



Food and Agriculture Organization  
of the United Nations



# Strengthening linkages between small actors and buyers in the Roots and Tubers Sector in Africa

## Project Inception Workshop Report

Golden Peacock Hotel, Lilongwe, Malawi  
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## Executive summary

The project inception was as a result of numerous interviews with key stakeholders who provided key information on the various aspects of the cassava value chain. Various issues were unravelled during these meetings and all stakeholders were of the opinion that a new cassava project should add value to existing initiatives. Of paramount importance and a recurring theme has been the need to scale up value addition of cassava to process more cassava based products as this would act as a catalyst to creating markets for smallholder farmers.

The workshop itself was patronised with individuals from various organisations and institutions that are, in one way or another, involved in various stages of the cassava value chain. Of great importance was the presence of representatives from farmer organisations who are involved in both growing cassava and adding value to cassava. The NGO sector was very well represented and came from a cross section including those working with farmers, processing and establishing linkages with end markets. The private sector was represented by large-scale processors of cassava and two banks.

This diversity in representation ensured that there was a rich discourse during group discussions and the result is a refined activity plan that has been developed by experts in the cassava value chain.

## Acronyms

ACP	Africa Caribbean and Pacific Countries
ASWAp	Agriculture Sector Wide Approach
CMRTE	Chinangwa Mbatata Roots and Tubers Enterprise
DARS	Department of Agricultural Research Services
DAES	Department of Agricultural Extension Services
EU	European Union
FAO	Food and Agriculture Organisation of the United Nations
GIZ	German Development Cooperation
HQCF	High Quality Cassava Flour
IITA	International Institute of Tropical Agriculture
C:AVA	Cassava: Adding Value for Africa Project
MoIT	Ministry of Industry, Trade and Private Sector Development
MoAIWD	Ministry of Agriculture, Irrigation and Water Development
MT	Metric Tonnes
NGOs	Non-Governmental Organisations
R&T	Roots and Tubers
SME	Small and Medium Enterprise
VC	Value Chain
TLC	Total Land Care
NCPA	National Cassava Processors Association
NASFAM	National Smallholder Farmers of Malawi
FUM	Farmers Union of Malawi

# 1. Introduction: Background, Workshop Objectives and Profile of Participants

## 1.1 Background/Context

The roots and tubers sector (R&T) is one of the most important food sub-sectors in Africa. For many parts of Sub-Saharan Africa (Africa), roots and tubers account for 20% of calories consumed. Crops such as cassava, yam and potatoes are not only important for food security but also increasingly for income for farmers and small businesses - particularly for women.

Market demand for roots and tubers is expected to continue to grow over the next two decades, due to increases in urban food markets and the increased use of cassava starch by food, feed and carton industries in Africa.

Furthermore, in an effort to support smallholders to transition out of subsistence farming, governments in Africa are placing the commercialization of staple crops at the centre of national agricultural development strategies.

Against this background the project “*Strengthening linkages between small actors and buyers in the Roots and Tubers sector in Africa*” will be implemented.

Its aim is to *improve the livelihoods of small producers engaged in the roots and tubers value chains in selected African ACP countries (Cameroon, Benin, Ghana, Ivory Coast, Malawi, Uganda and Rwanda) through the promotion of linkages to domestic and regional markets.*

The project is funded by the EU on the request of the ACP group of countries. The project will be implemented by the Food and Agriculture Organization of the United Nations in close collaboration with the national partners in the concerned countries.

The project is structured around four outputs:

1. Existing national and regional strategies are aligned with initiatives supporting the development of improved regional market integration for the roots and tubers sector in African ACP regions.
2. The competitiveness and viability of R&T value chains is strengthened by improving inclusive business models, sustainable intensification of production, SME capacity and Farmer Organizations’ Capacity.
3. Access to information services and finance is improved for smallholders.
4. Small producers have access to climatic risk management instruments.

The project will work with a wide range of stakeholders and partners such as producers and their organizations, input suppliers, processors, traders, transporters, store managers, agribusiness and financial services providers, NGOs, research institutes, government staff, chambers of commerce and regional economic communities.

## 1.2 Workshop Objectives and activities

During the project formulation stage, valuable contributions have been received from the concerned countries through the FAO representations and the through the ambassadors in the ACP group in Brussels. Nonetheless, it has been foreseen to organize an inception workshop in each beneficiary country to refine activities indicated in the project document.

The main objective of this 1-day inception workshop was to launch the project and to develop a country-specific work plan for the implementation of the project activities with relevant stakeholders. More specifically, the objectives of this workshop included the following activities:

- Present the general project's objectives and outline to the participants;
- Share and capitalize the achievements to-date and the lessons learnt from the actors/projects/partners in R&T sub-sector which could support the implementation of the project;
- Identify how the project can build on earlier achievements and build synergies with and be complementary to on-going initiatives;
- Discuss the proposed activities identified in the project document; adapt them to the local context and identify more specific activities and potential beneficiaries and implementing partners (both public and private sector).

### **1.3 Profile of Participants**

The following is a summary of the institutions from which the participants for the workshop came from:

- Government: Ministry of Agriculture, Irrigation and Water Development; Ministry of Industry, Trade and Private Sector Development; Ministry of Natural Resources, Energy and Environment; Agricultural Research and Educational Institutions;
- Farmer organisations;
- Private sector: SMEs; Large-scale processors; Financial institutions;
- FAO, Development Partners and NGOs;

Unfortunately, NASFAM – a farmer based organisation, was missing from the workshop but this was compensated by the participation of Farmers Union of Malawi.

## 2. Project launch

### 2.1 Introductions of Participants

Participants introduced themselves and gave a brief description of the role of their organisations in the cassava value chain (See Annex 2 for full list and contacts of participants)

#### **Multistakeholder**

The Roots and Tubers Innovation Platform (RTIP) is responsible for coordinating various actors in the R&T sector in Malawi, with a focus on sweet potato, cassava and Irish potato. It comprises of private sector, NGOs, and Government representatives. Dr. Benesi of DARS is the Platform secretary and Vito Sandifolo, the country manager of C:AVA is the platform chairperson/champion. The Rural Livelihoods and Economic Enhancement Programme (RLEEP) of the Ministry of Local Government and funded by IFAD will fund a national coordinator for the RTIP for two years, starting March 2015.

#### **Government Departments**

The Department of Crops (Ministry of Agriculture, Irrigation and Water Development) will host the project. The Head of the Horticulture Section has been appointed the project focal point and will chair a task force which will also include representatives from Research (DARS), Extension (agribusiness unit) and Planning.

The Department of Agricultural Research Services (DARS) is responsible for breeding, seed multiplication and dissemination of improved varieties. Within DARS the Seed Services Unit is tasked with certifying seed and registering farmers and companies producing certified seed.

The Ministry of Trade, Industry and Private Sector Development is responsible for the registration and training of cooperatives and for creating an enabling environment for private sector operations in the country.

The Department of Climate Change and Meteorological Services (within the Ministry of Natural Resources, Energy and Environment) is based in Blantyre and responsible for weather services. The department works with insurance companies to develop models for climatic risk management.

#### **Non-Governmental Organisations:**

Cassava: Adding Value for Africa project is funded by the Gates Foundation and has supported cassava processors and facilitated market linkages . C:AVA Malawi supported three village processing groups (CMRTE, Tiyamike and Old Maula from Nkhata Bay), with equipment and with four entrepreneurs from Nkhotakota (who received equipment from FAO) they started the HQCF value chain in 2009. C:AVA also supports farmer cooperatives in the south to supply fresh cassava and cassava chips to the large processors in Blantyre.

