



Crop Livestock Integration and Marketing in Malawi (CLIMM): Policy Dialogue Shaping Agri-food Value Chains For Nutrition and Health in Malawi

Issues arising

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Issues from field visit

- Research collaboration among key stakeholders to be strengthened for quarantine certification, validation and adoption of the Kuroiler and the Kuroiler smallholder business distribution model
- Ensuring proper designs with controls using existing genotypes, chains and protocols for ATCC
- Mainstream marketing channels to ensure no backlog of mature products
- Perform gross margin analyses to ensure the set up is profitable among farmers

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Opening by the CD, MoAIWD

- The need for effective policies to drive effective implementation of programs
- The MoAIWD has NAIP that values food systems
- The CLIMM and collaboration among partners that exists fits within the NAIP
- With respect to livestock, consider developing an Animal Breeding Policy to regulate breeding programs, considering farmers have their own capacity to introduce new breeds, stocks and share genetics among themselves
- Let us ensure no imports of meat and meat products that we can easily produce inside among ourselves and using the existing and emerging farmers, and programs including CLIM²
 - e.g. a case of Zambia that has seen a rise in demand of local chicken meat and target to produce and export to Malawi
 - Capitalized on cases of FIDPP and SAPP who have some beneficiaries that have made progress, showing potential within ourselves in Malawi
- Promote sensitization and outreach in all programs

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About CLIMM – FIDP II

- Highlighted some of CLIM2 activities that include
- Why are we here ~ policy dialogue on agri-food value chains for actions towards improving nutrition and health
- Goal: Increased income and livelihoods through intensified agri-production and market access
- Implementers: SLLP, ICRISAT, ILRI and MoAIWD
- Follows a system diagnostic, innovation platforms and value chain assessments
- Uses business plan approaches
- Uses Kuroiler, goat value chain and dairy, and feed production business
- Supports crops production
- Included research for evaluation and graduate fellow ~ eg Kuroiler evaluation and FEAST model

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About CLIMM – FIDP II

- Farming systems approach and integrates both crops and livestock
- Capacity building through trainings

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Issues from the CLIM2 presentation

- The need to highlight evaluation taking place at Mikolongwe and on farm
- What about sustainability of the Kuroiler program
- Why not produce our own Muroiler? Or produce our own Malawi breeds rather than import

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CLIM2 Project from Andre Van

- Objectives of the program presented ~ agri-food value chains and market access
- The need to enhance nutrition as measured by high rates of stunting
- Recognizes importance of agriculture and the limited land sizes
- Maize based agriculture which is mainly for food security. Other crops grown but of low gross margins
- Livestock underinvested, diversified and of low gross margins
- Maize has greater farm returns, seconded by goats and poultry
- An integrated system will yield more on farm
- There is need for a more balanced production system

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CLIM2 Project from Andre Van

- The livestock value chain has potential to increase as currently has a greater proportion of value lost through deaths and milk losses
- Majority households are food insecure from home grown food, only for 6 months
- Most diets are devoid of livestock based foods
- Rural consumers spend large share of income on food
- Huge market exists in Malawi for food access, and food of high quality and diversity

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CLIM2 Project from Andre Van

- Theory of change
- Integrate crops and livestock as that is what farmers are doing but make the system exist through market links
- Current theory is to invest income into crops and less on livestock ~ government priority
- But food security can be through both crops and livestock, and link to the markets
- Cereals and legumes
- Chickens, goats, dairy and beef

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CLIM2 Project from Andre Van

- Policy implications
- Integrate crops and livestock
- Diversification and intensification
- Focus on losses as first steps to increase production
- Balance between food security and nutrition vs market orientation
- Promote legumes
- Requires innovation systems and multi-stakeholder forums

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Prof Dube presentation

- Support existing and creation of SMEs
- Poultry, goat meat processing, dairy production, feed and forage value chains
- Encourages of establishing livestock based companies with own contribution while the project helps with start up chickens
- The project helps to facilitate linkage with the markets
- Promotes value addition as in the case of improved slaughter facilities for goats and reduce milk losses at Bvumbwe dairy, and feed processing using locally formulated rations and local ingredients.
- Supports business models in the production

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Prof Dube presentation

- Promotes local ownership that makes the farmers responsible
- Facilitate inclusiveness of all gender categories including the marginalized members of the community
- Need for a well structured markets and linkages to the markets
- Why currently 1000 cocks can not be sold while there is a gap that is met by imports ~ linkages

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SME study by Mr Mtupanyama

- Aim to identify SME with high leverage potential and characterize them
- Identify interventions for scaling up
- Defined MSME in terms of employment size, annual turn over and assets value based on the MSME Policy
- So queried whether we have SMEs in the areas or they are just entities
- Most of these MSMEs have some documents but not harmonized and operate informally
- Are more agro based, without bank accounts, without employees

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SME study by Mr Mtupanyama

- Capacity assessment using SWOT analyses to identify areas to improve performance of MSMEs
- Other challenges include poor governance, access to capital, limited access to markets, poor quality products, poor production and marketing skills, including quality certification, and limited value addition and poor technologies for the value chain

