



Malawi Strengthening Inclusive Markets for Agriculture **MSIKA**

Traditionally, Malawian farmers concentrate on producing maize and tobacco for food and sale. However, these crops are very susceptible to agricultural shocks, such as drought and irregular weather. As a result, farmers have not been able to realize their full potential in the agribusiness sector.

With support from the United States Department of Agriculture (USDA), Land O'Lakes International Development is implementing the Food for Progress MSIKA project to increase agricultural productivity and expand trade of various fruit and vegetable value chains.



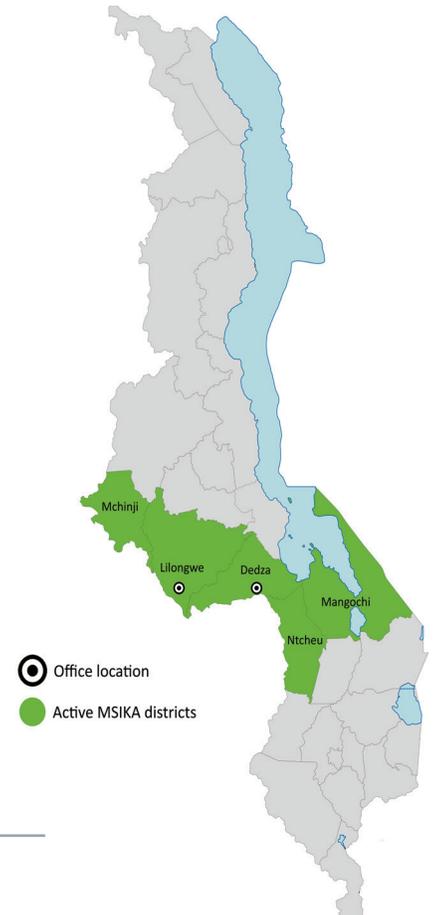
The Project

OVERVIEW

MSIKA is a five-year value chain development project designed to support the productivity, value addition and processing of various value chains under fruits and vegetables. These include mangoes, citrus, guava, potatoes, tomatoes, onions and chilies.

MSIKA will promote increased value addition and income for several value chain actors by facilitating improved processing, increased crop productivity, improved post-harvest handling (PHH) and storage of the aforementioned value chains. In addition, the project will help expand markets, create more efficient domestic trade, and increase potential exports of processed products in the long term.

As highlighted on the map in green, MSIKA is active in five districts in the central and southern regions of Malawi, including Lilongwe, Dedza, Mchinji, Ntcheu and Mangochi. Office locations are in Lilongwe and Dedza.



Key Project

PARTNERS

Government of Malawi

STAKEHOLDERS

The Ministry of Agriculture, Irrigation and Water Development (MOAIWD), as well as the Ministry of Industry, Trade and Tourism, will support identification of lead farmers for the project, as well as land for Yankho Plots™.

Michigan State University

IMPLEMENTING PARTNER

is introducing and building capacity of improved ag production techniques with lead farmres and extension agents. The University is also facilitating an improved enabling environment by partnering with MOAIWD and other regulatory institutions to enhance operations and stakeholder services.

TechnoServe

IMPLEMENTING PARTNER

is training farmers and Farmer Based Organizations (FBOs) on PHH, storage and processing; quality control, branding, new product development and business systems. This partner is also facilitating innovation public-private partnerships that integrate and develop the fruit and vegetable market systems.



Key Strategic OBJECTIVES

Within the fruit and vegetable value chains, MSIKA is driven to achieve the following objectives:

Increase

AG PRODUCTIVITY

- Increase the availability of improved inputs
- Improve infrastructure to support on-farm production
- Facilitate access to finance for agribusinesses and other Small and Medium Enterprises (SMEs)
- Train farmers on improved agricultural techniques and technologies, as well as farm management

Expand

TRADE OF AGRICULTURAL PRODUCTS

- Train producers and processors on making agro-products, like fruit juice, tomato sauce, etc.
- Improve the quality of agro-products
- Facilitate improved linkages between buyers and sellers
- Improve market and trade infrastructure
- Facilitate improved management of buyer/seller groups



ACTIVITIES

In order to achieve these objectives, the MSIKA project will carry out the following core activities:

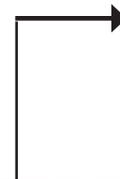
1. Trainings on improved agricultural production techniques

Low land productivity in Malawi is driven by several factors, such as poor agronomic practices, poor soil fertility, poor access to improved inputs (both availability and ability to procure), and over-reliance on rain-fed agriculture. These factors limit cropping cycles to just once per year.

