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# FY 2014 SECOND QUARTERLY REPORT

## FEED THE FUTURE

INTEGRATING NUTRITION IN VALUE CHAINS PROJECT, MALAWI  
COVERING PERIOD: 1<sup>ST</sup> JANUARY– 30<sup>TH</sup> MARCH 2014

FINAL

APRIL 2014

This report was produced for review by the United States Agency for International Development. It was prepared by DAI and its partners under the Malawi Integrating Nutrition in Value Chains (INVC) project.

## **AUTHORITY/DISCLAIMER**

Prepared for USAID/Malawi under Contract Number AID-623-I-10-00003 awarded on April 25, 2012, entitled Malawi Integrating Nutrition in Value Chains (INVC), a Feed the Future (FtF) initiative

This document is made possible by the support of the American People through the United States Agency for International Development (USAID). It was completed in partial fulfillment of Section F.6.(e).1. of the reference contract. The views expressed and opinions contained in this report are those of the Malawi INVC field team and are not intended as statements of policy of either USAID or the contracting companies. As such, the contents of this report are the sole responsibility of the DAI Field team and do not necessarily reflect the views of USAID or the United States Government.

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# **SECOND QUARTERLY PROGRESS REPORT FY2014**

COVERING PERIOD: **JANUARY 1<sup>ST</sup> THROUGH MARCH 30<sup>ST</sup> 2014**

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## ACRONYMS

ACE	Agricultural Commodity Exchange for Africa
ADC	Area Development Committee
ADMARC	Agricultural Development and Marketing Corporation
AEDC	Agriculture Extension Development Coordinator
AEDO	Agriculture Extension Development Officer
AFO	Association Field Officer
AI	Artificial Insemination
AIDS	Acquired Immune Deficiency Syndrome
AMC	Association Management Centre.
BCC	Behavior Change Communication
BVO	Bid Volume Only
CADECOM	Catholic Development Commission of Malawi
CBO	Community Based Organization
CISANET	Civil Society Agriculture Network
CG	Care Group
CGV	Care Group Volunteers
CHD	Child Health Days
COMESA	Common Market for Eastern and Southern Africa
CONGOMA	Council for Non-Governmental Organizations in Malawi
COP	Chief of Party
CREMPA	Central Region Milk Producers' Association
DAES	Department of Agricultural Extension Services
DARS	Department of Agriculture Research Services
DCA	Development Credit Authority
DCOP	Deputy Chief of Party
DDIU	Data Demand and Information Use
DIDP	Dairy Industry Development Platform
DNHA	Department of Nutrition, HIV and AIDS
DQA	Data Quality Assessment
DTWG	Dairy Technical Working Group
EMMP	Environmental Mitigation and Monitoring Plan
EPA	Extension Planning Area
EU	European Union
FAO	(UN) Food and Agriculture Organization
FISP	Fertilizer Input Subsidy Program
FTF	Feed the Future
FUM	Farmers Union of Malawi
FY	Fiscal Year
GAC	Group Action Committee
GHI	Global Health Initiative
GoM	Government of Malawi
Ha	Hectare
HIV	Human immunodeficiency virus
HSA	Health Surveillance Assistant
ICRISAT	International Crops Research Institute for the Semi-Arid Tropics
ICT	Information Communication Technology
IITA	International Institute of Tropical Agriculture
INVC	Integrating Nutrition in Value Chains
IPC	Innovation and Productivity Centre
IPM	Integrated Past Management
IR	Intermediate Results
IT	Information Technology

IYCF	Infant and Young Children Feeding
MBC	Malawi Broadcasting Company
MAC	Marketing Action Center
MAPAC	Malawi Program on Aflatoxin Control
MBG	Milk Bulking Group
M&E	Monitoring and Evaluation
MGDS	Malawi Government Development Strategy
MICS	Malawi Integrated Child Survival Program
MIP	Market Information Point
MKW	(Symbol for) Malawi Kwacha
MMPA Malawi	Milk Producers Association
MoA&FS	Ministry of Agriculture and Food Security
MOH	Ministry of Health
MOU	Memorandum of Understanding
MSU	Michigan State University
mT	Metric tonne
MZ	Malawi Zebu (cows)
NASCOMEX	NASFAM commercial
NASFAM	National Association of Smallholder Farmers of Malawi
NGO	Non-Governmental Organization
OCA	Organizational Capacity Assessment
OCAT	Organizational Capacity Assessment Tool
PAHO	Pan Africa Health Organization
PD	Pregnancy Diagnosis
PSA	Public Service Announcement
SBCC	Social and Behavior Change Communication
SHSA	Senior Health Surveillance Assistant
SME	Small and Medium Enterprise
SOYAMA	Soy Bean Association of Malawi
SSDI	Support for Service Delivery Integration
SSU	Seed Service Unit
STTA	Short Term Technical Assistance
Sub-IR	Sub Intermediate Results
SUN	Scaling Up Nutrition
TA	Traditional Authority
ToT / TOT	Training of Trainers
TWG	Technical Working Group
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USG	United States Government
WRS	Warehouse Receipt System
ZOI	Zone of Influence

## MALAWI INVC ACTIVITY OVERVIEW AND RESULTS

This document presents the *Integrating Nutrition in Value Chains* (INVC) project's second quarterly progress report for fiscal year (FY) 2014. This quarterly report covers the period from 1<sup>st</sup> January to 30th March 2014.

Awarded on April 25, 2012, Malawi INVC runs for three years from April 2012 to 2015. Designed to help advance the vision of Feed the Future and Global Health Initiative in Malawi, the INVC project will focus its activities to deliver the Initiatives' two over-arching goals:

1. Sustainably reducing rural poverty; and
2. Improving Nutrition.

These goals reinforce Malawi's Poverty Reduction Strategy and USAID/Malawi's Development objective of Increasing Sustainable Livelihoods. The INVC activity components are essentially contributing to these goals directly and indirectly.

This report presents an overview of the project as well as some of the main achievements and challenges experienced during the reporting period. It is intended to provide a brief background and set the context for those unfamiliar with the activity.

### BACKGROUND AND CONTEXT

The Malawi "Integrating Nutrition in Value Chains (INVC)" project, a three year effort under the Task Order/Contract No: AID-612-TO-12-00001 is funded under the SFSA IQC No: AID-623-I-10-00003. To achieve the overall goals of the project, INVC will promote, support, and facilitate gender equitable market-driven, agriculture-led, and integrated economic growth approaches. The delivery of targeted technical assistance will assist not only civil society, but also the private sector and government throughout the seven target districts, to realize the advantages of greater collaboration, commercialization, and competitiveness across three targeted value chains: Soy bean, groundnuts, and dairy.

INVC support over the life of the activity is expected to lead to agricultural transformation across the three value chains resulting in the achievement of the following objectives:

1. Improved productivity (land, water, labor) through soil and water management practices;
2. Increased competitiveness of the legumes and dairy value chains to mitigate food insecurity and increase incomes of the rural poor;
3. Reduced chronic under-nutrition;
4. Improved value chain competitiveness and nutrition outcomes through the fostering of innovation in adaptive technologies and techniques that will increase participation of the poor in agriculture-led growth; and
5. Enhanced capacity of local organizations and institutions developed to promote sustainability and climate change resilience.

To achieve the above objectives, INVC will:

1. Invest in the competitiveness of legumes (soy bean and groundnut) and dairy value chains to develop domestic and export markets and improve nutrition options;
2. Link increased market-oriented production of legumes and dairy to household consumption and improved nutritional status;
3. Support community based programs focused on behavior change, food fortification, and capacity building to impact nutritional outcomes; and
4. Strengthen Malawian agriculture-related organizations (both government and non-governmental) to improve institutional capacity to capture and scale up existing models and practices in order to implement one or more components of INVC.

To realize the above results, the INVC project will fully integrate USAID FtF goals of poverty reduction and malnutrition. INVC will focus its activities along the following five inter-related components to harness the production and commercial potential of smallholders so that they are better enabled to accelerate their march toward prosperity and healthful living. These five inter-related components form the core of the project, which provide the means to deliver long-term, systemic changes in Malawi’s market and health systems:

- a. Advancing Value Chain Competitiveness.
- b. Improving Productivity.
- c. Improving Community Capacity to Prevent Under-Nutrition.
- d. Promoting Innovation.
- e. Developing Local Capacity.

In addition to these components, a number of systemic and cross-sectoral issues critical to INVC success including gender, information and communication technology, HIV and AIDS, access to financial services, policy advocacy and climate change will be addressed.

Over the life of the project, INVC will also tackle market and firm-level efficiency issues for Malawi’s smallholders, increase farm-level value capture, and promote more mainstream consumption of nutritious foods through behavior change strategies.

#### ***FtF-INVC Target Beneficiaries***

Malawi smallholders that are eligible for participation in INVC activities are described as “the poor with assets.” These are smallholders who, while they do not belong to the “ultra-poor” group that fall well below the poverty line, nevertheless lack sufficient resilience to completely escape from the possibility of falling under the line in the future. External shocks beyond their control could easily plunge them into poverty.

This population representing the target beneficiaries shares the following characteristics:

- Cultivate between 1.25 to 3 acres (0.5 to 1.2 Ha) of land,
- Produce sufficient maize for home consumption,
- Have the potential to increase maize productivity and to free up land for crop diversification to legume production,
- Access extension services and inputs (seeds and inorganic fertilizers), and
- Have the potential for linking to markets.

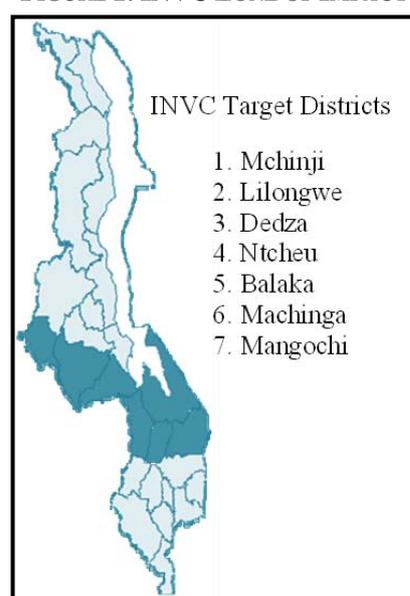
#### ***FtF-INVC Target Districts***

The focus on diversification into legume production (groundnut and soy bean) and dairy for their income generation, soil fertility and moisture enhancement and nutritional benefits determine INVC’s geographic scope as those areas of Malawi suitable for these agricultural activities. The seven districts, spanning two regions (Central and South) and affecting 275,000 households, with highest potential for increasing legume and dairy production are: Mchinji, Lilongwe, Dedza, Ntcheu, Balaka, Machinga and Mangochi (See Figure 1).

## **RESULTS FRAMEWORK**

INVC activities fall under six intermediate results (IRs). These IRs highlight the close linkage between agriculture and nutrition, and the leveraging of resources from across both the FtF and the Global Health Initiative (GHI) portfolios further underscore the centrality of the two domains to the success of INVC (Figure 2).

**FIGURE 1: INVC ZONE OF IMPACT**



Both domains support the overall USAID FtF and GHI goals, which are:

- a. Sustainably reduce poverty and hunger in Malawi
- b. Foster a healthier populace able to participate in the nation’s economic development

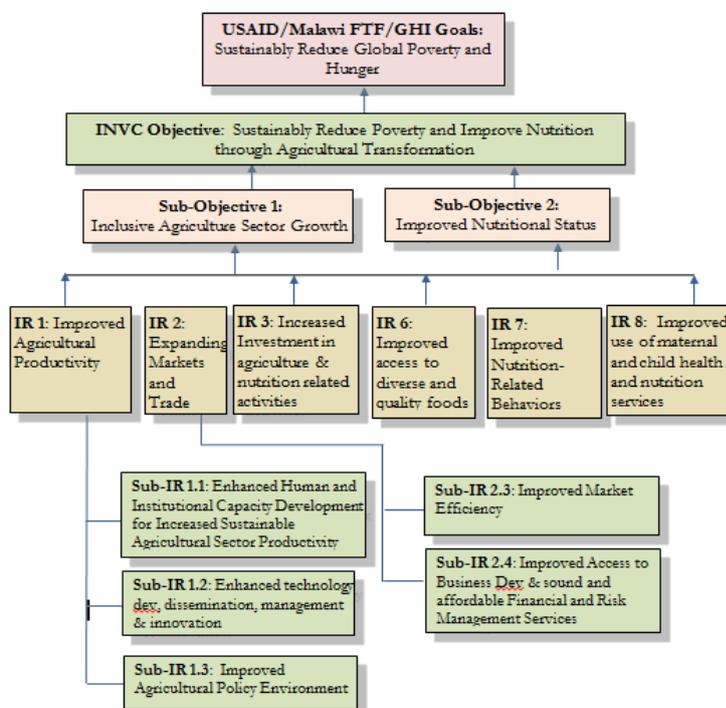
The six IRs and their subsequent sub-IRs are clustered around a framework that supports the achievement of a strategy to deliver the achievement of the Mission-level objectives of:

1. Inclusive agriculture sector growth
2. Improved nutritional status

The five INVC components contain activities that are prioritized to achieve results in each IRs and Sub-IRs and maximize INVC contribution to the Mission objectives.

