



Food and Agriculture  
Organization of the  
United Nations



Hand-in-Hand  
Initiative

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Malawi





# Presentation Outline



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- Malawi at a Glance

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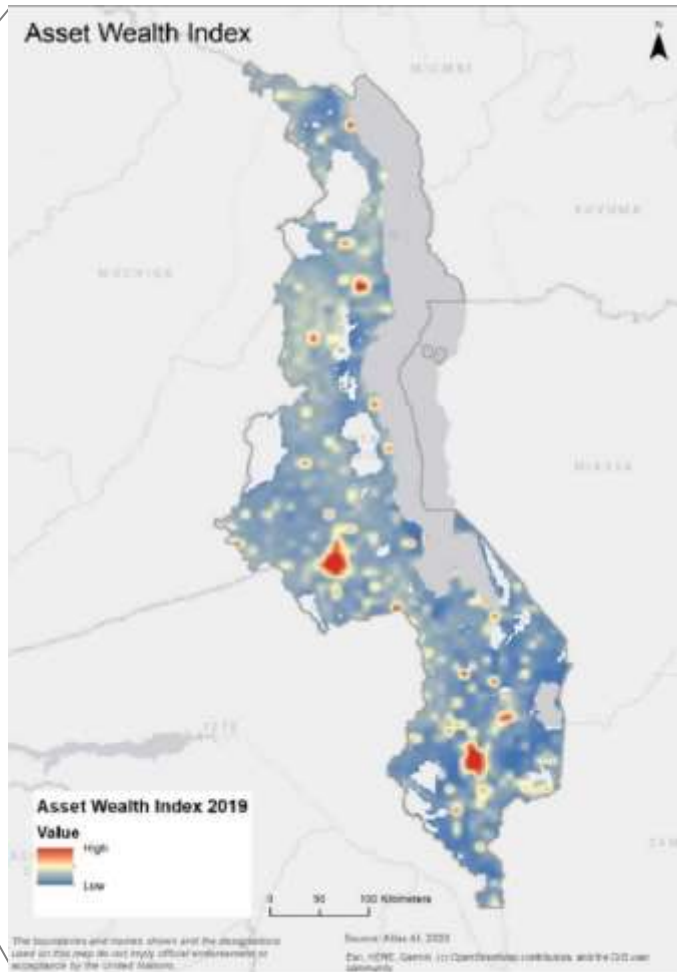
- Investment Priorities & Agri-food value chains

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- Investment cases



# A GLANCE AT THE WARM HEART OF AFRICA - MALAWI



## Fact Sheet

- Population at **20 million**. 80% below 35 years, forecasted to grow to 26 million by 2030
- GDP growth **0.9%** (2022), per capita **US\$634.8** (2021)
- Land area of **118,500 square kilometres**
- The **capital city is Lilongwe** with the second largest city, Blantyre, serving as the commercial hub
- Malawi boasts a **widely diverse topography and scenery**, ranging from sweeping lake views and breathtaking woodlands to unique cityscapes
- **English is the official language** widely spoken by the workforce, while Chichewa is the national language
- Investment opportunities: Agriculture, Tourism, Mining, Energy and Manufacturing

	Number of Poor (million)	Poverty Rate (percentage)
National Poverty Line	9.6	50.7
International Poverty Line	13.2	70.1

\*Source: [https://databankfiles.worldbank.org/public/ddpext\\_download/poverty/](https://databankfiles.worldbank.org/public/ddpext_download/poverty/)

A background graphic consisting of a complex network of interconnected nodes and lines. The nodes are represented by circles in various shades of blue, grey, and yellow, connected by thin lines in the same color palette. The overall effect is a dense, web-like structure that suggests connectivity and a global network.

# Why invest in Malawi



# THE NATIONAL DEVELOPMENT STRATEGY

The Malawi 2063 has three pillars and enablers to drive economic growth



Pillar 1

Agriculture  
Productivity and  
Commercialization



Pillar 2

Industrialization



Pillar 3

Urbanization

Wealth  
Creation  
through  
income and job  
creation



# Enabling Factors

**Abundant Water Supply**

**Low cost labor force**

**Low political risk**

**Attractive tax incentives**

**Streamlined investment processes  
– One stop centre (MITC)**

**Exchange Control Restrictiveness  
Index (ECRI)**

**Regional and International  
market access**

**Good Agro-Ecological Conditions**



## Examples of Incentives

### Import duty & VAT waivers

- Agricultural equipment: all farming equipment for horticultural production, irrigation, for fishing and processing
- Electricity generation, transmission and distribution equipment
- Livestock for breeding

