

CLIM² Project

Diversifying agri-food value chains in Southern Malawi What are policy implications?

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CLIM² Policy Dialogue Meeting, 23-24 July, 2019, Serendip Suites, Blantyre, Malawi



This project is funded by the European Union

FIDP II objectives and results



Overall objective:

Improve the livelihoods of rural households through increased and diversified production and better market access

Results:

1. Smallholder agriculture production increased and diversified
2. Viable agri-business processing opportunities identified, developed and implemented
3. Farmer group management capacity enhanced and developed
4. Group social dynamics developed and enhanced

Nutrition as outcome of agri-food value chains and markets



Malawi HDI on place 128 out of 138 countries



Overall 37% of under-5 years old children are stunted (>30% = very high). Among the poor half the children are stunted.

Agriculture provides 35% of GDP and 80% employment



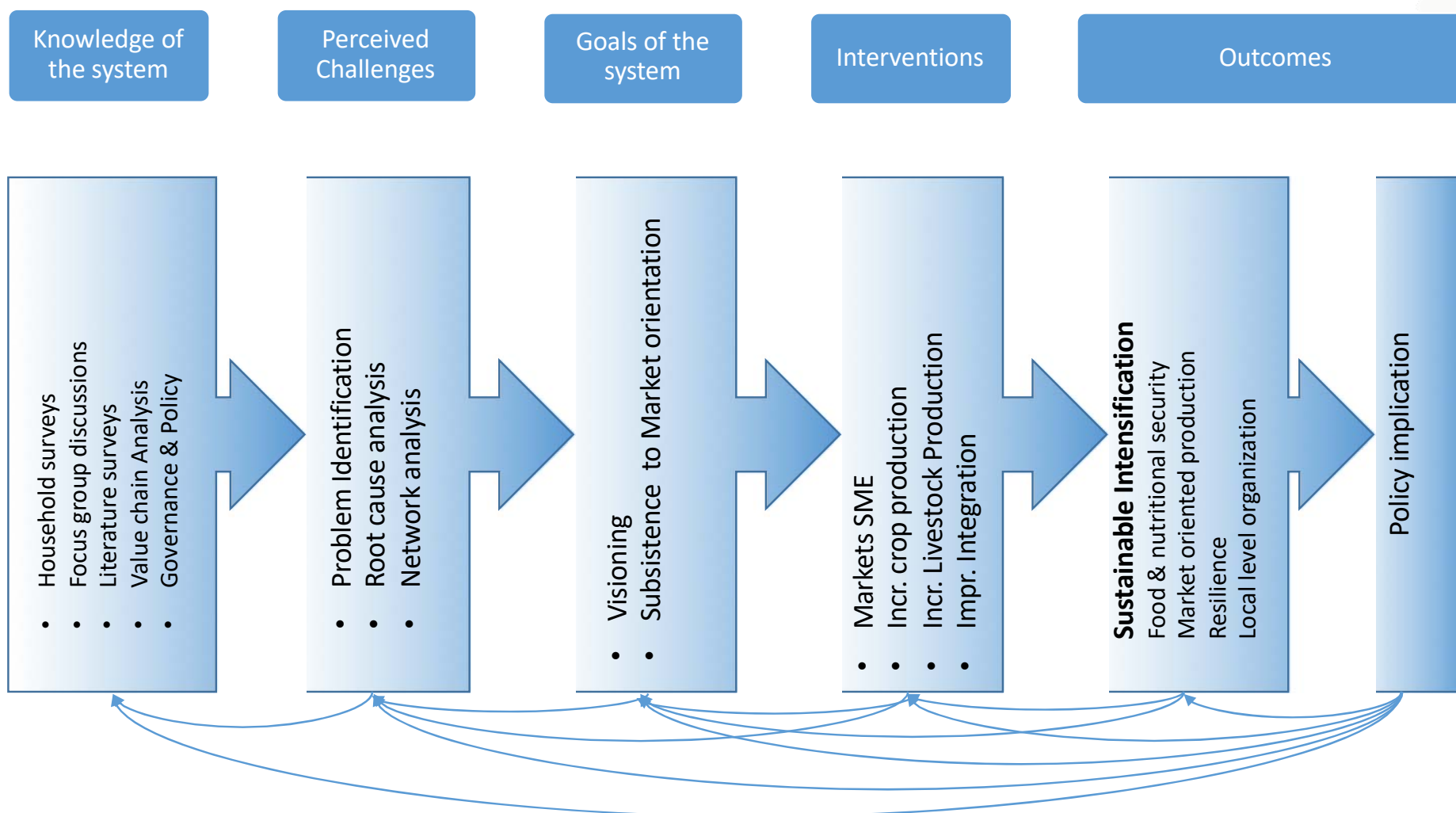
63% of children under-5 and 33% of women in reproductive age have anaemia.