Total Land Care (TLC) is an NGO working with local communities in projects that ensure natural resource management, food security, elimination of child labour, climate change mitigation and conservation agriculture. TLC is implementing a climate change project with cassava as component. TLC collaborated on the previous FAO cassava project.

Land O'Lakes International Development in Malawi is implementing the USDA funded Food for Progress Program, supporting cassava and rice value chains in Salima and Nkhotakota districts. For cassava it supports cooperative enterprises making sun dried HQCF and dried chips for poultry feed (including the SME producers supported by the former FAO project).

### **Farmer organisations and SMEs:**

Farmers Union of Malawi (FUM) is a farmer based organization that advocates for farmers rights and that farmers' interests are taken into account in national policies.

Cassava Mbatata Roots and Tubers Enterprise (CMRTE), in Zomba district, was founded in 2002 and currently comprises of around 3,000 cassava farmers. Formerly supported by SARRNET and now by C:AVA, CMRTE successfully started HQCF production.

Tiyamike Farmers' Cooperative (aka Tiyamike Cassava Processing Group and Tiyamike Green Belt), in Mulanje district, has started producing HQCF with support from C:AVA and is becoming a sustainable business.

National Cassava Processors Association (NCPA) is a registered umbrella body for all SME processors in the country (most of which are farmer cooperatives). The NCPA president, Geoffrey Chikaonda is also chairperson of the Nkhotakota Cassava Processors Association, which produces HQCF for the local bakeries and mandazi market (supported by the former FAO project).

### **Agricultural Research and Educational Institutions:**

Lilongwe University of Agriculture and Natural Resources (LUANAR) is the primary agricultural college in Malawi. The Horticulture department is responsible for education and training on Roots and Tubers and works on commercialization of cassava.

The International Institute of Tropical Agriculture (IITA) is involved in the development of cassava varieties; conducting breeder seed trials, seed multiplication and dissemination to farmers.

### **Financial institutions:**

First Merchant Bank is the 5<sup>th</sup> largest bank in the country and is increasingly becoming a key player in the agricultural sector

NBS Bank is the fourth largest bank in the country and has the widest reach in terms of coverage and provides various financial services to the agricultural sector

### **Development Partners:**

The European Union is funding the project and supports various development projects in Malawi.

FAO is implementing the project in seven African countries with funding from the EU. From 2006 – 2011 FAO also implemented the Italian funded Enhancing Food Security In Cassava-Based Farming Systems project.

GIZ has two new projects that support the development of cassava, oil seed and tourism value chains: More Income and Employment in Rural Areas of Malawi project and the Global Programme Innovation Centres for the Agriculture and Food Sector.

### **Large-scale processors:**

Universal Farming and Milling Limited is a subsidiary of Universal Industries Limited, the biggest biscuit and confectionary company in Malawi. The company has invested in a flash dryer that processes HQCF using artificial drying

## **2.2 Welcome remarks, Dr George Phiri, FAO**

On behalf of the FAO Representative, Dr. Phiri thanked the EU for the financial support and proceeded to give the Project's background, vision and objective. The objective and vision for this project is to prepare stakeholders to take advantage of the market opportunities that have arisen due to increased demand in starch and cassava flour.

The project contributes to the second pillar of the Agricultural Sector Wide Approach (ASWAp) i.e. agriculture commercialization, agro-processing and market development. It is a regional project involving seven countries in Africa, In Malawi it will focus on cassava, which has not received a lot of public support relative to other value chains, despite its well-known potentials and being a pro-smallholders crop because of its' drought tolerance and nutritious leaves.

To make the project work; there is need for country ownership and a focus on very concrete and key bottlenecks. Hence the significance of the inception workshop to launch the project and to develop a work plan with relevant stakeholders that reflects the needs of the country.

## **2.3 Project overview, Dr Chikelu Mba, Agricultural Officer, FAO**

Dr Mba gave an overview of the project's goal and scope, its rationale and approach, and implementation phases. The project's goal is to improve the livelihoods of small producers in the roots and tubers sector in selected African countries through the promotion of linkages to domestic and regional markets. The project is being implemented in 7 African counties and is being funded by the EU. He pointed out that growing food demand is creating income generation opportunities, especially for women.

The project will work with a wide range of stakeholders and partners such as producers and their organizations, input suppliers, processors, traders, transporters, store managers, agribusiness and financial services providers, NGOs, research institutes, government staff, chambers of commerce and regional economic communities.

The main output areas of the project are:

1. Strategic alignment with regional market integration
2. Viable and inclusive business models along the value chain
3. Inclusive value chain finance and investment
4. Access to climatic risk management tools

## **2.4 Project Launch, Dr. Godfrey Ching'oma, Director of Crops Development**

Dr. Ching'oma emphasized that the project is in line with the Ministry of Agriculture's vision that cassava should no longer be viewed only as the poor men's crop but that cassava is an income generating crop, while it remains important for food security. Due to increased area planted as well as increases in yields, cassava production output has more than doubled over the last 10 years from less than 2 million metric tonnes in the year 2003 to around 4.8 million tonnes in 2013. Despite investments in cassava processing by both large scale and SME processors, these processing activities are located in specific areas and thus there is scope to scale out as well as improving existing value chains.

To this end, increasing access to flexible financial products suitable to smallholder farming and small processing enterprises is critical. However, more work is needed to provide information on cassava business models to financial service providers as well as training on financial management to farmer groups and small processing companies.

He mentioned that this project contributes and will reinforce progress to-date achieved through a number of national policies and projects namely such as Agricultural sector wide approach and the Innovation Platform for Roots and Tubers.

He officially launched the project and encouraged all participants to contribute in the deliberations so that the project activities reflect the needs of the country.

*The presentations of the session are presented in annex 3 to 5.*

### **3. Overview of the Cassava sector in Malawi**

#### **3.1 Policies and the cassava seed and production system in Malawi, Dr Ibrahim Benesi, Deputy Director, Department of Agricultural Research Services**

Dr. Benesi highlighted the importance of cassava since the tubers are a source of dietary energy and the protein and mineral nutrients from the leaves. Moreover, cassava is a staple crop for people along the lakeshore and an important food crop for the rest of the country. It is also becoming an important cash crop.

In terms of policies, the Government is advocating crop diversification through the Malawi Growth and Development Strategies I & II (MGDS I & II), Economic Recovery Plan (ERP), and National Export Strategy (NES). These policies are operationalized by the Agriculture Sector Wide Approach (ASWAp) and the goal is to improve food and nutrition sufficiency, and income at household and national level through the promotion of commercialization, agro-processing and market development. These policies are geared towards promoting smallholder competitiveness and increasing capacity to supply both domestic and export markets – leading to increased incomes.

Previous studies have indicated the potential for commercialization of cassava through processing into starch and High Quality Cassava Flour (HQCF) which can be used in bakeries, confectionary, biscuits and the paperboard industry. In addition, there exist opportunities for regional and international markets; Dr. Benesi cited the examples of SABMiller executives from who came to Malawi to explore opportunities to buy HQCF, but found produced quantities were insufficient, and Toyota Japan who are exploring the possibilities of investing in state-of-the art technologies to process starch.

