



Malawi

NASFAM-Malawi: ownership of the research process influences its use in advocacy

HELENA POSTHUMUS

The National Smallholder Farmers' Association of Malawi (NASFAM), founded in 1997, is the largest independent, smallholder-owned membership organisation in Malawi. NASFAM is organised into a unique extension network to support its membership of over 100,000 smallholder farmers. The smallest operational unit of NASFAM is the Club, made up of 10 to 15 individual farmers. Clubs combine to form Action Groups, which are the key points in the extension network for dissemination of information to members, and for the bulking of members' crops. Action Groups combine to form NASFAM As-

“Unstable marketing policies and regulations restrict private investments, and the lack of agro-processing and value-addition activities hamper a steady growth in the agricultural sector.”

sociations, of which there were 40 in 2007-2008. NASFAM Associations are legally-registered entities, member-owned and managed by farmer Boards. The Associations are grouped by geographical location into 14 Association Management Centres (AMCs). These provide management and operational support to the Associations in terms of production, marketing and community development. The AMCs are in turn supported by the NASFAM Regional and Head Office structures. NASFAM functions are split into Commercial and Development activities. NASFAM commercial activities include the marketing of inputs to farmers and produce from farmers. NASFAM development activities deliver community development and capacity-building services to members. NASFAM Commercial and Development operations are governed by a Farmer Board, which is elected democratically by the membership each year.

NASFAM’s policy and advocacy is guided by its Policy Platform. The Policy Platform is developed in a participatory manner with NASFAM members. Issues that hinder smallholder farmer development are discussed and root causes determined. The issues are then grouped into four pillars (access to markets; agricultural commercialisation; access to financial services; and infrastructure development). The process of generating evidence based on secondary data or even commissioning research studies then begins. The findings thereof are used to develop policy position papers/ briefs that are used for various advocacy and lobbying initiatives.

Development challenge

Agriculture contributes 34 per cent to the GDP of Malawi and the sector accounts for over 80 per cent of Malawi’s export revenue. The total labour force in Malawi is about 4.5 million and almost 84 per cent of this is engaged in agriculture. Malawi’s economic short-term growth is closely linked to strong agriculture performance, particularly tobacco, which accounts for 60 per cent of the country’s exports and half the Government’s tax base. Agriculture will therefore remain the mainstay of the Malawi economy for the foreseeable future. Past policy biases towards maize and tobacco have pushed other potential high-value crops and staple-food crops to the periphery and have thereby limited the export potential and food production capacity of the country. Unstable marketing policies and regulations restrict private investments, and the lack of agro-processing and value-addition activities hamper a steady growth in the agricultural sector. Other constraints in the agricultural sector include poor market infrastructure, lack of reliable market information systems, lack of storage and assembling points, low capacity and poor coordination by Farmer Organisations (FOs) to effectively engage the Government in policy formulation (Nakhumwa and Peiris, 2009).

Collaborative research process

Following the diagnostic country review, a stakeholder workshop was organised by the International Federation of Agricultural Producers (IFAP) and NASFAM in Lilongwe on 13 and 14 January 2009 to discuss and prioritise key issues that negatively affect farmers' access to markets in Malawi. Participants included the Farmers Union of Malawi (FUM), NASFAM, Grain Traders and Processors Association (GTPA), the Agricultural Commodity Exchange (ACE), the Centre for Agriculture Research and Development (CARD), the Coffee Association of Malawi, and the Malawi Bureau of Standards (MBS). The following issues were prioritised: policy and regulation; capacity building; and marketing infrastructure tied to quality standards. Participants identified the following activities to address the key issues:

- Participatory policy development, formulation and implementation (policy and regulation).
- Developing and managing tools for marketing, e.g., grain banks, warehouse receipt systems, storage and bulking (market infrastructure).
- Access to finance and business services (market infrastructure).
- Access to Market Information Systems and intelligence (market infrastructure).
- Improving capacity of farmer organisations for sustainability (capacity building).

In a post-workshop meeting, the ESFIM team (local consultants, AGRINATURA researchers, and representatives from FUM, NASFAM, and IFAP) determined the following research topics for the ESFIM country proposal: market information, quality and standards, and access to finance.

Two local consultants developed a more detailed research proposal for case studies to be carried out under ESFIM. Four case studies were initially identified: MIS, low productivity (smallholder seed multiplication), quality standards, and research on aflatoxin and groundnut sales. The aim of the case studies was to gather information that could be used by the farmer organisations for policy advocacy in the identified areas. The choice of these prioritised areas was based on an analysis by the responsible NASFAM staff member of the comparative position of the farmer organisations in influencing policy through organised lobbying and advocacy.