Agricultural land < 0.5ha per farm household



Only 8% of children aged 6-23 months received minimum acceptable diet. A quarter of the total population does not reach daily recommended food intake.

CLIM² approach and methodology of implementation



Baseline situation: Crops (1/2)



Traditional focus:
Maize for food
security

What next?

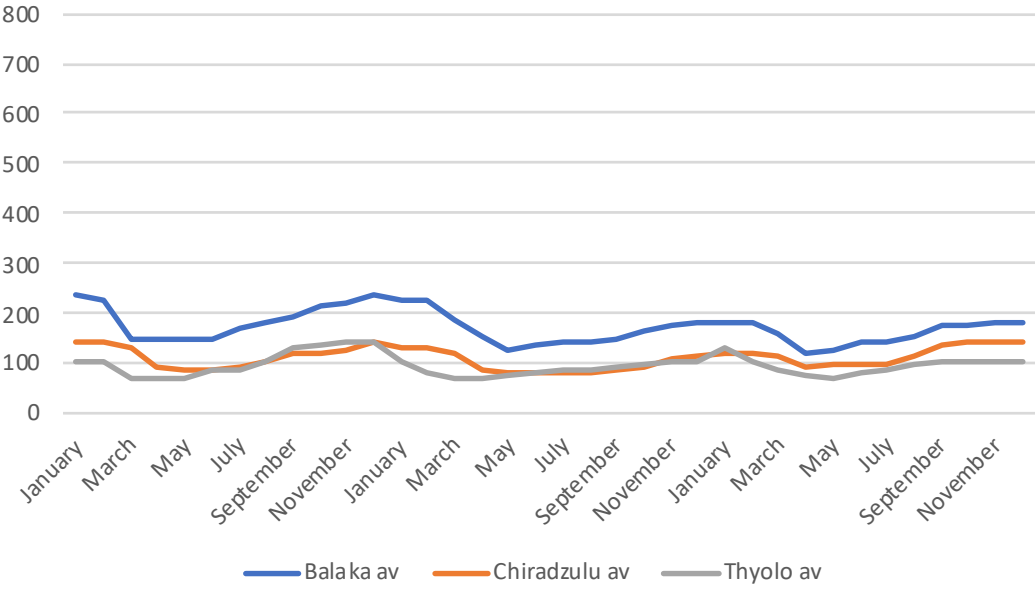
	Maize	Sorghum	Groundnuts	Pigeon pea	Cowpea
Farmers producing (%)	100.0	31.1	17.4	75.2	17.2
Area (acre)	1.1	0.4	0.4	0.7	0.5
Yield (kg per acre)	501	311	314	174	191
Price (MK per kg)	110	81	158	95	136
Revenue (MK/farm)	42,032	6,351	13,546	6,443	8,998
Costs (MK/farm)	15,232	209	831	1,015	1,617
Netreturns (MK/farm)	28,172	6,273	12,921	5,796	7,692
Netreturns (MK/acre)	39,682	25,820	47,115	14,896	19,005
Cost / Revenue	0.4	0.0	0.1	0.2	0.2

Baseline situation: Crops (2/2)