Together the IRs and sub-IRs provide the pathway for INVC to achieve its development goals, strategic objectives, and required results. The IRs and Sub-IRs under the two objectives are presented below:

**Figure 2: Malawi INVC Results Framework**



**Sub-Objective 1: Inclusive Agriculture Sector Growth**

**IR 1: Improved Agricultural Productivity**

- Sub-IR1.1: Enhanced Human and Institutional Capacity Development for Increased Sustainable Agricultural Sector Productivity
- Sub-IR1.2: Enhanced Technology Development, Dissemination, Management, and Innovation
- Sub-IR1.3: Improved Agricultural Policy Environment

**IR 2: Expanding Markets and Trade**

- Sub-IR2.3: Improved Market Efficiency
- Sub-IR2.4: Improved Access to Business Development and Sound and Affordable Financial and Risk Management Services

**IR 3: Increased Investment in agriculture and Nutrition-related Activities.**

**Sub-Objective 2: Improved Nutritional Status**

**IR 6: Improved Access to Diverse and Quality Foods**

**IR 7: Improved Nutrition Related Behaviors**

**IR 8: Improved Use of Maternal and Child Health and Nutrition Services**

**IR 3: Increased Investment in agriculture and Nutrition-related Activities**

To successfully deliver the results outlined above, Malawi INVC must manage and monitor its activities under the five inter-related components and cross-cutting areas over the life of the project. Table 1 below illustrates how each component and IRs and Sub-IRs are linked to generate the outputs and outcomes leading to achievement of the objectives.

**Table 1: INVC Project Components and IRs**

<b>Sub-Objective 1: Inclusive Agricultural Sector Growth</b>	<b>Sub-Objective 2: Improved Nutritional Status</b>
<i>Component 1: Advancing Value Chain Competitiveness (IR-2;IR-2.3; IR-2.4)</i>	<i>Component 3: Improving Community Capacity to prevent Under-Nutrition (IR-6;IR-7;IR-8)</i>
<i>Component 2: Improving Ag. Productivity (IR-1;IR-1.2;IR-1.3)</i>	
<i>Component 4: Investing in Innovations (IR-3)</i>	
<i>Component 5: Developing Local Capacity (IR-1.1)</i>	

All INVC activities will contribute toward achieving the following performance targets (Table 3), as measured by the above intermediate result (IR) indicators.

**Table 2: Performance Indicators**

<b>Project Wide Performance Indicators</b>	<b>Life of Project Targets (Apr-25-2015)</b>
Households benefiting from INVC facilitation	275,000
Children under 5 years with reduced malnutrition	100,000
Yield/hectare for legumes increased	15%
Yield/cow for milk increased	50%
Land area under legumes production increased	15%
No. of agriculture-related Malawian NGOs and/or governmental organizations with operational capacity and effectiveness increased	5
No. of local partners with effective management practices and financial systems with potential to receive future USG awards	3
Value of new investments by private sector actors increased as a result of innovation fund co-investments	\$500,000

## HIGHLIGHTS OF PROGRESS THIS QUARTER

This subsection of the quarterly report briefly summarizes progress made by the Malawi FtF-INVC project team toward completing the tasks under the five components listed in **Table 1**. Highlights from the quarter include:

### PROJECT MANAGEMENT:

During the quarter, FtF-INVC achieved the following:

1. To strengthen partner capacity to support and deliver community-level services, FtF-INVC conducted 8 coaching sessions, coordinated 46 partner meetings, 22 workshops and trainings, and conducted 20 field monitoring visits.
2. 18 short-term technical experts were mobilized to provide technical support covering multiple technical areas.
3. FtF-INVC hosted 7 project site visits for USAID/Malawi.
4. FtF-INVC participated 22 in meetings and workshops organized by other projects and donors as part of donor coordination and collaboration.
5. FtF-INVC identified 5 partners to collaborate with in the three Focus Districts to promote integration and improve synergy.
6. FtF-INVC launched its “Quarterly Consultative Programmatic Review Meeting” to better engage partners in assessing quarterly, implementation progress, exploring solutions to programmatic challenges, and enhancing relationship for better partner communication.
7. FtF-INVC also kicked-off its own INVC “Technical Working Groups (TWGs)” to further enhance partner buy-in to both process and practices to improve project implementation.
8. FtF-INVC Gender Assessment was concluded this quarter. Key findings indicate that nutritional messages are being absorbed by both men and women farmers; women are embracing nutritional messages which are being disseminated through radio jingles, theatre performances, public service announcements and in care groups (session). There are also some indications of greater consumption of soy beans, ground and dairy being promoted in the project.

### COMPONENT 1: ADVANCING VALUE CHAIN COMPETITIVENESS

Significant achievements under this component this quarter included:

1. During the quarter, 79 contracts amounting to 6,350 MT of commodities (including soybean) were facilitated by ACE. The total contracts are valued at MWK1.1 billion. Forward contracts BVO generated contracts made up the vast majority.
2. Processing companies in Malawi have expressed interest in procuring 56,000 MT of soybean, 46,000 MT of maize and 4,000 MT of groundnuts.
3. A total 4,695 MT of soybean in Forward contract was settled this quarter.
4. A total of 9 commercial banks have now expressed interest to participate in ACE’s forward contracting mechanism.
5. A total of 42 participants were trained to become brokers to provide services to help better facilitate market access for smallholders. Brokering is a new concept in Malawi, where they essentially generate business and claim commissions from their clients.
6. Introduction and promotion of structured marketing by FtF-INVC in collaboration with NASFAM to ensure that farmers have access to competitive markets that offer better prices for the sale of their crops.
7. Establishment of Warehouse Receipt System (WRS) as one of the major tools to be used in the structured market to ensure that farmers can deposit their commodities while waiting for optimum pricing in the market. FtF-INVC, in collaboration with NASFAM, embarked on the identification of warehouse and transport operators that will facilitate the implementation of collective marketing.
8. Approximately 8,000 AEDOs, AFOs, Lead farmers and motivated farmers trained in collective marketing.

9. A total of 325 village aggregation centers have been identified in preparation for the marketing season.
10. A total of around 60 bulking centers identified by key implementing partners to serve as satellite storage facilities to collect commercial volumes for hauling to ACE certified depots and warehouses.
11. Key implementing partners collaborating with 30 or so rural transporters to haul commercial volumes to stimulate smallholder commercialization.
12. Facilitation of training in post-harvest handling techniques, thereby providing farmers with an the ability to keep crops longer without compromising quality and thus able to fetch better prices on the market. ACE engaged in various training and sensitization meetings of WRS and warehouse management so that capacities of farmers are improved as they participate in structured marketing for the first time. FtF-INVC has managed to engage with big buyers such as Rab Processors and Export Trading. They are now participating and supporting the structured marketing including a commitment for the use of their warehouses by smallholder farmers.
13. Mobilizing ACE and NASFAM to collaborate in linking farmers to potential traders and at the same time providing a marketing platform for other farmers and the establishment of additional new Market Information Points.
14. FtF-INVC, through CISANET, is supporting SOYAMA to be established legally so that it can perform its role in leading the development of the soybean industry in Malawi. This extends the preliminary work already done by SOYAMA like drafting a draft constitution and creating a membership database.
15. Production of eight public service announcements (PSAs) on soy bean and groundnuts harvesting and post-harvest management and marketing which are being aired on Zodiak Broadcasting Station.

## **COMPONENT 2: IMPROVING PRODUCTIVITY**

Significant achievements under this component this quarter included:

1. Monitoring Tikolore Soybean seed multiplication by IITA (Mchinji and Lilongwe)
2. A total of 24 hectares, of which 16 hectares of soybeans in Mchinji (Sendamisale) and 8 hectares in Lilongwe (Khasu) are under seed multiplication which will make Tikolero seed available for the 2014/15 growing season.
3. CARE Malawi and PIPHAR production of Tikolore certified seed progressing well; Care Malawi planted 3 hectares for an estimated 6 tons of certified seed.
4. A new, 150 MT capacity basic seed storage facility now complete and ready for operationalization. IITA Malawi will be utilizing this space to store the new batch of Tikolore basic seed soon after harvest early next quarter.
5. 350 AFOs and AEDOs trained in Crop Management, Harvest, post-harvest, and storage in preparation for the season.
6. CADECOM distributed 5,000 copies of flyers on groundnut production management technologies.
7. NASFAM distributed 90,000 copies of handouts on soybean and groundnuts management.
8. 250 lactating cows have been identified and introduced with GRAND supplement to stimulate increased milk production.
9. Through MMPA, 142 beneficiaries received 641 messages on various aspects of dairy farming and management.

## **COMPONENT 3: IMPROVING COMMUNITY CAPACITY TO PREVENT UNDER-NUTRITION**

Significant achievements under this component this quarter included:

1. Registration of 32,015 households with children under three, pregnant women and lactating women who will be trained by volunteers in essential nutrition actions, food processing, water sanitation and hygiene.

2. Recruitment of 2,667 care group volunteers of which 1,948 have been trained in health and nutrition interventions such as sanitation and hygiene, importance of breastfeeding, child survival, household food processing and utilization.
3. Review and streamlining of 15 key nutrition behaviors being promoted in the project
4. Support towards preparation for the first round of Child Health Days campaign scheduled for second week of May 2014. While supporting the planning for national and district planning and logistics, FtF-INVC team advocated for inclusion of gender-disaggregated data collection tool and reporting. In principle, National Taskforce on Child Health Days campaign has accepted the proposal but full implementation of the gender-disaggregated data collection and reporting will be in the second round to allow time for proper training and transitioning for health care staff and extension workers. This round, they have accepted INVC gendered data collection tool to serve as a “pilot.”
5. Home/backyard gardens were established in 2,432 households to promote household dietary diversification and subsequently dietary diversity for children 6-23 months, pregnant and lactating women.
6. Orientation/ training of 195 government extension workers from agriculture and health sectors.
7. Expansion of nutrition interventions to Balaka, Machinga and Mangochi. Major activities conducted as part of the expansion to the three districts are briefing meetings with three Local Assembly representatives, sensitization of NASFAM district office leadership on upcoming nutrition activities and preliminary verification of the existing structures for nutrition integration.
8. Airing and monitoring of radio jingles 949 times during the quarter on exclusive breastfeeding, dietary diversity, ANC, water sanitation and hygiene.
9. 101 drama performances were conducted reaching more than 10,100 community members to improve awareness and understanding of key nutrition and health related messages.

## **COMPONENT 4: INVESTING IN INNOVATION**

Significant achievements under this component this quarter included:

1. Funds amounting to US\$614,615 were disbursed to grantees during the quarter. This amounts to 26% of total funds disbursed.
2. A total of \$478,938 of grantee expenses were liquidated this quarter, amounting to 26% of the total expenses cleared.
3. 80% of funds disbursed to grantees have their expense claims submitted to FtF-INVC.
4. FUM and Pakachere grants increased by US\$ 567,465.
5. Three of six grant modifications already documented were formalized during the quarter.
6. Six new private sector operators joined ACE to list their storage facilities under the ACE certification to third-party depositors. A total of 22,900 MT of storage space was made available this quarter. This amounts to approximately US\$176,000 worth of investment brought in by the private sector to boost the agricultural sector.

## **COMPONENT 5: DEVELOPING LOCAL CAPACITY**

Significant achievements under this component this quarter included:

1. Organizational capacity assessments completed in five (5) organizations using OCAT methodology: National Smallholder Farmers Association of Malawi (NASFAM), Farmers Union of Malawi (FUM), Nkhoma Public Health, Pakachere, and Catholic Development Commission of Malawi (CADECOM).
2. Organization Capacity Assessments Workshops were organized for 8 partner organizations, where 71 staff from organizations benefited.
3. Partners offered refresher training on financial and grants management issues
4. Facilitation of a Partners’ Consultative Workshop with senior representatives from all eight FtF-INVC partners including the Chief Executive Officers, Program Managers and M&E Officers. The goals were to elicit feedback on programmatic achievements and challenges and to develop a working plan for improving the partnership.

5. Five M&E related meetings, trainings and workshops were held, where a total of 82 participants benefited from the skill development opportunities.
6. Grant program management workshop, coaching and workshops were conducted, where 36 participants from partner organizations benefited.
7. Holding discussions with business service providers like Umodzi Consulting and Tradeline to support implementation of the previously developed business plans for farmers' cooperatives and associations under NASFAM, FUM and MMPA.
8. Discussions with another service provider, Target Consulting, were initiated to tap their services for corporate governance and marketing training for farmer associations and cooperatives under NASFAM and Dedza CADECOM.
9. Mentoring of partners in grants management and financial reporting.

## **CHALLENGES EXPERIENCED THIS QUARTER**

1. Financing of business and access to capital continue to be problematical and are further hindered by a lack of liquidity in the market due to Government activities soaking up much of it through the offering of Treasury Bills at extremely attractive rates.
2. Although the Malawi Kwacha has strengthened during the quarter, this has not translated into easier access to foreign currency, which is still scarce, nor has it seen a reduction in prices of imported equipment and supplies such as fertilizer, plant protection products, tools, agricultural equipment, livestock inputs and processing materials (ingredients and packaging).
3. Delays in submission of comprehensive workplan and budget by some partners have resulted in delays in the approval of their budget and subsequently implementation of some activities.
4. Delays in finalization of local hiring of staff in partner organizations continue to create backlogs in terms of expense reconciliations.
5. Lack of attention to seasonality among key implementing partners delayed critical training and delivery of technical messages to smallholders.
6. Continued disorganization among field staff and the overloaded program managers at the national offices continue to hamper progress in terms of timely reporting of information and data needs required by USAID.
7. Co-ordination and implementation of capacity building initiatives at district and community level in FtF-INVC impact sites created very heavy workloads as FtF-INVC worked to align with the seasonality of the activities.

