



MINISTRY OF AGRICULTURE

FARMER ORGANIZATION DEVELOPMENT STRATEGY (FODS)

2020 - 2025





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Department of Agriculture Extension Services
Ministry of Agriculture
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MALAWI

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FOREWORD

The National Agriculture Policy (NAP) aims at transforming the Malawi agriculture sector from being predominantly smallholder and subsistence-based to progressively being commercialised. The Ministry has proposed various interventions for achieving this policy objective in the National Agriculture Investment Plan (NAIP). The NAIP is the implementation framework for the NAP for the period 2018 and 2023. One of the interventions proposed in the NAP and NAIP is strengthening farmer organizations (FOs) to enable effective smallholder participation in agricultural value chains. The Farmer Organization Development Strategy (FODS) provides a detailed framework through which smallholder farmers, that are widely dispersed across the country and operating fragmented landholdings, can be organized into sustainable, strong and vibrant FOs. The objective of the FODS is to promote the development of sustainable, professionally operated and market oriented FOs that are contributing significantly to growth and development of the Malawi economy.

The importance of the FODS cannot be overemphasized. The agriculture sector has historically been promoting farming as a business without a clear framework to guide this process. Consequently, it has been difficult to achieve tangible results on this important objective. According to the Integrated Household Survey IV (2017) majority of Malawi rural households (93%) are engaged in agriculture as their primary activity, mostly on a subsistence basis. For example, some studies show that less than 10% of maize farmers are net sellers of the crop. For legumes and pulses, one study reports the proportion of produce sold to range from 27% to 35%, except for soya (69%). It is therefore important for Malawi to start making real progress towards commercialising agriculture. The Ministry commits itself to placing FOs high on the agriculture transformation agenda. I therefore call upon all stakeholders in the agriculture sector to join hands with government in successfully implementing this Strategy



Hon. Lobin Clarke Lowe, MP
MINISTER OF AGRICULTURE

PREFACE

The Farmer Organization Development Strategy (FODS) has been formulated to provide a framework for developing sustainable farmer organizations (FOs) in Malawi. There are many benefits that are associated with having strong and sustainable farmer groups, which among others, include: increasing farmers' bargaining power, enhancing farmers' access to extension services and to input and output markets and improving social cohesion. Despite these benefits, Malawi's efforts in developing various models of FOs have resulted in limited success partly due to lack of a clear strategy for a harmonized approach to FO development. The FODS fills this void by outlining strategic interventions that stakeholders in the sub-sector will need to implement to create sustainable and vibrant farmer organizations.

The FODS is built on research evidence and lessons learnt from countries in the region. The FODS is also built on extensive consultations with farmers and farmer organisations, government and non-governmental organizations (NGOs) involved with farmer organizations, development partners (DPs), the private sector and the academia. At least 230 stakeholders were consulted (about 20% female). I am grateful to all stakeholders for all their valuable inputs into this Strategy.

The FODS has also undergone a rigorous review and validation process in order to build consensus and ownership among actors in the sub-sector to ensure that the sector works together to promote development of vibrant FOs. If successfully implemented, the FODS is expected to put in place critical foundational blocks for building resilient FOs beyond 2025. I strongly believe that, during implementation, we will continue with the same level of commitment and collaboration that occurred during development of the Strategy. I therefore look forward to working with all of you for the betterment of the lives of Malawian farmers. May God richly bless you all.



Erica Maganga (Mrs)

SECRETARY FOR AGRICULTURE

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The Ministry would also like to express its special gratitude to representatives of the following ministries, departments and organizations for their valuable contributions during the drafting of this strategy: the Department of Agricultural Planning Services and the Department of Agricultural Extension Services in the Ministry of Agriculture, the Cooperatives Division in the Ministry of Industry (Mol), the National Smallholder Farmers Association of Malawi (NASFAM), the Civil Society Agriculture Network (CISANET), the Malawi Micro-Finance Network (MAMN) and the Donor Committee on Agriculture and Food Security (DCAFS). The Ministry would also like to thank FAO, FUM, MUSSCO, GIZ, WE-EFFECT, CASS Trustees, NGOs, other private sector actors and all the farmers for their participation in several consultation workshops that informed this Strategy, particularly the farmer event in June/July 2016, the stakeholder mapping exercise in October 2017, and the stakeholder consultations.

On the technical side, I would like to acknowledge the effort provided by the following people: Mr Pearson Soko (DAES), Dr. Dominic Nkhoma (DAPS); DAES Agri-business section staff members Mr Andrew Chamanza and Mr Christopher Amoni; Mr Henry Mandere of Ministry of Industry; Dr. Flora Nankhuni, Dr Christone Nyondo, Mr Zephania Nyirenda and Mr Joseph Kanyamuka (all from NAPAS); Dr Dean Kampanje of NASFAM; Mr Alfred Kambwiri and Ms. Violet Mtanza of CISANET; Mr. Duncan Phulusa of Malawi Microfinance Network; Mr. Roman Malumero of DCAFS and Kingsley Makiyoni (FAO).

Finally, but not least, the department is grateful to Mr. Gerald McLean Mafubza and Matsimbe Nkambeni for their efforts in type-setting and designing the current strategy.



Jerome Chimgonda Nkhoma, PhD

DIRECTOR OF AGRICULTURE EXTENSION SERVICES

LIST OF ACRONYMS/ABBREVIATIONS

ACE	:	Agricultural Commodity Exchange for Africa
ADMARC	:	Agricultural Development and Marketing Cooperation
AGPA	:	Agricultural general Purposes Act
AHCX	:	Auction Holdings Commodity Exchange
CDI	:	Clinton Development Institute
CDP	:	The Cooperative Development Policy
CDP	:	Cooperative Development Policy
CISANET	:	Civil Society Agriculture Network
COMSIP	:	Community Savings and Investment Promotion
CSA	:	Cooperatives Societies Act
CSO	:	Civil Society Organizations
DAES	:	Department of Agricultural Extension Services
DAPS	:	Department of Agricultural Planning Services
DARS	:	Department of Agricultural Research Services
DCAFS	:	Donor Committee on Agriculture and Food Security
DPs	:	Development Partners
DPs	:	Development Partners
FAO	:	Food and Agricultural Organization
FMB	:	Farmers Marketing Board
FO	:	Farmer Organisation
FUM	:	Farmers Union of Malawi
GDP	:	Gross Domestic Product
GiZ	:	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
HOFACOL	:	Horticulture Farmers Association of Lilongwe
LUANAR	:	Lilongwe University of Agriculture and Natural Resources
MAFECO	:	Malawi Federation of Cooperatives
MAMN	:	Malawi Microfinance Network
MARDEF	:	Malawi Rural Development Enterprise Fund
MEDF	:	Malawi Enterprise Development Fund
MoA	:	Ministry of Agriculture
MoCE&NU	:	Ministry of Civic Education and National Unity
MoE	:	Ministry of Education
MoF	:	Ministry of Finance,

MoEPD&PS	:	Ministry of Economic Planning, Development and Public Sector Reforms
MoGCDSW	:	Ministry of Gender, Community Development and Social Welfare
MoI	:	Ministry of Industry
MoT	:	Ministry of Trade
MoLG	:	Ministry of Local Government
MoL	:	Ministry of Labour
MoT&PW	:	Ministry of Transport and Public Works
MRFC	:	Malawi Rural Finance Company
NAPAS	:	New Alliance Policy Acceleration Support
NASFAM	:	National Association of Smallholder Farmers
NASME	:	National Association of Small and Medium Enterprises
NFRA	:	National Food Reserve Agency
NGO	:	Non-Governmental Organization
OPC	:	Office of the President and Cabinet
RIs	:	Research Institutions.
SACA	:	Smallholder Agricultural Credit Administration
SACCOs	:	The Savings and Credit Cooperatives
SAPs	:	Structural Adjustment Programmes
SCA	:	Special Crops Act
TAMA	:	Tobacco Association of Malawi
USAID	:	United States Agency for International Development
WRS	:	Warehouse Receipt System

GLOSSARY OF TERMS

Farmer Organization (FO): is a generic term referring to organisations that are created to represent the interests of farmers. These include farmer clubs, anchor farms, farmer associations, agricultural cooperatives and any other grouping of farmers.

Farmer Club (FC): In the context of Malawi, a farmer club is an informal group of farmers (normally between 10 – 15 farmers) who have come together for the purposes of accessing agricultural services such as extension, loans, input and output markets and other social services.

Anchor Farm: The anchor farm model integrates commercial farm and smallholder farmer outreach in which smallholders are provided with inputs, extension support and markets by the anchor farm for the mutual benefit of the anchor farm and the smallholder farmers.

Out-grower Scheme: Is broadly defined as a binding contractual arrangement between growers or landholders and a company for the production of commercial agricultural products through which the company is ensured of its supply of agricultural products and individual farmer or group of farmers are ensured of a market. The main distinguishing features between out-grower schemes and anchor farms are that farmers in the anchor farm have to be located within the vicinity of the anchor farm and the anchor farm invests in smallholder farmers' production.

Commercial Farm: Producing crops, livestock and fish for sale with the profit making objective.

Agricultural Association: Is a legal non-profit organization formed by individuals with same interests and vision to facilitate access to particular agricultural goods and services. An association is designed to provide services that increase profits for its members. In Malawi, it is generally comprised of a group of farmer clubs.

Cooperative: Is an autonomous body comprising of individuals who have voluntarily come together to deal with a common economic, social or cultural need and aspirations through a jointly owned and democratically controlled enterprise. A cooperative is differentiated from an association in that members own the cooperative through acquisition of shares, control the business and are direct beneficiaries of services and generated surpluses. In Malawi, some associations also own companies, blurring the distinction between a cooperative and an association.

1.0 INTRODUCTION

1.1 Background

Farmer Organizations (FOs) are critical for linking farmers with agricultural markets and thereby lifting the rural poor out of poverty¹. Among others, Farmer Organizations (FOs) facilitate integration of smallholders into value chains that directly link rural producers with urban retailers and export markets. The National Agriculture Policy (NAP), adopted in September 2016, recognizes the role of Farmer Organizations as a strategic vehicle to achieving commercialization of agriculture. Support for development of professionally-operated and efficient farmer organizations is highlighted under policy priority area 8 of the NAP, “Institutional Development, Coordination and Capacity Strengthening”. The National Agriculture Investment Plan (NAIP), the implementation plan of the NAP, also has one intervention area (Number 2) exclusively for strengthening Farmer Organizations, with a total budget of US\$16 million (~0.5% of the NAIP budget). This Strategy provides a detailed framework for implementing FO development under priority area 8 of the NAP and NAIP’s intervention area number 2.

1.2 History of the Farmer Organization Movement in Malawi

The history of FOs pre-dates Malawi’s independence in 1964. Literature indicates that in the pre-independence era, agricultural cooperatives were promoted as a way to:

- Incorporate indigenous peasants into cash (or export) crop production, which the colonial government promoted, to widen its tax base².
- Encourage self-reliance and discourage labour migration to Rhodesia and South Africa³.
- Extract agricultural produce from Malawi.⁴

The colonial government regulated cooperatives through the Cooperative Ordinance that was adopted from Britain. Among other things, this law restricted indigenous production and marketing of agricultural commodities through registration and licensing of buyers and exporters, fixing producer prices and restricting produce marketing to marketing boards. The Maize Control Board (MCB) introduced in 1947 and the African Produce and Marketing Board introduced in 1952, and later renamed Agricultural Production and Marketing Board (APMB) were instituted through this law. The colonial government was able to extract large sums of money by implicitly taxing indigenous producers through low producer prices. This implicit taxation was possible due to the colonialists’ control over the marketing boards.