### Tax holiday

- Up to 10 years for
  - Agro-processing;
  - Export Processing Zones; and
  - Electricity generation. Transmission and distribution



# Prioritized Agriculture Value Chains in Malawi

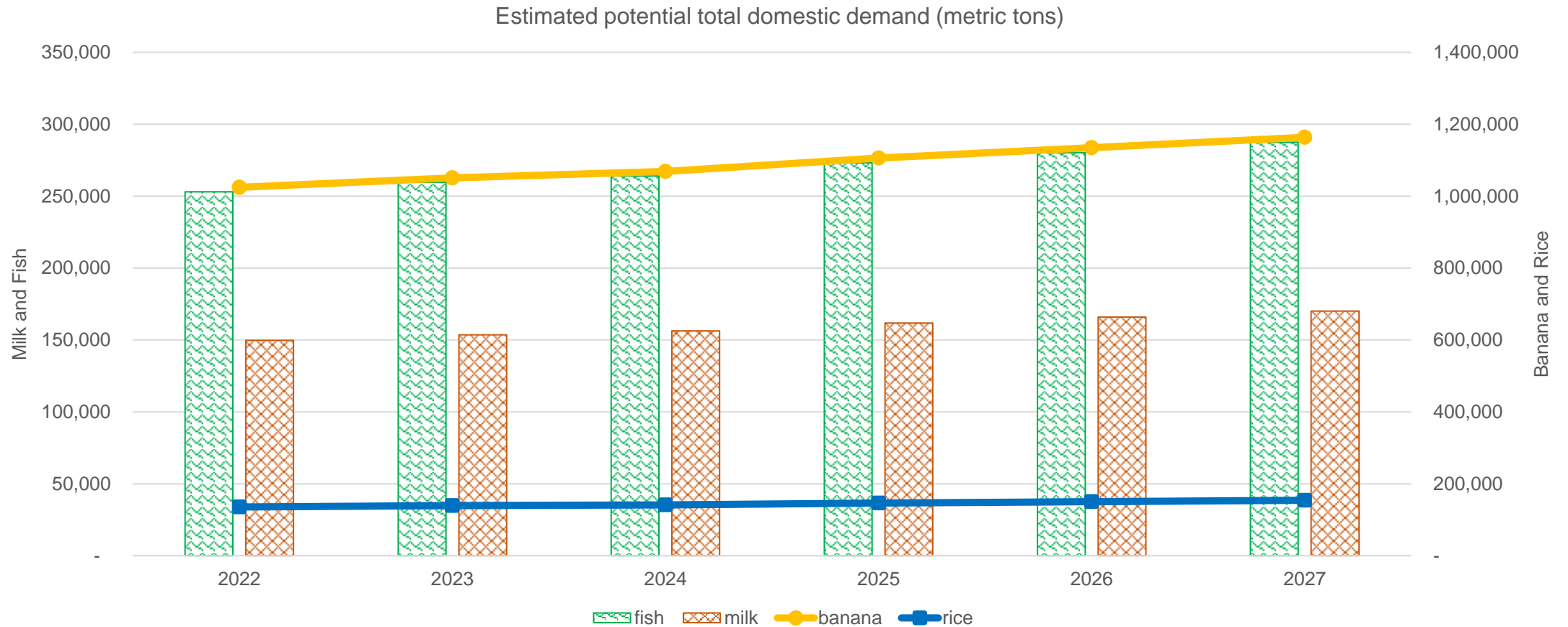






# Estimated Domestic Demand

as of 2023 per capita constant consumption rate



\*Source: per capita consumption figures sourced from FAOStat as curated by the Helgi Library

A photograph of a fish processing facility. In the foreground, a worker wearing a blue hooded raincoat is seen from the back, working at a metal table. The background shows a large industrial structure with multiple levels of white trays, each filled with a large quantity of small, silvery fish. The structure is supported by a metal frame and has a blue tarp covering the top. The overall scene is brightly lit, suggesting an outdoor or well-lit indoor environment.