## SUMMARY OF PROGRESS THIS QUARTER

The combined effect of all of the activities mentioned in the next sections is expected to contribute to the achievement of the overall impact objectives pertaining to this Activity. INVC estimates that during this quarter, it contributed the following toward the achievement of the quarterly targets. As INVC further establishes itself in the communities across the zone of influence (ZOI), we expect its contribution toward the impact indicators to increase as well.

**Table 3: Key Results - This Quarter**

<b>Table 3: Progress on Performance Indicators as of March 31, 2014</b>				<b>DEVIATION/ Comments</b>
<b>Applicable Performance Indicator</b>		<b>Quarter (Jan - March FY14)</b>		
		<b>Target</b>	<b>Achieved</b>	
<b>1</b>	Number of rural households benefiting directly from USG interventions	<b>60,000</b>	<b>43,902</b>	<b>1</b>
	<i>Gendered Household Type</i>			
	<i>Adult female no adult male</i>			
	<i>Adult male no adult female</i>			
	<i>Male and female</i>			
	<i>Child no adults</i>			
	<i>New/Continuing</i>			
	<i>New</i>		<b>25,607</b>	
	<i>Continuing</i>			
	<i>Disaggregates not available</i>		<b>18,295</b>	
<b>2</b>	Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	<b>25,000</b>	<b>31,432</b>	<b>2</b>
	<i>Sex</i>			
	<i>Male</i>		<b>12,871</b>	
	<i>Female</i>		<b>18,561</b>	
	<i>Disaggregates not available</i>			
	<i>Type of individual</i>			
	<i>Producers (Farmers)</i>		<b>31,432</b>	
	<i>Government staff (Extension, EPA etc.)</i>		-	
	<i>Private Sector (Processors, service providers)</i>		-	
	<i>Civil Society (NGO' CBO, FBO, research etc.)</i>		-	
	<i>Disaggregates not available</i>		-	
<b>3</b>	Number of private enterprises (for profit), producer organizations, water users associations, women's groups, trade and business associations and community based Organizations (CBOs) receiving USG assistance.	<b>2,000</b>	<b>1,250</b>	<b>3</b>
	<i>Organization Type</i>			
	<i>Private enterprises for profit</i>			
	<i>Producer organizations</i>		<b>1,250</b>	
	<i>Women's groups</i>		-	
	<i>Trade and business Associations</i>			
	<i>CBO</i>			
	<i>Duration</i>			
	<i>New</i>			
	<i>Continuing</i>			
<b>4</b>	Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation	<b>\$125,000.00</b>	<b>\$176,000.00</b>	<b>4</b>
<b>5</b>	Value of agricultural and rural loans	<b>\$75,000.00</b>	<b>\$360,000.00</b>	<b>5</b>
	<i>Type of loan recipient</i>			
	<i>Producers</i>			
	<i>Local Traders/assemblers</i>			
	<i>Wholesalers/processors</i>			
	<i>Others</i>			
	<i>Disaggregates not available</i>			
	<i>Sex of recipient</i>			
	<i>Male</i>			

<b>Table 3: Progress on Performance Indicators as of March 31, 2014</b>				
<b>Applicable Performance Indicator</b>		<b>Quarter (Jan - March FY14)</b>		<b>DEVIATION/ Comments</b>
		<b>Target</b>	<b>Achieved</b>	
	<i>Female</i>			
	<i>Joint</i>			
	<i>N/A</i>			
	<i>Disaggregates not available</i>		<b>\$360,000</b>	
<b>6</b>	Number of children under five reached by USG-supported assistance (through care group model)	<b>40,000</b>	<b>38,410</b>	<b>6</b>
	<i>Male</i>		-	
	<i>Female</i>		-	
	<i>Disaggregates not available</i>		<b>38,410</b>	
<b>7</b>	Number of people trained in child health and nutrition through USG-supported programs	<b>12,150</b>	<b>5,487</b>	<b>7</b>
	<i>Male</i>	<b>4,860</b>	<b>115</b>	
	<i>Female</i>	<b>7,290</b>	<b>5,372</b>	
<b>8</b>	Number of MSMEs, including farmers, receiving business development services from USG assisted sources	<b>88</b>	<b>200</b>	<b>8</b>
	<i>Size of Enterprise</i>			
	<i>Small</i>		<b>44</b>	
	<i>Medium</i>		<b>19</b>	
	<i>Large</i>		<b>1</b>	
	<i>Sex of Enterprise Owner</i>			
	<i>Male</i>		<b>48</b>	
	<i>Female</i>		<b>16</b>	
	<i>Joint</i>			
	<i>Type of Enterprise</i>			
	<i>Ag. Producer</i>		<b>33</b>	
	<i>Input trader</i>			
	<i>Trader</i>		<b>23</b>	
	<i>Output processors</i>			
	<i>Non- Ag.</i>			
	<i>Other</i>		<b>8</b>	
	Number of farmers accessing certified seed		<b>56,103</b>	<b>9</b>
	Number of care groups established	<b>380</b>	<b>209</b>	
	Number of care group volunteers mobilized	<b>1,350</b>	<b>2,569</b>	
	Number of households participating in care groups in Lilongwe and Mchinji	<b>48,600</b>	<b>32,015</b>	
<b>INDEX</b>	<b>COMMENTS &amp; DEVIATIONS</b>			
<b>1</b>	The nutrition component activities also contribute to the beneficiary numbers. Since this quarter the nutrition activities had to be restarted, the pace was slower. We expect the pace to pick up next quarter. The nutrition activities had to be halted for a period to accommodate UNC to collect its impact evaluation sample.			
<b>2</b>	This data was collected at the peak of the season when lead farmers were conducting many workshops with their producers. This leveraged higher project results in this area since more lead farmers than expected were on board and were engaged in conducting training at the farmer level.			
<b>3</b>	The marketing season had not begun yet during this reporting period therefore the numbers are lower.			
<b>4</b>	The reason for surpassing the target is due to the unexpected use of newly available storage space invested by private sector players.			
<b>5</b>	This is higher due to the addition of forward contracts.			
<b>6</b>	No need for narrative.			
<b>7</b>	The nutrition activities had to be halted for a period to accommodate UNC to collect its impact evaluation sample. This lowered the numbers , which is expected to pick next quarter.			
<b>8</b>	FY2014 quarterly was above target because ACE reviewed its brokerage training across the three regions of Malawi. This then affected set target positively.			
<b>9</b>	No narrative necessary since these are not USAID standard indicators but rather project internal targets.			

## PROGRAM MANAGEMENT AND MONITORING

The primary focus of the project team this quarter was to ensure that FtF-INVC scaling activities continued to increase its pace across both agriculture and nutrition components. To strengthen partner capacity to support and deliver community-level technical services, FtF-INVC conducted **8** coaching sessions, coordinated **46** partner meetings, conducted **22** workshops and training events for partners and conducted **20** field monitoring visits. In addition, to support partner efforts and increase district/field level capacity, **18** short-term experts were mobilized covering multiple technical areas. This quarter, FtF-INVC also hosted **7** visits to project sites for USAID/Malawi. To contribute to improved stakeholder coordination and collaboration, FtF-INVC continued to participate in meetings and workshops (**22** this quarter) organized by other projects and donors. FtF-INVC also contributed to USAID/Malawi's initiative to increase integration of various activities to improve synergy and value for USG money; as such, FtF-INVC initiated collaboration with **5** other USAID activities in the three focus districts.

### TASK 1: KEY PROGRAM MANAGEMENT ACTIVITIES

#### SUB-TASK 1: PROJECT IMPLEMENTATION/MANAGEMENT ACTIVITIES

In a bid to further improve overall project coordination and management across all partners, this quarter, FtF-INVC launched the “Quarterly Consultative Programmatic Review Meeting.” The objective of the meeting was to assess quarterly, implementation progress, explore solutions to programmatic challenges, and enhance relationship for better partner communication. All 8 partners were represented, and included CEOs and Program managers. In addition, this quarter, given the time-sensitive nature of the project, and to better harmonize technical approaches and interventions, FtF-INVC also kicked off the formation of INVC-focused “Technical Working Groups (TWGs).” The TWGs are comprised of technical-area specific representatives from each INVC partner/grantee, including the INVC program managers from each partner. The Objective of the TWGs is to provide the space to form a community to share information and exchange experiences related to the technical area, while increasing partner buy-in to both process and practices to improve implementation.

This quarter, INVC contributed to USAID Mission effort to conclude the FtF-INVC GVH mapping exercise. The implementing partners (FUM, NASFAM, MMPA, CADECOM) provided the GPS coordinates to locate key institutional structures such as GACs, clusters, and MBGs.

INVC also worked with the Mission this quarter to facilitate the project “Limited Financial Review” carried out by the Mission OFM and OAA team. The limited financial review focused on DAI's internal control and financial management systems for managing and accounting for USAID funds. The review evaluated if the project accurately recorded and reported costs that are allowable, allocable, reasonable, and compliant with USAID rules and regulations. The exit review by the team commended DAI in maintaining an acceptable system of internal control and managing USAID funds. There were a few recommendations to further enhance the internal controls, which have since been put in place.

This quarter, INVC also submitted an abstract to USAID's Microenterprise and Private Enterprise Promotion (MPEP) project on the INVC approach to scaling integration of nutrition in agriculture. If accepted, the submission will provide the opportunity to share our experiences with a wider audience.

During the quarter, all INVC staff successfully completed the mandatory training on ethics and compliance. The staff also completed the DAI required training on Security. DAI's Department of Global Security provides these training to all DAI project staff to ensure they understand security policies and know how to use the security systems and tools available to them.

#### ***FY 2014 Performance Monitoring and Evaluation Plan (PMEP)***

Revisions of INVC PMEP continued in the quarter. The plan is to submit the final PMEP in April to USAID. There are no significant changes to the PMEP besides the fine tuning of some of the indicators and updating the Data Quality Assessment conducted in October 2013. The changes to this

PMEP were carried out to streamline and focus the PMP on a minimum set of key and relevant indicators needed to monitor the progress and impact of the INVC project.

### **Project Staffing**

FTF-INVC successfully finalized the process to mobilize the project M&E Officer, Mr. James Phillips, who will arrive at post in April 2014. This quarter, two long-term local-hire expatriates, Ms. Gena Pearson (business process advisor) and Shannon Lindsay (nutrition M&E coordinator) also joined the project on a full-time basis. FtF-INVC also initiated the recruitment process to identify 1 nutrition specialist, 3 field coordinators and 14 nutrition assistants for the expansion of nutrition activities in three additional districts (Balaka, Mangochi, Machinga) to ensure nutrition activities are quickly integrated into the agriculture through the NASFAM farmer organizational structure.

On the grantee front, NASFAM finalized the hiring of INVC dedicated M&E coordinator and accountant to ensure that full attention is provided to INVC activities. This quarter, FUM also successfully recruited a dedicated INVC accountant and M&E coordinator to provide data quality and monitoring oversight across the 10 EPAs managed by FUM. Under nutrition, Nkhoma finalized the hiring of the remaining 4 nutrition assistants to provide guidance and oversight to the promoters. However, a dedicated accountant is yet to be recruited by Nkhoma. Efforts are being made by Nkhoma to complete this hiring process next quarter.

In an effort to boost implementation activities, FtF-INVC provided surge support to key implementing partners this quarter to help them increase district/field level capacity to deliver results. 18 subject matter specialists were mobilized to provide support across various technical areas, including both agriculture and nutrition (Table 4).

**Table 4: Short Term Technical Support Mobilized during the Quarter**

<b>No</b>	<b>Consultants</b>	<b>Technical Focus Area</b>
1	Francis Johnston	Capacity Building – OCA Launch
2	Kathleen Kurz	Nutrition
3	Judiann McNulty	Nutrition BCC
4	Adriane Seibert	Community Nutrition
5	Dr. Mohan Kumar	AI and Dairy Management
6	Laura Arnston	M&E and DQA training
7	Dewitt Tillet	Financial Reconciliation Field Staff training
8	Tim Piper	Competitiveness (Mobile Money)
9	Andrew Keith	Procurement and Financial Management
10	Kristy Cook	Gender Assessment
11	Cristina Manfre	Gender Assessment
12	Kenan Kamagho	Gender Assessment
13	Dr. Judith Kamoto	Gender Assessment
14	Rick Wesch	Strategic Planning and Organizational Support
15	Alfren Osunsanya	Collective marketing
16	Doreen Chanje	Collective Marketing
17	Tamanda Chidzanja	Collective Marketing
18	Umodji Consulting	Organizational Development and Association Business Planning

While several of the consultants in the list above began their assignments during this quarter, their responsibilities will conclude next quarter. In addition to the above, FtF-INVC is in the process of mobilizing more technical assistance to continue the support necessary to maintain the pace of implementation and management delivery. Scopes of work for some planned activities are already in the final stages:

- Beneficiary Survey for Measuring Agricultural Outcomes indicators
- Establishing a Nutrition Baseline for Balaka, Machinga, and Mangochi
- Dairy Value Chain Support
- Aflatoxin Control and management targeting farmer associations and cooperatives

- Crop Conditioning and Storage management targeting farmer associations and cooperatives
- Seed Sector reform and Seed revolving Schemes
- Sustainable Agricultural Intensification: Understanding Smallholder Farmer Decision-making vis-à-vis Legume management practice Adoption

### Gender Assessment

A four-person team conducted the FtF-INVC Gender Assessment this quarter covering all seven districts. The objectives of the assessment were to conduct a quantitative and qualitative assessment of the gender issues in the targeted value chains; identify gender-based constraints and opportunities in the targeted value chains; and provide recommendations and tools to ensure that the objective of gender equity in FtF-INVC in Malawi is met. The team collected data and information through literature review and interviews with FtF-INVC project staff, implementing partners, individual project beneficiaries, transporters and traders in Mchinji (Mkanda EPA), Mangochi (Mtiya EPA), Machinga (Nyambi EPA), Balaka (Ulongwe and Mpilisi EPAs), Lilongwe (Nathenje EPA) and in Dedza (Chafumba EPA) districts.

