to contribute to the storage and running costs of the cereal bank.
- Members decide when they want to take out cereals according to their needs.

Whichever system is chosen, the management committee is responsible for overseeing it. The type of management system adopted may depend on who contributed to the first stock.



Illustration: Petra Röhr-Rouendaal, Where there is no artist (second edition)

The management committee should check prices at the local market before calculating the selling price for the cereal.

Two examples of pricing for the sales system

■ Operating at profit

The sale price of the cereal should include all costs incurred from the point of acquisition to the point of resale. The committee should refer to prices in the neighbouring market before they calculate the selling price. They should sell at lower than market price but equal to or more than the cost price.

Selling price = cereal price + indirect costs (examples of indirect costs: management, handling, transport, personnel, chemical treatments).

■ Credit sales

A percentage (eg ten per cent) of the stock could be sold on credit to the poorest people in the community. Options for repayment include:

- paying back in the form of cereal from their harvest in the following year
- setting up a social fund so that each person who buys grain can contribute ten per cent to assist the poorest people in the village
- contributions by the local church or mosque to cover any loss through a credit sale that cannot be repaid.

The committee needs to decide what action they will take if people do not repay their debt.

SOURCE: *Can cereal banks be sustainable?* by Cheryl McDonald



HELPFUL TIPS

Some common errors and problems that cause banks to fail are:

- providing grain on credit, which often results in defaults
- corruption among the management, eg misuse of funds
- theft of cash and grains from warehouses if these are not secure
- selling or lending grain at below-market rates in a relatively competitive market
- inexperienced, slow collective decision-making processes
- social pressures on management, leading to bad decisions on timing and pricing of purchases and sales
- lack of incentive and motivation to manage a cereal bank, as it can be time-consuming and offer limited personal benefit. A church or mosque may be able to make the system work, if trusted, competent people are in charge.

SOURCE: *Disasters and the local church*, Tearfund



DISCUSSION

- In our community context, what is the best system for us? Why?
- Do we need to have a minimum requirement for contributions of cereal for the bank and for each member?
- How can we avoid the common errors (see page 26)?



Illustration: wingfinger.co.uk

In the sales system, each member is allowed to buy a specific amount of cereal.

12 KEEPING A GOOD RECORD

Each cereal bank needs to have three types of record:

■ Meeting record

- This records all the meetings that are held between members or with other agencies relating to the work of the cereal bank.
- It records all the decisions made during those meetings.
- The secretary of the management committee is normally responsible for keeping this record.

■ Stock record

- This records all the deposits of stock into the cereal bank, and all withdrawals or purchases of cereal from it. (This is closely linked with the financial record.)
- It records the condition of the stock, the dates and details of checks carried out on stock, and the physical condition of the warehouse.
- The manager is normally responsible for keeping this record.

■ Financial record

- This is an accounting system that records any money transactions of the cereal bank, relating to all sales and purchases of stock.
- The treasurer is normally responsible for keeping this record.
- When a money transaction is involved, it is good practice to have another person to witness or countersign the paperwork involved. The second person can be a member of the management committee or another member agreed beforehand. This is to avoid mistakes and prevent mishandling of the money.

All records need to be kept in secure locations and should be available for all members to view at any time.



HELPFUL TIPS

- The cereal bank management committee may also want to have a list of members and a record of meetings held.
- Regular members' meetings need to be held monthly, bimonthly or quarterly. More meetings may be needed prior to the lean season.
- Members need to have the most up-to-date versions of records available to them during each meeting.



DISCUSSION

- Are all members of the management committee literate? If not, what should we do about the task of record-keeping?
- Where is the safest place to keep all the record books? In the cereal bank or at home?
- Apart from the suggestions here, what other things would we like to record and keep?



Illustration: Petra Röhr-Rouendaal. Where there is no artist (second edition)

Keeping good records is important for the success of a cereal bank.

13 HOW DO WE RESTOCK?

Restocking is vital if the cereal bank is to be sustainable. Without restocking, a cereal bank will become an empty building and lose its potential to combat food insecurity.

There are many ways to restock. Members can restock after harvest in the form of cereal through the storage system, or in the form of cereal or cash through the loan system.

The sales system offers other channels for restocking:

- **From individual farmers**

The closest and cheapest cereal might be found in the village after harvest. Buying here will guarantee a good price for farmers and avoid transport costs.

- **From local markets**

If the cereal bank cannot be restocked completely at a village level, local markets are the next option. They will have a greater variety of cereal available but transport costs will need to be factored in.

- **From regional markets**

Buyers work on a regional level, buying and selling from smallholders. Cereal may be of higher quality but the buyer will add their profit margin to the price.

- **Through cereal bank exchanges**

Some organisations set up cereal bank exchanges between areas of deficit and surplus. This allows the surplus area to maintain a good price for their cereal and helps the deficit area to replenish their stores without going through traders.

- **Through trade fairs**

Trade fairs are organised once a year after the harvest and are an effective way for buyers and sellers to meet and discuss cereal prices. In Niger, an organisation called Afrique Verte organises the fair. It operates nationally, regionally and sub-regionally. Typical partners include the World Food Programme, village-level cereal banks and wholesalers. It prevents traders from exploiting the market and artificially inflating prices by stockpiling large quantities of cereal.