Cassava production in Malawi stands at about 5million MT, of which less than 20% is processed. The improved productivity of cassava relies on the use of clean planting materials, use of appropriate varieties and the use of recommended agronomic practices.

Improved varieties that are high yielding and disease tolerant have been released although farmers' access to them is still very limited due to a lack of multiplication capacity. Standards for cassava seed multiplication have been developed and the new Seed Act and Policy also addresses issues. The Plant Protection Act regulates the movement of planting materials but it has not been exploited.

Dr. Benesi finished his presentation by pointing out that various stakeholders are playing complementary and sometimes duplicating roles in the cassava value chain. Therefore, the Roots and Tubers Innovation Platform was established to coordinate and create partnerships, though it needs support and the active participation of the private sector.

#### **3.2 Cassava Value Chains: Overview, Lessons and On-going Initiatives, Vincent Kaitano, FAO Consultant and Business Development Advisor, C:AVA**

Mr. Kaitano provided an overview of the various value chains of cassava based that operational in Malawi:

- The Fresh market value chain that comprises of farmers, traders, markets and consumers. Traders usually buy the whole field from farmers and transport the roots to the market.
- The Sun-drying value (HQCF) chain has farmers, SME processors, shop owners who act as aggregators, and producers of mandazi, kanyenya, scones and bread who sell to the end consumers. Farmers are supplying directly to processors and sell cassava on Kg basis. The processors are using solar for drying in the production of HQCF.

- The Sun-drying value chain (Chips and Makaka) has farmers who peel and cut the cassava manually and dry it or SME processors who use motorised chippers. They sell the chips to large-scale processors who mill them into flour or starch and supply biscuit companies, breweries and poultry feed manufacturers.
- Large scale HQCF processing using artificial drying (flash dryers): farmers supply fresh cassava roots to large scale processors who grate, press and use a flash dryer to dry the wet cake and then mill into HQCF. An alternative to this model (which is yet not operational) is that farmers and SME processors do the grating and pressing and supplying the wet cake to the large-scale processors who dry and mill. This would reduce transport costs and would allow the large processors to source from a larger area, thereby addressing the problem of supply shortages and below capacity use of the flash dryer.

The total demand of all small scale bakeries and mandazi makers in rural and urban markets together form the largest potential market for HQCF (15,000MT), but this demand is fragmented. The largest potential single buyer would be the Carlsberg brewery, as they could use cassava flour instead of barley or maize.

The final part of the presentation examined the lessons learnt from past value chain support, which includes the need for: increased production of clean planting material; collective marketing by farmers; an integrated approach to build the capacity of various actors in the cassava value chain; training programs that are practical.

There are many organizations currently working in the cassava value chain: from supporting farmers, linking farmers to markets, market linkages, facilitating processing and value addition to marketing. Not yet named under paragraph 2.1 are the Food and Nutrition Security Project of NASFAM and a collaboration between Universal, Rab, USAID, AIRTEL to develop an information services platform for smallholder farmers, the use of HQCF in packaging materials by NAMPAK Malawi.

### 3.3 Discussion

After the presentations, a plenary session followed in which participants aired their views and asked questions.

The problem of the lack of clean planting material for cassava and the prevalence of diseases, especially cassava mosaic disease was confirmed by participants. Dr. Benesi added that most NGOs have funds in their projects to procure planting material and just go ahead to buy the planting material regardless of its source. This has exacerbated the spread of diseased planting material.

Some participants wanted to know why there is limited processing of cassava when it was clear that the market for cassava based products does exist. Vincent Kaitano and Vito Sandifolo responded by pointing out that the focus in previous projects has been on the production side without looking at value addition. In addition, access to processing equipment is limited as it requires a substantial amount of money to invest in the equipment. A number of projects have supported farmers to become processors but because of inappropriate technology there were quality problems.

There was a discussion on the reason why the large processors face supply shortages of fresh roots. Some suggested the prices on the fresh market were too high, against which the processors could not compete. However, Mr Kaitano and Mr Sandifolo cited a study that found that the fresh market is run like a cartel where selling of fresh cassava at the main markets is controlled, resulting in traders having the highest gross margins. Thus, actual farm-gate prices were higher if farmers sold to processors than to traders.

Participants asked in which districts the project will be implemented, and Ms Dankers explained that was still open and would be discussed during the afternoon planning session.

*The presentations of this session are presented in annex 6 and 7*

## 4. Project presentation, Group work and Results.

### 4.1 Project Presentation, Cora Dankers, Project Coordinator, FAO

Ms Dankers, gave an overview of the proposed project activities. She highlighted the four output areas of the project, which include:

1. Existing national and regional strategies are aligned with initiatives supporting the development of improved regional market integration for the roots and tubers sector in African ACP regions. Under this output, the key activities will revolve around strengthening the enabling policy, legislation and institutions capacity.
2. The competitiveness and viability of R&T value chains is strengthened by improving inclusive business models, sustainable intensification of production, SME capacity and Farmer Organizations' Capacity. Developing inclusive business models and strengthening SMEs in value addition are some of the key activities.
3. Access to information services and finance is improved for smallholders. Under this output, developing inclusive financial instruments and increasing investments in the cassava value chain are some key activities to be conducted.
4. Small producers have access to climatic risk management instruments. This will involve developing climate information services and risk management tools.

After this presentation participants were divided in four groups and each group was requested to discuss and refine the proposed activities.

### 4.2 Summary of Group Discussions

#### Group One

*Output 1: Existing national and regional strategies are aligned with regional market integration.*

*1.1 Enabling policy, legislation and institutions strengthened:* Mapping and analysis of agriculture and trade laws and key policies - such as the Trade and Industrial policy, the Seed Policy and Act, SME and cooperative policies and the microfinance bill - was considered of high priority because policies are scattered and there is need to have a coordinated approach. Since policies are already formulated but implementation is often a challenge, capacity building should focus on coordination and implementation.

*1.2 Capacity to formulate and implement agri-food sector strategies improved:* There are already agriculture and trade sector strategies (ASWAp and TISWAp), but a specific strategy for the cassava sector that combines both agriculture and trade issues does not exist. Support to public private partnerships was considered of high priority since upgrading of the value chain will require collaboration between the private and public sectors. Because market information systems are already in place, training on MIS has low priority while the development of monitoring systems was considered of medium importance since most projects have their own monitoring tools.

#### Group Two

*Output 2: (a) Improved competitiveness of R&T value chains through sustainable intensification of production and professionalization of producer organizations*

*2.2 Sustainable market-led production intensification:* all proposed activities under this sub-output were considered of high priority because problems in the seed system and lack of knowledge on good agronomic practices are adversely affecting productivity in the cassava sector. Diagnostic studies on the status of the seed system and agronomic practices need to be updated to take account of new

challenges like the cassava brown streak disease. Strategic partnerships between research institutes and other players in the cassava value chain are critical to ensure that breeding, multiplication and distribution of cuttings is harmoniously coordinated.

Farmer Field Schools were considered a high priority. The training modules should be adapted to include rapid multiplication techniques and buyers should be solicited to provide input for the training programs. Further, it was suggested that research institutes should be supported with cleaning and dissemination of disease-free planting material as the issue is of very high priority in the country.