The APMB was replaced by the Farmers Marketing Board (FMB) in 1962 by the then Agriculture Minister, Dr. Hastings Kamuzu Banda⁵ because of its biased pricing policy. Dr. Banda also incorporated representatives of indigenous growers on the board of FMB to give them a voice on the board. He further expanded FMB’s mandate to include agro-processing, price stabilisation and subsidization of seed and fertilizers in addition to buying and selling of produce. Furthermore, Dr. Banda introduced the cooperative college at Mpemba in Blantyre in 1962 to capacitate cooperatives. He also introduced the Special Crops Act in 1963 to facilitate smallholder production and export of cash crops.

¹ <http://www.wfo-oma.org/value-chain.html>

² Vicari and Borda-Rodriguez 2014 and Matabi, 2010

³ Matabi, 2010

⁴ Kachule 2004

⁵ Dr. Hastings Banda became Agriculture Minister in 1961

⁶ Matabi (2010)

After independence in 1964, Dr. Hastings Banda became the president of Malawi. He changed his government's policy focus to import substitution and industrialization whilst promoting exports⁷. Consistent with this policy objective, Dr. Banda's one party government invested heavily in state-owned enterprises and also replaced the FMB with the Agricultural Development and Marketing Corporation (ADMARC) in 1971 to increase the quantity and quality of export crops and directly support smallholder farmers with subsidized inputs, among others. The model adopted by government was to promote farmers' clubs and discourage agricultural cooperatives as these were viewed as potential sources of political dissent⁸. Credit and extension services were directly channelled to farmers through farmer clubs. As a consequence, the cooperative college at Mpemba closed in 1966⁹. This policy approach has been considered as one reason why development of agricultural cooperatives has not thrived in Malawi.

The Savings and Credit Cooperatives (SACCOs) on the other hand have flourished and multiplied because they were not affected by the governments' de-emphasis on agricultural cooperatives. However, the SACCOs still failed to address liquidity constraints of smallholder farmers. Government responded by introducing the Smallholder Agricultural Credit Administration (SACA) in 1988 to administer credit to farmers that were deemed not creditworthy by commercial lending institutions¹⁰. SACA was quite effective in getting relatively high repayment rates (>80%) and some commenters attribute this success to the strong autocratic rule of the one party political system under the leadership of Dr. Hastings Kamuzu Banda.

The dawn of multiparty democracy in 1993 altered the political and economic landscape in Malawi by creating a level playing field for all cooperatives in the country¹¹. This resulted in a surge in registration of agricultural cooperatives. This era also coincided with the introduction of structural adjustment policies (SAPs) by the World Bank (WB) and the International Monetary Fund (IMF). The downside of the SAP reforms was that smallholders no longer had ready access to inputs and output markets that ADMARC provided. Most Malawi farmers still cry for the old glory days of ADMARC. Another downside of the post 1993 era was low repayment rates for the SACA due to weak institutions and lack of understanding of the true meaning of democracy, where borrowers felt that they had a right to get entitlement to government resources including non-repayment of loans. Due to low repayment rates and political interference SACA was replaced by the now defunct Malawi Rural Finance Company (MRFC), in 1994. The functions of MRFC were later incorporated into a Malawi Rural Development Enterprise Fund (MARDEF) in 2005. In 2014, the mandate of MARDEF was broadened to cover urban populations as well and MARDEF was renamed Malawi Enterprise Development Fund (MEDF). However, MEDF suffers the same fate of MRFC and MARDEF of low repayment rates and political interference because of weak governance.

⁷ Chirwa, et al., 2008

⁸ Nkhoma, 2011

⁹ Kadzola, 2009

¹⁰ Kachule 2004

¹¹ Conroy et al, 2006

1.3 Rationale for Developing the FODS

The Farmer Organization Development Strategy (FODS) is one of the 15 New Alliance for Food Security and Nutrition Cooperation Framework reforms that the government of Malawi committed to fulfilling in order to improve the environment for increased agricultural investments. The NAP and NAIP mention development of FOs as critical for achieving the agricultural transformation agenda for Malawi. However, there has not been a Strategy in the Ministry of Agriculture to guide the development of FOs in Malawi. The Ministry of Industry, however, has a Cooperative Development Policy that oversees development of cooperatives, including in the agriculture sector. The FODS is therefore being developed to provide an enabling environment for different types of FOs to flourish in Malawi. The following are some of the expected benefits that farmers can derive from belonging to a farmer organization (FO):

- a) Increased bargaining power for better input and output prices;
- b) Increased access to farm inputs, extension and advisory services and agricultural finance¹²;
- c) Increased opportunities to aggregate produce for target markets;
- d) Increased political voice; and
- e) Stronger social bonds, solidarity, partnerships and trust among communities¹³.

1.4 Process of Developing the FODS

The process involved:

- **Farmer consultation workshop (June–July 2016):** This was the first consultation event on development of the FODS that was organized by the Ministry of Agriculture, Irrigation and Water Development (MoAIWD). The event attracted 182 participants (40 females or 22%). In total, there were 129 organizations representing farmer organizations, civil society organizations and other NGOs.
- **Literature review:** This focused on the theory of cooperatives, the history and the status of agricultural cooperatives in Malawi and in other countries. A background paper was produced to guide the policy process.
- **FODS Stakeholder Consultations:** This involved consulting various organizations, through a survey. A total of 28 government, private and non-governmental organizations were interviewed on FO policy-related issues.
- **Stakeholder Mapping Study.** The farmer organization sub-sector mapping study was conducted by GDRV¹⁴ through a FAO project called “Strengthening the Institutional and Regulatory Framework for Farmer Organizations in Malawi” that was funded by GIZ. Results of the stakeholder mapping study and the FODS’ development process and status were presented and validated at Bingu International Conference Centre (BICC) by stakeholders on 11th and 12th October 2017. This event was attended by farmers and farmer organisations, delegates from government (MoA & Mol), NGOs working with farmer organizations, and Development Partners (GiZ & FAO).

¹² Burrell, 2014

¹³ Gutiérrez 2011

¹⁴ DGRV is a Germany Federation of Cooperatives

- **Development of the Zero Draft:** The zero draft of the FODS was developed by the Ministry with technical support of the NAPAS: Malawi Project using input from the events mentioned above.
- **National Consultation on the Zero Draft:** This took place at Lilongwe Sunbird hotel on 27th February 2018. The consultation was attended by a cross-section of stakeholders from government, NGOs, youths, farmer organizations (FUM, NASFAM, etc.), National Association of Small and Medium Enterprises (NASME), and other private sector.
- **FODS Write-shops:** Representatives from MoA (DAES and DAPS), MoI, NASFAM, CISANET, Malawi Micro-Finance Network (MAMN), DCAFS and NAPAS finalized the drafting of the FODS over the course of two write-shops.
- **Internal and National Validation:** The FODS was adopted by the senior management of MoA and other sector stakeholders through a validation workshop.

1.5 Linkage to Relevant Policy Frameworks

1.5.1 The National Agriculture Policy (NAP) 2016

The NAP is promoting development of professionally operated and efficient farmer organizations (particularly cooperatives) as one way of transforming subsistent farmers into commercialised farmers to enhance smallholders' participation in value chains and hence their contribution to economic growth of the country. The FOs will improve smallholder farmers' ability to effectively bargain for and negotiate better prices in input and output markets. Effective FOs will also improve farmers' access to extension services provided by the FOs.

1.5.2 The National Agriculture Investment Plan (NAIP) 2018-23

National Agriculture Investment Plan (NAIP) is a prioritized and coordinated agricultural transformation plan for Malawi for the period 2017/18 to the 2022/23. It is the implementation plan of the NAP. The NAIP has one of its 16 intervention areas on strengthening of FOs and rural structured trade mechanisms (RSTM). It has a total budget of USD 3.216 billion, of which USD 15.8 million (0.49%) is allocated for development and strengthening of FOs.

1.5.3 Agricultural Extension Policy Review and Agricultural Extension and Advisory Services Strategy (2020)

The FODS is also informed by the review of the 2000 Agricultural Extension Policy and the National Agricultural Extension and Advisory Services Strategy of 2020. The policy review advocates for promotion and strengthening of FOs so that they can take on the role of service providers and deliverers. The strategy consider FOs as key to client-oriented extension service provision and farmer empowerment.

1.5.4 Cooperative Development Policy (CDP) of 1997

The Cooperative Development Policy (CDP) is the overarching reference policy document for cooperatives in Malawi. With regard to the agriculture sector, it stipulates, among others, various strategies for promoting cooperative development, including:

- Encouraging farmers to form cooperatives,
- encouraging cooperatives to establish or facilitate the acquisition of credit for procuring farm inputs and purchase of produce from members,
- facilitating the setting up of efficient storage facilities where produce can be stored while awaiting favourable adjustments to commodity prices, and
- assisting cooperatives to establish external and internal markets for their produce.

The CDP is currently undergoing a review. Its Strategy is also being developed. The FODS is the framework through which the revised CDP is expected to be implemented in the agriculture sector. Review of the CDP and development of the Cooperative Strategy were conducted jointly with development of the FODS.

1.5.5 The Cooperative Societies Act (CSA) of 1998

The CSA operationalizes the CDP and is consistent with its provisions in terms of its objectives, values and principles. Agricultural cooperatives are expected to be regulated and supervised based on the provisions of the CSA of 1998. There are also plans to review the Act once the CDP has been reviewed and the Strategy developed.

1.6 Guiding Principles

The following are the underlying principles of the FODS:

1.6.1 Demand-driven Approach to FO development

The majority of FOs are externally driven. Consultations with stakeholders suggest that DPs and NGOs tend to promote FOs as a last resort exit strategy for their development projects, which means that they leave FOs to fend for themselves before they are properly established. The philosophy underpinning the FODS is that any farmer-based organization in Malawi should be demand-driven. Its inception should be based on actual needs of people it is meant to serve. If targeted patrons have not fully perceived the advantages of belonging to an FO, the concerned DP/NGO should develop strategies for demonstrating that need and ensuring sustainability of initiatives started.

1.6.2 Shared Vision, Strategic Partnerships and Collaboration

The FODS will succeed if actors motivate themselves with the singular objective of developing stronger and sustainable farmer organizations. Therefore, the FODS is premised on the understanding that strategic partnerships and collaboration among players will be a key ingredient in the implementation of the FODS.

1.6.3 Mutual Accountability and Honesty

The FODS recognizes the importance of mutual accountability and honesty for the success of any endeavour. The spirit of the FODS is to encourage/facilitate strategic actions that promote mutual accountability, good governance and honesty in development and management of the FOs.

1.6.4 Inclusiveness

The FODS is premised on the concept of inclusive development as it recognises that most activities done at FO level involve a cross-section of participants, including women and youth. The FODS thus endeavours to promote participation of all social and relevant age groups in the implementation of its strategic pillars.

2.0 SITUATION ANALYSIS

2.1 Agriculture Sector in Malawi

Malawi has always relied on the agriculture sector as an engine of economic growth and human development. Currently, the sector contributes about 28% of the country's Gross Domestic Product (GDP) and generates over 80% of export earnings. Recognising this, the government of Malawi has over the years allocated more than 10% of the national budget to the agriculture sector. However, agricultural growth has been volatile and has averaged about 4% per annum in the past decade. The sector is also predominantly subsistent and efforts to organise farmers into strong organisations/cooperatives have yielded limited results.

