



Assessing the institutional environment for inclusive livestock value chains in Malawi

Caroline Hambloch

Contributing authors: Sabine Homann-Kee
Tui, Sikhhalazo Dube, Andre van Rooyen,
Chamuka Thebulo

July 2, 2020



<http://www.anh-academy/ANH2020>
#ANH2020

Motivation

- ◆ Animal-sourced foods have potential to significantly contribute to poverty alleviation, nutrition and food security in Malawi
- ◆ National Agricultural Investment Plan recognizes high potential of dairy, but poultry and goats only have minor supporting role
- ◆ Sector-level analyses: interests and power along value chains
 - Development interventions ineffective when power and politics opposed to these efforts





Research questions and methods

◆ Research question: *To what extent do public policies and practices enable or hinder the sustainable development of smallholder-based livestock value chains?*

◆ Approach

1. Value chain mapping
2. Policy analysis

◆ Methods

- Innovation platforms
- Policy dialogues with VC actors (*partially postponed due to COVID-19*)
- Policy review
- Key informant interviews with public and private sector representatives (*ongoing*)





Results

- ◆ Types of value chain governance correlate with level of regulation
 - Dairy: captive relationship with bulking groups, processors → high level of regulation
 - Poultry: largely spot market, little horizontal governance → little regulation
 - Goat: spot market, no horizontal governance → little regulation
- ◆ Policies, regulations not done in consultation with key stakeholders along the VCs
 - Weak or non-existing smallholder associations result in little policy influence
- ◆ Policies, regulations do not address concerns of smallholders: marketing, prices
 - Dairy: Milk Act limits value addition; prices below profitability
 - Poultry: increasing demand but little support for marketing
 - Goat: focus on production rather than productivity and quality differentiation



Results

- ◆ Govt allocates fewer resources to support development of livestock sectors: focus remains on maize (food security) and tobacco (cash crop)
 - 2006-2013: 1.2% of ag-specific expenditure for livestock vs. 71% for maize
 - Support to marketing or inspections are minor
 - Fewer extension services available to livestock farmers compared to crops
- ◆ Large policy implementation gaps:
 - Design of policy at national level while implementation at the district level: issues of ownership of policies, priorities of stakeholders
 - Quality issues are critical
 - Lack of quality rewards, control and enforcement



Implications for policy

- ◆ Livestock sectors should be key priority for agricultural development
 - Updating of policies and relevance to key stakeholders
 - Separate development policies/strategies (similar to cash crops)
- ◆ Need for VC actors to become part of the policy process
 - Requires organization of VC actors into interest groups
- ◆ Diversification of marketing channels necessary
 - Support to value chain infrastructure (e.g. markets, abattoirs)
 - Price quality differentiation (e.g. goat auction)
 - Improved quality control to increase confidence and hence demand in products

Implications for agriculture-nutrition pathways

Different ag-nutrition pathways, but income-nutrition trade-offs are strong.

◆ Dairy: income pathway

- Income: highest potential through value addition and reduced feed costs
- Nutrition: issues of prices, availability, accessibility

◆ Poultry: food access from own-production

- Income: increasing demand for (indigenous) poultry products
- Nutrition: highest potential to improve nutrition, least expensive
 - But poultry remains, to some extent, emergency asset

◆ Goats: food access from own-production

- Income: increasing demand and high prices for goat meat
- Nutrition: high prices; emergency asset





Thank You