



# ROLE OF CONCERN UNIVERSAL- MALAWI (CUMA) IN LINKING FARMERS TO MARKETS

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# CONCERN UNIVERSAL'S VISION AND MISSION STATEMENT

- **Our vision** is a world where justice, dignity and respect prevail for all.
- **Mission** : Concern Universal works in partnership to challenge poverty and inequality . We support practical actions that enable people to improve their lives and shape their own futures.

# CONCERN UNIVERSAL'S (CU) BACKGROUND

- CU is a relief and development organisation established in the UK in 1976 and registered in Malawi in 1989.
- Concern Universal Malawi (CUMA) is one the biggest programmes for CU.
- CUMA started with provision of relief items to Mozambican refugees who settled in a bordering district of Dedza in Malawi. Eventually, in early 1990's, it started some development work. Since then Concern Universal has largely focused in five main areas as indicated below.

# MAIN FOCUS FOR CU MALAWI

Concern Universal in Malawi strives to contribute towards poverty reduction through the implementation of the following programmes:

- Food security and sustainable livelihoods
- Water and Environmental Sanitation
- Emergency and Rehabilitation
- Local Organisations Capacity building
- Microfinance (But currently this is being implemented by an independent institution called CUMO Microfinance Limited which is registered as a Limited Company. It covers all the districts where CUMA operates)

In all these programmes issues of gender, HIV&AIDS, human rights and environmental management are mainstreamed.

# FOOD SECURITY AND SUSTAINABLE LIVELIHOODS

- CUMA adopts an integrated approach: food security is the main entry point for improving livelihoods (agricultural productivity, **agri-business**, research and innovation, water and sanitation, microfinance, maternal and child health, gender and HIV/AIDS etc)
  - The main objective is to increase food security (HH food availability and access), improve nutrition and incomes by changing the conditions under which hunger persists
  - Developing sustainable livelihoods; function of the five capitals (human, social, physical, financial & natural)
- \*Reference of this is made in CUMA publication: *Concern Universal research: The Changing Nature of Poverty and New Vulnerabilities in Contemporary Malawi, 2009.*

# BACKGROUND TO AGRI-BUSINESS INTERVENTIONS

- CUMA determined through its participatory rural appraisals that farmers were earning very low income from surplus food sold. Further market research informed us farmers were not market orientated or lacked market information; what to grow, how much to produce, at what price to sell and to whom.
- Farmers lacked technical know-how and how to conduct business (Limited business skills).
- Therefore ,CUMA facilitated development of marketing and business activities.

# MAJOR MARKETING AND BUSINESS ACTIVITIES DONE BY CUMA

- Linkage of business groups to marketing information institutions such as Initiative for Development and Equity in African Agriculture (IDEAA).
- Linkage of farmers institutions to lending institutions such as CUMO Microfinance Ltd on provision of farm inputs such as fertiliser and seed.

# MAJOR MARKETING ACTIVITIES DONE BY CUMA continued

- Conducted farmer training in marketing and business skills e.g. gross margin analysis, negotiation skills, advertising, marketing research techniques, contract marketing, business documentation etc.
- Acted as informal arbitrators for any disagreements between buyers and farmers.
- Establishment of business groups or marketing associations to increase bargaining power and secure big markets.



# MAJOR MARKETING ACTIVITIES DONE BY CUMA continued

- Trained farmer groups/institutions on leadership skills, association management, basic bookkeeping and accounting, conflict management, constitution development and several others.
- Conducted farmer tours to various cooperatives and farmer associations.
- Organised marketing committee members to participate in the international trade fair in Blantyre and district agriculture shows.

# MAJOR MARKETING ACTIVITIES DONE BY CUMA continued

- Trained farmer groups on crop post harvest handling and storage
- Trained farmer groups in quality control
- Trained farmer groups in value addition (some farmers in Ntcheu district were trained on tomato juice/jam processing after CUMA procured Juice processing machines with funding from Irish Aid)
- Linked farmers to some produce buyers

# MAJOR LINKAGES OF FARMERS TO MARKETS

- CUMA facilitated some farmer -produce buyer linkages as follows:
  - (i) Contract farming of Irish potato farmers in Dedza and Ntcheu districts to Universal Industries for crisps manufacturing in Blantyre.
  - (ii) Seed multiplication of common beans (Phalombe), ground nuts (CG 7 and Chalimbana) to sell to some farmer organisations.

# MAJOR LINKAGES OF FARMERS TO MARKETS continued

- (iii) Honey farmers in Balaka district to Pharmanova (a medical manufacturing company in Blantyre)
- (v) Rice farmers associations Ntcheu, Balaka and Machinga districts to Fadamz Rice Milling company in Blantyre
- (vi) Sunflower farmers in Balaka district to Lake shore agro processors in Salima district

# MAJOR ACHIEVEMENTS BY FARMERS

- Farmers have moved from production oriented to a market led orientation i.e. they are growing what the market wants.
- Farmers are able to negotiate for better prices after calculating cost of production thus realising high incomes e.g. some potato farmers are able to maximise their returns up to K197000 from a 0.2 ha plot (1400 US Dollars)
- Farmers have started building some trust and long term relationships with some buyers such as Universal Industries.