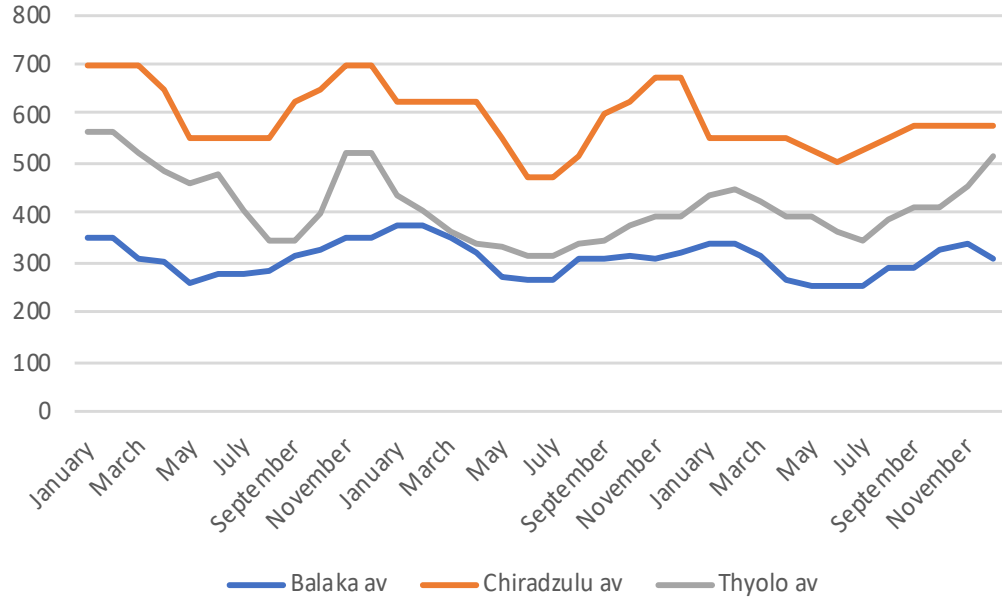


Average prices for crops sold at rural growth points

Maize prices (per kg, MK, 2016-2018)



Groundnut prices (per kg, MK, 2016-2018)



Baseline situation: Livestock (1/2)



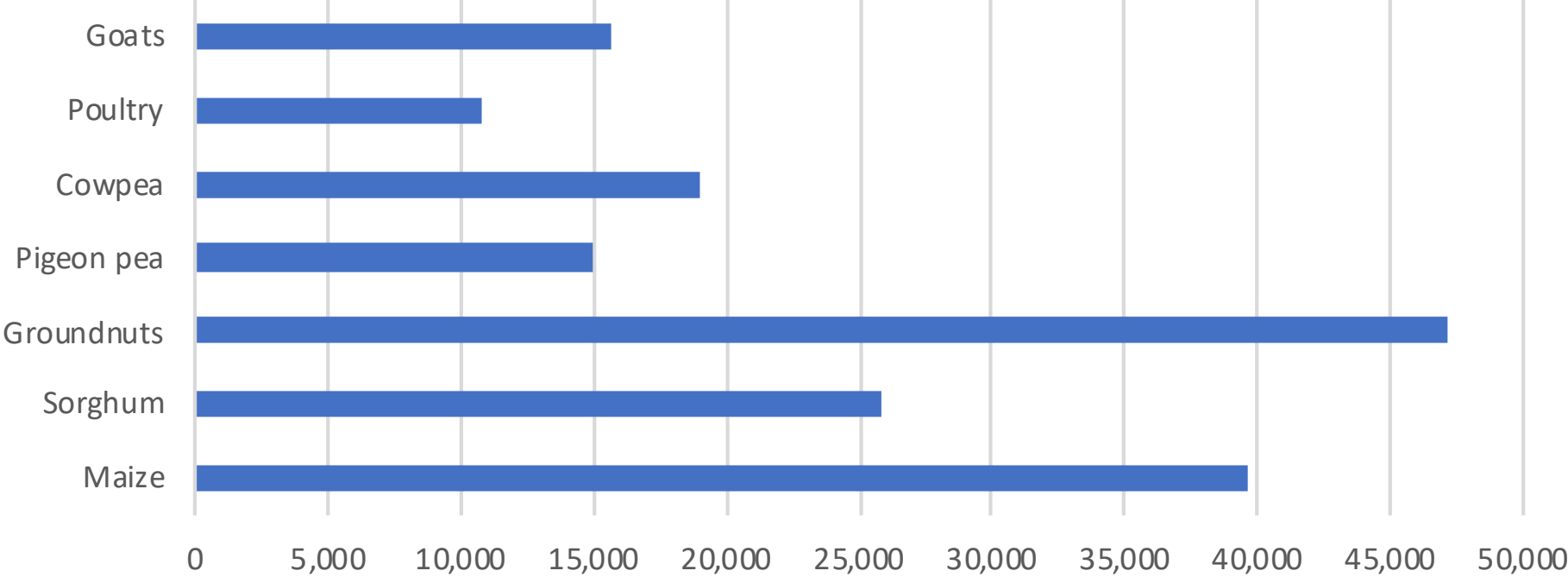
	Poultry	Goats	Dairy cattle
Underinvested: Livestock for income and nutrition			
Farmers producing (%)	46.8	34.0	4.8
Flock size (n)	10.2	3.5	3.8
Losses (%)	170.3	41.1	27.8
More income from livestock			
Offtake (%)	79.4	32.8	13.1
Price (MK per n)	2,170.4	14,000.0	133,577.6
Price (MK per l)			157.9
Revenue (MK)	12,217	19,345	240,519
Costs (MK)	1,455	2,896	17,454
Netreturns (MK)	10,762	15,644	203,577
Cost / Revenue	0.1	0.1	0.1

