

AGRIBUSINESS DEVELOPMENT: FARMING TO MARKETS

Crop Livestock Integration and Marketing in Malawi (CLIM²)

Kalima Sunday, Sabine Homann-Kee Tui, Sikhhalazo Dube, Andre van Rooyen

Background

Early insights at the Innovation Platforms (IPs) in the three project districts – Balaka, Chiradzulu and Thyolo – highlight opportunities for farming as a business.

Improving markets – for farm inputs and outputs – was identified as an important entry point. It was observed that flow of information and cash from consumers to producers were flawed. Also, benefits were not shared equally.

A holistic approach to agribusiness is vital. Strategies to facilitate crop-livestock integration can increase cash flows between the enterprises and producers, leading to higher incomes for producers and better food for consumers.

Results

- Switching from commercial poultry feeds to home mixes reduces production costs.
- Use of crops such as pigeonpea as feed ingredients increases returns for pigeonpea producers.
- Feed production, processing and transaction offers options for many along value chains; farmers can add value on-farm, millers can include milling of crop residues, and feed suppliers can provide concentrates for feed mixes tailored to livestock type.
- Market-oriented goat sales linked to processors (e.g. butchereries) and government, raises the quality of meat, increasing incomes for goat producers.



Approach

Innovation Platforms (IPs) enable multi-stakeholder engagement. They promote environments for farming as a business. Multiple stakeholders, farmers, the private sector and government extension agents identify opportunities and challenges in agribusiness, develop a shared vision and joint strategy, and reconfiguring farms and institutional environments.

Gross margin analyses (GMA) is used to compare potential viability of enterprises, helping identify entry points. Use of GMA can lead to allocative and technological efficiencies in farming. As farm efficiency increases, so does income.



Small and medium business enterprises (SMEs) create functional relationships between producers and input and output markets. Farmer groups/companies develop bankable business plans, credit suppliers support sound business opportunities, while input suppliers provide information and training to farmers. Business skills and an entrepreneurial spirit are encouraged by enabling business opportunities along high-potential value chains.

Key messages

Diversification in crop-livestock systems offer agribusiness opportunities. These opportunities are more pronounced in the chicken and goat value chains where use of pigeonpea and groundnut as feed ingredients is important.

Positively influencing the business environment for high potential value chains is critical for sustainability.

Where farmers are keen to invest, there is need for changes in the mindset of the entire industry; success depends on committing to collaborative approaches.