*2.3 Producer organizations skills enhanced in agribusiness management practices:* Training for managers of national and district level farmer organizations was considered a low priority area and it was suggested that it must be incorporated with capacity building for farmer group leaders (both men and women) which was taken as a high priority area. This should benefit the same groups as the Farmer Field School activities. Internships were considered impracticable because farmers cannot leave their farm for so long. Instead, it was recommended to organize exchange visits as they add more value and builds on lessons learnt from other projects such as C:AVA.

### **Group Three**

*Output 2 (b): Improved competitiveness and viability of cassava value chains through improved value chain coordination and professionalization of SMEs*

*2.1 Inclusive business models developed for domestic and regional procurement:* review of raw material procurement was considered low priority.

The inclusive business model approach was considered high priority but it should not be limited to existing business linkages. Like the previous FAO project, the project should support creating markets for farmers through support to serious investors who want to invest in processing equipment through investor packages, access to finance, linkages to suppliers and end-users and information on and access to appropriate equipment. This would even include demonstrations to end-users such as bakeries and mandazi makers on how to use HQCF in their products.

Training is key to upgrading the various actors in the value chain and various capacity building exercises were recommended for different players in order to address bottlenecks such as pricing, processing technologies, quality management and collective marketing.

*2.4 Strengthened SMEs in value addition and better business practices:* training SMEs in value addition and support to changes in business practices were recommended as high priority since processing of cassava based products targeted for high value markets is a relatively new phenomenon in the country. While SMEs could be supported to use rapid payment systems such as cash on delivery, farmers should also be trained under 2.2 or 2.3 to better estimate tonnage to avoid failing to agreed quantities. Strengthening bargaining power of SMEs in national platforms was considered of medium priority and it should be considered that the National Cassava Processors Association is already representing SMEs.

### **Group Four**

The financial services sector was represented by two banks and this added value to the discussions.

*Output 3: Access to information services and finance is improved for smallholders.*

*3.1 Inclusive financial instruments for smallholders and rural areas developed:* It was observed that most banks have no experience with the cassava sector and only MFIs like Opportunity International Bank sometimes provide loans to cassava farmers. Identification of information gaps of financial service providers, bringing together farmers and financial service providers, training financial service

providers in value chain finance and training to producer groups and SMEs on addressing constraints that limit access to finance were all considered high priority areas. Currently no project is providing these services although these are very important areas that have been neglected for a long time in the cassava value chain.

*3.2 Strategies for increasing investment in R&T developed:* Building the capacity of agribusiness service providers, sharing lessons with ministries and financial regulatory bodies and capacity building on responsible contract farming was considered high priority areas as no one is currently conducting these activities. The main issue is that most projects have not incorporated increasing investments in the cassava sector and have limited their activities to cassava production and developing markets for farmers and, to a less extent, linking them to processors.

*Output 4: Small producers have access to climatic risk management instruments.*

*4.1 Climate information services developed:* Analysis of climate impacts on inter-annual production variability of cassava was considered high priority as currently cassava has not been included while development of climate information services was taken as medium priority since other organisations such as Airtel (a mobile phone service provider) are already doing it.

*4.2 Climate risk management tools developed:* development of location specific risk management strategies was considered high priority and there is need to take a trend analysis using historical data on weather patterns for the last 30 years in developing these strategies. Training of agricultural support services on climate risk management tools was taken as medium priority since LUANAR and World Vision are currently doing these activities and what may be needed is to build the capacity of extension workers.

All the activities under this sub-output to be conducted are by Department of Climate Change and Meteorological Services.

### **Geographic focus**

From group 2 and 3 the following geographic focus was suggested:

- Support to value chains supplying large processors in Blantyre, with farmer groups located in Mulanje, Zomba and Chiradzulu districts
- Support to SME based value chains with SMEs and farmer groups based in:
  - Nkhotakota and Nkhatabay Districts, which are traditional cassava growing areas (lakeshore)
  - Lilongwe district to cater for Lilongwe urban demand

## 5. Conclusion

The workshop was very well patronised by key stakeholders and actors in the cassava value chain in Malawi. Of critical importance was the active participation of representatives of farmer groups, SMEs, large-scale processors and banks.

The overall framework of the project was validated and updated by participants who actively reshaped the project activities to suit the Malawian context.

The workshop has revisited some activities and brought to the fore issues that are key to the development and upgrading of the cassava value chain and also suggested key stakeholders that can be involved in each sub-output activities.

The following were the main recommendations for the work plan for the Malawi component:

- Since no projects are working on enabling the policy and legislation framework, various policy and legislative reviews were recommended so as to develop the cassava sector;
- Capacity building to implement national policies on cassava is required;
- Public private partnerships should be fostered and enhanced to scale up upgrading in the cassava value chain;
- To improve productivity it is of paramount importance to increase the availability of improved and clean planting material through enhanced multiplication capacity, both at the level of government institutions like DARS as well as by training farmer groups.
- Inclusive business model approach should be adopted for the project to involve all players in the cassava value chain with particular emphasis on key markets for farmers;
- Promoting and supporting value addition activities and developing sustainable and profitable markets is key to the development of the cassava value chain;
- Capacity building is needed for financial service providers value chain financing and for farmers and SMEs to attract investments in the cassava value chain;
- Development of climatic risk management tools that are appropriate to cassava.

## **6. Annexes**

### **6.1 Annexes with Word file:**

Annex 1: Agenda.

Annex 2: Participant List.

Annex 3: FAOR welcome speech.

Annex 4: keynote speech Ministry of agriculture.

Annex 9: Template with comments from all groups.

### **6.2 Annexes as PowerPoint files:**

Annex 5: Presentation by Dr. Chikelu Mba on introduction of project.

Annex 6: Presentation by Dr. Ibrahim Benesi on policies and seed system.

Annex 7: Presentation by Vincent Kaitano on cassava value chains.

Annex 8: Presentation Cora Dankers on project activities.

## Annex 1 Agenda

### Strengthening linkages between small actors and buyers in the Roots and Tubers Sector in Africa

#### Project Inception Workshop, Golden Peacock Hotel, Lilongwe, Malawi 11 March 2015

Time	Activities	Responsible
<b>08:30</b>	<b>Registration of participants</b>	
<b>Session 1: Official launch of the project</b>		
<b>09:00</b>	Welcome and introduction of participants	
<b>09:20</b>	Opening Statement	FAOR
<b>09:30</b>	Presentation of general project objectives and output areas	Chikelu Mba, FAO
<b>09:45</b>	Official Statement and Project Launch	Dr Godfrey Ching'oma, Director, Department of Crops, Ministry of Agriculture, Irrigation and Water Development
<b>10:00</b>	<i>Photo moment and Coffee break</i>	
<b>Session 2: Technical session</b>		
<b>10:30</b>	Current policies and strategies governing cassava sector, regional market integration and production and seed system	Dr. Ibrahim Benesi, Department of Agricultural Research Services
<b>10:45</b>	Overview of value chains of different cassava products, recent developments and overview of ongoing initiatives.	Vincent Kaitano
<b>11:00</b>	Plenary discussion	
<b>12:30</b>	<i>Lunch</i>	
<b>Session 3: Planning session</b>		
<b>13:30</b>	Presentation of Proposed project activities Group work to refine proposed project activities Group 1: Policies & regional market integration Group 2: Production and seed systems and producer organizations Group 3: Value chain development and SMEs Group 4: Financial services and climate change risk management tools	Cora Dankers, FAO
<b>15:00</b>	Coffee break	
<b>15:15</b>	Group presentations and discussion:	
<b>16:20</b>	Final plenary discussion on overall work plan:	
<b>16:45</b>	<b>Workshop closure</b>	