**Figure 3: Some of the women beneficiaries who participated in the interviews**



Preliminary findings indicate that nutritional messages are being absorbed by both men and women farmers; women are embracing nutritional messages which are being disseminated through radio jingles, theatre performances, public service announcements and in care groups (session). There are also some indications of greater consumption of soy beans, ground and dairy being promoted in the project. It has also been noted that care groups are used as launch points for leadership training and membership in clubs, domains which were previously largely dominated by men. Participation of both men and women farmers is increasing for these crops, particularly for women. Men and women farmers were observed adopting new technologies such as planting, weeding, harvesting, winnowing. However, fewer women than men among (216 women against 675 men for example) dairy farmers were observed in the dairy sector. There are also indications (perception) that current marketing initiatives could be favoring men compared to women. FtF-INVC will share the report with partners next quarter when it is finalized, and begin to reinforce positive findings and address the gaps identified.

### SUB-TASK 2: PROJECT SITE VISITS AND FIELD TRIPS

As the flagship project in Malawi, FtF-INVC is mindful of its role in sharing project performance information and showcasing project activities. During the quarter, the following project site visits were conducted by USAID/Malawi.

**Table 5: Project Site Visits Conducted this Quarter**

No	Visiting Team	Dates	Project	Partner Site
1	Deputy SEG Office Chief, and COR for INVC, John Edgar; Agriculture Specialist and A/COR for INVC, Martin Banda	Jan. 7, 2014	Kanyama and Bembeke EPA, Dedza	CADECOM
2	Deputy SEG Office Chief, and COR for INVC, John Edgar; Agriculture Specialist and A/COR for INVC, Martin Banda Agriculture Officer, Matthew Raboin	Jan. 9, 2014	Chiwamba EPA, Dedza	CADECOM
3	USAID Malawi Desk Officer, Ms. Shannelle Chambers; USAID/Malawi Mission Officers	Feb. 3, 2014	Chiwoko GAC/ Nthenje EPA, Lilongwe	NASFAM/ Nkhoma
4	Agriculture Specialist and A/COR for INVC, Martin Banda	Feb.4 -6, 2014	Balaka, Ntcheu, Machinga, Mangochi	NASFAM

5	Deputy SEG Office Chief, and COR for INVC, John Edgar	Mar.6, 2014	Golomoti, Dedza	CADECOM
6	Limited Financial Review - USAID/Malawi Acquisition and Assistance Specialist, Rajab Banda; Financial Analyst, Mark Misomali	Mar. 24-25, 2014	FtF-INVC	DAI
7	USAID Nutrition Specialist, Violet Orchardson; USAID, Env. Officer Madalitso Chisale	Mar. 28, 2014	Chiwamba, Lilongwe	NASFAM, Nkhoma

### **SUB-TASK 3: DONOR COORDINATION**

In order to foster synergy, reduce duplication, increase coordination, and contribute to development, this quarter too, FtF-INVC participated in several workshops and meetings organized by donors, NGOs, partner projects, and government ministries. The following are some key meetings and workshops INVC participated in to contribute to improved stakeholder coordination and collaboration:

1. FtF Policy Partner Focus Group Discussion
2. DFID MOST Briefing
3. Working Session for Review of Nutrition Policy and Nutrition Strategy
4. MAPAC Working Group Meeting
5. OilSeed Technical Working Group Meeting
6. USAID/Malawi CDCS Launch
7. AGRA/SAIOMA Project Launch
8. ICT For Rural Development Workshop
9. IFC/World Bank Group Warehouse Receipts System (WRS) Workshop
10. Solidarida Steering Committee Meeting
11. Technical Working Group on Technology Generation and Dissemination
12. Soy Bean Association of Malawi (SOYAMA) Consultative Meeting
13. WALA Program M&E Learning Meeting
14. WALA/IMPAC M&E Experience Workshop
15. FtF-INVC Partners Consultative Workshop
16. Livestock and Dairy Development Thematic Meeting
17. Women's Leadership Event
18. USAID Workshop on Agricultural SMEs
19. Dairy Industry Development Platform Meeting
20. Consultative Meeting for Groundnut Platform
21. Aflatoxin Challenges in Eastern and Southern Africa Workshop
22. USAID Trilateral Project on Seed Science and Technology

## **TASK 2: KEY MONITORING AND REPORTING ACTIVITIES**

### **SUB-TASK 1: MONITORING AND REPORTING SYSTEM**

#### ***Project Documents and Report Submission***

As per contract progress reporting requirements to USAID, quarterly report for FY2013 ending December 31, 2013 was prepared and submitted on time.

#### ***Data Collection Tool Development***

FtF-INVC engaged Dr. Arnston, M&E expert and DQA specialist to provide support in the refinement of INVC M&E tools and processes, including guiding partners in revising their DQA sheets for internal project use and reporting. The INVC M&E team shared the data collection tools that have been finalized to all the partners. The partners are focusing on collecting routine data to respond to the 6 output indicators for reporting to USAID and other routine management indicators. The M&E coordinators at INVC continued to mentor partner M&E Officers on the use of tools at field level. This involves explaining the definition of the indicators and level of disaggregation needed for each indicator based on the project context of the partner.

## **SUB-TASK 2: STRENGTHENING GRANTEE M&E SYSTEMS**

The FtF-INVC team recognized the need for an M&E specific technical working group (TWG) to streamline M&E functions and address issues of data quality. FtF-INVC launched its first M&E TWG on 7<sup>th</sup> March 2014 in an effort to create an informal M&E community where members feel comfortable sharing information with each other as well as with FtF-INVC. The M&E Technical Working Group will be meeting quarterly to interact with partners (ACE, CADECOM, CISANET, FUM, MMPA, NASFAM, NKHOMA Hospital, and Pakachere) on issues related to FtF-INVC monitoring and evaluation. These meetings will be focused on issues related to the recent DQA (partners' progress and upcoming workshop), challenges with current M&E tools, and updates from INVC and partners on routine progress of each partner.

### ***Designing Performance Indicators for Tracking by Partners***

To enhance the tracking of each performance indicator, the M&E team helped to come up with final work plans for the partners and the performance indicators which our partners are asked to track. This information was vital as it was used to help the Grants Manager to make decisions as to which of our partners is eligible for funding. Organizations such as MMPA, ACE, NASFAM, FUM, CADECOM and IITA have their proposal approved by USAID for funding. In the next quarter INVC M&E team will start making follow-up as to whether our partners are following the agreed work plan to collect agreed performance indicators.

### ***Capacity Building Workshops and Trainings***

On 17-18<sup>th</sup> January, 2014 an orientation of NASFAM Association Field Officers (AFO's) on FtF-INVC M&E tools and reporting formats was conducted at NGOMS Lodge in Liwonde. A total of 33 AFO's (24 males and 8 females) from NASFAM participated. The training covered general INVC attendance forms, Lead farmer participation form, GAC registration form, NASFAM monthly and quarterly reporting manual and household registration form. Some key observations made were that most of the AFO's do not submit reports and the weak reporting systems within NASFAM are unable to track which AFOs are reporting and what measures are taken to assist those that are not reporting.

FTF-INVC brought in Dr. Laura Arnston, DQA Specialist and M&E expert, to assist FtF-INVC assess progress, challenges, untapped potential for responding to DQA Action Plans and provide partner support for any weaknesses or potential issues in data element comprehension, data collection, compilation management, and reporting tools and processes. This assignment was to help the project operationalize the guidance and recommendations emanating from the USAID initiated Data Quality Assessment that took place in October, 2013. In an effort to identify data quality issues linked to project achievements, Dr. Arnston visited partners and completed her own assessment of how FTF-INVC can better assist partners. The INVC organized Data Quality Assessment workshop for grantees focused on DQA learning and brought together M&E officers and field staff from ACE, FUM, NASFAM, Nkhoma, and Pakachere. The objective of the INVC DQA workshop was to clarify data collection and reporting issues, and to review and develop a way forward for adapting/using a step-wise DQA approach for continued improvement and reporting of data quality. The meeting began with a review of what was covered on the 25<sup>th</sup> in the Data Quality Demand and Use (DQDU) workshop, in which participants worked through decision making within their organizations and how high-quality data is used to inform these decisions. Dr. Arnston also conducted DQA "clinics" to assist partners to enable assimilation of DQA information, procedures and practice.

## **SUB-TASK 3: PROJECT BASELINE AND PERFORMANCE UPDATE**

In the quarter, consultations were carried out with Bunda College of Agriculture to start preparation for launching the Nutrition baseline for the three districts (Balaka, Machinga, Mangochi) where nutrition integration activities and related interventions will be launched beginning next quarter. The baseline survey is expected to take place soon after the general elections conclude in Malawi.

Bunda College of Agriculture is also preparing to launch the FtF-INVC Annual beneficiary survey to measure the 8 agricultural outcome indicators across the zone of influence. The survey team is envisioned to begin surveying the last week of May.

A draft copy of the FtF-INVC project baseline survey report was submitted by IFPRI this quarter. IFPRI also submitted, in draft form, the data for the survey. A total of three baseline surveys were carried out by IFPRI in FY2013. The final baseline report is expected early next quarter.

#### **SUB-TASK 4: DATA COLLECTION, REVIEW, AND SUBMISSION TO VARIOUS EFFORTS**

##### ***Feed the Future Monitoring System (FTFMS)***

FtF-INVC continued to collect data for 6 routine output indicators that feeds into the FTFMF Bureau of Food Security (BFS) reporting. These outputs will be reported with the other outputs in September 2014 though there were some “first use” technical glitches; data entry was eventually successful given that it contributed to the overall USAID effort on proper and timely data capture at the country level.

##### ***Ministry of Health Child Health Days Planning***

FtF-INVC attends National Child Health Day planning meeting held at MOH Headquarters. So far, the meetings it has been attending include 18<sup>th</sup> March 2014 and FtF-INVC was also welcomed to attend the meeting on 1<sup>st</sup> April 2014. As done last year, this year too, FtF-INVC will be contributing to the Government’s effort to ensure that the children across the nation receive their bi-annual dose of vitamin A, deworming pills, and screening support for both mothers and children.

##### ***USAID Microenterprise Results Reporting (MRR)***

The Microenterprise Results Reporting (MRR) is USAID’s official system for collecting and reporting to the U.S. Congress on Agency-wide funding and results in terms of economic development at the micro-level. As a USAID funded project, INVC is required to share and submit any microenterprise-related results achieved through the project. INVC duly completed the MRR data call within the time requested for FY2013 and updated the data for FY2012 given that there were some inaccuracies.

## COMPONENT 1: ADVANCING VALUE CHAIN COMPETITIVENESS

During the quarter, significant progress was made under this component. For the first time ever in Malawi, forward contract for **4,695 tons of soy bean** was settled this quarter; a private sector company geared up to export **180 tons** of soy-cake to Zimbabwe; **9 out of 12 commercial banks** converged to participate in the forward contracting mechanism in an effort to engage in the smallholder agriculture sector; and for the first time ever, **42 brokers** were trained to provide services to help better facilitate market access and improved incomes for smallholders in Malawi.

Significant progress was also made in other areas such as boosting the commercial integration of smallholders into the grain markets, by establishing close to **325** village aggregation centers and roughly **60** bulking centers in rural areas in an attempt to bring markets closer to farmers while increasing efficiency at the same time. For the first time, implementing partners have established linkages with **30** local transporters as partners in a bid to facilitate smallholder commercialization. Significant effort was also made to encourage smallholders to participate in collective marketing and warehouse receipts program so that they are better able to time the sale of their produce to maximize revenue and income. Several marketing options are now open to smallholders to meet processors demand for **56,000 tons** of soy beans, **46,000 tons** of maize, and **4,000 tons** of groundnuts.

### TASK 1: INCREASE ACCESS TO MARKETS

#### SUB-TASK 1: CONDUCT UPGRADING STRATEGIES, COMPETITIVE / MARKET ANALYSES AND DEMAND ASSESSMENTS

##### *1.1 Ground nut value chain*

Groundnut value chains in Malawi continue to be afflicted by aflatoxin contamination. Aflatoxin remains a key impediment to increased market expansion, value addition and utilization as food as well as the incorporation of groundnuts to fortification of different food types. The under-developed value chain and the critical challenge caused by aflatoxin results in a limited number of industry stakeholders.

In order to deal with these continuing challenges during the quarter, the project focused on the farmers as growers of the crop as well as consumers. The key activities targeted increasing farmer awareness on the importance of the crop and the key challenges it faces vis-à-vis aflatoxin and its management, which includes storage. Efforts included sharing recommendations on improved agronomic practices with farmers, plus subsequent supervision by frontline extension staff from the government and implementing partners of these ideas during implementation. The interventions included on-farm management and control, tier-ridging to control rain water movement and moisture levels to prevent stressful conditions of the growing groundnuts, proper drying practices including demonstration on how to create a Mandela cock to lower aflatoxin spread.

