



National Crop Research Institute for the
Malawian Government
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Improved Livelihoods through sustainable intensification and diversification of market oriented crop-livestock systems in southern Malawi – FIDP II



3rd Innovation platform meeting

Report

Thyolo District

Bvumbwe

24 October 2019

Introduction

This IP meeting is a follow up to take the process of dairy value chain development to a next level. What interventions would support the income and nutrition outcomes further?

Objectives

1. Link the dots: Identify and address critical barriers along dairy value chains, for their better functioning, based on experience and cost-efficiency by smallholder farmers and SMEs
2. Prepare for scale: Develop agri-food business models based on sound value chain analyses across the various chain segments, from production to consumption, targeting local markets and preferential trade with local government organizations
3. Agribusiness meets nutrition: Make nutrition for low income rural consumers part of value chain development
4. Setting the course: What needs to change in the wider institutional and policy context to support the value chains?

The IP meeting was held on the 24 October 2019 at Bvumbwe research station.

Participants included 20 farmers (11 men, 9 women) from the CLIMM project as well as 4 representatives from the local care groups. Also present were private sector (6 traders, 1 reporter, 2 other NGO), and 14 government support services from crops, livestock, agribusiness and nutrition committee. Present were also the DAHLDO and ABO from Chiradzulu district.

Plenary: Recap CLIMM project progress, implications for project implementation - Chamuka

Steps

1. Ask everyone to write down own perceptions on the questions below, three cards for each
2. Facilitator and team collect cards and cluster them.
3. Add the key points and how they influence market and technology uptake to the diagram – at the begin of the afternoon session

Questions

- Where in this ideal scenario do you see that CLIMM has improved the situation?
- smiley cards
- Where has the situation not yet been sufficiently improved, hindering your progress-
tired face

Results

Table 1. Achievements and areas for improvement as prioritized by IP meeting participants.

| ACHIEVEMENTS | n | WHERE TO IMPROVE | n |
|--------------|---|------------------|---|
|--------------|---|------------------|---|

| | | | |
|---|----|--|----|
| Innovation platform helping identify market needs | 3 | Link to reliable processors, milk pricing | 13 |
| Building capacity | 13 | CLIM ² to scale up to other areas | 1 |
| Improved productivity (through Kuroilers, seed inputs, milk production, AI) | 10 | Establishing cooperatives | 2 |
| SME registration | 1 | Support on feeding, feed formulation, health | 16 |
| Provision of feed mill | 2 | Establishing nutrition and sanitation groups, DNCC membership, link with care groups, strengthen local bylaws on livestock theft, nutrition training | 3 |
| Improved income | 2 | Market linkages | 13 |
| Improved livelihoods | 1 | Target more farmers | 1 |
| | | Provision of milk processing equipment, training in processing | 5 |
| | | Provide loans to farmers | 4 |
| | | Improve on project pace | 2 |
| | | Providing dairy animals and other inputs | 1 |

Group 1. Income and nutrition outcomes – Sabine Homann-Kee Tui

Participants: Important to have farmer group and care group members

Objective: To illustrate current dietary patterns for different types of consumers (those who consume more and less milk), what influences their dietary choices, how does dairy contribute to nutrition outcomes, and what would need to change for dairy to contribute more substantially to rural diets, indicators that inform about impacts of market oriented crop livestock integration on income and nutrition synergies or trade-offs

Steps:

1. Distinguish farmers according to consuming more and less milk, and care group membership – all along to find out if there are differences in farmer groups on delivery of nutrition and income outcomes, how we can incorporate that in our outreach
2. What is a healthy diet for you?
3. Has the production of milk improved your diet? How
4. Has the income from milk sales improved your diet? How
5. Has your access to nutrition related information changed? How
6. Synergies income - nutrition:
 - a. Will you chose to increase your income from milk sales more than consuming more milk, or will you consider consuming more milk rather than increasing your income from milk?
 - b. Will increasing income from other sources lead you to consume more milk?
7. How does crop livestock integration support income and nutrition outcomes – individual assessment of farmers perceptions on crop livestock linkages, nutrition and income outcomes

Results

What is a healthy diet for you?