SOURCE: Adapted from *Can cereal banks be sustainable?* by Cheryl McDonald



Illustration: Petra Röhr-Rouendaal, *Where there is no artist* (second edition)

Restocking is vital if the cereal bank is going to be sustainable.



HELPFUL TIPS

- The key to the sustainability of the cereal bank is that restocking is done by the community members themselves.
- The best time to restock is right after the harvest when produce is plenty and prices are low.
- Ideally, the funding for restocking should come from cereal sales and careful management of the money.



DISCUSSION

- What kind of management system is our cereal bank using? How and when do we restock according to this system?
- Where can we get the best-quality cereal for a good price?
- If the current management system does not support a restock, what should we do as members of the cereal bank?
- What other methods should we consider to keep restocking the cereal bank?

14 MONITORING AND REGULAR TOPPING-UP

- In order for the cereal bank to have sufficient stock and funds to operate sustainably, we need to monitor carefully the stock and funding level and top up regularly.
- It is part of the management committee's and members' responsibility to discuss and find a good method for regular monitoring and top-ups.
- We always need to think ahead and plan for any possible food crisis. This means the stock and funds of the cereal bank need to be topped up regularly to keep it at a healthy level.
- Without regular monitoring and top-up, a food crisis caused by a bad harvest can severely deplete stock and funds, and may even force the cereal bank to close down.



Illustration: Petra Röhr-Rouendaal, Where there is no artist (second edition)

It is important to monitor the cereal bank and plan ahead for a possible food crisis.



HELPFUL TIPS

- Even with the best management, banks still lose capital over time. This can be due to crisis years when prices rise or rot causes losses, and inevitably there is a household or two that cannot repay. To get around this, we allow longer-established banks to invest their funds in other areas, so they can make a profit, before restocking the bank. This requires managers to be honest and transparent.
- Another possibility is injections of money from time to time. Most processes relating to livelihoods and food security in the Sahel need some help initially before the households involved can build up their resources and become truly resilient. We have seen this happen in a number of communities. JEMED uses cash-for-work schemes during crisis years, coupled with reduced price sales, as a way to reinvest capital. The proceeds from the reduced price sales are used to purchase more grain for the bank.

SOURCE: JEMED (Jeunesse en Mission Entraide et Développement) in Niger



DISCUSSION

- How often do we need to review the stock and funding level?
- How can we keep the stock and funding at a healthy level?
- What is a healthy level in our context?



FURTHER READING

The resources below provide helpful information relating to cereal banks and the wider topic of food security.

***Footsteps* magazine**

Footsteps is a magazine for grassroots health and development workers around the world, filled with practical information and advice. It is produced by Tearfund in English, French, Portuguese, Spanish and Hindi.

Email publications@tearfund.org to subscribe to *Footsteps* or to order previous editions, or write to us via the address on the back cover. You can visit www.tearfund.org/footsteps to download previous issues free of charge.

Editions of *Footsteps* that relate to food security and cereal banks include:

Footsteps 7: Home gardens

Footsteps 10: Small livestock

Footsteps 11:

Accounts and records

Footsteps 22: Training

Footsteps 26: Credit schemes

Footsteps 32: Food security

Footsteps 41:

Looking after our land

Footsteps 47: Biodiversity

Footsteps 52: Nutrition

Footsteps 54:

Household agriculture

Footsteps 56:

Learning from disasters

Footsteps 64:

Planning for sustainability

Footsteps 65: Adding value to food

Footsteps 70:

Agriculture and climate change

Footsteps 77: Food security

Footsteps 80: Micro-enterprise

Footsteps 82: Natural resources

Footsteps 84: Leadership

Footsteps 89: Livestock

Footsteps 93:

Mobilising local resources

Footsteps 94: Valuing food

Footsteps 95: Poultry keeping

Footsteps 99: Climate change

PILLARS guides

PILLARS Guides are designed to help local groups to discuss the issues they face. Visit www.tearfund.org/pillars to download PILLARS Guides free of charge, or contact Tearfund to order a printed copy.

The PILLARS Guides below are all written by Isabel Carter and published by Tearfund.

■ **Agroforestry**

Agroforestry means growing crops and trees together so that both benefit. Available in English and French.

■ **Building the capacity of local groups**

Encourages groups to improve their communication, effectiveness and record-keeping. Available in English, French, Portuguese and Spanish.

■ **Credit and loans for small businesses**

Encourages good practice in record-keeping, planning and maintaining savings and credit groups. Available in English, French, Portuguese and Spanish.

■ **Healthy eating**

Ideas to help improve household nutrition at low cost, including food groups, kitchen gardens, recipes, methods of food preservation and hygiene. Available in English, French, Portuguese and Spanish.

■ **Improving food security**

Includes practical information on pest control, grain banks and techniques for food preservation and storage. Available in English, French and Portuguese.

Disasters and the local church

by Bill Crooks and Jackie Mouradian, Tearfund

This book is aimed at church leaders in areas where natural disasters are common (but it is also relevant for other faith leaders and NGOs). It covers topics such as droughts and food insecurity. Available in print in English, French and Portuguese; available online at www.tearfund.org/tilz in English, French, Portuguese and Spanish.

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A practical guide to cereal banks

By Liu Liu

Published by Tearfund ISBN 978-0-9933084-5-1

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