Figure 4: Handouts on Upgrading Groundnut Quality



This quarter, information and messages on nut-in-shell aggregation and marketing was widely disseminated. Practices such as hand-powered or motorized mechanical shelling versus wetting and hand shelling, grading prior to marketing were also shared through partner farmer structures in order to upgrade groundnut quality so that the aflatoxin contamination risks can be further mitigated.

##### *1.2 Soy bean Value Chain*

FtF-INVC, in collaboration with NASFAM, FUM and CADECOM, is focused on the introduction of structured marketing as part of the strategy to promote marketing of agricultural commodities.

Lessons learned earlier showed that farmers need access to competitive markets in order to sell their crops at better prices. Failure to make such access possible had contributed to the failure of previous soybean marketing efforts. Therefore FtF-INVC is working with the implementing partners to improve the marketing of soybeans through collective marketing in the 2013/14 season. This is in response to past lessons when many farmers failed to access markets due to market unavailability and price uncertainties. In turn this resulted in a reduction in the number of farmers growing soybeans in subsequent seasons.

### ***Collective Marketing Training and Sales Options Sensitization Meetings***

A total of about 8,000 participants from across the seven districts were trained on collective marketing. Collective marketing, done right, can empower farmers to access better markets and acquire negotiation skills to achieve better prices. The training was conducted during the quarter key messages were conveyed on the importance of farmers selling their commodities in groups in order to realize the potential benefits. A total of 71 sessions were conducted in 30 associations under NASFAM; similarly large numbers were recorded for both FUM and CADECOM.

As illustrated in the picture, attendance was high at most meeting sites and the figure below shows the high level of support during the sensitization meeting in Bilira, Ntcheu.

In addition to collective marketing, smallholders were also informed about the various Sales Options, including warehouse receipts available to them. Raising awareness on how to benefit from different sales options was also carried out across all 7 districts under FtF-INVC. A total of 3,000 lead farmers, cluster committee members, key influential cooperatives committees members and government staff benefited from the training. The lead farmers are expected to share what they learned to their cluster members.



**Figure 5: Farmers attending collective Marketing meeting in Bilira, Ntcheu**

Complementing the collective marketing and sales options training, ACE also conducted a series of sensitizations sessions specifically focused on Warehouse Receipts through various platforms (Rural Trade Agents, head office staff, trade facilitation office and Market Information Points). Although farmers were busy with agronomic field activities in the months of January and February, ACE managed to sensitize a total of 2,354 farmers and other stakeholders. To date ACE has sensitized a total of 16,521 farmers under the FtF-INVC project.

### ***Mapping of warehouse and Transport operators***

FtF-INVC in collaboration with all the implementing partners also embarked on mapping of aggregation and collection points, warehouses and transporters in each of the EPAs. With participation from smallholders, a total of 325 village aggregation centers where produce will be aggregated in readiness for the 2014 harvest season were identified. The identification process started in the EPAs where sensitizations took place and the exercise is still underway.

60 bulking centers have also been preliminarily identified. The bulking centers at key collection points provide the opportunity to round up commercial volumes. The bulking centers are storage spaces that will be used to hold commodities moved up from various village aggregation centers for the 30 or so transporters that have been identified for smallholders to haul commercial volumes to ACE certified warehouses or depots. Bearing in mind that most of the rural warehouses identified are too small to keep large quantities of stocks, it is imperative that regular and reliable transport options are made available. In the next quarter, these satellite storage spaces will be vetted for stability and security before it can be used as a bulking center. Training on storage management and crop conditioning for storage will be rolled out next quarter since post-harvest/storage losses are factors that account for large losses of produce due to poor handling and management of the crop during storage as well.

Since many of the bulking centers/storage facilities identified to date are ADMARC owned, NASFAM and FUM have begun lobbying the Ministry of Agriculture and Food Security. The objective is to get ADMARC to let smallholders and their associations use these existing, but idle, ADMARC warehouses in each EPA's as produce bulking centers for the Farmer associations.

**Figure 6: A cross-section of farmers and stakeholders trained in Collective Marketing and Sales Options**



### ***Trade Facilitation***

During the quarter ACE facilitated a total of 79 contracts for 6,350 metric tonnes (mT), which included soybeans. The total contracts were valued at MWK over 1,110 million. Forward contracts and BVO generated contracts made up the vast majority of these contracts. However 17 contracts were concluded that did not fall into either of the above-mentioned categories for 559 tonnes with a value of nearly MWK 74 million. Rural Trade Agents did not manage to get any of these contracts, which is not really surprising given the time of year. A more complete and detailed analysis of the volumes and values traded are provided below:

**Table 6: Contracts Facilitated in Q2 2014**

Type of Contract	Facilitator	Number of Contracts	Volume (MT)	Value (MWK)
Any	Rural Trade Agent	0	0	0
Normal Trade	Trade Office	17	559.24	73,701,500.00
Forward Contract	Trade Office	58	2,654.92	559,471,143.43
BVO	Trade Office	4	3,136.36	477,112,060.00
<b>Totals</b>		<b>79</b>	<b>6,350.52</b>	<b>1,110,284,703.43</b>

### ***Broker Training***

FtF-INVC and ACE conducted two successful and effective training courses for brokers in Blantyre and Lilongwe with a total of 42 participants (27 male and 15 female). At the end of each training session participants completed a written examination that was designed to assess understanding of the concepts and the candidates' potential to become brokers under the exchange. These training courses followed sensitization meetings held in Mzuzu, Blantyre and Lilongwe to assess both the level of interest as well as the caliber of those who planned to attend.

It should be noted that the role of "Broker" is a new concept for most participants and only 14 participants (12 male and 2 female) passed the examination at their first attempt. To provide a second

chance to the participants who only failed marginally, ACE intends to enable participants to re-write the examination before the marketing season kicks off.

It is planned for brokers to be in a position to facilitate trade, generate business and claim commissions from their clients. Their main responsibilities will be:

- Linking buyers and sellers
- Linking farmers and traders to finance and better prices
- Servicing sellers with better transport, market information and intelligence
- Completing trades over the ACE trading platform

**Figure 7: Small-group Work during the Broker Training Course in Blantyre and Lilongwe**



#### ***Collateral Financing and Bridging Finance***

A total of 2,679mT of commodity deposits were facilitated in the quarter under review. Most of these deposits were for soya forward contracts and were deposited at Sunseed Oil silos. Most depositors, hoping prices (particularly for maize) would significantly increase by this date, planned to sell their commodities during this quarter. Maize prices, however, dropped to unexpectedly low levels. The main reasons are political handouts of grain in prior to the up-coming national tri-partite elections and the highly subsidized maize provided by ADMARC. This has negatively affected the value of the warehouse receipts and the warehouse receipt system as a whole.

During the quarter ACE lobbied for collateral financing and to date a total of nine banks (Nedbank, Inde Bank, CDH Bank, National Bank, Eco bank etc.) have expressed willingness to commit resources to finance these linkages in the forthcoming marketing season. One partnership was re-established with FMB for the new season. The agreement on the facilities used last marketing season is still valid and ACE intends to use the MK 1 billion available through the partnership with FMB to finance warehouse receipts, bridging finance and forward contracts.

By the end of this quarter (considered peak period for farm produce sales) ACE warehouses held almost 6,200mT of commodities as shown in the Table below.

**Table 7: Commodity Volumes on Warehouse Receipts**

<b>Warehouse</b>	<b>Commodity</b>	<b>Volume (MT)</b>
Rab Kanengo	Maize Grain	496.68
Dedza (CADECOM)	Maize Grain	146.74
Kafulu	Maize Grain	429.12
Nathenje	Maize Grain	296.74
Balaka	Maize Grain	70.14
Mwandama Grain Bank	Maize Grain	35.00
Sunseed Oil (Forward Contracts)	Soya	4695.18
<b>Total</b>		<b>6,219.52</b>

### ***Forward Contracts***

There was a total of 5,791.28 metric tons of commodity traded on forward contracts between January and March, 2014. In addition, for the upcoming season, local processing companies have expressed interest to procure the following volumes:

- 56,000 MT of soy beans
- 46,000 MT of maize
- 4,000 MT of groundnuts
- 1,800 MT of sunflower

### ***1.3 Dairy Value chain***

FtF-INVC, working with MMPA, conducted activities on membership expansion, cross-breeding, AI service strengthening, milk quality and handling, capacity upgrading and marketing, upgrading of animal health, nutrition and advocacy. This took place in the five existing MBGs as well as five new MBGs and details are given in the following paragraphs:

#### ***Community sensitisation meetings***

MMPA's team of technical personnel conducted sensitisation meetings in the five new MBGs with the aim of introducing the project to the community and concept of including Malawi Zebu farmers and cows within the project. Attendees were happy with the strategy and it was agreed that an exercise to identify potential MZ cows to be marked for the cross-breeding activities will take place soon. MMPA as a member of the District Executive Committee, decided to utilise the existing local structures so that it can engage with every community and gain their active support. As well as conducting these ADC meetings, MMPA also met with MBG executive committee members to brief them about the project. In addition, AVOs were also invited in order to strengthen the link between the MBGs and the extension officers. MMPA is now working with the AVOs in the new MBGs

**Table 8: Analysis of attendance at ADC meetings**

NAME OF MBG	MALE	FEMALE	TOTAL
Lilongwe Bridge*	25*	5*	30*
Likuni	35	8	33
Chata*	25*	5*	30*
Dzawonewekha	40	4	44
Nkhochi	37	8	45
<b>Total</b>	<b>62</b>	<b>13</b>	<b>75</b>

#### ***Identify Zebu farmers in the new MBGs***

MMPA used the assistance of lead farmers, AI technicians and AVOs in its drive to identify those farmers with Malawi Zebu cows and interest in joining dairy farming as a business. These farmers will have to be reached and motivated to ensure that they see the benefits of collective marketing, despite being a distance away from the MBG itself. They will also be trained on dairy management practices in the same way as they do for pure-bred dairy cows. The various activities are designed to encourage farmers to actively participate in project activities and become members. This identification process is also going to help MMPA identify the potential number of farmers in the MBGs and to optimise the potential for increased milk production.

#### ***Conduct farmer training in improved dairy management practices***

48 lead farmers were provided with refresher courses, which included such topics on improved dairy management practices, as: kraal management, feeds and feeding, record keeping, disease control and breeding. Another 245 farmers with dairy cows were also trained on the same. The training was facilitated by MMPA technical officers in collaboration with Government extension Assistant Veterinary Officers (AVOs). These same AVOs were supported by MMPA to receive the "training of trainers" training. No refresher training on improved dairy production was conducted in Nathenje MBG since they had to concentrate on training Malawi Zebu farmers.

### ***Training for Malawi Zebu farmers in improved dairy management practices***

During the last AI campaign period, Malawi Zebu farmers had problems in detecting heat period for their animals and, as a result, were not able to call the AI technicians in a timely way to perform Artificial Insemination. The training was held over three days and covered: heat detection, feeds and feeding, record keeping and kraal management. MMPA expects that following this training MZ farmers will be much more effective in detecting heat in preparation for the coming AI campaign.

**Table 9: Breakdown of zebu farmers undergoing training**

MBG	MZ FARMERS		TOTAL
	MALE	FEMALE	
MAGOMERO	38	11	49
MACHITE	31	10	41
NATHENJE	48	2	50
NKHWEZA	25	15	40
LUMBADZI	54	0	54
<b>TOTAL</b>	<b>196</b>	<b>38</b>	<b>234</b>

### ***Mini Animal Health Campaign and GRAND Supplement***

MMPA registered 250 animals during the quarter that had been identified for the reception of the GRAND supplements provided by a visiting group of veterinarian doctors from India. The supplement is given to lactating cows with the intent of increasing milk by 1-2 litres a day. MMPA received 5 bags of GRAND supplement from INVC with a total of 1500 sachets. A total of 250 animals will receive the supplement for increased milk production; 74 animals from Nathenje and Machite MBGs have already received one month supply in the reporting period. Those receiving the supplement have reported that there is evidence of increased milk production. Apart from providing GRAND supplement to farmers, the MSU team conducted a mini health campaign where 79 farmers (21 females and 58 males) participated in training covering nutrition, animal health, breeding and reproduction. MSU also conducted a refresher training course for AI technicians.

### ***Assess MBGs for alternative feed source***

A group of Lead farmers was supervised on the establishment of fodder for animal feed as an alternative source of feed. The purpose was to see if the fodder trees have reached a stage where other farmers can learn from the evidence and therefore choose to plant it for animal feed. The lead farmer's demonstration plots have reached a stage where field days can be conducted for the learning of other farmers. The 19 lead farmers who were not supervised this quarter will be supervised in next quarter.

### ***Link feed suppliers to MBGs***

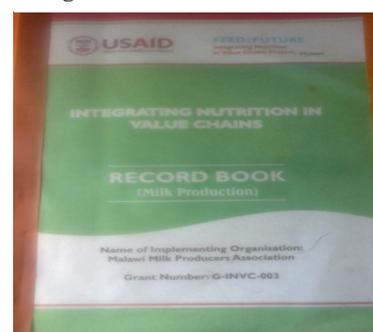
MMPA is continuing to support farmer linkages with feed suppliers. To date, two feed suppliers are linked to farmers, NDATANI Feeds and ASUM feeds supply dairy mash on loan. In Lumbadzi MBG all the feed delivered has been collected as planned while Nkhweza MBG has only 19 bags of dairy mash remaining. 100 bags of dairy mash from Machite MBG were given to Nathenje MBG – all of which has been collected.