## **Investment Case 1:**

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**Fish processing facilities &  
fish feed mills**



# Fish Processing Facility & Feed Mill

## Investment Outlay



Total: \$126.8M

\$122M- Fish Processing Centers

\$4.8M- Fish Feed Mill

## Beneficiaries



- o 6,669 direct beneficiaries
- o 30,000 indirect beneficiaries

## Micro-Regions and Scale



Fish processing center

- 3 processing centers
- Mangochi, Nkhatabay, Salima

Fish feed mill

- 3 fish feed mills
- Mzuzu, Lilongwe, Blantyre

## Investment Model

- o Establishment of fish processing centers (processing, packing, branding and distribution)
- o Establishment of float fish feed mills
- o Private sector led investment using the Build Own Operate Model

## Current Situation

- o Fish production = 163,766 tons (mainly capture with 5% from aquaculture)
- o Annual fish post harvest loss is at **37%**
  - ✓ Poor handling and poor infrastructure
- o Growing demand for fish and fish products
  - ✓ Current estimated local demand: **259,554 tons**
  - ✓ Fish imports averaged **USD 9.2M** between 2017 to 2021
  - ✓ Mainly frozen, smoked, gutted fillets and tinned
- o There is no manufacturer of float fish feed in the country



# Fish Processing Facility & Feed Mill

## Investment Analysis

### Fish Processing Center

#### Profitability Indicators

Total Investment	USD 122M
NPV	USD 24.4M
IRR	29.31%
PBP	5.2 years

### Fish Feed Mills

#### Profitability Indicators

Total Investment	USD 4.8M
NPV	USD 3.1M
IRR	38.60%
PBP	5.2 years

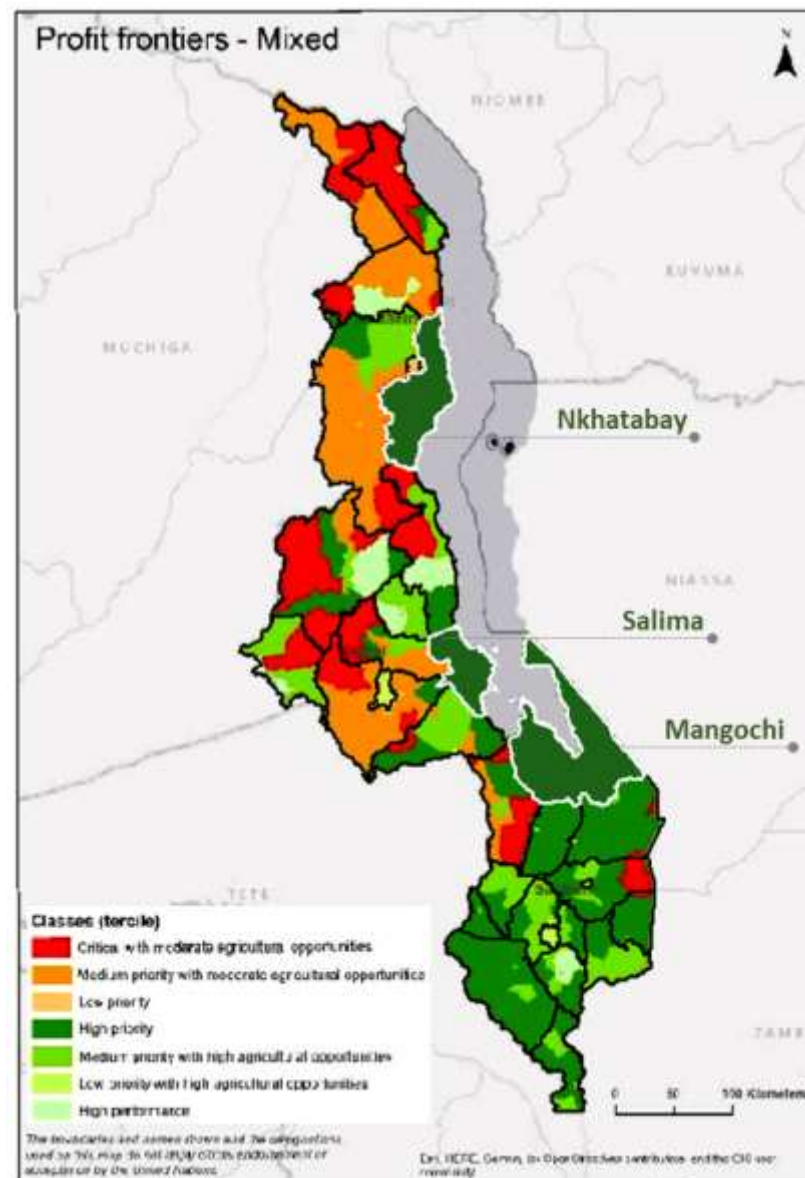
### Socio-Economic Performance Indicators