The two groups had similar understanding of healthy diets.

Dairy farmers: We prefer milk over eggs. Milk helps to reduce stunting. Its easier available than eggs. Milk is cheaper than eggs.

CARE group farmers: Milk gives more energy to the body. Milk is easier available than eggs, as in abundance in Thyolo district. Milk has fat and protein, whereas eggs only have protein.

Group: Dairy farmers

- 45% Starch, sweet potatoe, cassava,
- 15% Vegetables – various indigenous, rape, black jack
- 15% Oil – groundnuts, soya bean, sunflower
- 10% Protein – beef, chicken, rabbit, goats, sheep, turkey, milk
- 10% Fruits, apples, mangoes, guava, banana,
- 5% Legumes – pigeon pea, cowpea,

Group: Care group

- 40% Starch, sweet potatoe, cassava, yams, maize, green bananas, rice, sorghum
- 20% Vegetables – black jack, all indigenous, sweet potatoe leaves, rape
- 10% Legumes – indigenous, groundnuts, pigeon pea, cowpea, mucuna
- 10% Protein, crabs, mice, grass, hopper, chicken
- 10% Oil – soya, groundnuts, sunflower, cooking oil, avocado, milk
- 10% Fruits – papaya, peach mango, guava, apples

Has the production of milk improved your diet? How?

Production of livestock is not only for milk, but also for manure. When we add manure, we save on fertilizer, this cuts costs. Crops respond better to fertilizer, once manure has been applied. The water content in the soil is better where manure was applied. When heavy rains come, it keeps the moisture better. When we sell milk, we can buy other foods. We also use the money to pay school fees and build a house. When we sell milk, we can budget for the future, buying various house items.

Has the income from milk sales improved your diet? How?

Income from milk improves diets. In seasons like now there is hunger, we can buy maize to support our family. When we keep cows, its easier to access loans.

Has your access to nutrition related information changed? How?

Generally there is better access to information.

Dairy farmers: Information easier to access, from ante natal cares and gathering with chief. DAP phased out, now access from AFIKEPO groups.

CARE group farmers: Previously it was hard to get this information, only for pregnant women. This led to most children being stunted. A hospital had to supplement every Wednesday. The number has reduced as World Vision created clusters with own promoters, which reach people at home. Stunting has reduce due to NGOs such as ADRA, Sneake, Stall workshop, AFIKEPO.

Synergies income - nutrition:

Dairy farmer: We prefer to sell the milk, to have enough income. We can then buy other food items. IF someone produces 13 l, he sells 10 liters and keeps 2 liters for children, 1 liter to share as household heat.

CARE group: We prefer to sell and have the income, to buy other food items that fill the 6 food groups.

All farmers: Having other sources helps to use more milk for nutrition. We sell milk to generate income, as we have limited other sources.

How does crop livestock integration support income and nutrition outcomes – individual assessment of farmers perceptions on crop livestock linkages, nutrition and income outcomes

Table 2a. Farmer perceived links between crop livestock integration and nutrition and income outcomes.

| | | Dairy farmers | CARE group members |
|---|---|------------------|--------------------|
| | | Score Total=7 | Score Total=7 |
| 1 | Expansion of legumes | 6.6 | 7 |
| 2 | Improved soil fertility | 6.2 | 7 |
| 3 | More biomass for feed | 6 | 7 |
| 4 | Better quality feed | 6.6 | 6.75 |
| 5 | More manure | 6 | 6 |
| 6 | Higher consumption of high value protein from crops | 5.2 | 5.25 |
| 7 | Higher consumption of high value protein from livestock | 5.4 | 6.5 |
| 8 | More income that can be reinvested in the farm | 4.6 | 6.5 |

Both dairy farmers and CARE group members realised links between the production of more legumes and improvement in soil fertility. In terms of livestock feeding, they saw relationships between production of more legumes, improved soil fertility, more biomass for livestock

feeding, better quality feed and more manure. Farmers understood that legumes contribute to the fixation of nitrogen in the soil which leads to more yields for their crops. They also understood that more biomass from legumes provides good quality feed for livestock which in return provides more quality manure for their crop fields which results in improved crop yields.