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SME study by Mr Mtupanyama

- Areas of support
 - General capacity building in business management and skills
 - Provision of infrastructure services, equipment and machinery
 - Support to market identification and negotiation skills
 - Facilitate formation of partnerships with service providers
 - Training in export procedures and value addition
 - Develop policies and strategies on transformative interventions and sustainability
 - Value addition and not sale of raw products, regulatory frameworks for stable markets, governance, re-introduce auction markets for livestock, improve breeds, formation of cooperatives
 - Involve the youth and women in advancing MSMEs

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Feed and fodder technologies ~ Prof Blummel

- Promotes and assesses a FEAST
- Feed value chain to promote feed as business
- And prioritization of feed interventions
- Crop residues offer an opportunity for improvement
- Genetic variations exist in crop residues and fodder
- Develop crop cultivars that can benefit farmers and their livestock
- Crops / crop residues still important in supporting sustainable livestock production
- Need to advocate for dual purpose training close alignment with primary traits
- Need to low / least cost diet designs and ration balancing
- Need to promote own compounded feed

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Feed and fodder technologies ~ Prof Blummel

- Why Kuroiler chicken?
- There are impact pathways in other countries
- Promising dual purpose breeds
- Working and sustainable PPP model
- Initially imported for testing if they can fit Malawi conditions
- Malawi performance compared to Ethiopia and KU doing well in Malawi

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Feed and fodder technologies ~ Prof Blummel

- Summary
- All elements of the project need to be connected



Issues

- People buy off layers in vehicles and feels taste can be a trait to drive the poultry entrepreneurs towards niche type of market such as local chickens
- How to deal with the political economy on FISP and the planned CLIM2 theory of change
- **What programs exist to develop Malawi based breeds?**
- To MSMEs, how ready are you to continue with the CLIM2 business support beyond project phase?
- Need to discuss about the constraints to market value chain development
- Will farmers buy the inputs

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Issues

- People buy off layers in vehicles and feels taste can be a trait to drive the poultry entrepreneurs towards niche type of market such as local chickens
 - PPP theory to be promoted
- How to deal with the political economy on FISP and the planned CLIM2 theory of change
- What programs exist to develop Malawi based breeds?
 - Government advocates for demand driven products and leaves this to stakeholders and Government will just provide a conducive environment
 - Capacity exists now at Chitedze and Bunda
 - Malawi needs to start
 - Develop our own breeding policy and strategy that will address breeding issues
- To MSMEs, how ready are you to continue with the CLIM2 business support beyond project phase?

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Round Table discussions

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MoIT&T ~ Chirambo

- Policies supporting agri-food value chains in Malawi
- Talked on Trade Policy and Industry Policy, and control of goods Act
- Their goals and objectives
- All gearing on enhancing an environment for business and trade for all actors including MSMEs for both local and international markets
- Include promoting commercial agriculture strategies / systems such as anchor farms
- Regulates and Issues import and export licenses

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MoIT&T

- Policies supporting agri-food value chains in Malawi
- Presented reasons for trade policy
- To facilitate trade for economic growth, food security and trade, imports and export and business development
- Objectives include to eliminate barriers, reduce costs of doing business and trading both within and Malawi
- Also talked about World Trade Organisation and Regional Trade Agreements
- And the Business Licensing Act for licensing of both local and foreign companies to operate in rural areas
- MoAIWD has agribusiness Department that works hand in hand with MoIT&T to support MSMEs in agribusiness

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Round Table of farmers

- Posed questions and answers to the MSMEs
- How well do you understand your businesses and how you will grow them beyond project time
- As butcher man, project found us and in case they go, we shall continue but now with additional skills
- As Chimtengo Poultry Company, we were empowered to self contribute and we started shareholding while CLIM2 helps us with start ups. Before they exit, we shall be briefed sufficiently on continuity exit strategies including leaving into hands of existing government extension system
- As goat farmers, we formed an association and this becomes recognized and can get support from other upcoming support agencies

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Round Table of farmers

- A business is supposed to be self sustaining including paying self salaries. Wants to know if the groups here are paying themselves
- They are plans and will be getting shares from what they will realize as profits
- They have included these in their business plans
- For butchermen, they have been supported with an office and cold rooms

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Round Table of farmers

- A question of whether you are new starters or already into poultry before, and whether the project forced them to join the poultry
 - The answer is they have been into poultry before and now just adopt Kuroiler
- Also, how about market for the exotic breed they will use noting that consumers now prefer local chickens
 - The answer is their target is to sell eggs and not chickens
- On goats, any type or size that is more marketable for better profits
 - They prefer crosses and local breeds, adult stages of around 3 years
 - Farmers hear boar goats are more profitable than local goats and they mature early
 - Farmers are exploited by butchermen and need own formal markets
- MoAIWD has trained youths in agribusiness companies through NEPAD. These are to be distributed in rural areas and are ready to work with MSMEs

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Round Table of farmers

- Mikolongwe has Boer goats that can be used to improve sizes of local goats

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Round Table of the Private Sector and Agri-business