In general, the FO sub-sector mapping exercise that was undertaken in 2017¹⁵ revealed that the majority of FOs that were initiated as exit strategies for donor funded projects have failed to be sustainable because they were not embedded into projects at their initial conceptualisation. This suggests if a particular FO model is to be embedded into a particular agricultural investment project, experts need to carefully consider how the capacity of such FOs will be progressively built to ensure their suitability beyond the project timeframe.

2.2 Farmer Organizations in Malawi

2.2.1 Status of the Farmer Organization Movement in Malawi

Farmer Organisations include farmer clubs, anchor farms, farmer associations, agricultural cooperatives and any other grouping of farmers. The information in the sections below utilized the Mol data on cooperatives, the 2016 FUM study on status of cooperatives in Malawi, the literature review and consultations with stakeholders during development of this Strategy, to assess the status of FOs in Malawi.

2.2.2 Status of Cooperatives

The Cooperative Societies Act of 1998 provides for a three tier structure of cooperatives in Malawi, comprising of primary, secondary (or cooperative unions) and tertiary cooperative societies, also called apex bodies. **Table 1** presents the current structure of cooperatives in Malawi.

Table 1: Structure of Cooperatives in Malawi

Tier	Activities/membership criteria
Primary Cooperative Societies	<ul style="list-style-type: none"> Membership consists of individual persons
Cooperative Union/Secondary Society (COMSIP, FUM, etc.)	<ul style="list-style-type: none"> Membership is restricted to primary societies
Apex (e.g. MAFECO)	<ul style="list-style-type: none"> Membership is restricted to cooperative unions Established to serve the cooperative movement Providing facilities for banking, insurance and the supply of goods and services

Source: Draft Cooperative Development Policy, MoITT (2018)

¹⁵ See Cooperative and Farmer Organizations Sector Mapping Report, October 2017

The Ministry of Industry, Trade and Tourism (MoITT) database of cooperatives indicates a total number of 310 registered primary cooperatives as of April 2016 (Table 2). Most of these (157 or 51%) are agricultural cooperatives.

Table 2: Total Number of Registered Cooperatives by Year of Registration

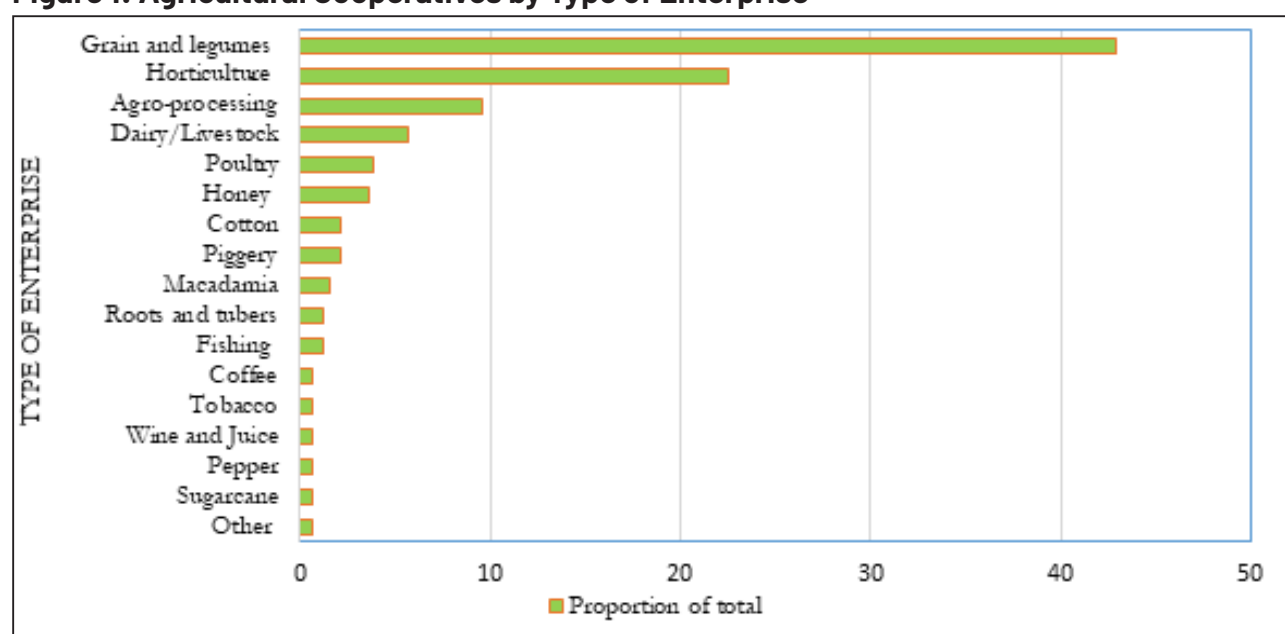
Period	Unions	SACCOS	COMSIP	Agriculture & Fisheries	Mining	Artisan	Honey	Timber	Consumer	Total
Before 2008	3	19	40	61	1	5	0	0	1	130
2008	1	0	2	9	0	0	0	0	0	12
2009	0	0	8	17	3	0	0	1	0	29
2010	2	0	2	15	0	1	1	5	0	26
2011	2	0	0	11	0	0	0	0	0	13
2012	0	1	2	11	0	1	0	0	0	15
2013	0	0	6	8	0	1	0	2	0	17
2014	0	0	19	15	0	0	1	0	0	35
2015	3	0	18	7	0	0	0	0	0	28
2016*	0	0	1	2	0	0	0	0	0	3
Not indicated	0	0	1	1	0	0	0	0	0	2
Total	11	20	99	157	4	8	2	8	1	310

Source: Ministry of Industry, Trade and Tourism (MoITT) Cooperatives Register

*Includes new registrations only up to April 2016

Most of the agricultural cooperatives are in the grain and legumes sub-sector (Figure 1). However, according to literature, the majority of these cooperatives are not commercially vibrant (Nkhoma, 2011). In 2016, Farmers Union of Malawi commissioned a diagnostic study

Figure 1: Agricultural Cooperatives by Type of Enterprise



Source: Agricultural Cooperatives Societies Study Report (2016), Ministry of Industry, Trade & Tourism.

to assess the status of agricultural and savings and credit cooperatives in preparation for the review of the Cooperatives Societies Act and development of the Cooperative Strategy. The study found that, in the past two decades, the number of newly registered cooperatives had increased sevenfold partly due to: introduction of democracy in 1994; subsequent creation of a favourable policy and regulatory environment; and concerted efforts by stakeholders to develop cooperatives in the country. The study also found that agricultural cooperatives were the largest proportion (56.1%), followed by SACCOs (28.2%) and multi-purpose cooperatives (15.7%). Furthermore, the FUM study found that most cooperatives, especially agricultural cooperatives, are not showing any signs of improvement. The sustainability of agricultural cooperatives remains an issue because only about 58.7% of registered cooperatives were operative as of 2014.

2.2.3 Status of Agricultural Associations

There are a number of commodity associations or trusts which include: Tobacco Association of Malawi (TAMA), Malawi Milk Producers Association of Malawi (MMPA), Legume Development Trust, Roots and Tubers Development Trust and National Smallholder Farmers of Malawi (NASFAM).

For example NASFAM as of April 2018, it had 56 registered NASFAM associations across the country representing 130,000 smallholder farmers, of which 55% were female. The NASFAM concept grew out of a USAID-funded project to support and organise smallholder tobacco production. Beginning in 1995, it diversified into production and marketing of other cash and food crops, including; groundnuts, chilli, rice, soya, beans, sunflower and others as appropriate to market demand. NASFAM operates a nationwide network of field offices in Karonga, Rumphi, South Mzimba, Kasungu, Ntchisi, Nkhosakota, Mchinji, Lilongwe North and South, Ntcheu, Balaka, Namwera, Zomba and Mulanje.

2.3 Human Resources Capacity for FO Development

Efficient operation of FOs requires professional human resources. However, Malawi has not yet substantially invested in human resource capacity for FO development and a good proportion (27%¹⁶) of the population aged 15 years and above is illiterate, resulting in:

- Inadequate human resources capacity in both public and private institutions supporting FO development.
- Inadequate business, finance, management and entrepreneurial skills across the FO sub-sector.
- Inadequate training at all levels (for staff supporting FO development, within FOs and in the education system). For example, Malawi has no cooperative college and few courses on cooperative development are taught in the education system. There is generally no course or degree specializing students in cooperative leadership and development.
- Weak collaboration between research institutions (RIs) and FOs resulting in, among others, low research capacity in FOs.
- Inadequate financial resources for the development of FOs.

¹⁶ Integrated Household Survey Report (NSO, 2016)

2.4 Leadership and Governance in FOs

Farmer Organisations require strong leadership and sound governance structures in order to effectively address their needs. However, consultations with stakeholders revealed a number of leadership and governance issues in FOs in Malawi. The main issues identified were:

- Weak leadership of FOs at all levels leading to lack of strategic direction, weak implementation, inadequate engagement at policy level, ineffective partnerships and inability to adapt to the changing environment.
- Founder syndrome resulting in weak governance.
- Incidences of technocrats dominating ownership of FOs¹⁷.
- Political interference.
- Low involvement of women and youths in FO leadership positions.
- Weak coordination and regulation of NGOs/stakeholders working with FOs.
- Weak monitoring and evaluation of FOs.
- Weak governance structure and capacity in the FOs.
- Weak resource mobilization capacity in FOs.
- Inadequate capacity of FO leadership to enforce and monitor adherence to trade and market standards.

2.5 FOs' Access to Agricultural Financing

Access to finance is a critical ingredient to agricultural development. However, farmers' access to finance is limited due to several factors, including riskiness of the agriculture sector and lack of responsiveness of financial institutions to the needs of farmers. The following are some of the issues affecting access to finance in agriculture:

- Low savings and investment culture among FO members.
- Inadequate innovative financing mechanisms for FOs (e.g. PPP arrangements for matching grants or loan guarantees)
- Low public investment to support development of farmer organisations e.g. catalyst investment.
- Weak linkages and partnerships between FOs and financing institutions.
- Absence of a banking institution to cater for needs of the agriculture sector.
- High prevailing interest rates and unfavourable repayment and collateral conditions.
- Poor resource mobilisation skills by FOs and FO supporting institutions.
- Low utilisation of electronic banking resulting in high transaction costs, low access and low repayment rates.
- High dependency on external support by FOs, sometimes inhibiting business innovation.

¹⁷ Cooperative and Farmer Organizations Sector Mapping Report, October 2017

2.6 Production and Productivity by FOs

Timely access to appropriate agricultural inputs is critical to improve production and productivity. However, because of the subsistence nature of agriculture in Malawi, average production and productivity of most crops are way below their potential. For example, average maize productivity is about 2MT/ha compared to a potential of 13MT/ha or above. Average productivity of most legumes is 1MT/ha compared to potential of above 2MT/ha. Some of the contributing factors are:

- Low access to agricultural inputs (e.g. seeds, breeding stock, fertilisers, chemicals, etc.).
- Poor agronomic practices due to, among others, inadequate extension support.
- Inadequate investment in agricultural research and extension
- Poor farmer-extension-research linkages.
- Low access to capital equipment (e.g. agricultural mechanisation, irrigation, etc.).
- Small and fragmented land holdings.
- Lack of competitive market-oriented production in FOs.
- Degraded and acidic soils mainly due to poor soil and land management practices.
- Failure to strategically promote development of crops and livestock in areas of their ecological comparative advantage.