Do people drink limited milk because they are intolerant, or because they cannot afford it?

There are people who naturally don't drink milk, others feel that they are drinking milk from a woman and hence don't drink it. Some don't consume due to belief. When milk is returned, people can feed livestock, don't drink it themselves. Some farmers use juju in milk, when the milk returns we don't drink it. First I vomited, now I got used to it. In our community about 70% drink milk regularly. More than 60% in the room drink milk regularly. If people would know the benefits of milk to nutrition, would milk consumption increase? Yes, it can increase.

The message is that there is still a need to sensitize about milk consumption for nutrition.

Group 2. Value addition analyses - Humphrey Savieri

Participants: Important to have private sector representatives – plus farmers and extension

Facilitator appoints documenter, who also takes notes

Objective: Value addition and distribution of magin analyses, for the most relevant channels, considering quality, quantity and timing requirements, to determine cost effective interventions that support smallholder farmers to benefit in the value chain.

Steps:

1. Which channels would create favourable conditions for farmers and other actors (minimizing transaction costs, implying higher prices for farmers, lower prices for consumers)
 - a. What are the barriers for farmers to participate in these particular channels?
2. What are the revenues and activities and how can they be costed, and what are the product prices at which they can be supplied to consumers? Making the product cheaper to consumers might encourage higher purchases...
3. What cooperation would be helpful to reduce those costs (aggregation, price negotiation upfront, e.g. farmers and consumers agree on prices better for them and organize themselves to transport costs) – Highlight that the consumer has the funds to keep the value chain functional
4. Visualize important costs and value added for the main channels, current and improved, in a diagram (cost/unit). Show by adding real figures.
5. Derive clear messages what channels and options are most cost effective, profitable and realistic, comparing farmer and consumer prices.
6. How does seasonality influence this?

Results

Directly, farmers sell to consumers at 171 MK/l raw milk, or at farm gate at 150 MK/l. However, farmers to supply milk to consumers is not common, as farmers experience dry periods, and hence strong seasonality. Farmer operation as group is advised.

Farmers prefer selling larger amounts of milk monthly, and accept a lower price, because they can store the money this way.

Farmers sell to traders at farmgate at 150- 175 MK/l. If farmers would sell the milk at 250 Mk per l, instead of 175 MK per l, at the same costs, this would increase their gross margins from 39,732 MK per year to 129,792 MK, a price increase of 43% resulting in gross margin increase of 226%. Traders sell to consumers.

Marketing margins

Farmer: MK 175,700/1200 litres=MK 146.42 per litre

Trader: MK 210,000/1200 litres=MK 175.00 per litre

Processor: MK5,319,600/8000 litres=MK 664.95 to make 1 litre of yoghurt

The group also discussed how farmers can easily access feed produced by local feed processors. Members suggested through establishing linkages between feed processors and bulking groups and initiate discussions on what type of feed do farmers want, quality and quantity and what are they willing to pay.

The feed processors trained by CLIM² project commented that she priced the feed she produces from maize bran, soya and pigeon pea at MK 15,000 per bag which farmers do not afford to buy forcing her to currently sell maize bran only. She added that the feed is even certified by MBS. She appealed to the project and government extension to sensitize the farmers on importance of feeding their cows the feed rations the project trained the processors to produce rather than relying on forage and maize bran only.

Cooperatives were advised to find ways of selling milk to consumers at profitable prices to enable them afford to buy the feed.

It was observed that what prevents farmers to directly sell to consumers is that consumers buy in small quantities but higher price while processors buy at relatively low prices but in bulk.