44 bags of dairy mash are not in good condition and unfit for animal consumption. This is primarily due to poor storage facilities but also problems with machine reliability. Continuous breaking down of the machine has made farmers unwilling to get the feed for fear of how they would be paying back the loan since they were not bulking their milk. MMPA will discuss with the farmers how payment of the feed loan should be done and the outcomes of these discussion will be reported next Quarter.

### ***Procurement of Record Books***

500 record books have been procured and farmers will be trained

**Figure 8: MMPA Record Book**



on how to complete the record books which will be distributed in Q3. An instructional manual on how to fill the record books is also being developed.

#### ***Conduct AI technician skills refresher course- TANUVAS visiting Doctors***

A refresher course was conducted by MSU team of 8 doctors from India that visited Magomero and Nathenje MBGs and 22 technicians took part (21 male and 1 female). Apart from conducting the training the visitors also donated to Nathenje MBG 2 AI guns, 10ml of Brusilla (used to diagnose Brucellosis), 20ml of California Mastitis test reagent CMT, 1 thawing flask and 1 box of AI gloves. They also donated a Milk Analyzer to Magomero MBG.

#### ***Conduct AI technician training and AI Campaign***

MMPA technical team visited the newly-engaged MBGs to conduct interviews designed to assess the eligibility of individuals to be trained as AI technicians. A checklist was used for the assessment, looking at criteria such as age of the candidate (<25 years old), membership of the MBG, endorsement by MBG members and evidence of good character.

Artificial insemination has taken place in the MBGs but with low figures. Nathenje and Machite MBGs have outstanding debts with CREMPA as such they are not able to get semen for AI. This AI service has been conducted outside the campaign period with farmers paying the normal fee of between MK3,000 and MK3,500 depending on location.

#### ***Conduct Pregnancy Diagnosis (PD)***

PD has been conducted on the following cows by AI technicians and MMPA staff:

- 64 animals in Lumbadzi of which 30 are pregnant
- 33 in Nkhweza of which 26 are pregnant.
- 54 in Magomero of which 47 are pregnant.
- 99 in Machite, of which 63 have conceived.
- 79 cows in Nathenje out of which 56 have conceived.

#### ***Engagement of Bunda Graduates in the 5 existing MBGs***

MMPA has placed five Bunda University Graduates (3 males and 2 females) from the Department of Animal Science into five Milk Bulking Groups (Magomero, Nkhweza, Machite, Nathenje and Lumbadzi). The Interns are expected to work alongside MMPA technical officers to provide dairy farmers with group and one-on-one support in order to increase dairy production, improve dairy farm management as well as support the AI campaign strategy. The interns are also expected to support the creation of sustainable mechanisms to increase milk production, contribute to consistent milk quality and assist in high impact feeding strategies.

## **SUB-TASK 2: SUPPORT INDUSTRY PARTICIPANTS IN MARKET DEVELOPMENT AND MARKETING**

#### ***Market Development Initiatives***

This quarter, ACE added six new private sector operators to the list of ACE-certified storage. Facilities owned and operated by Bio-Energy Resources Limited (BERL), Sunseed Oil Limited, Export Trading Group, Agora, Propac and CP Feeds were inspected by an expert and were found to meet the necessary requirements to issue warehouse receipts and store warehouse receipted commodities. Together, these new facilities represent an additional 42,900 metric tons of storage of which 22,900 are open to third party deposits. This brings ACE's certified storage capacity to 165,860 metric tons. Out of this, 38,000 MT space is in Zimbabwe, which was finalized last quarter as part of ACE's regional linkage strategy. ACE intends to inspect and certify additional rural storage capacity in the course of the next quarter to bring the warehouse receipt system closer to the beneficiaries. 10 NAFSAM related warehouses in the 6 IPCs have been identified for this purpose, but will need verification by ACE, before it can be certified as a secure and safe storage site. This will be carried out next quarter.

ACE is engaging in various training and sensitization meetings on WRS and warehouse management so that capacities of farmers are improved as they participate in structured marketing for the first time.

FtF-INVC through ACE has engaged with large buyers like Rab Processors, Farmers' World, CP Feeds, Sunseed oil, Export Trading, and Charles Stewart, who will now participate in, and support, the structured marketing: as a demonstration of their commitment they have opened the use of their warehouses to smallholder farmers and other third-party depositors.

#### ***Warehouse and Transport Operators in IPCs***

FtF-INVC, in collaboration with implementing partners, carried out a mapping exercise in all the seven districts to facilitate storage and the movement of commodities from various points. However, the certification of warehouses will be restricted to the major warehouses at only NASFAM managed IPCs. Logistically it would be impossible for ACE to certify small warehouses that are suitable for short term storage only. Therefore, NASFAM will take the responsibility for all the commodities at this level and will be responsible for moving it to the IPCs where a warehouse receipt can be issued.

FtF-INVC supported the training of farmers and frontline extension staff in collective marketing as one marketing option that empowers farmers to improve marketing process, quality of the product and price leverage and negotiation capacity. Farmer's associations were also supported to ensure they were strengthened by improving the structure, composition and governance through training and election of new and motivated leadership. The establishment of a certified warehouse facility at Dedza for WRS by ACE was an initiative that exposed farmers and traders to a new experience in marketing system. Following the training in collective marketing, Dedza CADECOM has identified ADMARC and other privately-owned warehouses as well as village aggregation centers to be used as primary loci for conducting various marketing options of aggregated farmer produce. The market information point (MIP) that is linked to the warehouse was, and will remain, vital in the provision of access to market information. Experience in WRS from last year will provide a springboard for farmers to utilize the available viable market outlets with profitable prices accruing to the farmers.

FtF-INVC Social Behavioral Change Communication Sessions were conducted for managers to develop communication messages intended for the improvement of behaviors and practices in soybeans and groundnuts production and marketing. A total of 8 public service announcements (PSAs) were developed related to agriculture and marketing and are currently being aired on Zodiak Broadcasting Station.

NASFAM and FUM also held meetings with farmers in order to sensitize and increase awareness of available market options with the aim of promoting and facilitating market-linkages as well as exploiting new or existing relationships with other industry players. They also worked to enhance the usage of WRS, where available, and promoted the use of commodity exchanges. It is expected that in certain areas processing capacity will be enhanced to increase market opportunities for local production. Procurement processes were being finalized for processing equipment to conduct groundnuts flour processing, oil expulsion, groundnuts butter and packaging. Both NASFAM and CADECOM are procuring appropriate processing equipment to be used in the third and fourth quarter of the current FY 2014 marketing season.

### **SUB-TASK 3: STRENGTHEN PRODUCER, PROCESSOR AND VALUE CHAIN BASED TRADE ASSOCIATIONS**

Farmer groups, clubs, GACs and associations have been provided with several training courses in selling as an association (collective marketing), business management, local processing and value addition to their crops by correctly grading and ensuring that their produce is clean (crop conditioning) before it is taken to the market.

An Organizational Capacity Assessment (OCA) of partners was conducted at their Secretariat on 3-4 February 2014. This was undertaken by FtF-INVC's LCD supported by an STTA and is a continuing

activity aimed at strengthening the capacity of implementing partners. The exercise identified a number of issues that partners need to address immediately as well as in the medium term. FtF-INVC will continue consultations with partners to monitor progress on the action points pertaining to technical management and also liaise on actions that may require FtF-INVC's assistance up to the time of the 2nd assessment which is scheduled for the end of this year. It is planned that partners will commit themselves towards working on the issues and maintaining steady progress in addressing identified issues relating to sustained capacity improvement of the respective partners.

During the quarter, FtF-INVC continued to conduct its mandated role of providing technical assistance to its implementing partners. Through various meetings, technical backstopping, engagement of SSTA, implementing partners received assistance to effectively carry out various activities. Partners also attended various courses organized by FtF-INVC aimed at imparting skills that would enhance efficiencies in the operations and increase their capacity

Partners continued to train farmers in a number of improved agronomic practices, for example weed and pest management as well as interventions that would enhance the growing conditions of the crops. Village and cluster demonstration plots were used for teaching and learning purposes for the different interventions the project is currently promoting. Review meetings conducted at various levels in the farming communities were used to review achievements made and address various problems faced and decide the way forward. Through these meetings new farmer associations were strengthened.

The impact of the various efforts directed at the households through partners is reflected in the performance of farmers and crop growth statistics. Regular field trips to partners have revealed crop performance and critical field operations, which have been generally slightly above average.

#### **SUB-TASK 4: ENHANCE CAPACITY TO COMPLY WITH STANDARDS, QUALITY CONTROL AND FOOD SAFETY PROCEDURES**

tF-INVC continued to support partners in the procurement of certified seed varieties (e.g. CG 7 groundnuts seed and Serenade and Tikolore for soy). The sustainable growing of the same seed variety with consistent quality are both key to achieving high yield and attainment of quality standards. During the growing of these crops, farmers were trained to keep the fields weed free and to control pests by using non-pesticide methods of control. Farmers were also trained in pest management, harvest, post-harvest and storage management. Farmers were also trained in the management of aflatoxin which is a key threat to the improvement of groundnut value chain in Malawi. The use of clean, certified, seed is crucial to the management of aflatoxin followed by field, harvesting, post-harvest operations as well as storage. Farmers were also sensitized to sell their groundnuts in shells to avoid aflatoxin contamination and attract groundnut buyers. To reinforce the training, 1000 well printed color handouts covering each of the key topics were distributed to the participants of the training and PSAs were aired on radio.

FtF-INVC participated in various ways in the Malawi Program on Aflatoxin Control (MAPAC) meetings held during in February 2014. These meetings led to a Regional workshop conducted from 11-14 March 2014 in Lilongwe and facilitated by the Common Market for Eastern and Southern Africa (COMESA). The critical issues relating to aflatoxin were discussed, best practices were shared and resolutions were made. FtF-INVC played a key role in this workshop.

BCC approach was applied to disseminate information and awareness on food safety issues particularly pertaining to Aflatoxin contamination. In addition to raising awareness during training events, sharing flyers and handouts, drama performances and radio jingles were also launched to encourage smallholders to engage in nut-in-shell marketing and to be vigilant about Aflatoxin.

## **SUB-TASK 5: DEVELOP PARTNERSHIPS AND STRENGTHEN INDUSTRY / BUSINESS LINKAGES**

### ***Facilitation of Market Linkage/aggregation***

Through farmer training in collective marketing that was undertaken during the quarter, farmers were prepared for market linking and aggregation of their produce. To effectively accomplish this task in the coming quarters, partners have identified 325 village aggregation centers, 60 bulking centers which will serve as satellite storage facilities managed by farmer associations and cooperatives. Another 10 warehouses have also been identified by NASFAM at IPV level for ACE certification. Once these facilities are furnished, communication materials made available through ACE and other channels will target potential buyers.

### ***Industry/Trade Linkages***

FtF-INVC in collaboration with NASFAM and ACE supported the linking of farmers to traders through the ACE trade platforms to provide more competition, greater security and transparency as well the facilitation of alternative dispute resolution in the event of a problem arising from the contract. ACE and NASFAM are already working in close collaboration for linking farmers to potential traders whilst at the same time providing a marketing platform for other farmers and increasing the number of Market Information Points. Collective marketing initiative will develop farmers' ability to link up with potential buyers and gain the benefits of having a single buyer procure larger volumes in each transaction.

In addition, more industry players and processors are participating in ACE not only for forward contracting but also for direct bulk buying. Processors and exporting companies such as CP feeds, Export Trading, Charles Stewart, Sunseed Oil have expressed their interest in procuring defined volumes already for the coming marketing season: 56,000 MT of soy beans; 46,000 MT of maize; 4,000 MT of groundnuts; 1,800 MT of sunflower.

Success for buyers on this front will help in moving the processors away from supporting the informal channel of vendor supply to a more formalized approach to sourcing supply from ACE. In the long run, this approach will be beneficial to all players, including smallholders.

## **TASK 2: INCREASE VALUE CHAIN EFFICIENCY AND VALUE ADDING OPTIONS**

### **SUB-TASK 1: CONDUCT ASSESSMENTS OF VALUE ADDED SECTOR**

During this quarter, the main activities involved preparation of communication materials and farmer training that included IPM, harvest, post-harvest, and storage. Communication materials were presented in the form of PSAs: either broadcast via radio stations or through printed handouts. Training and airing of 8 PSAs will continue in the future. Having trained 337 frontline extension staff and lead farmers it is planned that over 100,000 households will be trained in their clusters during the third quarter.

Work on this activity was not appropriate at this time of the farming season, but during subsequent periods all the shelling machines that were procured in the last season will be installed and made fully operational. The soybean oil spinners will also be made operational so that by middle of next quarter all machinery will be fully functional and running effectively. Furthermore, preparations are also being made to launch several value adding and village-level processing options such as soy milk, groundnut flour, soy pieces, and enterprises such as mechanical threshing for income generation.

### **SUB-TASK 2: FACILITATE TECHNOLOGY TRANSFER THROUGH FIRM-LEVEL AND ASSOCIATION ASSISTANCE**

Activities that had been planned to achieve this sub-task were successfully accomplished in the previous quarters.

### **SUB-TASK 3: IMPROVE ACCESS TO POST-HARVEST HANDLING AND STORAGE OPTIONS**

The identification of 325 aggregation centers in all the seven districts will not only assist in storage of the commodities including maize for marketing purposes but better storage will help to avoid unnecessary crop losses in quantity and value when the market is not readily available. These aggregation centers will be linked to centrally-located bulking centers, which serve as satellite storage facilities for hauling commercial volumes to either to ACE certified warehouses or directly to keen buyers. Therefore farmers will have the option to take their commodities to the aggregation center or sign forward contracts with suitable buyers.