To increase productivity of the selected value chains, MSIKA will conduct trainings on Yankho Plots™ to demonstrate new technologies and improved agricultural practices to lead farmers, the MOAIWD extension staff, as well as LUANAR technical staff. Yankho Plots™, a Land O'Lakes, Inc. subsidiary trademark of Winfield United's Answer Plots® model, will be strategically located in Extension Planning Areas (EPAs) of each of the targeted project districts, serving as a "seeing is believing" hands-on learning platform.

2. Trainings on post-harvest processing

Fruits and vegetables are highly perishable and therefore post-harvest handling and processing is critical to prolong their shelf-life. Some of the end-products of post-harvest processing including, chili powder, chili paste, tomato sauce, tomato paste, tomato soup, guava fruit juice, mango flavored drinks, other juices and more.





3. Infrastructure development and improved PHH and storage

This activity focuses on improving access to low-cost storage facilities for fruits and vegetables, such as facilitating the development of wholesale markets and aggregation points; strengthening cold chains by providing access to refrigerated trucks and planning for expanded cold storage facilities; and facilitating establishment of washing, grading, sorting and packaging facilities.

4. Capacity building of producer groups and cooperatives

Among others, Land O'Lakes International Development through the MSIKA project will work at strengthening new and existing FBOs to support the aggregation of produce. Effective FBOs are also a critical link to markets and financial institutions. It is expected that this will lead to increased:

- Knowledge in farm management
- Access to improved market information
- Capacity of key groups in the agricultural production sector
- Use of improved techniques and technologies by private enterprises, producer organizations, water users' associations, women's groups, trade and business associations, and community-based organizations
- Awareness of international production and handling standards
- Financial and organizational management among FBOs

5. Promoting market access by facilitated buyer-seller relationships

MSIKA is facilitating buyer-seller linkages by:

- Mapping key market actors in the fruit and vegetable sector, such as FBOs, traders, processors, aggregators, packaging industries, transporters, retail outlets, informal markets, wholesalers, exporters, consumers, etc
- Promoting increased access to market information, such as where fruits and vegetables are produced, available quantities at any given time, prices on the market and availability of storage facilities
- Enhancing the capacity of market facilitation networks, specifically by training agro-input suppliers, FBOs, and out-growers, and strengthening their linkages in order to promote marketing of their respective products.



6. Financial services for value chain actors

Many financial service providers in Malawi are more reluctant to finance agribusinesses because they are considered high risk investments. MSIKA is facilitating connections between financial institutions and actors along the fruit and vegetable value chains by:

- Developing financial products suitable for the horticultural sector. MSIKA is assessing existing and potential financial support services available to farmers, including Savings and Credit Cooperatives and Village Savings and Loans facilities
- Identifying lending institutions to collaborate and develop suitable products
- Facilitating the development of capital investment plans by identifying Business Development Support (BDS) providers, facilitating linkage between beneficiaries and BDS providers, identifying capital investment needs for FBOs and SMEs, supporting the development of capital investment plans, and facilitating pitching events with potential investors
- Improve the financial literacy and credit worthiness of FBOs and SMEs by conducting financial literacy assessment and development of training materials, training FBOs and SMEs in financial management, and building capacity of informal financial institutions



7. Financial services for SMEs

MSIKA is facilitating the development of loan products to extend credit to entrepreneurs, including agro-input suppliers, service providers, primary producers, processors and transporters. To achieve this, MSIKA is:

- Establishing and identifying an administrator for a Special Purpose Vehicle fund. In collaboration with the SPV administrator, MSIKA will develop funding pipelines and oversee lending to beneficiaries.
- Implementing a matching grant component to target agro-input suppliers, service providers, primary producers, processors, transporters and any other fruits and vegetable value actors.

8. Government capacity building to improve the enabling environment

MSIKA is designing and implementing technical capacity development programs for key government agencies and other relevant stakeholders in the fruits and vegetable sectors. In partnership with these stakeholders, MSIKA is:

- Facilitating the development of a horticultural policy in Malawi by assessing existing policies and standards in Malawi and other South Africa Development Community countries, as well as key potential export markets for horticulture products. Findings will inform the development of a home grown, comprehensive and relevant horticultural policy.
- Improving Malawi's implementation of Quality Standards of processed products. The project is conducting a series of trainings on food safety and quality standards for Malawi Bureau of Standards (MBS), processors, industry organizations and other key stakeholders (including other privately owned laboratory facilities). In addition, MSIKA will support MBS in developing policies related to safety and quality of fresh and processed horticulture products.





CONTACT US FOR MORE INFORMATION

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