Table 3. Gross margin analyses for value addition in dairy value chains

| Farmer | Item | N per month | Unit price (MK/L) | Total cost (MK) | Bulking center | Item | N per month | Unit price (MK/L) | Total cost (MK) | Milk trader | Item | N per month | Unit price (MK/L) | Total cost (MK) |
|---------------------|-------------|-------------|-------------------|-----------------|---------------------|-------------|-------------|-------------------|--|---------------------|---------------|-------------|-------------------|-----------------|
| Revenue | Milk | 1200 | 175 | 210,000 | Revenue | Milk | 83,000 | 187 | 15,521,000 <th>Revenue</th> <td>Milk</td> <td>1,200</td> <td>250</td> <td>300,000</td> | Revenue | Milk | 1,200 | 250 | 300,000 |
| Costs | Fodder | 30 | 1000 | 30,000 | Costs | Milk | 83,000 | 180 | 14,940,000 | Costs | Milk | 1,200 | 150 | 180,000 |
| | Maize bran | 30 | 2200 | 67,200 | | Electricity | | | 95,000 | | Refrigeration | 1,200 | 15 | 18,000 |
| | Dairy mash | 30 | 960 | 28,800 | | Security | | | 20,000 | | Transport | | | 12,000 |
| | Water | 30 | 400 | 12,000 | | Buyers | | | 80,000 | | | | | |
| | Drugs | | | 3,000 | | Guards | | | 50,000 | | | | | |
| | AI | | | 1,000 | | Stationary | | | 50,000 | | | | | |
| | Deworming | | | 3,000 | | Water | | | 30,000 | | | | | |
| | Vitamins | | | 3,000 | | Allowance | | | 80,000 | | | | | |
| | Minerals | | | 4,000 | | Transport | | | 20,000 | | | | | |
| | Dip | | | 3,500 | | Lunch | | | 7,500 | | | | | |
| | Labour | | | 10,000 | | | | | | | | | | |
| | Poles | | | 3,333 | | | | | | | | | | |
| | Nails | | | 250 | | | | | | | | | | |
| | | | | 167 | | | | | | | | | | |
| | Thatch | | | 139 | | | | | | | | | | |
| | plastic | | | 69 | | | | | | | | | | |
| | Bricks | | | 111 | | | | | | | | | | |
| | Cement | | | 222 | | | | | | | | | | |
| | Labour | | | 278 | | | | | | | | | | |
| | Feed trough | | | 139 | | | | | | | | | | |
| Total costs | | | | 170,208 | Total costs | | | | 15,372,500 | Total costs | | | | 210,000 |
| Gross margin | | | | 39,792 | Gross margin | | | | 148,500 | Gross margin | | | | 90,000 |

| Yoghurt processor | Item | N per month | Unit (MK/L) | price | Total cost (MK) | Stock seller | feed | Item | N per month | Unit | price | Total cost |
|--------------------------|------------------------|--------------------|--------------------|--------------|------------------------|---------------------|------------------|-------------|--------------------|-------------|--------------|-------------------|
| | | | | | | | | | | (MK/unit) | (MK) | |
| Revenue | yoghurt | 8,000 | | 1,000 | 8,000,000 | Revenue | Bags feed | 30 | | | 12,500 | 375,000 |
| Costs | Milk | 8,000 | | 200 | 1,600,000 | | Bags maize bran | 50 | | | 5,000 | 250,000 |
| | Fuel for distribution | | | | 700,000 | | Bags Ppea powder | 30 | | | 8,500 | 255,000 |
| | Culture | | | | 425,000 | | | | | | | 880,000 |
| | Electricity | | | | 210,000 | Costs | Soya | 10 | | | 28,000 | 280,000 |
| | Firewood | | | | 200,000 | | Ppea | 20 | | | 12,500 | 250,000 |
| | Sorbate | | | | 50,000 | | Maize bran | 70 | | | 3,500 | 245,000 |
| | Labels | | | | 300,000 | | Transport | | | | | 100,000 |
| | Plastic bottles | | | | 350,000 | | Sacks | 200 | | | 120 | 24,800 |
| | Sugar | | | | 304,000 | | Labour | | | | | 30,000 |
| | Corn starch | | | | 240,000 | | Strings | | | | | 5,000 |
| | Flavour | | | | 34,000 | | | | | | | |
| | Colour | | | | 66,000 | | | | | | | |
| | Fuel for raw materials | | | | 80,000 | | | | | | | |
| | Labour | | | | 365,000 | | | | | | | |
| | Milk powder | | | | 320,000 | | | | | | | |
| | LED | | | | 75,000 | | | | | | | |
| Total costs | | | | | 5,319,000 | Total costs | | | | | | 934,800 |
| Gross margin | | | | | 2,681,000 | Gross margin | | | | | | -54,800 |