Increase in production	20 tons fish products & 5,000 tons fish feed per day
Increase in per capita consumption	38kg from 8.29kg per person
Reduction in post harvest losses	10% from 37% per year
Increase in per capita income	USD 2,144.00

### Environmental Performance Indicators

Carbon Emissions	TBD
Carbon Footprint	TBD
Water Footprint	TBD

## Optimal investment Location





## **Investment Case 2:**

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**Commercialization of  
banana production and  
processing**



# Commercialization of banana production

## Investment Outlay



\$ 138,203.85 per Orchard

Total: \$2.6M

## Beneficiaries



- o 8,000 direct beneficiaries
- o 140,000 indirect beneficiaries

## Micro-Regions and Scale



### Commercial Banana Anchor Farms

- 19 Commercial Orchards:  
Mulanje, Thyolo, Phalombe,  
Blantyre, Zomba, Mangochi,  
Machinga, Salima, Kasungu,  
Mchinji, Lilongwe, Ntcheu, Ntchisi,  
Nkhotakota, Nkhatabay, Mzimba,  
Rumphi, Karonga and Chitipa

## Investment Model

- o Development of commercial banana orchards
- o Using the anchor farm model
- o Joint venture among private players
- o Minimum of 5 hectares anchoring 50 smallholder farmer orchards
  - ✓ Produce more for processing and value addition

## Current Situation

- o The country is producing **695,000 metric tons** from **59,000** hectare
- o Current production at **12 metric tons** per hectare against potential of **70 metric tons** per hectare
- o Current local demand: **1,050,773,900 tons**
  - ✓ **20,000 tons** imported annually from Tanzania and Mozambique



# Commercialization of banana production

## Investment Analysis

### Profitability Indicators

Total Investment	USD 138,203.85 per Orchard
NPV	USD 53,669.84
IRR	17.25%
PBP	5.2years

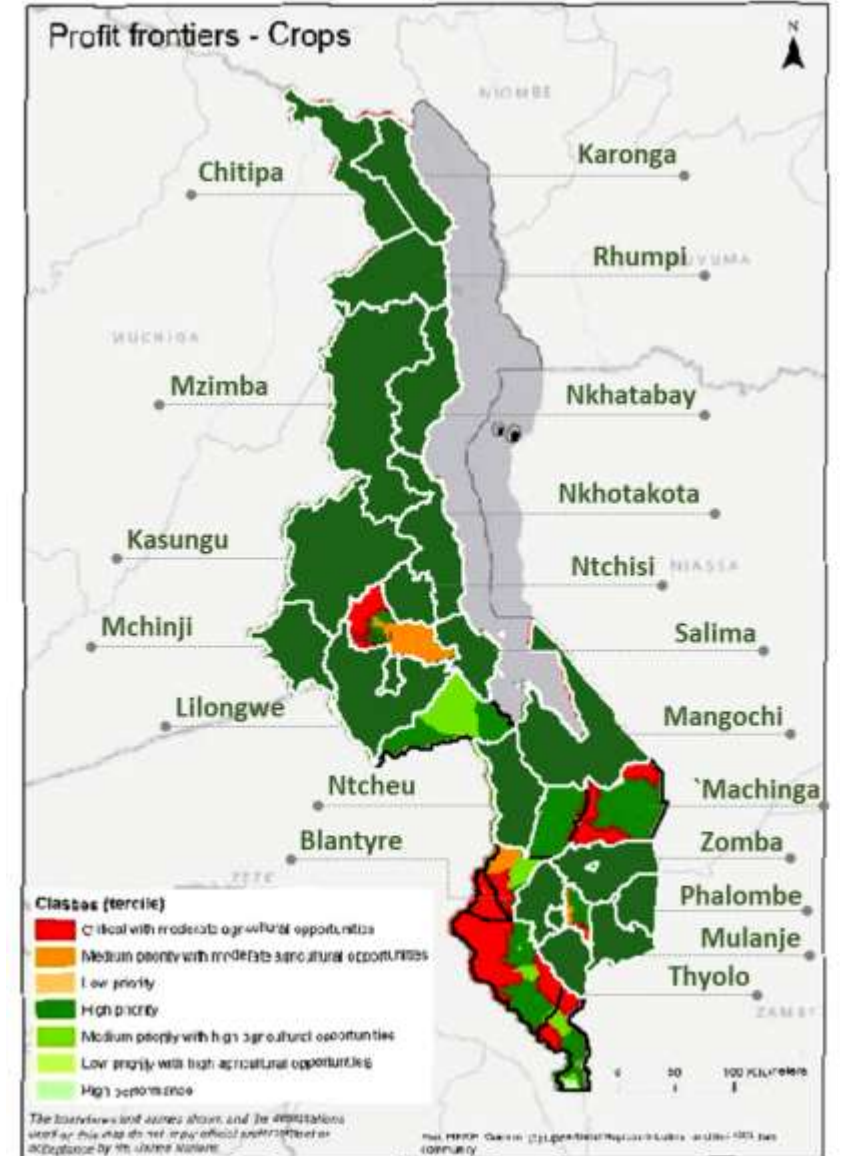
### Socio-Economic Performance Indicators