- Comprised District Agribusiness, Transglobe, Milk producers, CRS etc
- Which are the value chains you as private sector are looking for so that farmers respond to that
 - Shoprite: lots of products that came into Shoprite was on meat side. This time local meat of high quality is supplied
 - Current production of companies is limited
 - So need to be more productive and even if they can produce 1000 chickens on weekly basis, under good slaughter and transport, that would work
- Transglobe under subsidiary of KFC and their standards. Unfortunately even big producers do not meet KFC standards and ask MoAIWD for licences to import from SA. So there are gaps in Malawi.
- SHIMPA ~ there are problems with imported powdered milk. Processors now access sales of locally packed milk in shops and this gives support to the dairy industry

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Round Table of the Private Sector and Agri-business

- Which are the value chains you as private sector are looking for so that farmers respond to that
 - CRS works with agro-dealers to supply seed of good quality. Unfortunately there is no vibrant seed system such that poor quality seed is distributed to farmers
 - Government ~ links farmers to processors to engage on the market
- There is a myth that MSMEs are failing to access formal markets for their products such as vegetables. What should they do to penetrate this market.

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Round Table of the Private Sector and Agri-business

- Issues of marketing are broad and limit MSMEs to access formal markets, including issues of quantities and quality
- Why does KFC not work with any of the poultry producers to encourage them to produce chickens of their quality to minimize imports
 - Zambia, SA produce chickens for KFC but not Malawi
 - Shoprite at times allow MSMEs to supply but it takes time to make payments
- Why not target other places for Kuroiler than in dairy areas where there could be competition on feeds?
 - Targeting districts were by EU as per call per proposal and just followed

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Policies and support mechanism for growth of agri-food chain

- There is need to link food production to nutritional status of human beings
- Nutritional status of U-5 children ~ 37 % stunting, graph is moving down
- Emerging overweight problem, as at 21 % in women
- Micronutrient deficiency has been reducing
- What is the role of the agriculture sector?
- Parameters of diets very low? Still high in anaemia, Vitamin A and Zinc
- Is the project talking of the 6 food groups as promoted by the policy?
- Agriculture is the basis of nutrition? Are gains in agriculture productivity translating into optimal nutrition outcomes?

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Policies and support mechanism for growth of agri-food chain

- What has been done?
- Developed nutrition policy and Strategic Plan, legislation, nutrition education and communication strategy and other policies from MoAIWD with aim to change human eating habit
- Objectives to ensure availability and access to safe and nutritious foods, behavior changes etc
- Strengthen weak links in behaviors change, production processing and utilization
- Scale up research to address emerging issues in nutrition
- Capacity strengthening at district and community levels

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Links between agri-food value chains and nutrition

- Malawi in inadequate energy intake
- Agriculture sector to respond to the deficit
- All body building blocks are supplied from food, hence from agriculture
- Agriculture nourishes us all
- Livestock crucial as it provides nutrients in the form our bodies understand and loves ~ bioavailable
- Unfortunately Malawi is not a livestock country ~ Professor Phoya 2009
- Stunting serious in Malawi
- Critical micronutrient deficiency like selenium and zinc in Malawi

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Links between agri-food value chains and nutrition

- Maize based diets and less animals contribute to micronutrient shortage such as Zinc.
- New diseases emerge due to deficiencies, such as Pellagra and osteoporosis due to Niacin and Ca respectively
- Now dealing with two problems, under and over nutrition
- There is increase in nutritional related deaths, e.g. heart diseases
- Need interventions to produce nutritious foods
- Market based interventions do not reach the poorest, e.g. mandatory and large scale fortification
- Approaches rely more on value chains

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Links between agri-food value chains and nutrition

- Need for policy and regulatory structures for all structures
- This will tackle issues of compliance, and belief of claims of quality
- And access to foods
- Rural people sell local chickens and buy a broiler which is more meaty than local
- Understanding the interaction between formal and informal market linkages needed? Can we enhance both?
- Need tailor made solutions that are context specific
- Focus on coordination of the whole chain
- Add value across the value chain for nutrition and other benefits

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Overall issues from the two day session

- Overwhelming evidence of static poor condition of economic, nutrition and food insecurity problems in rural communities
- One key sector is lack of a coordinated food production and utilization chains, with critical gaps to allow access to markets despite the existing demands
- An integrated agriculture system comprising crops and livestock (food security), and probably fish farming seems traditional and viable option when linked to marketing (income) and utilization (nutrition)
- Considering prevailing challenges including land shortages, climate changes and low resource inputs, the drive towards diversification and intensification is needed

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Overall issues from the two day session

- Overwhelming evidence of existing policies and plans in different sectors
- Main issue is these policies do not seem to facilitate within and between sectors collaboration and partnership for joint interventions
- Big question is ‘what is the best transformational model to address the above if Malawi is to move out of this box of food and nutrition insecurity and enhance income?’
 - What crops, livestock, packages, technologies, food chains, marketing channels? Roles of public and private sector, and communities themselves
- There appear we have everything within Malawi and need to explore, exploit and move one
- Malawi is not specialized (leads to more trade offs), still depend on agriculture for its economy, and require an integrated approach (to harness the synergies)

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THANKS

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