2.7 FOs' Access to Output Markets

Access to functional and structured agricultural markets is a key stimulant to sustainable agricultural production. However, agricultural markets in Malawi are generally dysfunctional, such that in years of surplus production farmers fail to benefit as prices collapse. The market environment is also characterised by high price volatility, which is a disincentive to agricultural production. Some of the contributing factors include:

- Under-developed structured markets, for example, limited existence of forward markets.
- Limited, uncoordinated and sometimes outdated and unreliable market information.
- Limited use of contract farming arrangements due to weak regulatory framework and weak bargaining power of farmers.
- Limited aggregation of output and collective action undermining FOs bargaining power and increasing their transaction costs.
- Limited agro-processing and value addition in upstream industries.
- Limited opportunities to FOs to market through government agricultural marketing institutions (e.g. NFRA and ADMARC).
- Inadequate capacity of FOs to conduct market research.
- Poor post-harvest handling practices and non-adherence to market quality standards.
- Informality of FOs limiting their access to formal markets.
- Limited market-oriented extension and advisory services to FOs¹⁸.

¹⁸ Regasa (2018).

2.8 Policy and Regulatory Environment

Agricultural cooperatives are regulated by the Cooperative Societies Act of 1998 and the Cooperative Development Policy of 1997. The Policy is being revised and its corresponding Strategy being developed. Agricultural associations are regulated by the Trustees Incorporation Act of 2000 but there is no standalone policy framework for associations. Some associations register as companies indicating multiplicity and potential source of conflict of interest. Anchor-farms are regulated by the Companies Act but it is not clear to what extent anchor-farm arrangements are regulated under the same Act. Other forms of FOs, such as farmer clubs do not have a regulatory or policy framework. Some of the factors affecting the policy and regulatory environment in which FOs operate include:

- Lack of standardised regulatory frameworks and policies for FO development processes.
- Non-streamlined registration process of FOs.
- Poor marketing policy environment for some agricultural commodities.
- Absence of an effective regulatory framework for contract farming.
- Lack of a deliberate government policy to provide a market for FOs (e.g. NFRA buying policy). In cases where such a policy exists (e.g. ADMARC), there is ineffective implementation.
- Lack of strategic platforms for FOs to participate in policy dialogues.
- Limited investments towards FOs development by all sector players due to lack of policy and strategic guidance.
- Weak Monitoring and Evaluation system for DP/NGO/public investments and activities relating to FOs.

2.9 Coordination among Farmer Organization

The FO sub-sector in Malawi is fragmented, resulting in uncoordinated and sometimes competing FO development efforts. Currently various FOs (e.g. NASFAM, FUM, TAMA, etc.) have farmer groups operating under them but there is no framework for coordinating all FOs in the agriculture sector. The following are some of the contributing factors:

- Weak capacity of overall apex organization (e.g. Malawi Federation of Cooperatives (MAFECO)).
- Weak strategic partnerships between FOs and other service providers, among others, for technical backstopping.
- Weak coordination of secondary level FOs and apex organizations.
- Ineffective partnerships between FOs and agro-processors.
- Failure by most FOs and FO secondary and apex organizations to provide market-oriented extension and advisory services.
- Weak accountability by apex and secondary organizations to the FOs.

3.0 STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT) ANALYSIS OF FARMER ORGANIZATIONS IN MALAWI

Based on literature review, consultation with farmers and FOs, and a farmer organization stakeholder mapping study, the following were identified as the strengths, weaknesses, opportunities and threats of the FO sub-sector (**Table 3**).

Table 3: SWOT Analysis of the FO Sub-sector

Strengths	Weaknesses
<ul style="list-style-type: none"> An existing policy, legal and regulatory environment for FOs (e.g. CSA, CDP, NAP). Existence of an agricultural investment plan (the NAIP) to support development of FOs. Existence of some successful FOs with a long standing history from which upcoming FOs can learn valuable lessons (e.g. NASFAM, Mzuzu Coffee, etc., although these are also struggling in several areas). 	<ul style="list-style-type: none"> Weak collaboration and coordination between MoAIWD and MoIT at technical levels regarding FOs formation and development in Malawi. Limited capacity within MoA and MoIT to adequately support the development of FOs. The education system does not adequately support development of FOs (e.g. no secondary and vocational curricula for FO/cooperative development and limited courses at university level). Lack of harmonization of approaches amongst players on technical messages going to FOs. Lack of harmonization of management information systems (MIS) amongst players (e.g. MoIT, MoA, FUM, NASFAM and MAFECO) in the sector making it difficult to monitor progress and identify the status of FOs. Low literacy levels among FO members. Weak technical and financial capacity in the FO sector. Lack of interface between the cooperative movement in Malawi and research institutions/higher education institutions partly due to lack of public funding. Weak leadership and governance at all levels. Under-developed agricultural value chains. Weak coordination among FO sector players. Weak implementation of policies and programmes.
<ul style="list-style-type: none"> Recent introduction/drive to review regulatory frameworks (e.g. the COGA, WRS, and reviews of the Special Crops Act and Agriculture General Purposes Act). Increased interest by government, NGOs, private sector and DPs to develop FOs. Currently US\$41.1 million resources of DPs are earmarked for FO development Existing tertiary level courses on cooperative management (e.g. at Pentecostal Life University and LUANAR) Increasing number of salaried employees and technocrats going into farming and adopting certain models of FOs (e.g. HOFACOL)¹⁹ Availability of structured market platforms (e.g. AHCX and ACE). 	<ul style="list-style-type: none"> Degraded soils and climate change. Under-developed markets for agricultural produce and high volatility of agricultural prices. High cost of borrowing. Low repayment rates when opportunities to borrow exist Political interference.

Source: FODS background study, MoITT Sub-sector mapping study of 2017, MoITT Agricultural Cooperatives Societies Study Report (2016), FUM Diagnostic Study (2016).

¹⁹ Anseeuw, Jayne, Kachule and Kotsopoulos, 2016.

Key Challenges Associated with Different Types of FOs

Based on stakeholder consultations, literature review, stakeholder mapping study and a SWOT analysis that were conducted to inform development of the FODS, the following were identified as broad issues facing the FO sub sector that have informed the strategic pillars of the FODS:

1. Limited human resource capacity for FO development.
2. Weak leadership and governance of FOs.
3. Limited access to agricultural financing.
4. Low production and productivity by FOs.
5. Limited access to output markets.
6. Unfavourable policy and legal framework supporting development of FOs.
7. Uncoordinated farmer organization bodies.

4.0 GOAL, PURPOSE AND OBJECTIVES

4.1 Goal

The goal of the FODS is to promote agricultural transformation through self-sustained farmer organisations that will generate incomes and employment.

4.2 Purpose

The purpose of the FODS is to promote the development of autonomous and economically viable commodity specific FOs that have the drive to enhance economic empowerment and social integration of their affiliates.

4.3 Objectives

The overall objective of the FODS is to promote development of professionally-operated, market-oriented and sustainable FOs that are contributing significantly to growth and development of the Malawi economy.

Specifically, the Strategy aims to:

1. Improve human resource capacity and partnerships for effective management of FOs.
2. Strengthen leadership and governance of FOs.
3. Improve production and productivity in FOs.
4. Improve access to output markets for FOs.
5. Improve access to agricultural finance for development of FOs.
6. Improve coordination, representation and partnerships between FOs and partner organizations.
7. Improve the policy and regulatory framework of FOs.

4.4 Strategic Pillars

Based on the above goals, objectives, situation analysis, SWOT analysis, and key challenges associated with FOs, the following were identified as the strategic pillars of the FODS:

1. Human Resource and Partnerships Development.
2. Leadership and Governance.
3. Production and Productivity.
4. Output Marketing and Markets.
5. Agricultural Financing.
6. Apex Farmer Organization Bodies.
7. Policy and Legal Framework.

Table 4 gives a broad view of these pillars, expected outcomes from each pillar and broad indicators to measure progress on each of the pillars.

Table 4: Strategic Pillars, Expected Outcomes and Broad Indicators

Strategic Pillars	Expected Outcomes	Broad Indicators
Human Resource and Partnerships Development	Human resource capacity and partnerships for effective management of FOs enhanced	Percentage of FOs with professional FO human resources Percentage of FOs engaged in effective business partnerships
Leadership and Governance	Leadership and governance of FOs strengthened	Percentage of FOs with effective leadership and governance structures
Production and Productivity	Production and productivity in FOs increased	Percentage increase in production in FOs; Percentage increase in yields in FOs
Output Marketing and Markets	Access to output markets by FOs increased	Percentage increase in volumes marketed through FOs; Percentage increase in value of commodities marketed through FOs
Agricultural Financing	Access to agricultural finance by FOs increased	Percentage increase in agricultural financing accessed by FOs
Apex Farmer Organization Bodies	Coordination, representation and partnerships between FOs and partner organizations strengthened	Percentage of FOs expressing satisfaction in secondary and apex FO bodies increased
Policy and Legal Framework	Policy and regulatory frameworks of FOs improved	Availability and effectiveness of legal and policy frameworks intended to improve FO operations

5.0 PILLARS, OBJECTIVES, STRATEGIES AND ACTIONS

The section outlines the pillar, objectives, strategies and actions to effectively develop and sustain farmer organizations in Malawi

5.1 Pillar 1: Human Resource Development and Partnerships

Objective: To improve human resource capacity and partnerships for effective management of FOs

Strategies

- i. Facilitate skills development in agribusiness and cooperative development in relevant Ministries (e.g. MoA and Mol) and NGOs.
 - Train relevant staff from FO support institutions at all levels in business, cooperative development and management.
 - Introduce FO development and management into the secondary and tertiary education curriculum.
 - Institute periodic study tours to countries with thriving FO models.
- ii. Facilitate provision of personnel with FO development and management skills to relevant Ministries and NGOs.
 - Upgrade and extend the cooperatives division at MoITT to have representation at both HQ and district assembly level.
 - Upgrade the agribusiness section in MoAIWD to a department responsible for agribusiness development.
- iii. Promote collaborative research between research institutions (RIs) and FOs.
 - Institute special research programs deliberately targeting FO organizations.
 - Institute annual research dissemination symposiums targeting FOs where knowledge, experiences and information about existing and emerging technologies and challenges could be shared.
- iv. Advocate for effective resource usage among FOs
 - Lobby for effective usage of budgetary support for government, NGOs & other non-state actors involved in FO development.
- v. Capacitate FO leaders, managers and staff on effective running of FOs.
 - Conduct trainings for FO leaders, managers and staff in cooperative and business management.

5.2 Pillar 2: Leadership and Governance

Objective: To strengthen leadership and governance of FOs.