Increase in per capita income	USD 650.00
Job creation	Minimum of 300 per anchor farm
Other benefits	Improved nutrition

### Environmental Performance Indicators

Carbon Emissions	TBD
Carbon Footprint	TBD
Water Footprint	TBD

## Optimal investment Location





## **Investment Case 3:**

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**Dairy- A private sector led approach**





# Private led dairy sector development

## Investment Outlay



Total: \$11.2M

- o Breeding and semen production centers: \$2.4m
- o Liquid nitrogen plants: \$2.2m
- o Dairy processing centers: \$6.6

## Beneficiaries



- o 6,000 direct beneficiaries
- o 46,000 indirect beneficiaries

## Micro-Regions and Scale



Private led Dairy Development

- Mzuzu, Lilongwe, Blantyre

## Investment Model

- o Private led dairy sector development
- o Establishment of breeding and semen production centers, liquid nitrogen plant & dairy processing center
- o **Products:** Semen, raw milk, yoghurt, fresh milk, liquid nitrogen, UHT milk

## Current Situation

- o Dairy animal population is at **138,000** with growth rate of **6%** per annum.
- o Productivity is at **8 to 10 liters** per cow per day
- o Currently local production makes only **65%** of dairy products, **35%** come from imports
- o Only five major milk processors. They use below **50% of produced milk**
- o Affects competitiveness of prices offered to the dairy farmers
- o The country also **imports** semen which affects availability of semen to dairy farmers.
- o Per capita milk consumption in Malawi remains low at **8.3 litres** compared to the African average of **20 litres**
- o Current local demand (Milk and milk products): **153,639 tons**



# Private led dairy sector development

## Investment Analysis

### Profitability Indicators

Indicator	Breeding & Semen Production center	Liquid nitrogen plant	Dairy processing
Total Investment	USD 2.4M	USD 2.2M	USD 6.6M
NPV	USD 1.5M	USD 1.4M	USD 4.1M
IRR	26.8%	34.2%	42.1%
PBP	1.81 years	2.02 years	2.16 years