## **TASK 3: INCREASE ACCESS TO CREDIT AND FINANCE**

### **SUB-TASK 1: SUPPORT DEVELOPMENT OF EFFECTIVE STRUCTURED TRADE OPPORTUNITIES**

Warehouse receipts and forward contracts are some structured trade options being made available to smallholders through organized collective marketing. FtF-INVC is working closely with ACE to support their efforts on establishing such deals. To date, a total of 5,791.28 metric tons of commodity traded on forward contracts between January and March, 2014. In addition, for the upcoming season, local processing companies have expressed interest to procure the following volumes: 56,000 MT of soy beans; 46,000 MT of maize; 4,000 MT of groundnuts; 1,800 MT of sunflower. Efforts are ongoing to further link these opportunities with backward integration to smallholders so that more smallholders gain from such types of structured trade than they have done to date. The trend indicates traders gain from such deals. However, ACE and INVC partners are continuing to work to ensure that smallholders are given the opportunity to also gain from trade. For example, WRS offers farmers collateral guarantee when they wish to access a bank loans either in the form of cash or inputs, where they would be entitled to 70% equivalent of their depository.

### **SUB-TASK 2: FACILITATE LINKAGES BETWEEN LENDING INSTITUTIONS AND SMALL-HOLDERS**

During the quarter ACE lobbied for collateral financing and to date a total of nine banks (FMB, Nedbank, Inde Bank, CDH Bank, National Bank, Eco bank, FDH, and Standard Bank.) have expressed willingness to commit resources to finance these linkages in the forthcoming marketing season. The agreement on the facilities used last marketing season is still valid and ACE intends to use the MK 1 billion available through the partnership with FMB to finance warehouse receipts, bridging finance and forward contracts. Discussions with OIBM are underway as opportunities and modalities are being reviewed on how best to engage OIBM and its wide network of rural facilities.

## **TASK 4: FOSTER BUSINESS ENABLING ENVIRONMENT**

### **SUB-TASK 1: STRENGTHEN VERTICAL COORDINATION AND TRUST**

Working through CISANET, the FtF-INVC soybean value chain is helping to firmly establish SOYAMA so that it can fully perform its role of leading the development of the soybean industry in Malawi. SOYAMA has in the past worked on the paper work for its establishment: for example a draft constitution and database of its membership.

### **SUB-TASK 2: BUILD AGRICULTURAL POLICY ADVOCACY AND DIALOGUE CAPACITY**

Activity related to this Sub-Task has been reported in preceding paragraphs.

## COMPONENT 2: IMPROVING PRODUCTIVITY

The successes achieved this quarter under this component are contributing significantly to FtF-INVC's goal of addressing key constraints undermining Malawi's productivity in the three value chains. Fundamental among these are the issues of soybean seed availability, low soil fertility, aflatoxin management in groundnuts, post-harvest losses for grains especially legumes and maize, and dairy animal management.

As a result of FtF-INVC support, this quarter, a total of **24 hectares of Tikolore soy bean** basic seed that went into production last quarter is continuing to perform well in Lilongwe and Mchinje. When the crop is harvested early next quarter, the 24 ha is expected to yield at least 17 tons of basic seed, which in turn is expected to make available, a total of **684 tons** of certified seeds. Returns from the sale will be plowed back into the seed revolving fund to ensure supply of soybean seed is improved.

Last year's basic seed, bought on ACE by Care Malawi and the Presidential Initiative are reportedly doing well. Care Malawi informs that the Tikolore basic seeds planted on **3 Ha** in Kasungu are actually doing better than the Makwacha variety. If all go well, CARE Malawi will harvest at least **6 tons** of certified seed, adding to the supply to meet Malawi's demand for soybean seed.

### TASK 1: IMPROVE ACCESS TO QUALITY SEED AND OTHER AGRO-INPUTS

#### SUB-TASK 1: INCREASE/STRENGTHEN SEED SUPPLY

Monitoring Tikolore Soybeans Seed multiplication by IITA (Mchinji and Lilongwe) was done during the quarter to ensure that production practices are adhered to assure good yield. About 16 hectares of soybeans in Mchinji (Sendamisale) and 8 hectares in Lilongwe (Khasu) are under basic-seed multiplication.

**Figure 9: Tikolore Soybeans Multiplication Field in Mchinji belonging to Mr. Chidzanja**



The increased availability of basic soybean seed will most definitely contribute to placing the certified seed supply system on a firmer footing, particularly with the increased participation of private sector certified seed multiplication. This year, two channels (Care Malawi and Presidential Initiative) of seed multipliers are engaged in the production of certified Tikolore seeds. If this quarter's reported growth continues to perform well, then another 216 tons of certified Tikolore seed can be expected to enter the seed system.

While adding to the supply, it is not sufficient yet to meet the demand across farming categories.

Though the number of soybean farmers dropped from 21,000 to 19,000 this growing season, it is expected that more will be harvested and offered on the market than last year because the crop has done well in most areas as a result of reasonably good rains and improved agronomic practices such as double rows planting and applying the right spacing.

**Table 10: Soybeans and groundnuts distributed for the 2013/14 season – NASFAM farmers**

AMC	Beneficiaries			Volume – Seed Distributed (Kgs)	
	TOTAL	Soybean	Groundnut	Soy bean	Groundnut
Balaka	6,325.0	3,724.3	476.7	49,013.9	6,998
Lilongwe North	9,105.0	475.0	8,630.0	5,700.0	129,450.0
Lilongwe South	10,349.0	2,027.3	7,978.0	24,327.0	119,670.0
Mchinji-MASFA	6,299.0	6,301.5	0.0	76,666.91	0.0
Ntcheu	4,496.0	2,010.0	2,506.0	25,974	40,050

Namwera	5,129.0	5,129.0	0.0	61,863	0.0
<b>TOTAL</b>	<b>41,703.0</b>	<b>19,667.1</b>	<b>19,590.7</b>	<b>243,544.81</b>	<b>296,168.0</b>

**Figure 10: Soybean Fields Indicating Positive Prospects**



***Seed storage facility***

IITA identified a site within the IITA Malawi office compound to construct the basic seed storage facility and Motti Building Contractor was engaged to construct the facility. The construction of the facility which has the capacity to store 150 metric tons of basic soybean seeds is now completed, ready for the basic seed to be harvested this season.

**Figure 11: Loading/offloading bay of the new basic seed storage facility at IITA Malawi**



**Figure 12: New basic seed storage facility at IITA Malawi**



**Figure 13: Inside the spacious new basic seed storage facility at IITA Malawi – pallets hoisted from the floor to ensure sufficient air circulation**



### **Breeder seed storage facility**

Preparations for the construction of the breeder seed storage facility (with capacity to store about 75 tons of breeder seed) at Chitedze Research Station under DARS are completed. The Quantity Surveyor has produced a bidding document for this construction so the open bidding process to identify a contractor can start. There has been a delay in this activity because DARS has not until now satisfied its pledge for funds to meet the extra costs for a larger storage facility than the one in the DAI/INVC budget. Furthermore, the former DARS focal point moved to another donor funded program thereby delaying activities for the Breeder Seed storage establishment.

### **Basic seed production and selling to certified seed producers**

As part of a major effort to achieve the basic seed production targets, 427.5kg of breeder seed were sourced from DARS in pursuit of the revised seed production plan shown in the Tables below.

**Table 11: Revised Seed Production Plan for 2013/14**

<b>2013 (Irrigation/offseason)</b>	<b>2013/14 (Rain fed/main season)</b>			
<b>Breeder seed production</b>	<b>Breeder to Basic</b>		<b>Basic to Certified</b>	
	Breeder seed	Basic seed	Basic seed	Certified seed
427.5 kg (DARS & IITA)	427.5 kg (DARS & IITA)	17.1 tons (IITA)	5.4 tons	216 tons

**Table 12: Revised Seed Production Plan for 2014/15**

<b>2014 (Irrigation/offseason)</b>		<b>2014/2015 (Rain fed/main season)</b>	
<b>Basic to Certified</b>		<b>Certified to Grain</b>	
Basic seed	Certified seed	Certified seed	Grain
17.1 tons (IITA)	684 tons	216+684 = 900 tons	36,000 tons

Assumptions: 50kg seed is required to plant a hectare. A hectare will yield 2 tons of basic seed.

Two basic seed producers have been contracted to produce at least 17.1mT of basic seed this season: one is in Lilongwe and the other in Mchinji. Growers are contracted in two locations to spread the risks and reduce the uncertainties of production. The grower in Mchinji, located at Sindemisale, started planting on December 16, 2013 and the grower in Lilongwe, located at Khasu, started planting on December 26. All protocols for seed production were followed. Registration with the Seed Services Unit (SSU) of the Ministry of Agriculture and Food Security was made soon after site selection. Seed crop inspections for quality assurance are being conducted by both the SSU and the IITA Malawi Seed Systems Specialist. The most important activity in the quality assurance exercise is to ensure that the seed crop is a monoculture of the crop in question, specifically the intended variety, *Tikolore*. Therefore, all volunteer crop plants which are indicative of the land history were destroyed just before or after planting.

To ensure a monoculture of *Tikolore* soybean, a rogueing tool was developed from the breeder's description of the *Tikolore* variety. The tool is user-friendly to both English-and Chichewa speaking workers. Field workers at the seed production sites were given a two-hour on-farm practical training session on rogueing. This rogueing tool was handed out to each training participant for use as reference material during the rogueing operation which started when the crop was at the six leaf stage.

Strict weed management was followed, particularly with the weeds in the family of *leguminosae*, as these are the most likely sources of weed seed contamination in the final product. All other soybean field crop management procedures were followed according to *A Guide to Soybean Production in Malawi* (Kananji et al, 2013), also produced with funding support from FtF-INVC.

### **Joint supervisory missions to basic seed production sites**

Collaborators (CFC), Seed Services Unit and Donors were all involved in the joint supervisory visits to the basic seed production sites as illustrated below.

Mr Finiyasi (left above), the field supervisor at Khasu, applied 75kg super D fertilizer at planting, sprayed Folicur at early flowering to control soybean rust and has successfully used the roguing tool. FtF-INVC representatives expressed satisfaction with the uniformity of the botanical features of the crop - which is indicative of successful roguing. The crop at Khasu has now reached the advanced pod stage.

**Figure 14 : USAID consultant, Dr. Hailu (left), demonstrates off type identities, the seed producer (middle) and his son, Aaron (right) at Sindemisale in Lilongwe. Photo taken on February 21, 2014**



Dr Hailu, the former IITA soybean breeder, visited Malawi at this opportune time, when the crop was still at the advanced vegetative growth stage. IITA invited him to the seed production sites for his professional opinion. Impressed with the field management and roguing exercise, Dr Hailu discussed with the farmers the sort of quality indicators to be observed. For example: white hair color and the indeterminate nature of off-types can be useful identifiers of off types even before they manifest the most obvious characteristics such as flower colors that are not violet.

Collaborative work has been established with a CFC-funded project implemented by IITA, 'Integration of Small-scale Famers into the Market Economy through Soybean Value Chains in Malawi and Mozambique' which has a component of basic seed production. The CFC project coordinator Dr Penina Muoki and FAO official Dr Joyce Mithi, accompanied by the SSU Seed Quality Controller Ms Lucia Mtambo (see below) also visited the Sindemisale seed production site. The officials confirmed that the success of such projects needs good relationships to be maintained with farmers who can produce an excellent crop. This is demonstrated at Sindemisale. Dr. Chikoye of IITA Zambia was also among the visitors and the delegation emphasized the need to continuously help the farmer to follow all precautionary measures to avoid any form of seed contamination. Ms. Mtambo indicated that the IITA Seed Systems Specialist is routinely on the ground rendering technical advice to the farmer and she also promised continued SSU technical support in that direction. The crop at Sindemisale is now at the mature pod stage with the seed inside at the advanced dough stage.

**Figure 15: Lucia Mtambo (SSU Malawi, left), assures Dr Penina Muoki (CFC Mozambique, middle) and Dr Joyce Mithi (FAO Ghana, right) that inspections will be done routinely to ensure that the subsequent basic seed is of acceptable quality.**



## SUB-TASK 2: STRENGTHEN AND EXPAND SEED/INPUTS DISTRIBUTION SYSTEMS

Preparations are being made this quarter to ensure that seed recoveries are carried out in a timely manner next quarter. As part of the preparation, IITA conducted training on seed storage targeting GAC and association members as well as smallholders. For groundnut, the partners have been encouraging nut-in-shell storage practice in order to better preserve grain and seed quality.

This quarter, FtF-INVC met with USAID Funded Trilateral Program on seed science and technology at Bunda College. The trilateral program believes that placing seed science students at key locations within those communities managing the “Seed Revolving Scheme” could greatly help the seed access and distribution systems at community level. FtF-INVC in partnership with NASFAM and Bunda will continue to consider the concept to assess how best to test the approach in order to address seed quality issues at the community and smallholder level.

## TASK 2: INCREASE ACCESS TO NEW TECHNOLOGY AND MANAGEMENT PRACTICES

### SUB-TASK 1: IMPROVE ACCESS TO EFFECTIVE BEST BET (PRODUCTION)

#### TECHNOLOGIES AND MANAGEMENT PRACTICES

FtF-INVC, through its implementing partners, identified subject matter experts/crop specialists from ICRISAT, IITA and DARS to conduct farmer awareness and training on Integrated Pest Management (IPM), harvest, post-harvest, storage as well as Aflatoxin management at the field level. This joint research/knowledge centers and FtF-INVC training partnership was led by IITA to kick-off the “public-private partnership circle” to assist smallholders access best practices to improve agricultural production and reduce post-harvest losses. The training followed the implementing partners such as NASFAM, FUM and CADECOM’s extension delivery framework, where AEDOs, AFOs and lead farmers were identified for training so that they are better informed to cascade down the knowledge to smallholder farmers.