Strategies

- i. Promote sound leadership and governance capacity development processes in the FOs.
 - Train FOs in principles of good leadership and governance.
 - Increase participation of women and youth in FO leadership.
- ii. Capacitate FOs to establish sound M&E systems and conduct reflective learning, monitoring and evaluation.
 - Train FOs in participatory M&E systems.
 - Establish participatory M&E systems at FO level.
- iii. Capacitate FO leadership to engage in policy advocacy, networking and partnerships.
 - Train FO leaders in policy advocacy, networking and partnerships.
 - Create deliberate opportunities for FO leadership involvement in policy advocacy.
- iv. Capacitate FOs to mobilise resources for their operations.
 - Train FOs in resource mobilisation (e.g. grant generation through proposal writing).
 - Advocate for the buying of significant shares among cooperative members.
- v. Capacitate FO leadership to adapt to changing environment for the sustainability of the FOs.
 - Train FO leadership in adaptation skills/measures to effectively cope with changing climatic environment.
 - Promote implementation of suitable adaptation measures for coping with changing environment.
- vi. Capacitate FO leadership to enforce and monitor FO adherence to standards.
 - Train FO leadership in industry standards enforcement and monitoring.
 - Train FOs in MBS certification processes and standards.

5.3 Pillar 3: Production and Productivity

Objective: To improve production and productivity in FOs.

Strategies

- i. Increase access to agricultural inputs and capital equipment.
 - Integrate agricultural subsidy programmes with specific FO models to ensure that farm inputs/capital equipment and other services are accessed and managed through the FOs.
- ii. Increase productivity at FO level.
 - Strengthen seed systems.
 - Scale-up decentralisation of seed multiplication.
 - Enhance production of fish fingerings to satisfy high domestic and export market demand of fish.
 - Breed and multiply improved breeds of all classes of livestock.
 - Promote farm mechanization.
- iii. Promote sustainable irrigation development.
 - Facilitate access to irrigation equipment.
 - Train FOs in irrigation farming.
- iv. Promote FOs in agricultural zones based on ecological comparative advantages.
 - Finalise land profiling work.
 - Develop specific value chains in specific agro-ecological zones.
 - Develop Revitalise agricultural research, extension and advisory services delivery.
 - Disseminate the National agricultural extension and advisory services strategy
 - Conduct needs assessment of extension and advisory services for specific FOs working in the selected 10+ value chains.
 - Establish extension units in FOs.
- v. Promote land aggregation among FO members wherever possible.
 - Conduct sensitization campaigns on benefits of land registration and aggregation.
 - Facilitate land registration by FOs.
- vi. Instil a culture of competitive market-oriented production in FOs.
 - Conduct sensitization campaigns on market-oriented farm planning and management.
 - Conduct trainings on market research and analysis to identify markets.
- vii. Promote integrated soil fertility management (ISFM) practices.
 - Train FO members on ISFM
 - Conduct soil testing and analyses.
 - Sensitise FOs on recommended fertilizer blends.

5.4 Pillar 4: Output Marketing and Markets

Objective: To improve access to output markets for FOs.

Strategies

- i. Promote use of structured markets in key agricultural value chains
 - Sensitise FOs on structured/formal markets.
 - Formalise existing informal market hubs (e.g. Mgoni, big roadside markets, etc.).
 - Establish modern slaughter houses (abattoirs) in strategic areas/markets.
 - Establish horticultural collection hubs (with appropriate facilities) in strategic places.
- ii. Design and establish a harmonised market information system (MIS) for the FO sub-sector.
 - Design and commission a market information system for the FO sub-sector.
 - Engage services of a Technical Expert to capacitate MoA and MoI to operate and manage the newly established market information system (MIS).
- iii. Promote agro-processing and value addition in upstream industries.
 - Conduct a needs assessment for agro-processing and value addition in upstream industries for targeted value chains.
 - Establish agro-processing hubs for the different value chains.
- iv. Wherever possible, promote aggregation of output among FO members to increase their bargaining power and reduce transaction costs.
 - Conduct awareness campaigns on the importance of output aggregation and collective action (do this together with the sensitization campaign on importance of land registration and land aggregation).
- v. Institute deliberate policy for government market institutions to buy a certain proportion of output through registered FOs.
 - Lobby for introduction of a deliberate policy for government programmes to buy directly from registered FOs.
- vi. Promote use of contract farming arrangements in FOs.
 - Conduct sensitisation campaigns on contract farming arrangements and collective action in FOs.
- vii. Promote good post-harvest handling practices and adherence to quality standards to meet market requirements.
 - Train FO members on good post-harvest handling skills/practices.
- viii. Facilitate formalization of FOs as legal entities to enable them access formal markets.
 - Training FOs on requirements for registration.

5.5 Pillar 5: Agricultural Financing

Objective: To improve access to agricultural finance for development of FOs.

Strategies

- i. Promote a savings and investment culture among FO members.
 - Train FOs on business development, enterprise and VSL models for potential adoption.
- ii. Facilitate innovative financing mechanisms for FOs (e.g. PPP arrangements for matching grants or loan guarantees).
 - Link FOs to financial institutions (VSLs, banks).
 - Link FOs to the Cooperative Bank once it becomes operational.
 - Sensitise FOs on availability of some agriculture financing products in financial institutions.
- iii. Facilitate provision of risk-reducing initiatives in the agriculture sector, including crop insurance, warehouse receipt system (WRS), etc.
 - Train and link FOs to risk-reducing initiatives.
- iv. Promote electronic banking facilities among FOs.
 - Facilitate FOs access to electronic banking facilities.

5.6 Pillar 6: Apex Farmer Organization Bodies

Objective: To improve coordination, representation and partnerships between FOs and partner organizations.

Strategies

- i. Facilitate coordination of secondary level FOs and apex organizations.
 - Revamp MAFECO into an all-inclusive apex organization for FOs.
 - Review the mandates and operations of secondary level FOs and apex organizations.
- ii. Provide a platform to facilitate coordination of FOs and NGO activities.
 - Conduct profiling of NGOs activities focusing on FO development.
 - Roll out FODS implementation in NGOs.
- iii. Facilitate win-win partnerships between FOs and private sector actors to produce, processor sell under contract.
 - Link FOs and private sector actors to produce under contract arrangements.
- iv. Promote provision of market oriented extension and advisory services by apex organization to secondary level FOs
 - Capacitate apex organizations to provide market oriented extension and advisory services to secondary level FOs.
- v. Provide a platform for lobbying and advocacy for secondary level organizations.
 - Train and involve FOs in policy advocacy

- vi. Increase accountability of existing FOs to their members (e.g. profits earned by companies owned by institutions that represent farmers should trickle down to farmers).
 - Strengthen governance and accountability structures in FOs

5.7 Pillar 7: Policy and Legal Framework

Objective: To improve the policy and regulatory framework of FOs development and operations

Strategies

- i. Facilitate development and standardization of regulatory frameworks and policies for farmer organization development processes.
 - Develop and disseminate standardised guidelines for developing FOs.
- ii. Streamline registration process of FOs.
 - Consult and train relevant stakeholder on decentralised registration of FOs.
- iii. Provide an enabling marketing policy environment for agricultural commodities both for domestic and export markets.
 - Conduct a review of implementation of the COGA and any legislation pertaining to contract farming.
- iv. Institute a deliberate policy, through government, to buy a certain proportion of grain directly from FOs (e.g. 50%) when stocking the strategic grain reserves (SGRs).
 - Advocate for introduction of special policy to restock SGRs through registered FOs.
- v. Scale-up effective linkages between FOs and public institutions for policy direction.
 - Introduce FO coordination networks at district level.
- vi. Institute a deliberate policy to mandate investments towards FOs development by all sector players.
 - Lobby for introduction of a monitoring mechanism of resources coming into the FO sub-sector.

6.0 THE FODS IMPLEMENTATION ARRANGEMENTS

6.1 Coordination and Policy Guidance

The lead government agency in the implementation of the FODS will be the Ministry responsible for Agriculture through the Department of Agricultural Extension Services (DAES). This will coordinate with other relevant institutions and government agencies. The following key stakeholders are expected to play a part in implementing the Strategy: Ministry responsible for Industry and Trade; Ministry responsible for Local Government and Rural Development; Ministry responsible for Education, Science and Technology; Ministry responsible for Finance, Economic Planning and Development; Ministry responsible for Gender; Ministry responsible for Transport and Public Works; Ministry responsible for Lands, Housing and Urban Development; Ministry responsible for Civic Education, Culture and Community Development; Farmer Organizations; Civil Society Organizations; Development Partners; the Private Sector; and Academic and Research Institutions.

6.2 Roles and Responsibilities of Stakeholders

6.2.1 Ministry Responsible for Agriculture

The Ministry will:

- Provide leadership, coordination, monitoring and evaluation (M&E) of the FODS implementation.
- Develop regulatory frameworks relevant for FO development.
- Mobilise resources for the implementation of the FODS.
- Ensure integration of FO development in the training of professional personnel in the agriculture sector (e.g. extension).
- Collaborate with the Ministry responsible for Education, Science and Technology to re-establish a cooperative college using resources in the NAIP and others.
- Lead the process of streamlining institutional set-up to consolidate units/sections in Ministry of Agriculture (Agribusiness and Trade and Marketing sections) and Ministry of Trade (Cooperatives and SMEs Division) into a properly staffed and capacitated Division/department responsible for FO development.

6.2.2 Ministry responsible for Industry (Mol)

The Mol will:

- Provide coordination, monitoring and evaluation (M&E) of FODS in line with Cooperative Societies Act and Cooperative Development Policy and Strategy
- Formulate and enforce industry and trade standards in collaboration with MoA;
- Fast-track the development and implementation of subsidiary regulations of the Control of Goods Act (COGA).

6.2.3 Ministry Responsible for Finance, Economic Planning and Development

- Facilitate the establishment of a Cooperative Bank.
- Develop a framework to monitor investments for FOs development (budgets, disbursements and expenditures, etc.).
- Ensure integration of FO development into the MGDS.

6.2.4 Ministry Responsible for Education

The Ministry will:

- Introduce FOs development in curricula at secondary and higher levels of education.
- Collaborate with MoA in establishing a Cooperative College.

6.2.5 Ministry Responsible for Transport and Public Works

The Ministry will facilitate investments in infrastructure in areas of high agriculture potential (including rail networks).

6.2.6 Ministry Responsible for Local Government and Rural Development

In line with implementation of the decentralisation policy, the Ministry will:

- Provide leadership, coordination, monitoring and evaluation (M&E) of the FODS at district level.
- Mobilise resources for the implementation of the FODS at district level.
- Enforce industry and trade standards and related regulations for FOs at district level.
- Facilitate investments in infrastructure in areas of high agriculture potential.

6.2.7 Ministry Responsible for Gender

- The Ministry will promote participation of all gender groups in FO development.

6.2.8 Ministry Responsible for Labour & Youth

The Ministry will:

- Promote participation of the youth in FO development.
- Enforce labour regulation in the FO sector (e.g. child labour, minimum wage, etc.).

6.2.9 Ministry Responsible for Lands, Housing and Urban Development

The Ministry will:

- Fast-track implementation of the land laws to promote land tenure security.
- Identify land and promote aggregation of fragmented land for FO development, wherever possible.

6.2.10 Ministry Responsible for Civic Education, Culture and Community Development

The Ministry will:

- Collaborate with the Ministry of Agriculture (MoA) in the provision of vocational courses related to FO development.

6.2.11 Academic and Research Institutions

The academic and research institutions will:

- Promote research and research outreach for FO development.
- Introduce specific short-courses (5 – 10 days) and long-term courses to support FO development.
 - Coordinate curriculum development of higher educational level training programmes in FO development and management.

6.2.12 Malawi Bureau of Standards (MBS)

The Malawi Bureau of Standards (MBS) will:

- Develop standards for all priority value chains.
- Collaborate with relevant Ministries, Departments and Agencies (MDAs) in conducting awareness campaigns in MBS certification processes and standards.