# MAJOR CHALLENGES

- Unstable/unreliable markets forcing farmers to sell at low prices. Sometimes reliable buyers are identified late when the produce has already been sold at lower prices as farmers need prompt cash.
- Poor infrastructure development and capital equipment (poor access roads esp. during rainy season, poor access to market information as farmers do not have access to internet, lack of proper storage/processing facilities esp. for horticultural products).

# MAJOR CHALLENGES continued

- Seasonal pattern of production as the majority of farmers depend on rain fed agriculture.
- Most farmers would sell as individuals not as a group especially when buyers are identified late
- Complex procedures of export marketing coupled with poor quality produce making it tough to export the produce.
- Some big buyers form a cartel to establish minimum buying prices forcing farmers to sell at very low prices e.g. pigeon peas, soy beans, ground nuts, rice

# MAJOR CHALLENGES continued

- Delay in payment by some produce buyers discourages farmers to sell as a group.
- Limited or no value addition to most of the produce
- Too much dependence of farmers on CUMA on market and farm input linkages



# PROPOSED KEY SOLUTIONS

- Critical assessment of each crops value chain and proper intervention by key players (just from production, marketing, manufacturing and macro environment)
- Gradual change of approach from just looking at value chain to market facilitation i.e. involving key players to solve marketing problems with much reduced involvement of the NGO so that farmers organisations are sustained beyond the lifespan of the NGO's project.

# PROPOSED KEY SOLUTIONS

## continued

- Promotion of contract farming where prices are known in advance
- Promotion of value addition/processing for better prices e.g. the case of huge quantities of tomatoes in Ntcheu and Dedza districts.



# CASE STUDY OF PRIVATE PUBLIC PARTNERSHIP (Universal Industries Limited (UIL) + Concern Universal + International Potato Centre (CIP) + Ministry of Agriculture + Farmers) IN PRODUCTION AND MARKETING OF IRISH POTATOES

# BACKGROUND OF THE PARTNERSHIP

- UIL had a growing demand for good crisps made of Lady rosetta potato variety. But were importing this from S Africa
- UIL approached CUMA who was already working with farmers growing local varieties and had no reliable market.
- CUMA has been facilitating construction of irrigation schemes in Ntcheu and Dedza districts but farmers were not getting as high returns as possible from growing different types of crops using irrigation.
- Looking at complexity of growing Lady Rosetta, CUMA approached CIP and Ministry of Agriculture on farmer and staff support on technical production

# KEY ROLES FOR CONCERN UNIVERSAL IN THE PARTNERSHIP

1. Identifies participating farmers
2. Assists in site identification using laid out criteria by CIP
3. Provides inputs to support potato production
4. Facilitates all necessary communication between CIP/UII and farmers
5. Conducts some training on agribusiness and farmer organisation
6. Acts as an arbitrator between UII and farmers on any other conflicts that could arise

# KEY ROLES FOR CONCERN UNIVERSAL IN THE PARTNERSHIP Continued

7. Facilitates distribution of proceeds to farmers
8. Assists in monitoring project progress and advise the relevant stakeholder on proper direction

# KEY ROLES FOR OTHER PARTNERS

## (i) Universal Industries Limited

- Supplies farmers with potato seed
- Buys the potato
- Transports the potato

## (ii) International Potato Centre (CIP)

- Trains farmers and staff on technical potato production aspects
- Conducts trials for various potato varieties to evaluate their performance.

# KEY ROLES FOR OTHER PARTNERS

## continued

### (iii) Ministry of Agriculture

- Conducts field supervision
- Provides extension messages to farmers
- Trains farmers on potato production after getting trained by CIP

### (iv) Farmers

- Provides land for production
- Produces the potatoes



# MAJOR ACHIEVEMENTS OF THE PARTNERSHIP

- Farmers have been able to plan and realise maximum benefits from their farming as they have a reliable market in advance. Started in 2007 and so far 75 farmers have benefitted from the partnership. On average farmers were able to get net income of over K30,000 (200 USD).
- Farmers have gained much experience on some important potato technical production aspects such as: land history, field sanitary practices, disease identification, treatment, positive seed selection and seed storage (light diffuse store)
- Farmers have been transformed into commercial potato producers (taking farming as a business).
- There has been so much trust between all the parties



# MAJOR CHALLENGES

- High level of infestation with bacterial wilt especially for Lady rosetta variety thus lowering production.
- Inadequate quality seed vs. a high number of interested farmers
- Farmers dishonesty on disclosure of land history for potato production
- Limited patience by farmers to wait for payment for a period of more than a month
- Lack of appropriate technical production knowledge of potato by both farmers and staff
- Heavy farm input requirement to be met by a local farmer (seed, fertiliser and chemicals)
- Difficulties on proper seed storage

# MAJOR CHALLENGES - continued

- Delayed feedback to farmers on some aspects from various stakeholders (Both technical and administration)
- Abrupt termination of production of Lady rosetta potato variety by Ministry of Agriculture has left farmers in suspense and the continuity of partnership as well
- Potato being affected by some natural calamities such as floods

- **THANK YOU SO MUCH FOR YOUR ATTENTION.**