Group 3. Marketing strategy – Chamuka Thebulo

Participants: Important to have farmers and private sector representatives, women and youth

Facilitator appoints documenter, who also takes notes

Objective: Marketing strategy for smallholder farmer inclusion in livestock-based agri-food value chains – Structured sales around most promising channels (include preferential agreements, feed and livestock outputs)

Steps:

1. Agree on a goal on dairy for income and nutrition – How many dairy to sell/eat by what time
2. What are the 2 most relevant channels for dairy each, by type of products and requirements, end market (rural/urban), and type of production system (individual farmer, SME, commercial/local inputs) – check with channels identified by gross value addition analyses group
 - Advantages

- Disadvantages

3. What do farmers need to do to fulfil requirements in these channels (Volumes, quality, timing)

- Market requirements, social and quality standards
- Coordination of production and marketing, relationships among farmers and with other actors, potential for value addition
- Aggregation to reduce transport costs, mobilizing more farmers for volume, building relations among actors
- Price mechanisms (time of payments, quality grades, deal with losses)
- Financial support

4. Why are those items not being implemented? Discuss 3 major issues

5. What type of support services are required – who has capacity to provide that (vaccination, credit, insurance)

6. Mechanisms for accountability, feedback, gender inclusion

Results

Challenge of bulking groups:

- Lack of machinery to process milk
- Lack of competition among buyers, as only one processor is buying
- Shortage of drug boxes at bulking groups

Strategy

- Government, farmers, project to map the way forward
- Farmers to take care of milk, to avoid return at bulking group
- For farmers to make profit, there is need for assistance, beyond projects and NGOs.
- There is need to sensitise that local milk consumption is safe, for customers to buy more locally processed milk.

Table 2: Results for dairy market Strategy

| CHANNEL | ADVANTAGES | DISADVANTAGES | WHAT NEEDS DOING | WHY NOT IMPLEMENTED | WHAT SUPPORT REQUIRED | ACCOUNTABILITY, FEEDBACK, GENDER |
|---|--|---|---|---|--|----------------------------------|
| 1 Farmer-Bulking group-Processor-Retailer-End user | <ul style="list-style-type: none"> • Assurance of market • Quality control • Fixed prices | <ul style="list-style-type: none"> • Rejected milk blamed on bulking group • Price fixed by processor | <ul style="list-style-type: none"> • Discuss with processor to share blame on damaged milk • Collaboration on price sharing • Process own milk | <ul style="list-style-type: none"> • Lack of negotiation with processor • Lack of capital to invest in processing plant | <ul style="list-style-type: none"> • Government and project to facilitate meeting with processor on pricing and sharing damage on sour milk | |
| 2 Farmer-vendor-end user | <ul style="list-style-type: none"> • Rejected milk is bought ensuring some revenue | <ul style="list-style-type: none"> • Lack of quality control • Not reliable • Buys at lowest price | <ul style="list-style-type: none"> • Produce milk of high quality to reduce rejection • Remove vending | <ul style="list-style-type: none"> • Lack of knowledge on improved management e.g feeding, disease control, milk handling | <ul style="list-style-type: none"> • Training on milk handling, feeding and general dairy cattle management. | |

Group 4. Policy analyses – Thabani Dube

Participants: Important to private sector and extension

Objective: Policy gaps (constraining vs facilitating policies) and power structures that need to be addressed to support smallholder farmer based dairy value chains, income and nutrition outcomes

Steps:

1. Do you see unfair competition (favouring large scale commercial), exclusion (allocation of funds to other commodities) of smallholder farmers from dairy value chains ?
 - a. If yes, explain.
2. To increase farmers inclusion and competitiveness in dairy value chains, list what policies / rules in terms of production, food safety, storage and processing, transport, marketing and gender inclusion are
 - a. enabling,
 - b. barriers,
 - c. existing but not implemented
 - d. missing
3. What policy measures need to be in place to change towards enhancing smallholder inclusion and competitiveness?
 - a. improved market access
 - b. improved value addition/competitiveness
4. What activities do you need to engage in to influence those policy changes and what capacity do you require to implement that?
5. What levels to engage to address that, how?