6.2.13 Civil Society Organizations (CSO)

The role of the Civil Society will be as follows:

- Civil society organisations in the agriculture sector will advocate for support in the development of FOs in Malawi
- Participate in the implementation, monitoring and evaluation of FODS implementation progress
- CSOs will adhere to a standardized approach to FO development.

6.2.14 Malawi Federation of Cooperatives (MAFECO)

MAFECO, as an apex organization will have to be capacitated to:

- effectively coordinate all cooperatives in the agriculture sector in the same way the private sector is coordinated by the Malawi Confederation of Chambers of Commerce and Industry (MCCCI).
- undertake pre-registration training of cooperatives with oversight from government.
- register cooperatives, under the oversight and mandate of government; and train cooperatives in areas of business development and management.

6.2.14 Development Partners (DPs)

DPs will:

- Provide increased funding for FO development.
- Ensure that recipients of donor funding for FO development are used for intended purpose to achieve sustainability of the developed FOs.

7.0 MONITORING AND EVALUATION OF THE FODS

Tracking implementation progress of the FODS and ascertaining impacts of interventions over time will be critical for the success of the FODS. In order to avoid duplication of efforts, the FODS will be monitored through existing sector-wide monitoring and evaluating (M&E) platforms, such as, the sector-wide M&E TWG. The sector-wide M&E TWG will ensure representation of key stakeholders to ensure that all components the FODS are properly tracked and reported on as required at specific intervals (e.g. quarterly, bi-annually, and annually). The MoA will provide leadership and will closely collaborate with the relevant TWG during the implementation of the FODS.

7.1 Monitoring and evaluation framework of the FODS

Table 5 presents a monitoring and evaluation framework of the FODS.

Table 5: Monitoring and evaluation framework of the FODS

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
1. OBJECTIVE 1: To improve human resource capacity and partnerships for effective management of F0s			
Outcome indicator:			
1) Percentage of F0s with professional human resources			
1.1 Strategy: Facilitate skills development in agribusiness and cooperative development in relevant Ministries (e.g. MoAIWD & MoITT) and NGOs			
1.1.1 Train relevant staff from F0 support institutions in business, cooperative development and management.			
1.1.1.1. Number of staff trained in business, cooperative development and management	0	100	MoA, MoI, NGOs
1.1.2 Introduce F0 development and management into the secondary and tertiary education curriculum			
1.1.2.1. F0 development topics incorporated in secondary school curriculum	0	1	MoE
1.1.2.2. Booklet explaining the curriculum developed and disbursed to all secondary schools in Malawi	0	1	MoE
1.1.2.3. TEVETA model adopted in F0 sub-sector	0	1	Ministry Responsible for Labour, Youth, Sports and Manpower Development
1.1.2.4. Number (and level) of University programmes providing training related to F0 development	2 (UNIMA and Pentecostal Life University)	3	LUANAR, UNIMA and PLU, & other Colleges/ Universities
1.1.2.5. Curriculum for F0 development and management developed	2 (UNIMA and Pentecostal Life University)	3	LUANAR, UNIMA and Pentecostal Life University (PLU)
1.1.2.6. Number of staff undergoing short-term training (5 - 10 days) in F0 development and management	0	250	MoA, MoI, NGOs
1.1.2.7. Number (and level) of University programmes providing training related to F0 development	2 (UNIMA and Pentecostal Life University)	3	LUANAR, UNIMA and PLU, & other Colleges/ Universities
1.1.3 Institute periodic study tours to countries with thriving F0 models			
1.1.3.1. Number of study tours conducted	0	2	MoA, MoI, NGOs

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
1.2. Strategy: Facilitate provision of personnel with F0 development and management skills to relevant Ministries and NGOs			
1.2.1. Upgrade and extend the establishment of the Cooperatives Division in MoITT to District Assembly level			
1.2.1.1 MoITT Division responsible for Cooperatives & SMEs extended to district level	6	34	DHRMD, MoI
1.2.2 Upgrade the agribusiness section in MoAIWD to a department responsible for agribusiness development			
1.2.2.1. Agribusiness section at DAES upgraded to a Department responsible for agri-business development	21	40	DHRMD, MoA
1.3. Strategy: Promote collaborative research between research institutions (RIs) and FOs			
1.3.1. Institute special research programs deliberately targeting F0 organizations			
1.3.1.1. Number of commodity specific collaborative research programmes for FOs	0	10 (one for each targeted value chain)	MoA, MoI, NGOs, FOs, Academia
1.3.2. Institute annual research dissemination symposiums targeting FOs where knowledge, experiences and information about existing and emerging technologies and challenges could be shared			
1.3.2.1. Number of annual research symposiums targeting FOs	0	5	MoA, MoI, NGOs, FOs, Academia
1.4. Strategy: Advocate for effective resource usage among FOs			
1.4.1. Lobby for effective usage of budgetary support for govt., NGOs & other non-state actors involved in F0 development			
1.4.1.1. Funds committed to development of FOs by DPs	US\$16	US\$60	DPs, NGOs, FOs
1.5. Strategy: Capacitate F0 leaders, managers and staff on effective running of FOs			
1.5.1. Conduct trainings for F0 leaders, managers and staff in cooperative and business management			
1.5.1.1 Number of leaders, managers and staff trained in cooperative and business management	0	500	MoA, MoI, NGOs, FOs
1.5.1.2. Number of staff from Ministries, Departments and government Agencies (MDAs) and non-state actors trained in cooperative and business management	0	100	MoA, MoI, MoE, NGOs, MAFECCO and other MDAs

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
OBJECTIVE 2: To strengthen leadership and governance of FOs			
Outcome indicator:			
2) Percentage of FOs with effective leadership and governance structures			
2.1. Strategy: Promote sound leadership and governance capacity development processes in the FOs			
2.1.1. Train FOs in principles of good leadership and governance			
2.1.1.1. Number of FOs trained and implementing participatory M&E systems	0	500	MoA, MoI, NGOs, FOs
2.1.1.2. Percentage of women and youth in FO leadership Committees	0	at least 40% of women and youth involvement	FOs, Ministry Responsible for Gender, NGOs, MoA, MoI
2.1.2. Make deliberate efforts to promote participation of women and youth in FO leadership			
2.1.2.1. Proportion of FOs sensitised about including women and youth in key leadership positions	0	40%	MoA, MoI, MoF, NGOs, FO Unions
2.2. Strategy: Capacitate FOs to establish sound M&E systems and conduct reflective learning, monitoring and evaluation			
2.2.1. Train FOs in participatory M&E systems			
2.2.1.1. Number of FOs trained in participatory M&E systems	0	500	MoA, MoI, MoF, NGOs, FO Unions
2.2.2. Establish participatory M&E systems at FO level			
2.2.2.1. Number of FOs with participatory M&E Systems	0	500	MoA, MoI, MoF, NGOs, FO Unions
2.3. Strategy: Capacitate FO leadership to engage in policy advocacy, networking and partnerships			
2.3.1. Train FOs leaders in policy advocacy, networking and partnerships			
2.3.1.1. Number of FO leaders trained in policy advocacy, networking and partnerships	0	500	MoA, MoI, NGOs, FOs, CSOs
2.3.2. Create deliberate opportunities for FO leadership involvement in policy advocacy			
2.3.2.1. Percentage of FO leaders participating in/ attending policy advocacy, networking and partnerships forums	0	At least 30% of the participants should be FO leaders	MoA, MoI, NGOs, FOs, CSOs

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
2.4. Strategy: Capacitate FOs to mobilise resources for their operations			
2.4.1. Train FOs in resource mobilisation (e.g. grant generation through proposal writing)			
2.4.1.1. Number of FOs trained in resource mobilization	0	500	MoA, MoI, NGOs, FOs, CSOs
2.4.1.2. Resources independently mobilised by FOs	0	US\$10 million	FOs
2.4.2. Advocate for the buying of significant shares among cooperative members			
2.4.2.1. Number and value of shares being bought by FO members	TBA	TBA	FOs
2.5. Strategy: Capacitate FOs leadership to adapt to changing environment for the sustainability of the FOs			
2.5.1. Train FO leadership in adaptation skills/measures to effectively cope with changing climatic environment			
2.5.1.1. Number of FO leaders trained in adaptation/coping strategies	0	500	MoA, MoI, NGOs, FOs, CSOs
2.5.2. Promote implementation of suitable adaptation measures for coping with changing environment			
2.5.2.1. Number of FOs implementing adaptation measures	0	500	FOs
2.6. Strategy: Capacitate FO leadership to enforce and monitor FO adherence to standards			
2.6.1. Train FO leadership in industry standard enforcement and monitoring			
2.6.1.1. Train FO leadership in industry standard enforcement and monitoring	0	500	FOs
2.6.1.2. Train FOs in MBS certification processes and standards	0	500	FOs, MBS
2.6.2. Train FOs in MBS certification processes and standards			
2.6.2.1. Number of FOs trained and implementing MBS standards	0	500	FOs, MBS

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
Objective 3: To improve production and productivity in FOs			
Outcome indicator:			
3) Percentage of FOs with effective leadership and governance structures			
3.1 Strategy: Increase access to agricultural inputs and capital equipment			
3.1.1. Integrate agricultural subsidy programmes with specific FO models to ensure farm inputs/capital equipment and other services are accessed and managed through the FOs			
3.1.1.1. Value of agricultural inputs and capital equipment accessed by FOs through subsidy programmes	0	US\$20 million	MoA
3.2. Strategy: Increase productivity at FO level			
3.2.1. Strengthen seed systems			
3.2.1.1. Number of improved seed varieties developed by research stations for various crops	TBD	15	MoA, STAM, FOs, DPs, NGOs, CGIAR
3.2.2. Scale-up decentralisation of seed multiplication			
3.2.2.1. Volume of certified seed accessed by FOs	0	390	MoA, NGOs
3.2.2.2. Number of FOs involved in seed multiplication	0	390	MoA, CGAIR, NGOs
3.2.3. Enhance production of fish fingerings to satisfy high domestic and export market demand of fish			
3.2.3.1. Number of fingerings produced by FOs	TBD	500 million	MoA-Fisheries, LUANAR, World Fish Center
3.2.3.2. Number of new ponds owned by FOs	TBD	390	MoA-Fisheries, LUANAR, World Fish Center
3.2.4. Breed and multiply improved breeds of all classes of livestock			
3.2.4.1. Number of new improved breeds of livestock produced	TBD	10	MoA
3.2.5. Promote farm mechanization			
3.2.5.1. Percentage of FOs using farm machinery	TBD	50%	MoA and FOs