After the submission of the research proposal, its implementation was delayed due to uncertainties related to funding as well as staff changes at NRI and NASFAM. The project was picked up again in 2011. Because of budget constraints, it was decided to carry out only two of the four identified case studies: smallholder seed multiplication and MIS. Both case studies centred on desk-based research and interviews with key stakeholders. NASFAM contracted the same local consultant (Teddie Nakhumwa) who had done the initial country study. AGRINATURA researchers provided quality control. The findings of the case studies were presented during a stakeholder workshop in February 2012. In addition, a study tour to Kenya was organised in July 2012 to enable the representatives of the farmer organisation to learn about MIS in another country.

Case study: Smallholder seed multiplication

Two models of smallholder seed multiplication were reviewed:

- The Association of Smallholder Seed Multiplication Action Group (ASSMAG) was established in 2001 by the Government of Malawi as an association for smallholder farmers in response to shortage of seed, especially of legumes and open-pollinated varieties (OPV) of maize. ASSMAG is involved in multiplication and distribution of seed and planting material for OPV maize, groundnuts, cowpea, soya beans, beans, cassava and sweet potato.

- ICRISAT is mainly involved in the development of (new) varieties and multiplication of breeder/foundation seed for groundnuts, pigeon peas, beans and rice. ICRISAT has also been involved directly in seed multiplication programmes in collaboration with other farmer organisations, particularly NASFAM. In this model, farmer associations are not involved in foundation seed production because of their limited capacity in terms of technical know-how and land holding sizes. In recent years, production of certified seed by farmers associations (for OPVs and legume seeds) has greatly increased due to the steady market created by the Government's Farm Input Subsidy Programme (FISP).

The Malawian Government uses the FISP to promote seed markets in the country; the seeds are produced and distributed by the private sector. To ensure shared responsibility in maintaining quality standards, only registered members of the Seed Traders Association of Malawi (STAM) are engaged in the FISP. STAM members distribute their seed through the agro-dealer network in the country, but most of these agro-dealers usually operate in urban and peri-urban market centres. Only 20 per cent of seed is distributed through ADMARC, which has a wider network reaching deep into the rural areas. Use of improved maize varieties and quality legume seed by smallholder farmers has increased in recent years due to FISP. Uptake of improved varieties by the smallholder farmers outside the FISP is hampered by the high prices of these seeds on the commercial markets.

The report contained detailed information on seed multiplication systems in Malawi, but the consultants did not focus on policy and regulatory issues that NASFAM should address. Despite comments and requests from AGRINATURA researchers to discuss the implications of the current seed multiplication system for smallholders' access to markets and recommendations for NASFAM's advocacy agenda, the consultants failed to address these. NASFAM indicated they were happy with the report and the information it contained, so there was no further follow up.

BOX 6 Seed multiplication in Malawi

The seed law, commonly referred to as Seed Act, was enacted in 1988 and amended in 1996. The law defines the minimum standards for the regulation, production control, processing, sale, importation, exportation and testing for the certification of seed. The Seed Services Unit (SSU; under the MOAFS's Department of Agricultural Research Services) is the regulatory authority responsible for seed monitoring, inspection, testing and certification. The SSU works closely with the Seed Traders Association of Malawi (STAM), an association for all seed producers and seed traders in Malawi. The two bodies jointly ensure that all seed quantities declared for sale be certified as per requirements under the International Seed Testing Association (ISTA).

Three classes of seed are recognized in Malawi and these have different requirements for meeting international standards for certification:

- **Breeders' seed:** This is seed of a particular generation of an inbred line or variety that is produced under the supervision of the breeder or institution that developed the variety. It is the source for the production of basic/foundation seed.
- **Basic / foundation seed:** This is the progeny of breeder seed. It is handled in such a way that its genetic identity and purity is maintained to ensure quality.
- **Certified seed:** Certified seed is the progeny of basic seed. Production of certified seed should also conform to prescribed standards to maintain genetic identity and purity.

Source: Nakhumwa T, Kaudzu G. 2011. Strengthening and replicating successes of the smallholder seed multiplication industry in Malawi: case study of ASSMAG and ICRISAT smallholder seed multiplication models. Draft report.