- more money spent on livestock based foods?
- re-investing into the farming system?
- better nutrition?

Baseline situation: Crop and livestock net returns



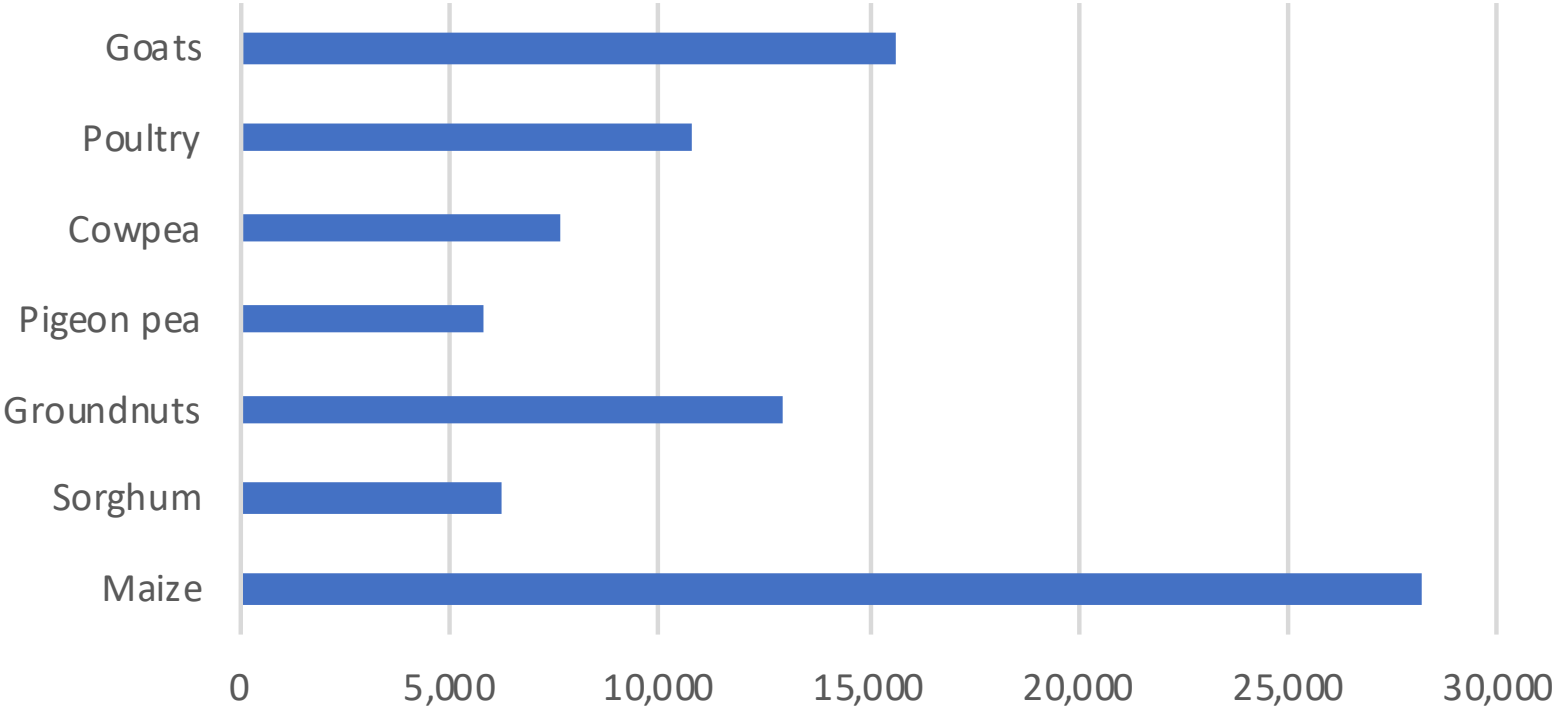
Net returns, per acre crops
in comparison to livestock ownership (MK)