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
3.3. Strategy: Promote sustainable irrigation development			
3.3.1. Facilitate access to irrigation facilities by FOs			
3.3.1.1. Percentage of FOs accessing irrigation facilities	TBD	70%	MoA and FOs
3.3.2. Train FOs in irrigation farming			
3.3.2.1. Number of FOs trained	TBD	390	MoA and FOs
3.4. Strategy: Promote FOs in agricultural zones based on ecological comparative advantages			
3.4.1. Finalise land profiling work			
3.4.1.1. Number of FOs sensitised on crop/livestock suitability zones	0	1	MoA-DLRC and DARS
3.4.2. Develop specific value chains in specific agro-ecological zones			
3.4.2.1. Number of value chain studies and strategic plans (including business and market analyses) developed for existing value chains	5 (Coffee, Tea, Tobacco, Macadamia and Sugar)	5 existing value chains developed further	FOs, other private sector, NGOs, DPs, MoA and Mol
3.4.2.2. Number of value chain studies and strategic plans (including business and market analyses) developed for existing value chains	0	5 new value chains developed	FOs, other private sector, NGOs, DPs, MoA and Mol
3.5. Revitalize agricultural research, extension and advisory services delivery			
3.5.1. Finalise agricultural extension and advisory services strategy development			
3.5.1.1. Strategy document adopted and disseminated	0	1	MoA-DAES
3.5.2. Conduct needs assessment of extension and advisory services for specific FOs working in the selected 10 value chains			
3.5.2.1. Needs assessment report	0	1 (or 10 if we will do one study for each value chain)	MoA-DAPS and NAPAS
3.5.3. Establish extension units in FOs			
3.5.3.1. Percentage of FOs having vibrant extension units	0	100%	FOs, NGOs, DPs, MoA
3.5.3.2. Percentage of FOs having a vibrant extension system	0	100%	FOs, NGOs, DPs, MoA

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
3.5.3.3. Number of trainings conducted	0	At least 10 annually (1 for each value chain annually)	MoA-DAES, NGOs and Academia
3.5.3.4. Number of motorcycles, cellphones and value of fuel allowance, etc. provided	TBD	390	MoA-DAES, NGOs and DPs
3.6. Strategy: Promote land aggregation among FO members wherever possible			
3.6.1. Conduct sensitization campaigns on benefits of land registration and aggregation			
3.6.1.1. Number of campaign meetings conducted	0	84 (at least 3 meetings per district)	MoLHUD, FOs, Landnet
3.6.1.2. Number of land title deeds	TBD	390	MoLHUD, FOs, Landnet
3.6.1.3. Number of FOs that have successfully aggregated their land	TBD	390	MoLHUD, FOs, Landnet
3.7. Strategy: Instill a culture of competitive market oriented production in FOs			
3.7.1. Conduct sensitization campaigns on market oriented farm planning and management			
3.7.1.1. Number of campaign meetings (jointly with land aggregation campaigns) conducted	0	84	MoA-DAES, MoI, MoT, NGOs and Academia
3.7.1.2. Number of trainings (jointly with FO extension trainings) conducted	0	17030	MoAI-DAES, MoI, MoT, NGOs and Academia, Ministry of Foreign Affairs-Embassies
3.7.2. Train FOs on market research and analysis to identify markets			
3.7.2.1. Number of joint training sessions conducted (i.e. market research jointly conducted with extension trainings at FO level)	0	17,030	MoA-DAES, MoI, NGOs and Academia
3.7.2.2. Number of export markets identified for FOs produce/products	0	10	MoA-DAES, MoI, NGOs and Academia, Ministry of Foreign Affairs-Embassies
3.7.2.3. Number of FO members on quality requirements for targeted markets (target: members from 390 FOs)	0	390	MoI, MoT, NGOs, Private sector, MBS

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
3.8. Strategy: Promote integrated soil fertility management (ISFM) practices			
3.8.1. Train FO members on ISFM			
3.8.1.1. Number of FOs trained in ISFM practices	0	390	MoA, Private sector, MBS
3.8.2. Conduct soil testing and analysis			
3.8.2.1. Number of FOs testing and analysis soils	0	1	MoA-DLRC DARS, Private sector and Academia
3.8.2.2. Number of FOs sensitized	0	(At least 1 blend for each crop)	Private sector, MBS
3.8.2.3. Number of trainings (jointly conducted with FO extension trainings)	0	10	MoA-DLRC DARS, Private sector and Academia
Objective 4: To improve access to output markets for FOs.			
Outcome indicator 4a:			
4a) Percentage increase in volumes marketed through FOs			
4.1. Strategy: Promote use of structured markets for agricultural products by FOs			
4.1.1. Sensitise FOs on structured/formal markets			
4.1.1.1. Proportion of agricultural commodities of FOs sold through structured/formal markets	0	At least 50% of FO produce	Ministry of Foreign Affairs-Embassies, Mol, MoT, NGOs, Private sector,
4.1.1.2. Number of FOs on quality requirements for targeted markets	0	390	MoT, Mol, NGOs, Private sector, MBS
Outcome indicator 4b:			
4b) Outcome Indicator 4b. Percentage increase in value of commodities marketed through FOs			
4.1.2. Formalise existing informal market hubs (e.g. Mgona, big roadside markets, etc.)			
4.1.2.1. Volumes of agricultural commodities of FOs sold through structured/formal markets	0	At least 50% of FO volumes sold through structured markets	Mol, MoT, NGOs, Private sector, MBS
4.1.2.2. Number of markets formalised	0	50	MRA, MoT, Mol, NGOs, Private sector, Trade hub/USAID and other DPs, FEWSNET

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
4.1.3. Establish modern slaughter houses (abattoirs) in strategic areas/markets			
4.1.3.1. Number of abattoirs established	0	50	Nyama World and other meat processors, NGOs, DPs, MoT, Mol, MoA, MBS
4.1.4. Establish horticultural collection hubs (with appropriate facilities) in strategic places			
4.1.4.1. Number of collection hubs established	1	50	Supermarkets, hotels, HOFACO and other horticultural FOs, NGOs, DPs, MoAIWD-Crops Dept. and MBS
1.1 Strategy: Design and establish a harmonised market information systems (MIS) for the FO sub-sector			
4.2.1. Design a harmonised market information system (MIS) for the FO sub-sector			
4.2.1.1. A management Information system (MIS) for the sub-sector designed and commissioned	0	1	MoA-DAPS, MoT, Mol, MAFECO, ACE, ACHX, IFPRI, WFP, FEWSNET, Trade Hub (USAID), NGOs and Private sector
4.2.2. Engage services of a Technical Expert to capacitate MoAIWD and MoITT on operation and management of the system			
4.2.2.1. A fully functional market information system (MIS) for the sub-sector	Not functional	Functional	MoA-DAPS, MoT, Mol, MAFECO, ACE, ACHX, IFPRI, WFP, FEWSNET, Trade Hub (USAID), NGOs and Private sector
Outcome Indicator 4c: Percentage increase (double) in Value of agro-processed products over 5 years' period			
4.3. Promote agro-processing and value addition in upstream industries			
4.3.1. Conduct a needs assessment and feasibility study of various agro-processing equipment needed to upgrade the targeted value chains			
4.3.1.1. Needs assessment and feasibility study	0	2 or more	MoA-DAPS, MoT, Mol, MAFECO, Trade hub, NGOs and private sector
4.3.2. Establish agro-processing hubs for different value chains			
4.3.2.1. Number of agroprocessing hubs established	0	50	MoA-DAPS, Mol, MoT, MAFECO, Trade hub, NGOs and private sector
4.3.2.2. Number of FOs trained in agro-processing	0	390	MoA-DAPS, Mol, MoT, MAFECO, Trade hub, NGOs and private sector

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
4.4. Strategy: Wherever possible, promote aggregation of output among F0 members to increase their bargaining power and reduce transaction costs			
4.4.1. Conduct awareness campaigns on the importance of output aggregation and collective action (do this together with the sensitization campaign on importance of land registration and land aggregation)			
4.4.1.1. Number of awareness campaigns conducted	0	6	MoLHUD, F0s, Landnet
4.5. Strategy: Institute deliberate policy for government market institutions to buy a certain proportion of output through F0s			
4.5.1. Lobby for deliberate policy for government programmes to consider buying from registered F0s (at least 50% of purchases as done by the purchase for progress (P4P) programme at WFP)			
4.5.1.1. Proportion of NRFA and ADMARC purchases bought through registered F0s	0	greater than or equal to 50%	NRFA,ADMARC,WFP,NASFAM,FUM,MAFECO
Strategy: Promote use of contract farming arrangements in F0s			
4.6.1. Conduct sensitisation campaigns on the importance of contract arrangements and collective action in F0s			
4.6.1.1. Number of sensitisation campaigns conducted	0	390	TCC/IPS, MoA-DAES CFTC and Agro-processors
4.6.1.2. Value/volume sales through contract farming	0	0.5	TCC/IPS, MoA-DAES CFTC and Agro-processors
4.7. Promote good post-harvest handling practices and adherence to quality standards to meet market requirements			
4.7.1. Train F0 members on good post-harvest handling skills/practices			
4.7.1.1. Number of F0s trained in post-harvest handling	0	390	MoAI-DAES, ACE, ACHX, NGOs, Agro-processors
4.7.1.2. Number of F0s sensitised and adhering to quality standards	0	390	MoA-DAES, MBS, ACE, ACHX, NGOs, Agro-processors
4.7.1.3. Number of F0s linked to a financing mechanism for post-harvest handling technologies	0	390	F0s, DPs and Banking sector
4.7.1.4. Value of post-harvest technologies purchased	0	TBD	F0s, DPs and Banking sector

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
Outcome Indicator 4d: Number of FOs formally registered as associations, companies or cooperatives			
Strategy: Facilitate formalization of FOs as legal entities to access formal markets			
4.8.1. Train FOs on requirements for registration			
4.8.1.1. Number of FOs that have undergone pre-registration training	0	500	MoA, Mol and NGOs
4.8.1.2. Number of FOs sensitised FOs on importance and requirements for registration	0	500	MoA, Mol and NGOs
Objective 5: To improve access to agricultural finance for development of FOs.			
5.1. Strategy: Promote a savings and investment culture among FO members.			
5.1.1. Train FOs on business development and enterprise management skills and VSL models			
5.1.1.1. Number of FOs trained	TBD by end of 2018	390	Mol, MoA-DAES, NGOs, Secondary and apex farmer organization
5.1.1.2. Number of business plans developed with FOs	TBD by end of 2018	390	MoA-DAES, Mol, NGOs, DPs, Secondary and apex farmer organisations
5.2. Strategy: Facilitate innovative financing mechanisms for FOs (e.g. matching grants, PPP arrangements - e.g. for loan guarantees)			
5.2.1. Link FOs to financial institutions (VSLs, banks, etc.)			
5.2.1.1. Number of FOs accessing innovative financial products from financial institutions	TBA by end of 2019	390	MoA-DAES, Mol, NGOs, CASS, DPs, Secondary and apex farmer organisations
5.2.1.2. Number of FOs trained in proposal development for resource mobilisation	TBA by end of 2020	500	MoA-DAES, Mol, NGOs, DPs, Secondary and apex farmer organisations
5.2.1.3. Number of FOs with resource mobilisation strategies	TBA by end of 2021	390	MoA-DAES, Mol, NGOs, DPs, Secondary and apex farmer organisations
5.2.2. Link FOs to the Cooperative Bank once it becomes operational			
5.2.2.1. Conduct awareness campaigns on the existence of a cooperative bank once it is established(target participation: at least 390 cooperatives)			MoA, Mol, Secondary and apex farmer organisations