Case study: Market Information Systems

A desk study was carried out to identify institutions currently operating market information systems (MIS) for the agricultural sector in Malawi. This was complemented by information collected through interviews with key informants.

MIS in Malawi is still in the development phase. The market information is currently mainly used to help policy makers to monitor food security. Heavy reliance on ICT for the dissemination of market information means that the majority of smallholder farmers are not reached. Availability of market information on commodities is limited in terms of coverage, timeliness and accessibility, and there is a general lack of capacity to analyse the market data; the MIS data therefore has little relevance for smallholder farmers at present. Several useful observations emerged from the case-study:

- The capacity for most of the MIS institutions in Malawi needs to be upgraded so that they are able to analyse and provide reliable and informative real-time market information that would help producers and traders make well-informed production and marketing decisions.
- MIS institutions in Malawi are not financially sustainable and rely heavily on donor support. Farmer organisations can reduce the transaction costs of delivering market information using their internal communication systems and distribute information to their member associations. Farmer organisations can also use their economies of scale to negotiate for a competitive subscription fee.
- The initiative of the Agriculture Commodity Exchange (ACE) to enhance commodity exchange with warehouse receipt systems seems an important strategy to enhance smallholder farmers' access to short-term loans from commercial banks. It is also a financial risk-management tool that enables the smallholder farmers to wait until commodity prices have improved on the market. NASFAM and FUM need to engage with this initiative in order to safeguard the interests of the smallholder farmers.

BOX 7 Market Information Systems in Malawi

The Ministry of Agriculture Irrigation and Water Development (MoAIWD) is the main institute that collects, analyses and disseminates market information from 80 designated markets across the country to all stakeholders. The Agricultural Market Information System (AMIS) run by MoAIWD is coordinated by the Agro-Economic Survey section under the Planning Department.

The major limitation with AMIS is that smallholder farmers rarely access this market information system. FEWSNET (Famine Early Warning System) and MACE (Malawi Agriculture Commodity Exchange) utilize AMIS to access, analyse and disseminate the same market data to various stakeholders. FEWSNET focuses on providing early warning information on food security, whereas MACE's domain is to provide wholesale and retail price information to various stakeholders engaged in agricultural commodity trade. In addition, there is the National Statistical Office (NSO) which collects food price information from a basket of commodities with the purpose of computing the Consumer Price Index (CPI).

MACE seeks to make markets work better for poor farmers and lower the huge risks and transaction costs that inhibit market development. In practice, MACE operates more as a MIS house than a commodity exchange. MACE used to disseminate information through a radio programme, but this was stopped when donor funding ended. The Agriculture Commodity Exchange (ACE) is the only commodity exchange in Malawi that operates as a broker between farmers and buyers, but is still being developed.

Source: Nakhumwa T. 2011. Promote farmer access to quality Market Information Systems (MIS). Draft report.

The conclusions and recommendations of the report do not identify which issues NASFAM's advocacy strategy should address. Although it is recommended that NASFAM should engage with ACE at policy level, there is no detailed information about the issues that NASFAM should address in order to protect their members' interests. The absence of clear recommendations on the way forward for NASFAM makes the report less relevant, as was seen with the case study on seed multiplication.

In July 2012, representatives of FUM and NASFAM, and AGRINATURA researchers, went on a MIS study tour, hosted by the Kenya National Federation of Agricultural Producers (KENFAP).

The main objective of the study tour was to learn from the Kenyan experience in providing market information to smallholder farmers. The following institutions were visited: KENFAP, Ministry of Agriculture, East African Farmers Federation (EAFB), East African Grain Council (EAGC), Alliance for Green Revolution Africa (AGRA), and the Kenya Agricultural Commodity Exchange (KACE).

The study tour was useful for gaining a better understanding of how MIS operate in Kenya, the potential roles of farmer organisations, the challenges of making MIS operational and financially sustainable, and best MIS practices. Managing MIS so that it provides relevant and timely market information is costly, and is only financially sustainable if it provides additional paid services to specific stakeholder groups (e.g., linking sellers to buyers or providing historical price data to development and research institutes). But farmer organisations can play a role by analysing and repackaging the market information into relevant information on market trends for its members, and advocate for existing MIS to provide useful and timely data. With these insights, FUM and NASFAM concluded that a thorough needs assessment of potential users of MIS and a feasibility study need to be carried out, before taking further steps on improving or establishing MIS in Malawi.