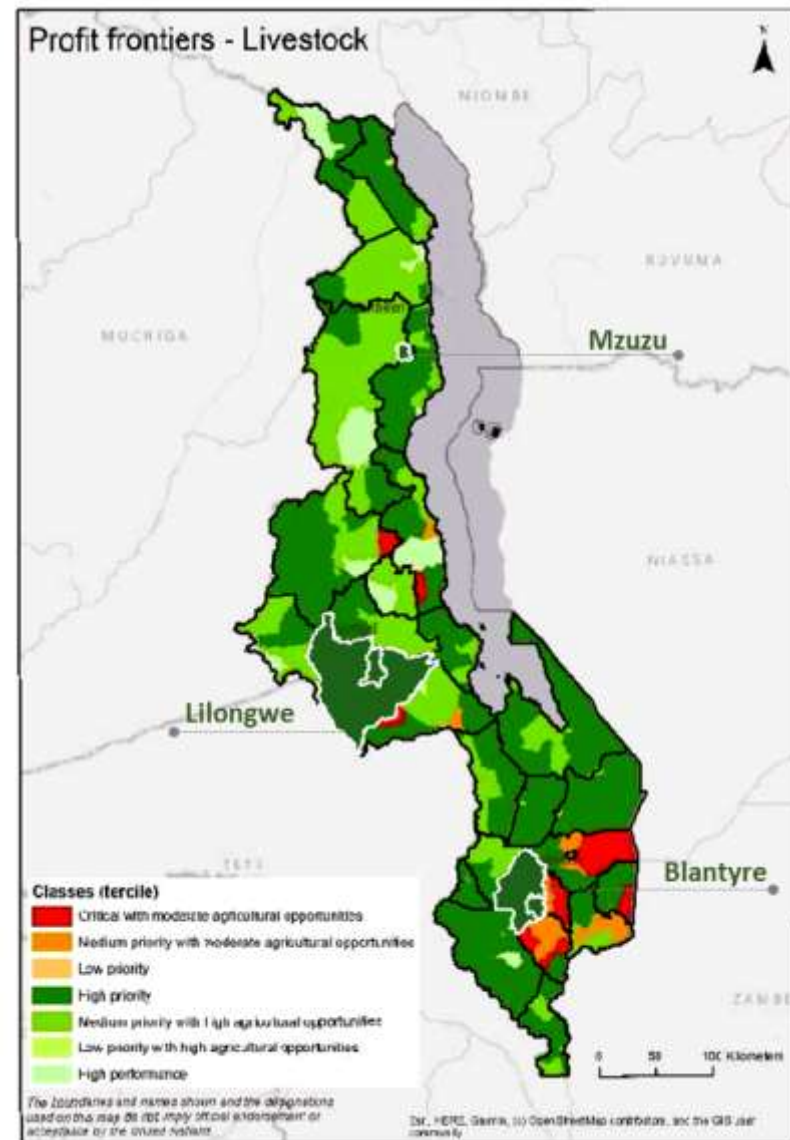
### Socio-Economic Performance Indicators

Increase per capita income	USD 2,415.60
Job creation	Minimum of 3,000 jobs
Other benefits	Improved nutrition, Export earnings

### Environmental Performance Indicators

Carbon Emissions	25.6%, 29.2% and 3.4%, respectively
Carbon Footprint	TBD
Water Footprint	TBD

## Optimal investment Location





## Investment Case 4:

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# Decentralized Rice Aggregation and Processing Center



# Decentralized Rice Aggregation and Processing Center

## Investment Outlay



Total: \$1.6M

## Beneficiaries



- 3,000 direct beneficiaries
- 30,000 indirect beneficiaries

## Micro-Regions and Scale



Rice  
Aggregation  
and  
Processing  
Center

- One center - Karonga

## Investment Model

- Decentralized aggregation and processing center
- Established warehouses, state of the art rice processor, packaging equipment and destone, seed multiplication and mechanization

## Current Situation

- Rice is produced under two cycles-rain-fed and irrigation
- Current production under rain fed is **1.2 metric tons/ha** against a potential of **4 metric tons/ha**
- For irrigated rice yields **4 metric tons/ha** against potential of **6 metric tons/ha**
- Current demand for Kilombero rice variety is at **139,405 metric tons** per year against a total supply of not more than **67,000 metric tons**. This is the most preferred variety due to its aroma.