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
5.2.2.2. Map and develop a database profiling all registered FOs in the country	TBA by end of 2019	390	MoA, Mol, Secondary and apex farmer organisations
5.2.2.3. Orient FOs on requirements of the Cooperative bank to access its facilities	TBA by end of 2019	390	MoA, Mol, Secondary and apex farmer organisations
5.2.2.4. Lobby DPs to channel some of the agriculture development credit funds through the Cooperative Bank	TBA by end of 2019	390	MoA, Mol, Secondary and apex farmer organisations
5.2.2.5. Sensitise FOs on availability of some agriculture financing facilities in financial institutions	TBA by end of 2019	390	MoA, Mol, Secondary and apex farmer organisations
5.3 Strategy: Facilitate provision of risk-reducing initiatives in the agriculture sector, including crop insurance, warehouse receipt system (WRS), etc.			
5.3.1. Train and link FOs to risk-reducing initiatives			
5.3.1.1. Number of FOs trained and facilitated to access crop insurance services	0	390	MoA, Mol, NGOs, DPs, Secondary and apex farmer organisations
5.3.1.2. Number of FOs demonstrating an understanding of financial institutions' requirements to access credit	TBA by end of 2019	390	Financial institutions, Secondary and apex farmer organisations
5.3.1.3. Number of financial institutions with agriculture lending departments	3	6	MoT, Mol, MoT, Secondary and apex farmer organisations
5.3.1.4. Volume of agriculture development credit from DPs to financial institutions	\$39million	\$60million	MoA, Secondary and apex farmer organisations
5.3.1.5. Number of FOs utilising agriculture financing facilities in financial institutions	TBA by end of 2019	390	MoA, Secondary and apex farmer organisations
5.3.1.6. Number of FOs covered by risk insurance	3	390	MoA, MoT, Mol, Secondary and apex farmer organisations
5.3.1.7. Number of FOs depositing commodities into warehouses	TBA by end of 2019	390	MoA, commodity exchanges, secondary and apex farmer organisations

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
5.4. Strategy: Promote electronic banking facilities among FOs			
5.4.1. Facilitate FOs access to electronic banking facilities			
5.4.1.1. Conduct a mapping exercise of opportunities, risks, and gaps of electronic banking to FOs	0	390	Mol, MoT, MoA, secondary and apex farmer organisations, CSOs, NGOs
5.4.1.2. Sensitise FOs on advantages of electronic banking facilities which include speed, security and trust with lending institutions	0	390	Electronic banking service providers, Mol, MoT, MoA
5.4.1.3. Lobby with electronic banking service providers to expand to rural areas	0	390	Electronic banking service providers, Mol, MoT, MoA
5.4.1.4. Number of FOs utilising electronic banking facilities	TBD by end of 2019	152	Electronic banking service providers, Mol, MoT, MoA
5.4.1.5. Number of electronic banking service providers engaged	TBD by end of 2019	11	Electronic banking service providers, Mol, MoT, MoA
Objective 6: To improve coordination, representation and partnerships between FOs and partner organizations			
Outcome Indicator			
6) Coordination, representation and partnerships between FOs and partner organizations strengthened			
6.1.Strategy: Facilitate coordination of secondary level FOs and apex organizations			
6.1.1. Revamp MAFECO into an all-inclusive apex organization for FOs			
6.1.1.1. MAFECO revamped and operational	0	1	MolTT
6.1.1.2. Availability of organizational assessment report for MAFECO	0	1	NGOs, Mol, Private sector
6.1.1.3. Availability of MAFECO strategic Plan	0	1	NGOs, Mol, Private sector
6.1.1.4. Extent to which MAFECOs mandate covers all types of FOs	1	5	NGOs, Mol, Private sector
6.1.1.5. Volume of resources mobilised	0	\$150,000 per year	NGOs, Mol, Private sector
6.1.1.6. Proportion of FOs subscribing to MAFECO	2	152	Mol, MoA, private sector, secondary and apex farmer organisations

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
6.2. Strategy: Facilitate coordination of secondary level FOs and apex organizations			
6.2.1. Review the mandates and operations of secondary level FOs and apex organizations			
6.2.1.1 Availability of review report	0	1	Mol, MoA, private sector, secondary and apex farmer organisations
6.3. Strategy: Provide a platform to facilitate coordination of FOs and NGO activities			
6.3.1. Facilitate coordination of FOs and NGO activities			
6.3.1.1. Availability of profile of NGO activities focusing on FO development	0	1	CISANET
6.3.1.2. Number of NGOs implementing the FODS	0	100	CISANET
6.3.1.3. Availability of a joint learning platform	0	1	FOs
6.4 Strategy: Facilitate win-win partnerships between FOs and private actors to produce, process or sell under contract			
6.4.1. Link FOs and private sector actors to produce under contract arrangements			
6.4.1.1. Number of orientation meetings on Contract Farming Strategy	3	30	MoA, private sector
6.4.1.2. Number of contract farming related cases resolved	TBD by end of 2019	As they arise	Secondary and apex farmer organisation, Mol, MoT, MoA, private sector
6.5 Strategy: Promote provision of market oriented extension and advisory services by apex organizations to secondary level FOs			
6.5.1. Capacitate apex organizations to provide market oriented extension and advisory services to secondary level FOs			
6.5.1.1. A marketing module integrated in the curriculum of extension workers' training programme	0	1	MoT, MoT, MoA, private sector, Research and Academia
6.5.1.2. Number of FOs with Business Development Officers	0	390	MoT, Mol, MoA, private sector
6.5.1.3. Number of FOs linked to service providers such as commodity exchanges	0	390	Mol, MoA, NGOs private sector

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
6.6. Strategy: Provide a platform for lobbying and advocacy for secondary level organizations			
6.6.1. Train and involve FOs in policy advocacy			
6.6.1.1. Number of FOs trained	0	390	Mol, MoA, NGOs private sector
6.6.1.2. Number of policy dialogue fora organized	0	3 per year	Secondary and apex farmer organisation, Mol, MoT, MoA, private sector
6.6.1.3. Number of FOs consulted in any policy and strategy development process	0	At least 10 per process	Secondary and apex farmer organisation, Mol, MoT, MoA, private sector
6.7. Strategy: Increase accountability of existing FOs to their members (e.g. profits earned by companies owned by institutions that represent farmers should trickle down to farmers)			
6.7.1. Strengthen governance and accountability structures in FOs			
6.7.1.1. Number of FOs oriented on importance of accountability by umbrella organisations	0	390	Secondary and apex farmer organisation, Mol, MoT, MoA, private sector
6.7.1.2. Number of FOs demanding accountability from their umbrella organizations	0	390	Secondary and apex farmer organisation, Mol, MoT, MoA, private sector
6.7.1.3. Number of FOs holding annual financial and general review meetings	0	one per year	Secondary and apex farmer organisation, Mol, MoT, MoA, private sector
6.7.1.4. Proportion of FOs involved in joint planning and budgeting of operations	0	50%	Secondary and apex farmer organisation, Mol, MoT, MoA, private sector

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
Objective 7: To improve the policy and regulatory framework of FOs development and operations			
Outcome Indicator			
7) FOs put their policy and regulatory frameworks in place			
7.1. Strategy: Facilitate development and standardization of regulatory frameworks and policies for farmer organization development processes			
7.1.1. Develop and disseminate standardised guidelines for developing FOs			
7.1.1.1. Farmer organization development guide in place	0	1	MoA, MoI, DPs, NGOs, FOs
7.1.1.2. Number of orientation workshops	0	3 regional orientation workshops each year	MoA, MoI, DPs, NGOs, FOs
7.1.1.3. Number of participants in orientation workshops by gender	0	150	MoA, MoI, DPs, NGOs, FOs
7.1.1.4. Number of participants in dissemination workshops by gender	0	150	MoA, MoI, NGOs, FOs
7.2. Strategy: Streamline registration process of FOs			
7.2.1. Consult and train relevant stakeholder on decentralised registration of FOs			
7.2.1.1. Number of district Trade Officers trained in FO development process	0	60	MoA, MoI
7.2.1.2. FO registration decentralised to District Assemblies (DA)	0	28	MoI
7.2.1.3. Number of M&E sessions and reports	0	30	MoI
7.3. Strategy: Provide an enabling marketing policy environment for agricultural commodities both for domestic and export markets			
7.3.1. Conduct a review of implementation the COGA and subsidiary regulations for contract farming			
7.3.1.1. Implementation of COGA & any legislation pertaining to contract farming reviewed	TBA	1 annual review (total =5)	MoI, MoJCA, CSOs, MCCI
7.3.1.2. Regulations for contract farming developed	0	1	MoA & MoJCA
7.3.1.3. Regulations for contract farming fully implemented	0	1	MoA & MoJCA

Input & Output Indicators	Baseline (source)	Target by 2025 (source)	Responsible institution
7.4. Strategy: Institute a deliberate policy, through government, to buy a certain proportion of grain directly from FOs (e.g. 50%) when stocking the strategic grain reserves (SGRs)			
7.4.1. Advocate for introduction of special policy to restock SGRs through registered FOs			
7.4.1.1. Proportion of NFRA/ADMARC stocks bought directly from registered FOs	0	At least 50% of produce	CSOs, FOs, MCCC
7.4.1.2. Private & public stock disclosure mechanism in place	0	1	MoA, MoI, FOs, MCCC
7.5. Strategy: Scale-up effective linkages between FOs and public institutions for policy direction			
7.5.1. Introduce FO coordination networks at district level			
7.5.1.1. Number of FO participants in district panel meetings	TBD	At least 40% of participants should be FO representatives	MAFECO, other FOs, CISANET
7.5.1.2. Number/participants of/in orientation workshops	TBD	28 districts	MoA, MoI, MAFECO, FOs, CISANET
7.5.1.3. Regional FO coordination network established	0	3 (one in each region)	MoA, MoI, MAFECO, FOs, CISANET
7.5.1.4. District level FO coordination network established (e.g. DAESS)	0	28 (one in each district)	MoA, MoI, MAFECO, FOs, CISANET
7.6. Strategy: Institute a deliberate policy to mandate investments towards FOs development by all sector players			
7.6.1. Lobby for introduction of a monitoring mechanism of resources coming into the FO sub-sector			
7.6.1.1. Comprehensive database on resources committed to the FO sub-sector developed	0	1	MoA, MoI, FOs, CISANET, DPs & MAFECO
7.6.1.2. FO-sub-sector TWG established	0	1	MoA, MoI, FOs, Academia, Research Institutions, CISANET, DPs & MAFECO

8.0. FINANCIAL PLAN OF THE FODS

This section presents a non-exhaustive financial plan of the FODS. The plan is non-exhaustive because it only covers investments being made into the FO sub-sector by government and DCAFS. Information relating to investments by other actors was not readily available at the time of drafting this strategy. It is also important to note that, in **Table 6**, some of the resources committed by DPs under DCAFS could potentially be overlapping with those committed by DPs under NAIP because implementation of the NAIP is also supported by same group of DPs. Additionally, resources provided under the NAIP are specifically earmarked for establishing an agricultural cooperative institute, capacity building, establishing a database for FOs, and establishing FOs and linking them to structured markets.

Table 6: Mapping of estimated government and development partners' resources committed to FO development

ID No.	Name of Donor/Project	Estimated Amount (Million US\$)
1	ORT ²⁰ budget	3.77
2	World Bank	38.678
3	GoM/World Bank (AGCOM Project)	43.00
4	IFAD	23.610
5	Department for International Development (DFID)	1.300
6	United States Agency for International Development (USAID)	3.556
7	Irish Aid	0.967
8	JICA	0.727
9	Flanders	3.20143
10	Germany (GiZ)	7.830
11	AGRA	1.375

Source: DCAFS Projects data base, NAIP, AGCOMM project document, Government budget documents

Notes:

- In the FY2018/19 ORT budget, development of FOs is covered under the agro-processing and value chain development budget line.
- Except for World Bank sponsored AGCOMM project, all donor commitments are under IA2 of the NAIP

²⁰ ORT means Other Recurrent Transactions



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