Results

Do you see unfair competition (favouring large scale commercial), exclusion (allocation of funds to other commodities) of smallholder farmers from dairy value chains ?

- Raw milk production in Malawi is dominated by smallholder farmers who account for 80% of local raw milk supplied for processing.
- The sub-sector is regulated by an Act of Parliament, through the Milk and Milk Product Act.
- There is no competition between large producers and smallholder producers in the raw milk market, given the dominance of smallholders. While there some large-scale producers with influence, overall collectively they are not in competition with smallholder farmer
- Relative to the crop sub-sector, the dairy sector is not directly receiving input subsidies through government subsidy programme.
- Up to 90% of the raw milk produced by smallholder farmers is sold to milk bulking centres, who bulk for processors. The other portion, mainly consisting of rejected milk by bulking centres, is sold to local traders or consumers.

- Capacity to process milk on-farm is very low, particularly in the southern part of the country, where the bulk of raw milk is produced. Processing at local level to sell to milk products to consumers is constrained by a number of factors. These include access to appropriate technologies and clean water.
- There exist no regulations that prevent smallholder farmers from marketing their milk or milk products through a channel of their choice. However, the Malawi Bureau of Standards has set minimum requirements for dairy processing and these have acted as barriers for smallholder farmers to participate in the value chain activities post-milk production. This includes access to clean water, cement floor, cold chain management and other hygiene considerations.
- Another barrier highlighted is the capacity of the local market to buy processed milk products, such as yoghurt. Household income levels are very low to afford milk products.
- Selling milk through the bulk centres is a matter of convenience for farmers who prefer to receive lump sum for the volume of milk sold over a period, say 2 weeks or a month. However, the bulking centres impose milk quotas at certain periods of time where farmers have more milk but processors only buy small quantities.
- This arrangement also makes it easy for the fiscal authorities to collect the 3% sales tax from the farmers. Withholding taxes are charged by Malawi Revenue Authority on farmers' income through the buyer/processor.
- Government promotes production of milk through provision of improved breeds of dairy cattle from other countries either through importation of live animals or semen; livestock specialists deployed at all levels-EPA, District and ADD Levels; formation of farmer groups and milk bulking groups/ milk bulking centres

To increase farmers inclusion and competitiveness in dairy value chains, list what policies / rules in terms of production, food safety, storage and processing, transport, marketing and gender inclusion are;

- The regulations in the sector that potentially limit the participation of farmers in the value chain could be those related to food safety, which affect how milk and its products are transported, processed, stored and marketed to the final consumer.
- There are no legal restrictions for farmers to market their raw milk directly to consumers within their locality and outside. However, it seems farmers preferred to use milk bulking centres instead for a number of reasons, that included receiving on regular basis a lump sum of money, receiving support from the major milk processors, who use the bulking centres to support farmers.
- Association with a particular bulking group, comes with rules that need to be adhered to by the farmers to continue enjoying benefits of being part of a group. Some of the rules include restrictions on where the farmer can sell his/her milk. Some bulk groups do not allow members to sell their milk outside group.
- At local level, indications were that the practice of consuming milk and its products was very low and as such the local area did not provide a potential marketing outlet.
- Farmers who produced milk even indicated that the opportunity cost of consuming milk was high. Cost of producing milk was high for them.
- During some periods, farmers produce more milk than what the market can take. When the bulking centres limit the quantity it can absorb, farmers are left stranded

with no meaningful markets to dispose the excess milk. This leads to excess milk being thrown away or fed to livestock such as pigs.

- Milk that does not meet quality standards of the bulking centre is rejected and this milk finds its way to local market through being taken up by traders. Some of the common reasons why milk is rejected include adulterations that include, adding water, urine, bicarbonate of soda, fertiliser.

What policy measures need to be in place to change towards enhancing smallholder inclusion and competitiveness?