Baseline situation: Crop and livestock net returns



Farm net returns (MK)



Baseline situation: Livestock (2/2)



Potential to increase gains from livestock

At district level

- Prices (seasonality, distance)
- Reducing losses

	Poultry	Goats	Milk
n / l sold (per month peak season)	10,000	5,500	55,000
n / l sold (per month off season)	2,500	2,500	44,000
Value sold (per month peak season, MK)	21,900,000	102,200,000	7,034,280,000
Value sold (per month off season, MK)	7,300,000	61,320,000	5,627,424,000
Value lost (per month peak season, MK)	46,971,914	128,061,585	447,636,000
Value lost (per month lean, MK)	15,657,305	76,836,951	447,636,000

Reference unit: Project EPA catchments markets

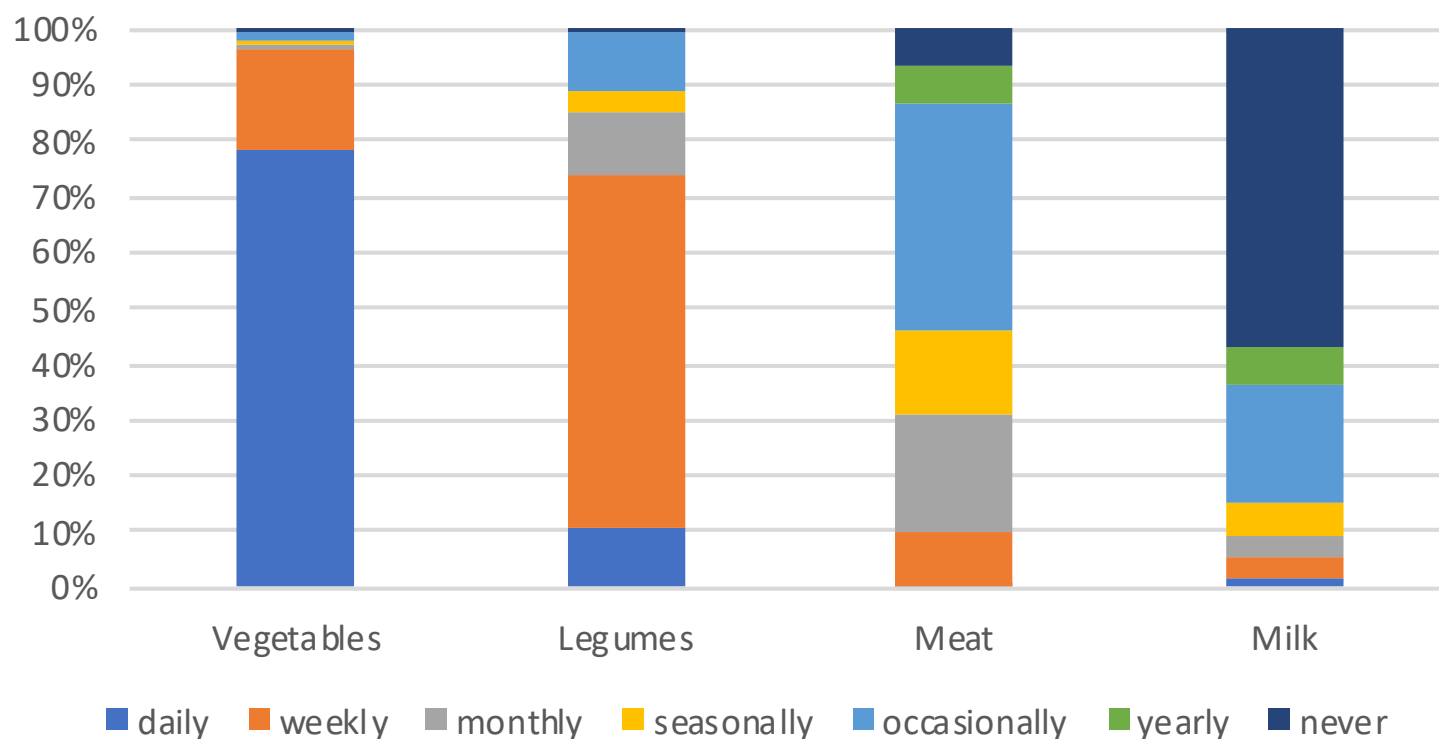
Baseline situation: Nutrition (1/2)



