Assessing the institutional environment for inclusive livestock value chains in Malawi

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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