## Annex 2 Participant list

### List of Participants to the Inception Workshop (GCP/RAF/448/EC) - Malawi

No.	Name	Organization	Position	Telephone	E-Mail
1.	Mr. Ching'oma	Ministry of Agriculture	Director of Crops	0999251250	<a href="mailto:godfreychingoma@yahoo.com">godfreychingoma@yahoo.com</a>
2.	Jean Pierre Busogoro	European Union (EU)	Programme Manager	0995327787	<a href="mailto:Jean.pierre.busogoro@europa.com">Jean.pierre.busogoro@europa.com</a>
3.	Dr. Chikelu Mba	FAO, Rome	Agricultural Officer	0390657053057	<a href="mailto:Chikelu.mba@fao.org">Chikelu.mba@fao.org</a>
4.	Dr. George Phiri	FAO, Malawi	Technical Coordinator	0884539811	<a href="mailto:George.phiri@fao.org">George.phiri@fao.org</a>
5.	Mathias Nkhoma	MoAIWD	Head of Horticulture Department	0999936760	<a href="mailto:matiyasi@yahoo.com">matiyasi@yahoo.com</a>
6.	McCartney Lora	Ministry of Trade, Industry and Private Sector Development; Lilongwe	Enterprise Development Officer	0999445495	<a href="mailto:mclora@gmail.com">mclora@gmail.com</a>
7.	Dr. Benesi	Department of Agricultural Research Services	Deputy Director & Roots and Tubers Team Leader	0999474456	<a href="mailto:irmbenesi@yahoo.co.uk">irmbenesi@yahoo.co.uk</a>
8.	Lucia Mtambo	Seed Services Unit	Senior Seed Scientist	09996444840 0888944840	<a href="mailto:luciamtambo@yahoo.com">luciamtambo@yahoo.com</a>
9.	Alexander Nganga	IITA	Research Technician	0888203749	<a href="mailto:a.nganga@cgiar.org">a.nganga@cgiar.org</a>
10.	Manaiko Khonj	IITA	Research Associate	0999750940 0888620239	<a href="mailto:mkhonje@cgiar.org">mkhonje@cgiar.org</a>
11.	Phillip Tembo	Total Land Care (TLC)	Head of Programming	0999965386	<a href="mailto:phillip@tlc.mw">phillip@tlc.mw</a>
12.	Shem Nyasulu	Total Land Care (TLC)	Project Manager, TLC	0999344038	<a href="mailto:Sc.nyasulu@yahoo.com">Sc.nyasulu@yahoo.com</a>
13.	Jacob Nyirongo	Farmers Union of Malawi (FUM)	Director of Policy and Institutional Development		<a href="mailto:jnyirongo@farmersunion.mw">jnyirongo@farmersunion.mw</a> <a href="mailto:jnyirongo2010@gmail.com">jnyirongo2010@gmail.com</a>
14.	Derrick Kapolo	Farmers Union of Malawi (FUM)	Project Coordinator	0995522844 0888855782	<a href="mailto:dkapolo@farmersunion.mw">dkapolo@farmersunion.mw</a>
15.	Dr. Sefasi	Dept. Luannar (Bunda Campus)	Head of Horticulture	0881986353	<a href="mailto:abelsefasi@yahoo.co.uk">abelsefasi@yahoo.co.uk</a>
16.	Dr. Eric Chilembwe	Luannar (Bunda Campus)	Senior Lecturer	0888843594	<a href="mailto:echilembwe@yahoo.com">echilembwe@yahoo.com</a>
17.	Dr. Wolfram Jaeckel	GIZ	Team Leader	0888836530	<a href="mailto:wolfram.jaekel@giz.de">wolfram.jaekel@giz.de</a>

				01794560	
18.	Mercy Dembe	SME Banking, NBS Bank		0888895157	<a href="mailto:mdambe@nbsmw.com">mdambe@nbsmw.com</a>
19.	Davie Nthobwa	Land O' Lakes	Crop Specialist	995635855 0994962017	<a href="mailto:daviemthobwa@yahoo.co.uk">daviemthobwa@yahoo.co.uk</a>
20.	Adams Chavula	Department of Climate Change and Meteorological Services	Principal Agriculture Meteorologist	0888877784 0999877784	<a href="mailto:adams.chavula@hotmail.com">adams.chavula@hotmail.com</a> <a href="mailto:adams.chavula@gmail.com">adams.chavula@gmail.com</a>
21.	Vito Sandifolo	Cassava: Adding Value for Africa(C:AVA)Project-Malawi	Country Manager	0888850025 0884119744	<a href="mailto:vsandifolo@yahoo.com">vsandifolo@yahoo.com</a> <a href="mailto:vsandifolo@gmail.com">vsandifolo@gmail.com</a>
22.	Rex Nyahoda	Universal Farming and Milling Limited	Operations and Projects Manager	0999950017	<a href="mailto:rex@unifarmmw.com">rex@unifarmmw.com</a>
23.	Godfrey Chikaonda	National Cassava Processors Association (NCPA)	President	0884539811 0888547818	<a href="mailto:geoffreyraphaelchikaonda@gmail.com">geoffreyraphaelchikaonda@gmail.com</a>
24.	Mrs. June	Tiyamike Processors Cooperative	Secretary		
25.	Daniel Sandifolo	Chinangwa Mbatata Roots and Tubers Enterprise (CMRTE)	Manager	0881618043	<a href="mailto:dsandifolo@gmail.com">dsandifolo@gmail.com</a>
26.	Vincent Kaitano	Cassava: Adding Value for Africa(C:AVA)Project, FAO Consultant	Business Development Advisor	0995509798 0884504253	<a href="mailto:vincentkaitano@gmail.com">vincentkaitano@gmail.com</a> , <a href="mailto:globalconcerts@yahoo.co.uk">globalconcerts@yahoo.co.uk</a>
27.	Dines Mapondo	First Merchant Bank	Business Development Officer	0888999495	<a href="mailto:Dines.mapondo@fmbmalawi.com">Dines.mapondo@fmbmalawi.com</a>

## Annex 3 FAOR Welcome speech

### **Strengthening linkages between small actors and buyers in the Roots and Tubers Sector in Africa**

#### **Project Inception Workshop, Golden Peacock Hotel, Lilongwe, Malawi 11 March 2015 Welcome Statement - FAOR**

Ladies and Gentlemen, Colleagues, Friends,

It is my pleasure, on behalf of our FAO Representative Ms. Florence Rolle, to welcome you to this Inception Workshop for the project “*Strengthening linkages between small actors and buyers in the roots and Tubers sector in Africa*”.

In Malawi this project will focus on the cassava value chain.

We are grateful to the European Union, here represented by Mr. Jean-Pierre Busogoro, for the trust placed in FAO to fund this project. We are also grateful for the ACP States for their endorsement of this project under the EU/ACP programme.

