



Malawi

An estimated 90 percent of Malawi's population depends on agriculture for their livelihoods and most are smallholder farmers who cultivate less than one hectare of land relying heavily on adequate rainfall. Although Malawi has made some significant gains in improving agricultural productivity over the last few years, 40 percent of the population lives on less than \$1 per day. ACDI/VOCA has worked in Malawi to strengthen market linkages, credit services and agribusiness sustainability for 25 years to help smallholders access the resources they need.

Cooperative Development, Marketing and Credit Services

In the 1980s and early 1990s, ACDI and VOCA engaged in various activities that targeted enterprises and cooperatives, particularly those that were involved with providing credit services to farmers. In 1986, ACDI worked with the **Malawi Union of Savings and Credit Cooperatives** to develop provisions for new legislation to govern cooperatives. From 1988 to 1991, VOCA provided volunteers for the **Rural Enterprise and Agribusiness Development Institutions Project** in the capital, Lilongwe, to develop a plan for a new fruit processing plant and to provide training to chili pepper exporters in drying techniques.



Training has been a central part of our work in Malawi—and around the world—for many years. In 1992 ACDI facilitated a three-week participatory course in Mongochi for the staff of Malawi's Smallholder Agricultural Credit Administration. Instruction focused on the role of small farmer credit programs, borrowing and lending practices and credit and accounting principles and practices.

Starting in 1993, ACDI managed the Malawi Cooperative Agreement to Strengthen Smallholder Burley Tobacco Marketing Clubs, a three-year, \$1.9-million grant from USAID to train Ministry of Agriculture extension agents, and staff and members of 1,200 burley

tobacco clubs. Participants learned effective cooperative management, methods to increase efficiency in marketing and ways to increase women's participation. ACDI and the Ministry of Agriculture and Livestock Development (MoALD) assisted over 1,225 smallholder clubs, representing approximately 36,750 households. During this same time, smallholder clubs brought 5.8 million kilograms of burley tobacco to market—a total value of \$7.54 million.

NASFAM Creates Sustainable Agribusiness Associations

Aiming to strengthen the sustainability of local agribusiness associations in Malawi, in 1998 ACDI/VOCA began implementing the **Smallholder Agribusiness Development Project (SADP)**. The biggest result of this project was the founding of the **National Smallholder Farmers' Association of Malawi (NASFAM)**. NASFAM's original goals were to develop the commercial capacity of its smallholder members, relying on the **Farming as a Business (FaaB)** method, and to deliver programs that enhanced member productivity.

Together, SADP and NASFAM worked with 100,000 smallholders—38 percent of whom were women—to access markets through financially sustainable associations. NASFAM associations marketed \$14 million of high value crops, including groundnuts, coffee, rice, cotton, chili peppers, paprika and soya. Members also purchased over 5,400 tons of fertilizer in 2001 in bulk, with a value of \$1.7 million, resulting in lower prices and free delivery for association members.

Although ACDI/VOCA's official work with SADP has ended, NASFAM continues to ensure its members can access markets and also promotes capacity building. The institution serves commercial interests and acts as a non-governmental organization, and is legally registered as both.

Market Linkages Foster a More Transparent Trading System

As part of a broader effort to increase resources for smallholder farmers, ACDI/VOCA partnered with Carana in 2009 on the **Market Linkages Initiative (MLI)**, a two-year, \$1.9 million project funded by USAID. ACDI/VOCA implemented MLI in Malawi, identifying grantees, managing grants and pinpointing technical assistance needs.

A follow-on program related to our larger **Farmer-to-Farmer (F2F) Program**, the **MLI Bridging Activity Project** was awarded to ACDI/VOCA in 2011. This project was designed to build on the successes of MLI and to ensure sustainability of its interventions. It further supports the ongoing transformation of structured and transparent commodity trading systems in Malawi.

ACDI/VOCA is proud of the MLI's transformative nature in fostering a more transparent commodity trading environment facilitating better access to information at the smallholder and association levels of the value chain. MLI has also developed bulking and storage centers, including a fledgling warehouse receipts system.

Value Chains Increase Food Security

ACDI/VOCA built on its MLI value chain work with another program targeting rural communities suffering from food insecurity—

Wellness and Agriculture for Life

Advancement (WALA), an \$80.7 million five-year integrated food security program. WALA engages farmers in commercial marketing to improve household incomes and, ultimately, food security. Funded by USAID, it involves a consortium of NGOs led by Catholic Relief Services and targets 214,974 chronically food insecure households in eight districts of southern Malawi.

As the lead technical partner for agribusiness, ACDI/VOCA provides support to the project's seven implementing partners in three key areas. ACDI/VOCA assists with value chain analysis and implementation, training project staff and government partners in market opportunity identification strategies. In turn, these individuals build the capacity of farmer groups to link to profitable markets.

ACDI/VOCA also builds farmers' capacity to connect to profitable value chains by providing technical leadership and assisting farmers to organize. ACDI/VOCA has led the agribusiness team in helping form 253 marketing clusters (associations) bringing together 26,377 farmers, 68 percent of whom are women.

Third, since 2011 ACDI/VOCA has been at the forefront of organizing smallholder farmer marketing fairs in Malawi, which bring together smallholder farmers and private sector service

providers. In 2011, WALA-supported farmers sold over \$226,000 worth of commodities through marketing groups.

ACDI/VOCA's Future in Malawi

We are currently working on implementing F2F activities in West Africa and the Middle East/North Africa. We hope to include Malawi in our future work in southern Africa. These projects will continue drawing upon our FaaB and value chain techniques to ensure that smallholder farmers in Malawi experience efficient and sustainable connections with markets, private sector players and the government.

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