- While 80% of the milk comes from the smallholder sector, there is still scope to improve the production level of milk from this sector. This is more so given that the country imports milk and milk products and that there is a low level of per capita consumption of milk in the country.
- Increasing production of milk has to be coupled with increased processing capacity. The potential is higher at producer level, where currently no significant processing is taking place.
- Appropriate processing milk technologies have to be developed and provided to farmer cooperatives at subsidised prices to encourage processing at the level.
- Other enablers of value addition such as electricity, transport and training on processing will need to be provided at affordable
- For farmers to be competitive in the market for milk and its products, there will be need to capacitate them to produce milk at least cost and this will entail:
 - Provision of low cost feed resources,
 - Technical support in marketing to include packaging of products.
 - Direct subsidies for feed and veterinary drugs
 - Capacity building of farmers to improve general animal husbandry practices
- Effective delivery of this support, will require farmers to be organised into groups, such as cooperatives.
- The removal or reduction of the 3% tax paid out by farmers, could increase the income levels farmers realise from milk sales
- For farmers to be able to sell more milk and milk products to consumers:
 - Concerted efforts by government and its development partners to change consumer behaviour as it relates to milk consumption.
 - Floor price for milk as is the case with tobacco farmers.
- The following are suggested to stimulate demand for milk and its products
 - Sensitizing communities on importance of including milk in our diets and the role of milk in human development and health.
 - Mainstreaming milk and milk messages in nutrition programs. Districts Nutrition Coordinating Committees and appropriate stakeholders/NGOs to help disseminate messages that can change mindset of consumers on taking milk as luxury and not essential basic.
 - Lobbying with government departments (education, health & nutrition etc) and stakeholders to sensitize these respective institutions to take milk as part of their dietary requirements hence budgeting for it on the list of priority food purchases.

- This process of lobbying can start from District Council level by various stakeholders at district level, then ADD level/ regional level, to Directors level, (Headquarters), to ministries, OPC and bill discussed in Parliament.

Way forward

ABO

Thanking all farmers for participation, and those who joined for first time, NGOs like UP. Adding knowledge to the process. Government extension staff. Process shows that farmer on her own is not making profit. Therefore it needs our support, inputs, capacity building.

Share how project will continue supporting farmers.

Table . Summary of key issues that CLIM should be taking up.

| Nutrition | Value addition / market linkages | Policy |
|---|---|---|
| Promote messages on buying milk locally for nutrition through DEC, DNCC and care groups | Assess gross margins and value addition to highlight profit margins per market channels | Price incentives including minimum price, subsidies to reduce production costs, reduced tax |
| Awareness creation that farm milk is safe to drink , add value to your locality | MBS to license dairy products | Approve and promote sale of raw milk and pasteurization |
| | Capacitate existing add 1-2 new SMEs, training and equipment for pasteurization and processing | Strategy to open up markets for local processing and sale of dairy products, |
| | Lobby for dairy with government departments (education, health & nutrition etc) and stakeholders to budget for dairy as priority food purchases | |

Annex 1. Program

24.10.2019

Thyolo IP- meeting

| Time | Action items | Lead |
|---------------|--|---|
| 9.00 - 9.30 | Official opening Opening and agenda | District official Sabine Homann-Kee Tui |
| 9.30 – 10.00 | Recap on CLIM project progress, implications for project implementation | Chamuka Thebulo Claire Mwamadi |
| 10.00-10.30 | Health break | |
| 10.30- 13.00 | Group work – with mixed disciplines <ol style="list-style-type: none">1. Marketing strategy2. Value chain analyses3. Income and nutrition outcomes4. Policy analyses | Chamuka Thebulo ABO Sabine Homann-Kee Tui Thabani Dube |
| 13.00 -14.00 | Lunch | |
| 14.00 - 16.00 | Plenary – 30 minutes per group <ol style="list-style-type: none">1. Gap filling2. Next steps: networking, operations | Chamuka Thebulo Claire Mwamadi |
| 16.00 | Closure of the meeting Works of thanks | District official |