#### **Project background, vision and objective:**

- Roots and tubers crops and in particular crops such as cassava have traditionally been an important source of food security in Malawi.
- With the growth of the urban population and urban food markets, demand for roots and tubers in Africa is set to grow rapidly. In Malawi, demand for cassava flour and starch for use in different food, feed and carton products is predicted to continue to grow.
- The objective and vision for this project is to prepare stakeholders to take advantage of these market opportunities.
- The project also fits with the objectives of the Malawi Growth and Development Strategy (MGDS).
- Against this background the objective of the project is to improve the livelihoods of small producers of cassava through the promotion of linkages to domestic and regional markets.
- In addition to Malawi the project will also be implemented in Cameroon, Ghana, Cote d’Ivoire, and Benin with a focus on support to the Cassava value chains and in Rwanda and Uganda with a focus on Irish potatoes.

Why this project is important:

- Because it tackles the second pillar of the ASWAP i.e. agriculture commercialization, agro-processing and market development, that has not always been received the attention it deserves. However the MoAIWD is actively engaging in this new pillar and this project is therefore very timely;
- Because it is a regional project involving xx countries in Africa. Exchanges amongst African countries is very important not only to understand regional market dynamics but also to know what the others are doing in the same sector;
- Because it is cassava value chain: a value chain that has not received a lot of public support relative to other value chains, despite its well-known potentials, and that is not a priority value chain of the National Export Strategy. However this is a value chain that is very pertinent for the poor smallholders; and
- Because it is a pro smallholders crop: drought tolerant and leaves are a good source of diet diversity (good source of dietary proteins and vitamin K. Vitamin-K has a potential role in bone mass building by promoting osteotrophic activity in the bones)

What needs to happen to make it work

- The drawback of a regional project is that the country ownership is not as strong as it is in the case of a national project and therefore the importance of this launching workshop and all of us today to ensure it responds to country needs/gaps
- The drawback of a regional project is that the resources are split amongst several countries and therefore the importance of focusing the Malawi component on very concrete and key bottlenecks and this is why the participation of all of you today is key to ensure we focus on the most important needs

The objectives of this workshop are to:

- Launch the project;
  - Consult with key public and private sector stakeholders that have technical, commodity and context specific insights relevant to the project's objectives; and
  - Develop a work plan for Malawi under the project's framework which includes four broad result areas:
1. Existing national and regional strategies are aligned with initiatives supporting the development of improved regional market integration for the roots and tubers sector.
  2. The competitiveness and viability of the cassava value chain is strengthened by improving inclusive business models, sustainable intensification of production, SME capacity and Farmer Organizations' Capacity.
  3. Access to information services and finance is improved for smallholders.
  4. Small producers have access to climate risk management instruments.

These result areas are broad and need to be populated with specific interventions which;

- are based on new developments in Malawi,
- capitalize on past and ongoing public and private sector activities and lessons on what works and what does not work.

We have therefore invited you as representatives of the various stakeholders in the country (including government, research institutes, the private sector, farmer organizations, financial

service providers), to share your experiences, knowledge and priorities that will help us with this planning.

Today's programme is divided in three parts:

- project launch;
- presentations to give an overview of the current status and ongoing initiatives in the cassava sector; and
- a planning session.

Dear Colleagues and Friends, I wish everybody a very fruitful discussion and we look forward to a well-designed project work plan.

Thank you for your attention.

## **Annex 4 Keynote speech Ministry of agriculture**

**Dr. Godfrey Ching'oma,  
Director, Department of Crops,  
Ministry of Agriculture, Irrigation and Water Development,  
on  
Strengthening linkages between small actors and buyers in the Roots and Tubers Sector  
in Africa**

- This project will contribute to the livelihoods of smallholder producers of cassava in Malawi by strengthening linkages between actors in the value chain. The focus of the project will be domestic and regional markets and how cassava producers can benefit from the opportunities that these rapidly growing markets offer.
- The Vision of the Ministry of Agriculture is that people no longer view cassava only as the poor men's crop but see cassava as an income generating crop, while it remains important for food security.
- Production has been responding to market demands and figures show that production output has more than doubled over the last 10 years from less than 2 million metric tonnes in the year 2003 to around 4.8 million tonnes in 2013, which is due both to increased area planted as well as increases in yields.
- Some large buyers have invested in processing equipment and at the same time, some small and medium enterprises have started processing cassava. However, these processing activities are located in specific areas, whereas in other cassava producing areas processing capacity is still very low. There is thus scope to build on recent developments but to go further, both in terms of scaling out as well as improving existing value chains.
- Increasing access to flexible financial products suitable to smallholder farming and small processing enterprises is critical for this. Regulated by the Microfinance bill of 2010, an increasing number of microfinance institutions are playing a significant role in promoting the agricultural sector in Malawi. However, more work is needed to provide information on cassava business models to financial service providers as well as training on financial management to farmer groups and small processing companies.
- Ultimately more work is needed on the overall organization and upgrading of the cassava value chains, not only the organization of smallholders, but also organizing traders and processors.

- This project contributes and will reinforce progress to-date achieved through a number of national policies and projects namely such as Agricultural sector wide approach and the Innovation Platform for Roots and Tubers.
- This project is timely because of the development in the cassava sector and to address some of the gaps that I have just identified
- Declaration of the project launch

## GROUP 1

***Output 1: Existing national and regional strategies are aligned with initiatives supporting the development of improved regional market integration for the roots and tubers sector in African ACP regions.***

To be carried out in collaboration with the Regional Economic Communities (SADC, COMESA) and the regional farmer federations (SACAU).

Proposed project Activities	Target	Is the activity relevant to Malawi? H, M or L priority? <sup>1</sup> If needed, eliminate or modify	Partners that have already worked on this topic & what they do/ did	Provide specific suggestions for project implementation
<i>1.1 Enabling policy, legislation and institutions strengthened.</i>				
(i) Mapping of key policies and institutional arrangements affecting domestic and regional trade in cassava; analysis of weaknesses and misalignments. Identification of reforms, including gender sensitive.	1 policy appraisal report	<b>High, because most of the policies are scattered, they do not talk to each other. And will form the basis for the rest of the project.</b>	<b>None (the policies are there but the mapping and analysis has not been done)</b>	<i>Specific trade policy area that needs attention?</i> <i>Updates of existing appraisals</i> <b>Cooperative policies, trade and industrial policy, SME policy, seed act, agricultural laws, trade laws (e.g competition and fair trade law)</b>  <b>Enforcement of laws is also an issue to consider..</b>
(ii) Build capacity for coordination and implementation of national policies on cassava	1 work 8 training sessions/ meetings	<b>High</b>	<b>Yes, at sector level (e.g. ASWAp for agricultural sector, TIPSWAp for trade sector)</b>	<i>Specific capacity gap to be addressed?</i> <i>Target institution</i> <b>Gaps: coordination and policy implementation</b> <b>Target: Roots and Tubers Innovation Platform</b>
<i>1.2 Capacity to formulate and implement agri-food sector strategies improved.</i>				
(i) Support to public private partnerships and commodity platforms to develop/update strategies that are aligned with domestic and regional opportunities.	1 strategy developed/ updated	<b>Yes, high</b>	<b>Universal Industries, C:AVA, GOM (DARS), RTCIP (=R&amp;T innovation platform)</b>	<i>Target PPPs/platform; type of training.</i> <b>Develop cassava strategy.</b>  <b>Also Support PPPs , example like C:AVA and Universal Industries PPP</b>