People in a year live 6.2 months from self-produced foods

Consumption of livestock based foods is underrepresented

Frequency of food consumption



Baseline situation: Nutrition (1/2)



Monthly expenditure on different foods, by consumer types

	Pulses	Eggs	Meat	Milk
Rural consumer	4,726	2,760	5,153	1,696
Low income urban consumer LLW	2,843	2,419	6,173	2,010
Low income urban consumer BTY	4,384	4,706	11,418	2,497
High income urban consumer LLW	8,993	5,220	15,360	7,576
High income urban consumer BTY	7,714	5,786	22,857	10,143

Constraints to more frequent consumption of eggs, by consumer types

	Rural consumer	Low income urban consumer LLW	Low income urban consumer BTY	High income urban consumer LLW	High income urban consumer BTY
Affordability	68	67	57	0	10
Accessibility	18	0	7	0	0
Food quality	6	33	7	27	60
Diversity	3	0	14	40	20

Rural consumers spend large share of income on food

Low income consumers prioritize availability and affordability

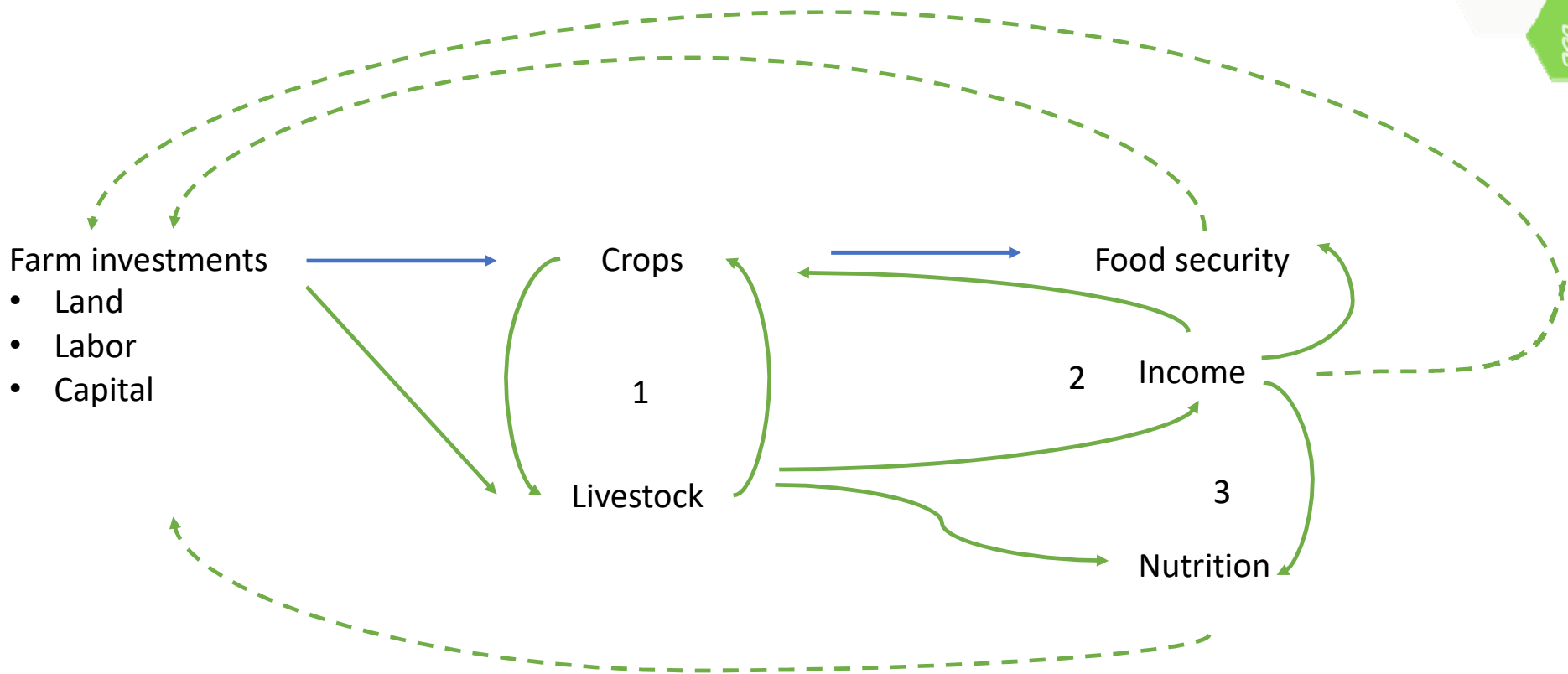
Higher income consumers pay for diversity and quality