The findings of the two case studies were presented and discussed at a stakeholder workshop in Lilongwe in February 2012. Key participants to this workshop were officials from the Government: Ministry of Agriculture Irrigation and Water Development and Ministry of Finance (Department of Economic Development); the MIS houses including FEWSNET, Agriculture Market Information System (AMIS-Technical Secretariat), Agriculture Commodity Exchange (ACE); Farmers Organisations (NASFAM and FUM); NGOs (The Hunger Project) and CGIAR (ICRISAT), members of the Seed Traders Association of Malawi (Monsanto, ASSMAG, STAM Secretariat). Following the presentations of the findings of the case studies, group discussions were held to identify follow-up actions. The stakeholder workshop revealed a number of practical issues concerning seed multiplication and MIS that require further consideration rather than advocacy plans. Although the discussions revealed further issues and action points, none of the participants assumed the responsibility of taking these forward.

Nevertheless, several months later NASFAM indicated that the research studies carried out under ESFIM generated evidence that is needed to advance its policy agenda. NASFAM plans to share the evidence generated by the ESFIM-commissioned studies with its existing networks such as CISANET (Civil Society Agriculture Network). Furthermore, both national farmer organisations (FUM and NASFAM) take part in many invited spaces dealing with smallholder production as well as development of various strategies including MIS. At the moment, the Auction Holdings Limited is launching an Agricultural Commodity Exchange and NASFAM is involved in the debates on its establishment and can make use of the outcomes of the research as well as the lessons learned during the study tour to Kenya.

Partnership

NASFAM took responsibility for a leading role in project activities in Malawi, and AGRINATURA researchers from NRI and WUR provided quality control. Staff changes at NASFAM, NRI and WUR caused delays and interrupted the relationships and continuity of the ESFIM programme. Contacts were re-established in 2011, when ESFIM had guaranteed funding for the research activities, but knowledge about the first phase of ESFIM was lost. NASFAM's previous experiences with evidence-based advocacy plans had served as an example for developing the ESFIM approach of collaborative research, as NASFAM presented in the 2007 International Conference in Tunis their research and advocacy activities, especially the successful advocacy on tax issues (the transaction tax on farmer supplies to the procuring agribusiness). However, the ESFIM outputs during 2009-2012 were less than expected. The case-studies were limited to fact-finding studies and no other outputs or outcomes, such as technical (lobby or advocacy) propositions, policy and advocacy notes or training materials, were delivered.

It is not clear what NASFAM has gained from the activities and outputs. The monitoring and evaluation exercise with NASFAM showed that it is (still) a strong farmer organisation. Their weak point lies in the capacity to network, a capacity that has declined in the past three years. The limited success of the ESFIM research support is thus not a result of a weak NASFAM. Perhaps even contrarily. We think that the outcomes of the ESFIM activities did not meet the expectations for several other reasons.

Lessons learnt

- The self-evaluation exercise showed that the NASFAM board members had little knowledge of what the organisation's management is actually doing on various aspects. For example, the board members were unaware of the ESFIM programme and they reported they had only been invited for the final workshop. This may be a reflection of limited dialogue, involvement and sharing of information between the board and management. Anyway, the board members were not engaged in the ESFIM process until the presentation of the findings.
- Compared to NASFAM's other operations and income streams, the ESFIM budget was relatively small. The limited availability of financial resources seems to have determined the selection of research topics rather than the urgency or priority of the issue. The fact that the board members were not aware of the ESFIM activities suggests that the programme was not a priority for NASFAM. This may explain why there was no immediate follow-up in terms of policy messages or the development of an advocacy agenda.
- The continuity of the ESFIM programme was compromised by delays and staff changes that affected the sense of ownership of the process by NASFAM and NRI.
- NASFAM contracted the same independent consultant to organise the workshops, develop the research proposal and lead the case studies. This consultant thus had substantial influence on the research proposal and implementation of the case studies. Because the consultants were contracted as independent individuals, there was no institute that carried the responsibility for the quality of the final outputs. Contracting research institutes or larger teams of consultants may have been more appropriate to help to assure quality outputs and generate advocacy plans for NASFAM. This would have had the additional advantage of strengthening NASFAM's relationships with the research community in Malawi.

Acknowledgements

The author is grateful for the support and collaboration received from NASFAM and the local consultants. Special acknowledgements go to Beatrice Makwenda, Betty Chinyamunyamu, and Dyborn Chibonga of NASFAM, and Teddie Nakhumwa, local consultant.