<sup>1</sup> Please indicate level of priority: H= high, M=medium, L=low

Proposed project Activities	Target	Is the activity relevant to Malawi? H, M or L priority? <sup>1</sup> If needed, eliminate or modify	Partners that have already worked on this topic & what they do/did	Provide specific suggestions for project implementation
(ii) Contribute to the sustainability of existing market info systems for increased domestic and intra-regional trade.	1 training	Low, because already done	Ministry of Agriculture, Airtel, PSI (health), Self-Help association, are already implementing the Interactive Voice response (IVR) and Human Network Int. (HNI) the 3-2-1 model	Consider support towards a database
(iii) Support to the development of systems for monitoring strategy implementation.	1 monitoring system	Medium Most frameworks are already in place and work effectively	Ministry of Agriculture, other projects like FAO, WB, USAID have their own M&E tools.	More tools are in place

**Group 2**

***Output 2 (a) Improved competitiveness and viability of R&T value chains through improved sustainable intensification of production and professionalization of producer organizations***

Proposed project Activities	Target	Is the activity relevant to Malawi? H, M or L priority? <sup>2</sup> Please eliminate or modify if needed	Partners that have already worked on this topic	Provide specific suggestions for project implementation
<i>2.2 Sustainable market-led production intensification</i>				
(i) Diagnostic studies on the status of existing seed systems, inputs, and agronomic practices within cassava cropping systems.	1 report	<b>High</b>	<b>DARS, IITA, LUANAR, DCD, C:AVA</b>	<i>Geographic focus? Specific agronomic issues to study?</i> <b>Countrywide</b> <b>Need to update existing studies to take account of new challenges like the cassava brown streak disease</b>
(ii) Develop strategies, in collaboration with local research institutes and agro-dealer networks, to access high-yield quality planting materials suited to prevailing agro-ecologies.	1 strategy	<b>High</b>	<b>DARS, IITA, LUANAR, DCD, C:AVA</b>	<b>Countrywide</b>

<sup>2</sup> Please indicate level of priority: H= high, M=medium, L=low

Proposed project Activities	Target	Is the activity relevant to Malawi? H, M or L priority? <sup>2</sup> Please eliminate or modify if needed	Partners that have already worked on this topic	Provide specific suggestions for project implementation
<p>Farmer Field School Programme</p> <p>(iii) adapt FFS modules for cassava in Malawi.</p> <p>(iv) Train trainers (FO managers, extension agents, NGOs) in the adoption of environmentally sound agronomic practices, input use-efficiency; natural resource management; control of biotic stress agents.</p> <p>(v) Train farmers using the FFS approach and on-farm demonstration trials, rapid multiplication of clean planting material to be emphasized.</p>	<p>1 FFS programme</p> <p>25 trainers</p> <p>5 FOs * 250 farmers 25 trainers * 20-25 farmers = 500-600 farmers</p>	<p><b>High</b></p>	<p><b>FAO, DAES, DARS, DCD</b></p> <p><b>FAO, DAES, DARS, DCD, LUANAR</b></p>	<p><b>Include rapid multiplication techniques in the curriculum</b></p> <p><i>If possible, suggest FOs and extension units/NGOs to be trained as ToT</i></p> <p><b>Iv and v) Farmers supplying Universal Industries in Blantyre: Mulanje, Zomba and Chiradzulu districts</b></p> <p><b>Traditional cassava growing areas (lakeshore): Nkhatakota and Nkhatabay districts</b></p> <p><b>To cater for Lilongwe market: Lilongwe district</b></p> <p><b>Involve also private sector in farmer training</b></p>
<p>(vi) Train Support R&amp;D institutes in cleaning and dissemination of disease-free planting materials.</p>	<p>20 researchers 4 Centers</p>	<p><b>High</b></p>	<p><b>DARS, IITA, LUANAR</b></p>	<p><b>Chinteche (in Nkhatabay), Lunyangwa, LUANAR (university in Lilongwe) and Bvumbwe</b></p>

Proposed project Activities	Target	Is the activity relevant to Malawi? H, M or L priority? <sup>3</sup> if needed eliminate or modify	Partners that have already worked on this topic	Provide specific suggestions for project implementation
<i>2.3 Producer organizations skills enhanced in agribusiness management practices.</i>				
(i) Two year training programme for managers of national and district level FOs, including potential female farmer groups leaders on agribusiness management practices. Customize to local context. Include literacy, numeracy and interpersonal skills as necessary	5 FOs * 4 staff * 4 trainings	<b>High</b>	<b>DARS, DAES, FUM, TLC</b>	<i>If possible identify districts and FOs.</i> <b>Link to target groups under activity 2.2</b>
(ii) .	5 FOs * 4			<b>Combine activity i) and ii) into one training programme that benefits both men and women.</b>
(iii) Implement an exchange visit programme between FOs to exchange good practices in FO management.	3 FOs * 5 staff	<b>Medium</b>	<b>C:AVA</b>	<b>Internship is impracticable, because farmers cannot leave their family and farm for such a long time.</b> <b>Augment exchange visit arrangements under C:AVA</b>
(iv) Share lessons and tools for agribusiness capacity building for farmer organizations with colleges and training centers in Malawi so they may use it in their training/educational curricula of	1 national level capacity building programme	<b>Medium</b>		<i>Which institutions? How?</i> <b>LUANAR</b>

<sup>3</sup> Please indicate level of priority: H= high, M=medium, L=low

### Group 3

***Output 2 (b): Improved competitiveness and viability of cassava value chains through improved value chain coordination and professionalization of SMEs.***

Inclusive Business Models will be fostered between small producer groups, SMEs, and traders and medium and large businesses (processors and end-users) and the capacity and professionalization of SMEs operating in the cassava sector will be strengthened. Activities will be carried out in close collaboration with national R&T innovation platform, national chambers of commerce, SME association, national farmer federations, farmer associations and cooperatives, and agribusiness teams in the Ministries of Agriculture and Trade.

Proposed project Activities	Target	Is the activity relevant to Malawi? H, M or L priority? <sup>4</sup> If needed eliminate or modify	Partners that have already worked on this topic	Provide specific suggestions for project implementation
<b>Missing activity: Support serious investors who want to invest in processing equipment (whether sun or flash dryers) through investor packages, access to finance, linkages to end-users, information on and access to appropriate equipment</b>				
<i>2.1 Inclusive business models developed for domestic and regional procurement</i>				
(i) Review. <b>Instead prefer review of raw material procurement practices (e.g. by the field, per kg, bag or heap</b>	1 report	<b>Yes, Low priority.</b>	<b>C:AVA, Land O' lakes SME processors, Universal industries</b>	<b>Farmers should be encouraged to sell per kg or even per starch content</b>

<sup>4</sup> Please indicate level of priority: H= high, M=medium, L=low

Proposed project Activities	Target	Is the activity relevant to Malawi? H, M or L priority? <sup>4</sup> If needed eliminate or modify	Partners that have already worked on this topic	Provide specific suggestions for project implementation
<p>(ii) Inclusive business model approach:</p> <p>a. Appraisal of existing business linkages between cassava value chain actors and domestic and regional buyers of cassava products.</p> <p>b. Producer-buyer meetings to identify bottlenecks needed to improve the linkage and increase business transactions</p> <p>c. Activities to address bottlenecks. Examples include:  Improving pricing mechanisms, common transport and logistics strategy; improving product quality, trainings of traders in product handling, training for farmer groups, traders and processors in post-harvest transport and storage.</p>	<p>≥3 business models appraisals</p> <p>≥3 forums</p> <p>≥3 upgraded BM strategies implement</p> <p>≥6 contracts signed between FOs or SMEs with buyers</p>	<p><b>Smallholders cannot be directly linked to regional buyers, but via other actors</b></p> <p><b>Encourage gender balance but women should not be singled out.</b></p> <p><b>All high priority activities</b></p>	<p><b>Government, researchers NGOs, service providers</b></p>	<p><i>Which specific value chain (washed, chips, crisps)? Geographic focus?</i></p> <p><b>HQCF,</b></p> <p><b>Should target all actors in the value chain.</b></p> <p><b>c) For farmer groups: training on gross margin calculations, group dynamics and governance, collective marketing, For processors: appropriate technology in processing, Quality management systems, HACCP,</b></p>