Our theory of change: Income, food insecurity and nutrition (1/2)



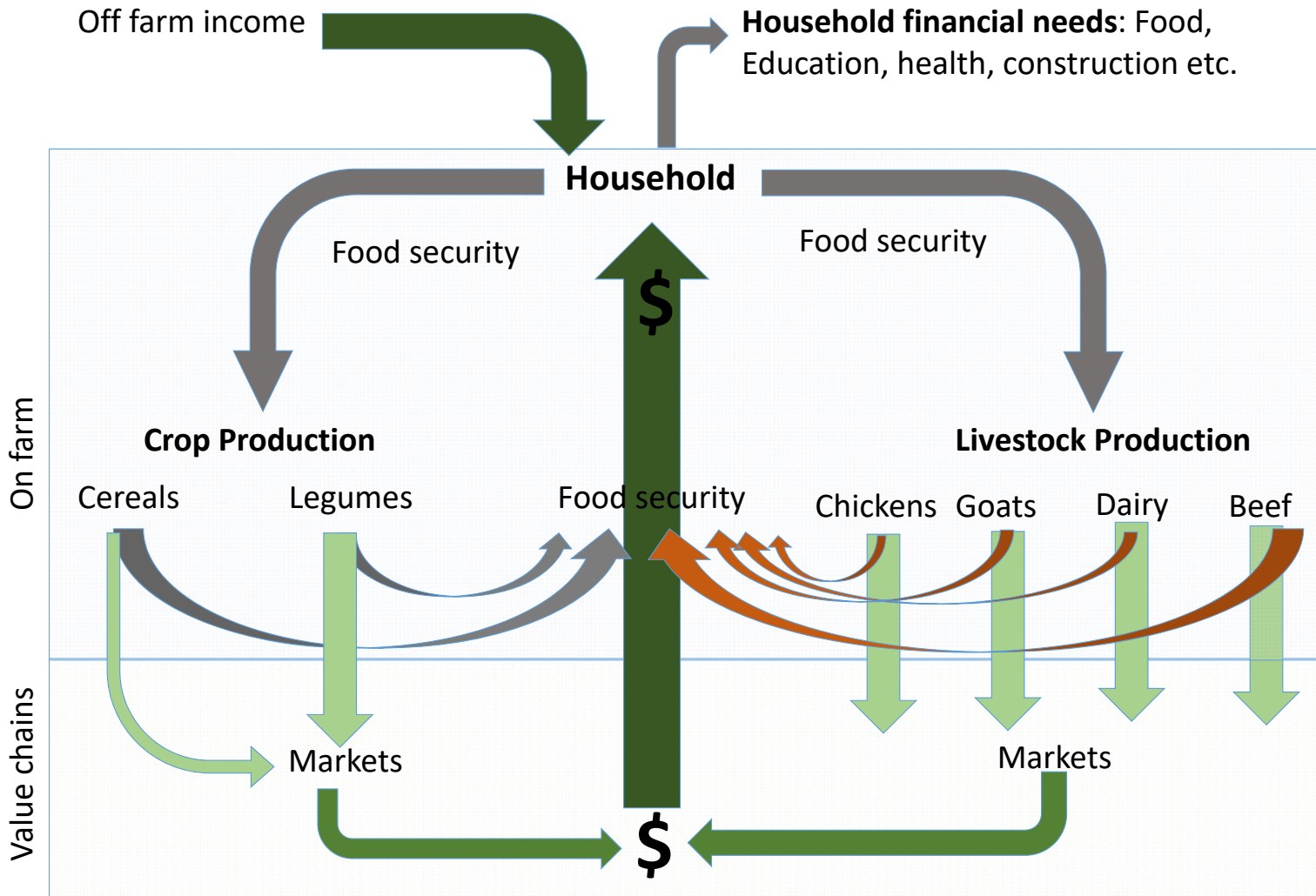
→ Current policy priorities: directing farm investments to produce more maize

Our theory of change: Income, food insecurity and nutrition (1/2)