# Decentralized Rice Aggregation and Processing Center

## Investment Analysis

### Profitability Indicators

Total Investment	USD 1.6M
NPV	USD 3M
IRR	36.99%
PBP	3.4 years

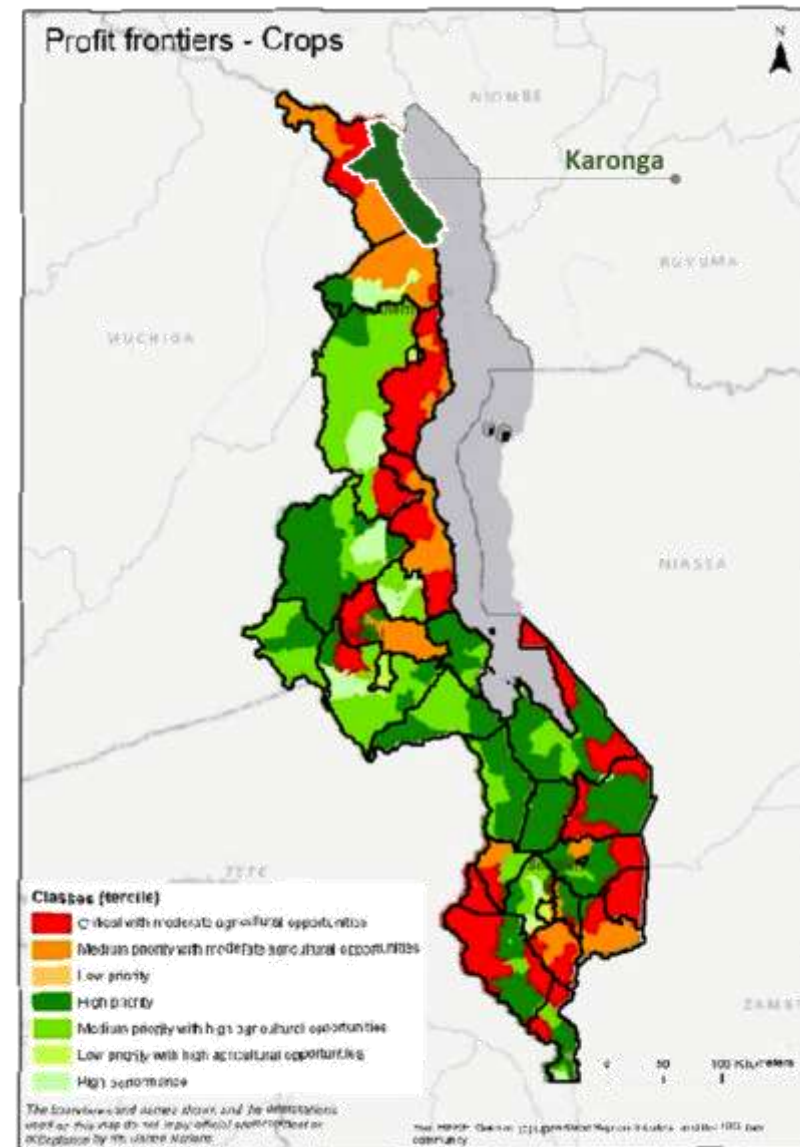
### Socio-Economic Performance Indicators

Increase in per capita income	USD 2,964.00
Job creation	Minimum of 3,000
Other benefits	Improved food security, export earnings

### Environmental Performance Indicators

Carbon Emissions	TBD
Carbon Footprint	TBD
Water Footprint	TBD

## Optimal investment Location





# SUMMARY MALAWI INVESTMENT PLAN

**USD142.2 M**  
Total Investment

**32.18%**  
Overall  
Average IRR

**269,669**  
Total Beneficiaries

**USD 2,043.40**  
Income Increase  
Per Capita

**TBD**  
Emission Reduction  
Per Capita

## KEY INVESTMENTS

### Intervention

Fish Processing Facility &  
Feed Mill

### Cost (USD)

USD 126.8M

### PBP

5.2yrs

### IRR (%)

29.31%, 38.60%

### NPV

USD 24.4M USD 3.1M

### Sustainability Benefits

Beneficiaries: 6,669 direct;  
30,000 indirect

Income increase per capita:  
**USD 2,144.00**

Emission reduction per capita:  
**TBD**

### Intervention

Commercialization of banana  
production

### Cost (USD)

USD 2.6M Total

### IRR (%)

17.25%

### PBP

5.2yrs

### NPV

USD 53,669.84

### Sustainability Benefits

Beneficiaries: 8,000 direct;  
140,000 indirect

Income increase per capita:  
**USD 650.00**

Emission reduction per capita:  
**TBD**

### Intervention

Private led dairy sector  
development

### Cost (USD)

USD 11.2M Total

### PBP

2yrs

### IRR (%)

26.8%, 34.2%, 42.1%

### NPV

USD 1.5M, USD1.4M, USD 4.1M

### Sustainability Benefits

Beneficiaries: 6,000 direct;  
46,000 indirect

Income increase per capita:  
**USD 2,415.60**

Emission reduction per capita:  
**TBD**

### Intervention

Decentralized Rice Aggregation  
and Processing Center

### Cost (USD)

USD 1.6M

### PBP

3.4yrs

### IRR (%)

36.99%

### NPV

USD 3M

### Sustainability Benefits

Beneficiaries: 3,000 direct;  
30,000 indirect

Income increase per capita:  
**USD 2,964.00**

Emission reduction per capita:  
**TBD**