<b>Proposed project Activities</b>	<b>Target</b>	<b>Is the activity relevant to Malawi? H, M or L priority?<sup>5</sup> If needed eliminate or modify</b>	<b>Partners that have already worked on this topic</b>	<b>Provide specific suggestions for project implementation</b>
<i>2.4 Strengthened SMEs in value addition and better business practices</i>				
(i) Training for SMEs on value addition. Eg. (i) environmentally sustainable processing and packaging techniques; (ii) food safety and hygiene standards; (iii) logistics and (iv) good business management practices.	30 staff * 2 trainings	<b>Yes, high priority</b>	<b>Partners working with processors: C:AVA, Land O'Lakes, World Vision, SMEs</b>	<b>Training in good manufacturing practices and HACCP Quality monitoring tools Product development and marketing End user awareness and demos (on use of HQCF as wheat substitute)</b>
(ii) Support to changes in business practices that can improve procurement from smallholders – e.g. intro of standing orders/payments; more rapid payment systems; organized transport etc.	1 report	<b>Yes, high</b>	<b>Processors and buyers-</b>	<b>Support cash on delivery; agreed payment terms; train in proper estimation of tonnage by farmers to avoid failing to deliver agreed quantities</b>
(iii) Strengthening the collective bargaining power of SME's in end user markets at national level and platforms through capacity building support to SME associations.	30 SME reps	<b>Yes, medium priority</b>	<b>Not sure. National cassava processor association?</b>	<b>Not clear what are interprofessional bodies. Farmers should also be included. Training on: Business management collective bargaining forward contracts strengthening of farmers &amp; SME associations</b>

<sup>5</sup> Please indicate level of priority: H= high, M=medium, L=low

#### Group 4

##### ***Output 3: Access to information services and finance is improved for smallholders.***

A value chain finance approach to increase access to finance and investment opportunities for actors operating in the roots and tubers chains will be adopted.

Proposed project Activities	Target	Is the activity relevant to Malawi? H, M or L priority? <sup>6</sup> if needed eliminate or modify	Partners that have already worked on this topic	Provide specific suggestions for project implementation
<i>3.1 Inclusive financial instruments for smallholders and rural areas developed</i>				
(i) Identify information gaps at financial service providers on the cassava sector. Promote or contribute to the development of monitoring system in each country to collect and follow such data.	1 report	<b>High</b>	<b>None</b>	<b>Involve both parties: cassava production sector (NASFAM, FUM, Min. of Trade, processors), and financial sector, to share information</b>
(ii) Convene producer groups and local financial service providers to exchange information on their business models and ensure better mutual understanding to make investments, manage risk and shape financial products.	≥ 2 forums	<b>High</b>	<b>None</b>	<b>Criteria for identification of producers: registered cooperatives</b>
(iii) Training to financial services providers on value chain finance approaches to develop inclusive financial instruments suitable to stakeholders in cassava value chains.	20 staff	<b>High.</b> <b>Most banks have no experience at all with cassava. Only MFIs like Opportunity International Bank (OIBM) has loaned to cassava farmers.</b>	<b>None</b>	<b>Use both local and external experts to train financial service providers. (Because locals know the local situation and regulations, but not all required expertise may be locally available)</b>  <b>Use Training of Trainer approach so that 20 people trained can train others in their organizations</b>
(iv) Training to producer groups and SMEs on addressing constraints that limit access to finance and to develop bankable solutions.	20 staff	<b>High</b>	<b>None</b>	<b>Include training for cooperatives on contract farming and term loan / target farmers involved in contract farming. Land O' Lakes to back up cooperatives.</b>

<sup>6</sup> Please indicate level of priority: H= high, M=medium, L=low

<b>Proposed project Activities</b>	<b>Target</b>	<b>Is the activity relevant to Malawi? H, M or L priority?<sup>7</sup> If needed, eliminate or modify</b>	<b>Partners that have already worked on this topic</b>	<b>Provide specific suggestions for project implementation</b>
<i>3.2 Strategies for increasing investment in R&amp;T developed.</i>				
(i) Build the capacity of agribusiness service providers to conduct risk assessments and design investment strategies for better financial services for R&T sector.	20 staff * 2 trainings	<b>High</b>	<b>None</b>	<b>Use round-table discussions with all stakeholders</b>
(ii) Share lessons with ministries and financial regulatory bodies on legal frameworks and enabling environments that improve access to finance and inclusive investment in food staples value chains.	20 staff	<b>High</b>	<b>None</b>	<b>Involve media community</b>
(iii) Capacity building on the planning and implementing of responsible contract farming operations for cassava.	1 at least 2 training sessions	<b>High</b>	<b>None</b>	<b>Training all stakeholders involved</b>
<i>3.3</i>				
(i) Workshop to define mutually-accepted principles for responsible agricultural investments.	1 work-shop	<b>High</b>	<b>None</b>	<b>All players/stakeholders (producer groups and finance providers) should sign MoU</b>

<sup>7</sup> Please indicate level of priority: H= high, M=medium, L=low

**Output 4: Small producers have access to climatic risk management instruments.**

Activities will be implemented in close collaboration with relevant departments of Meteorology and Climate Change.

Proposed project Activities	Target	Is the activity relevant to Malawi? H, M or L priority? <sup>8</sup> If needed, eliminate or modify	Partners that have already worked on this topic	Provide specific suggestions for project implementation
<i>4.1 Climate information services developed</i>				
(i) Analysis of climate impacts on inter-annual production variability of cassava. The analysis will also look at the decision related to production and marketing from small holder producers.	1 report	<b>High</b>	<b>Only for other crops (DCCMS)</b>	<b>Department of Climate Change and Meteorological Services (DCCMS) to be involved and include cassava in their activities</b>
(ii) Development of climate information services and user interface platform to enable better interpretation and use of climate information.	1 platform	<b>Medium</b>	<b>Airtel</b>	<b>With DCCMS design climate information packages tailor made for cassava producers</b>  <b>Information should go directly to the farmers through internet/sms/etc. Can have system whereby farmers pay if information is of real interest to them.</b> <b>Train lead farmers</b>
<i>4.2 Climate risk management tools developed</i>				
(i) Based on analysis under 4,1 development of location specific risk management strategies .	1 strategy	<b>High</b>	<b>None</b>	<b>Use historical area specific weather data for the last 30 years or longer</b>
(ii) Training of agricultural support services on climate risk management tools to reduce production variability.	Training of 20 staff	<b>Medium</b>	<b>LUANAR, World Vision International</b>	<b>Train/Equip frontline extension workers</b>

<sup>8</sup> Please indicate level of priority: H= high, M=medium, L=low