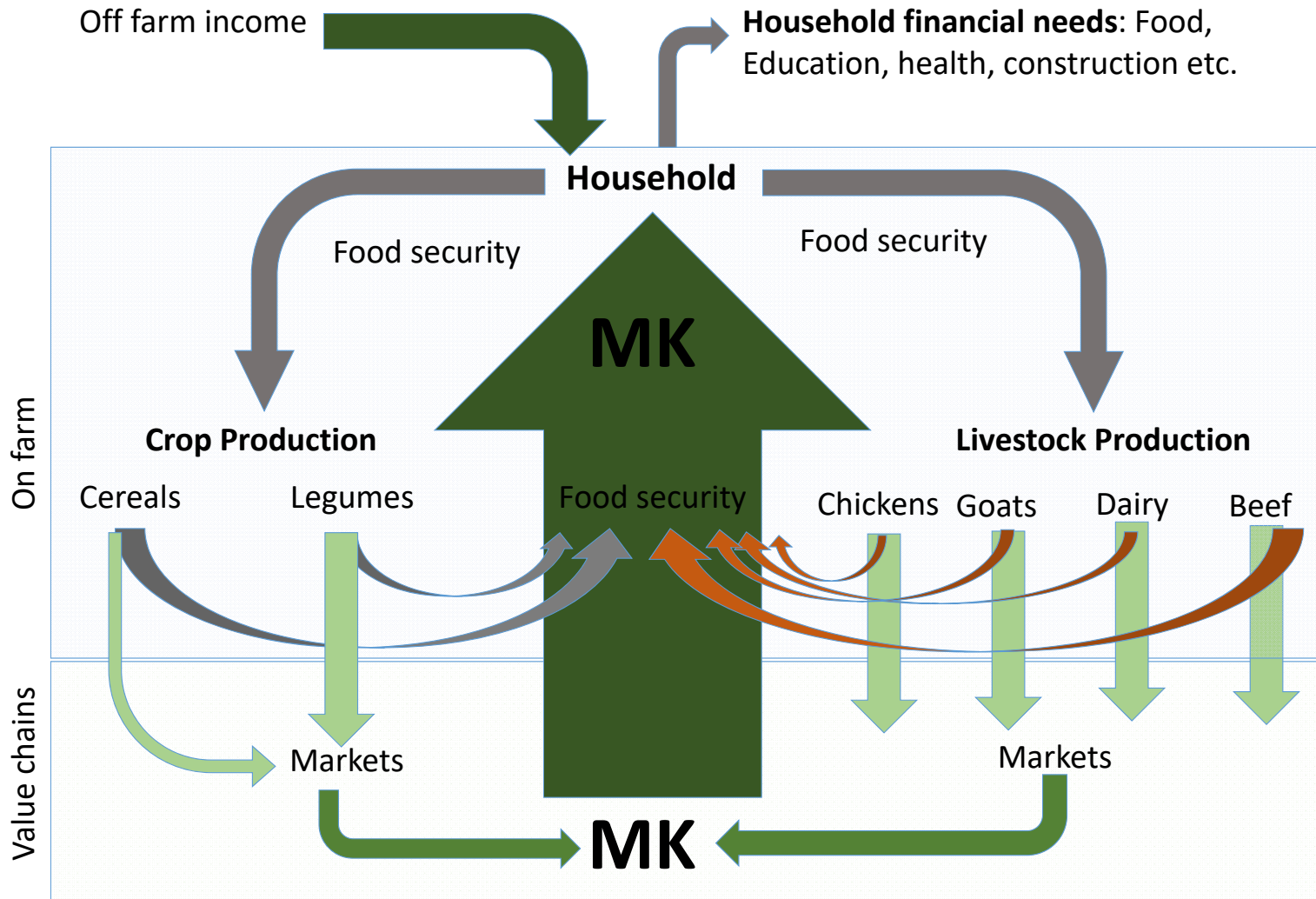


- Current policy priorities: directing farm investments to produce more maize
- Directions that we need to go if we are to enhance nutrition outcomes
- Positive systems feedback loops

Our theory of change: CROP-LIVESTOCK AND MARKETS (2/2)



Our theory of change: CROP-LIVESTOCK AND MARKETS (2/2)



Policy implications

Innovation
systems

Systems
innovation

Multi-stakeholder
forums

- Land sizes
- Integration of crops and livestock
- Diversification / intensification
- Focus on losses as first step to increase production
- Balance between food security and nutrition vs market orientation
- Legumes



Thank you!



This project is funded by the European Union