Annex 2. Participants list

| No | Name | Gender | Organization | Telephone | Email |
|----|---------------------|--------|----------------------|--------------|--|
| 1 | Gelad Hendreson | M | Chisomo dairy | 0884 436 051 | - |
| 2 | Patrick Store | M | Nachambo MBG | 0993 768 000 | |
| 3 | Alinafe Liwani | F | United purpose | 0997597276 | liwanialinafe@gmail.com |
| 4 | Joyce Dytton | F | Chisangalalo dairy | 0888989180 | |
| 5 | Susan Mongola | F | Agriculture | 0888774087 | - |
| 6 | Esinta Chasowa | F | Agriculture | 888667799 | - |
| 7 | Boniface Mungu | M | Farmer | 0995 155 309 | - |
| 8 | Aleck Magombo | M | Thyolo DAO | 0883 513 791 | - |
| 9 | Humphrey Savieri | M | Thyolo DAO | 0999715 401 | - |
| 10 | Loveness Chikumba | F | Chiradzulu DC | 0888892541 | lovenesschikumba@yahoo.com |
| 11 | Gloria Chisanga | F | Trade-Thyolo | 0888522561 | gloriachisanga@yahoo.com |
| 12 | Charles Joza | M | Bvumbwe dairy | 0993 201 053 | - |
| 13 | Cathy Chikopa | F | Goliati company | 0881337133 | - |
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| 22 | Blessings Malimba | M | Agriculture | 0885516282 | - |
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| 26 | Davie Kachikondo | M | | 0995 835 181 | - |
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| 30 | James Masiye | M | Chisomo MBG | 0995614368 | - |
| 31 | Lonny Mathews | F | Chisomo coop | 0886204256 | - |
| 32 | Anne Samson | F | Nachambo | 0882709669 | - |
| 33 | Donald Kaonga | M | ILRI grd fellow | 0888366712 | - |
| 34 | Chrissy Theu | F | Sabuni dairy | 0881157247 | - |
| 35 | Action Tsegula | M | Timotheos foundation | 0882568365 | - |
| 36 | Madalitso Mateyu | M | Business man | 0884 823 405 | - |

| | | | | | |
|----|-----------------------|---|--------------------|--------------|--|
| 37 | Joseph Alufandika | M | Businessman | 0885867673 | - |
| 38 | Wales Major | M | Sabuni dairy group | 0884841 889 | - |
| 39 | Dael Naphazi | M | Sabuni dairy group | 0884045181 | - |
| 40 | John Time | M | Businessman | 0884 988 342 | - |
| 41 | Mary Brown | F | Business lady | 0886 264 995 | - |
| 42 | Alide Liwonde | F | Farmer | - | - |
| 43 | Damiano Sauti | M | Farmer | 0884904993 | - |
| 44 | Charles Nyirenda | M | ABO-Chiradzulu | 0999231843 | - |
| 45 | Sabine Homann Kee Tui | F | ICRISAT | | |
| 46 | Trevor Marrah | M | Agriculture | 0999600355 | - |
| 47 | Liviness Mphatso | F | Care group | 0882199548 | |
| 48 | Magdalena Chimpambala | F | Care group | 0888181377 | - |
| 49 | Shyreen Chipendo | F | Care group | 0994444421 | - |
| 50 | Lydia Chingunde | F | Care group | 0882446495 | - |
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Facilitate market linkages

Potential buyers

Name and address of the buyer

1. Introduce CLIM project supporting chicken and egg production, in collaboration with the government of Malawi
2. Do you see a gap in the volumes and quality of chicken/egg products you require?
3. Who are your current main suppliers?
4. What are the main challenges that you face buying chicken/eggs from them?
5. What volumes / time of chicken/eggs would you be interested to buy?
6. What are your quality requirements?
7. Are there seasonal differences throughout the year, in terms of the volumes you require and the prices you are willing to pay?
8. What is your preferred delivery mode?
9. What are your payment modalities?
10. What are your terms of trade? Contract, bidding, others
11. What challenges do you face with smallholder farmers as suppliers?
12. Are you willing to engage in a buying relation with smallholder farmers?
13. If not, why not?