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# 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





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# Thank You