Figure 16: Handouts on Groundnut Harvesting and IPM



This quarter training focused on crop management which included pests and diseases. Training on harvest, post-harvest and storage was also carried out, and handouts, booklets and flyers on both soy

Figure 17: Soybean Production and Harvesting Handouts and Leaflets



bean and groundnut (five topics) were shared to help reinforce farmers’ understanding of improved groundnuts and soy bean production technologies. CADECOM distributed 5,000 such copies to its beneficiaries, while NASFAM distributed 90,000 copies (45,000 each of handouts on soybeans and groundnuts).

The partners are ensuring that the lead farmers have now passed on the messages down to the beneficiaries which include 25,000 via CADECOM, 41,000 via NASFAM, 24,000 via FUM.

Early results for the implementation of scaling-up plans have also been encouraging. 39 CADECOM, 244 NASFAM, and 89 FUM village aggregation centers have been established to enable farmers to collectively market their produce. However, prior to marketing, it is important to ensure that farmers learn to store their products well in order to prevent storage losses. Losses due to storage are as high as 10% in Malawi. As such, training was also provided on proper storage and handling practices for both soybean and groundnut.

**Figure 18: Soy Bean Harvesting and Storage Handouts**



To support and further reinforce the work carried out by agricultural field officers and lead farmers, FtF-INVC also increased the production and dissemination of 8 Public Service Announcements (PSAs) and jingles on groundnuts and soy beans production, harvesting, storage, and marketing. Leaflets on harvesting, post-harvest management, storage, and aflatoxin management were also produced and widely disseminated. Most handouts and leaflets were translated into Chichewa.

## **SUB-TASK 2: IMPROVE ACCESS TO PROVEN MANAGEMENT PRACTICES IN THE DAIRY SECTOR**

In the dairy sector, this quarter, MMPA with support from the MBGs and the embedded Bunda Graduate students, 250 households were identified to test the effectiveness of the gruel-rooted additive nutrient drops (GRAND) supplement on Malawi Zebu cows. The GRAND supplement, developed by experts from Tamil Nadu Veterinary Animal Sciences University (TANUVAS), ameliorates nutritional deficiencies in poor yielding cows and promotes rumen microbial proliferation and improves feed utilization, resulting in improved milk production in low yielding cows. Already this quarter, some smallholder dairy farmers have reported improvements in milk yield. MMPA and INVC will continue to monitor progress in the next quarter to assess the percent of increase as a result of the supplement.

This quarter, MMPA continued to train farmers in order to help them improve dairy management practices. A refresher course was held covering improved such topics as kraal management, feeds and feeding, record keeping. This was conducted in five existing MBGs involving 245 farmers with dairy cows. The training was facilitated by MMPA technical officers in collaboration with Government extension Assistant Veterinary Officers (AVOs). Nathenje MBG on the other hand focused training Malawi Zebu farmers as part of the Zebu upgrading strategy. The strategy is being pursued in order to increase herd size, increase milk volume at MBGs and to bring on board more rural households to engage in dairy farming as an income generating business while increasing local availability of a nutrition-enhancing food product. As such, this quarter, a total of roughly 1,015 households interested in dairy farming using their Malawi zebus were recruited. Out of this, 234 were trained in improved dairy management practices, which included heat detection, feeds and feeding, record keeping and kraal management.

## **TASK 3: IMPROVE ACCESS TO EFFECTIVE ADVISORY EXTENSION SERVICES AND INFORMATION**

### **SUB-TASK 1: SUPPORT LINKAGES OF RESEARCH INSTITUTIONS WITH EXTENSION SERVICE PROVIDERS (BOTH PUBLIC AND PRIVATE SECTOR BASED)**

As mentioned above, this quarter too, FtF-INVC partnered with crop specialists from ICRISAT, IITA and DARS to provide advisory extension services on Integrated Pest Management (IPM), harvest, post-harvest, storage as well as Aflatoxin management at the field level. This joint research/knowledge centers and INVC partners kicked off the “public-private partnership circle” to assist smallholders access best practices to improve agricultural production and reduce post-harvest

losses. The partnership will continue through the FtF-INVC “Production Agriculture Technical Working Group” as the members prepare for the next production season.

All implementing partners (NASFAM, FUM, and CADECOM) are utilizing their cadre of 2,046 lead farmers and 44 agricultural field officers to disseminate the improved production technologies to smallholders. On average, 1 lead farmer supports 50 to 65 households at the community level.

Furthermore, to monitor the process, both implementing partners and INVC staff ensured that farmers were following practices. Table below illustrates the type of activities that were carried out during the quarter. The illustration is for CADECOM; other partners have carried out similar exercises as well.

**Table 13: Ag-Productivity Activities conducted in the five EPAs at Dedza CADECOM**

	ACTIVITY	PLANNED	ACHIEVED	GENDER		REMARKS
				M	F	
1	Club meetings	1,800 Participants	1,580	7,200	8,600	The meetings were aimed at discussing how the crops are doing, discuss problems faced. A total of 15,800 beneficiaries were reached out.
2	Field visits	12,000 farmers	12,616 farmers	6,150	6,466	The field visits were made to see how the crops are doing, if farmers are following recommended practices
3	Review Meetings	15 Leaders	10	31	12	These meetings are at EPA level with extension workers and association leaders to discuss the progress of the project.
4	GAC meetings	207 members	187	1,312	1,493	Reports on the performance of groundnuts and challenges faced were discussed
5	Association meetings	15 executives	13	70	60	Revamping and strengthening of committees were done to prepare them for the coming selling season.

## SUB-TASK 2: USE ICT IN STIMULATING PRODUCTIVITY AND VALUE CHAIN DEVELOPMENT

During the quarter, partners continued to use ICT services to deliver agricultural production and value chain messages. Esoko was used this quarter to contact 142 beneficiaries (57 males and 85 females). 641 messages were created and delivered also through **Esoko**. The following table lists some example sent via Esoko to dairy farmers in Chichewa.

**Table 14: SMS Messages to Dairy Farmers Translated into English**

DATE	MESSAGE
20-03-2014	Dearest farmer, be informed that it is time to start feed conservation using different types of grass.
21-03-2014	Dearest farmer, remember to check your animal if it gets back on heat after 18-21 days from the time when it was inseminated
22-03-2014	Dearest farmer, remember to change the calf's bedding twice a week
23-03-2014	Dearest farmer, remember to provide feed and clean water to the animal all the time.
24-03-2014	Dearest farmer, remember to clean the cow's teat with soap, lukewarm water and use a clean towel to dry it before milking the animal.
25-03-2014	Dearest farmer, remember to provide supplementary feed e.g. dairy mash in order to improve milk yield and milk quality.
26-03-2014	Dearest farmer, remember to call for an AI technician to carry out pregnancy diagnosis after three months from the time when it was inseminated
27-03-2014	Dearest farmer, remember to de-worm your animals every three months.
28-03-2014	Dearest farmer, remember to dip your animals every week to prevent diseases.
29-03-2014	Dearest farmer, remember to dilute a packet of grand supplement in 5 litres of water and give it to the animal before it drinks any water.

The results of a monitoring visit showed that 80% of the farmers receiving the Esoko messages are applying the technologies which they receive on their phone. MMPA will upscale the utilisation of Esoko messaging, and is currently updating the contact list for farmers to ensure that over 90% of farmers benefit from the service. MMPA will also use Esoko for other purposes other than technological messages: for example inviting farmers to events like training and field days, and organising campaigns such as AI, animal health and feed preservation campaigns.

#### **TASK 4: PROMOTE RISK MITIGATION EFFORTS**

##### **SUB-TASK 1: PROMOTE CONSERVATION AGRICULTURE AND OTHER RESILIENT AGRICULTURAL PRACTICES**

Activities related to these sub-tasks were not undertaken this quarter since it was reported in the previous quarter.

##### **SUB-TASK 2: DEVELOP THE ENVIRONMENTAL MANAGEMENT AND MONITORING PLAN (EMMP)**

Work under this sub-task was undertaken in FY2013 and reported at that time.

## COMPONENT 3: IMPROVING COMMUNITY CAPACITY TO PREVENT UNDER NUTRITION

During the quarter, **32,015 households** were grouped into **2,667 clusters** of pregnant and lactating mothers with children under 5 years old. These 32,015 households, organized into groups of 12, were guided fortnightly by **2,667 lead mothers/care group** volunteers. A total of **205 care groups** were formed to assist the 2,650 lead mothers. A total of **120 promoters** were successfully working during the quarter with the lead mothers at community level in order to improve community capacity to prevent under-nutrition. To support the promoters and lead mothers in their effort to encourage community level adoption, radio jingles were aired **949 times** during the quarter. **101** Drama performances were held at key locations, which brought **10,100 community members** to improve their awareness and understanding of key nutrition and health related messages. The interventions were delivered through FtF-INVC partners: primarily NASFAM, FUM, Pakachere Institute of Health and Development Communications and Nkhoma Hospital. The main areas of focus for FtF-INVC interventions are aligned to the national programs and continue to be as follows:

- Improved key nutrition-related behaviors (essential nutrition actions) within households.
- Increased access to diverse and quality foods among target populations through improved production, purchase, storage, and preparation of nutritious foods.
- Enhanced consumption of a nutritious and sufficiently diversified diet.
- Increased access to and utilization of key nutrition-related services among target populations, including community nutrition assessment/surveillance, bi-directional referral with clinic services, and support for vulnerable populations to access appropriate care at the community or clinic level.

FtF-INVC ensures that all implementing partners understand that nutrition programs are to be delivered to all members of a community in each target district using the whole of community approach.

### TASK 1: IMPROVE KEY NUTRITION-RELATED BEHAVIORS (ESSENTIAL NUTRITION ACTIONS) WITHIN HOUSEHOLDS

#### SUB-TASK 1: DETERMINE FACTORS THAT INFLUENCE NUTRITION AND FEEDING PRACTICES

With support from three expert consultants<sup>1</sup> FtF-INVC Behavior Change Communication (BCC) and Nutrition Specialists reviewed and streamlined 15 key nutrition behaviours to be promoted in 2014 to increase effectiveness and adoption. It was necessary to prioritize which behaviors FtF-INVC will be able to promote during the remaining months of 2014, and, therefore, which others might need to be postponed. The IYCF counseling used in the project promote at least 25 different behaviors, some of which are composites of several smaller-scale behaviors. The SUN materials show approximately 40 behaviors. In the remaining months of 2014, care group volunteers (CGVs) (also called lead mothers) will only have a maximum of 18 sessions in which to learn key behaviors to promote with mothers. The STTA team took into account the following aspects when prioritizing the behaviors:

- a) Feasibility of implementing the needed activities in the remaining timeframe of FtF-INVC
- b) Likely impact on reducing stunting (in the short term)
- c) Which of the behaviors are already practiced by >70% of the population?
- d) Which behaviors are a composite of several sub-behaviors that would have to be promoted?
- e) Are some behaviors likely to be promoted or have been promoted by other agencies?

**Figure 19: The 15 Prioritized Nutrition Behaviors under FtF-INVC**

<sup>1</sup> Judiann McNulty (Consultant), Kathleen Kurz Nutrition specialist) and Adrienne Siebert (Nutrition Specialist)

1. Women seek ANC as soon they suspect that they may be pregnant (preferably during the first trimester)
2. Pregnant women attend ANC at least 4 times during duration of pregnancy
3. Pregnant women eat more nutritious food (animal foods, legumes, fruits and vegetables especially those rich in Vitamin A and iron) throughout pregnancy
4. Lactating women eat more nutritious food (animal foods, legumes, fruits and vegetables especially those rich in Vitamin A and iron) while breastfeeding
5. Mothers give only breast milk for the first 6 months (Exclusive Breast Feeding)
6. Mothers breastfeed for longer duration, fully emptying one breast before changing to the other
7. Mothers hold the baby in a correct/comfortable position baby during breastfeeding
8. Mothers attach young babies properly to the breast to stimulate milk production and assure they get enough without causing pain to the breast or nipple
9. Mothers breastfeed as much or more during illness and recuperation from illness (and give children over 6 months more liquids)
10. Caregivers will encourage children to eat extra food during recovery after illness
11. Caregivers prepare and feed their children 6 – 9 months old soft and thick meals (as opposed to watery and thin)
12. Caregivers feed their children 6 – 24 months fruits, vegetables, legumes, animal foods and fats for adequate nutrient diversity
13. Caregivers prepare and feed their children the recommended amount of food for their age
14. Caregivers will wash their hands with soap or ash at the 4 critical times
15. Children's hands will get washed with soap or ash before they feed themselves and after they pass stools

Prioritization of nutrition behaviours was followed by a message workshop for each behavior, plus the introduction of an associated communication plan. During the workshop, participants conducted gap analysis on the prioritized behaviours using a process adapted from the approach developed for the Pan American Health Organization (PAHO) for nutrition practices and later refined by the Judiann McNuty with the FANTA Project. It has been validated through use with government programs and USAID-funded projects, including earlier FtF projects. The process leads the participants to clearly define behaviors to be promoted, document the current practices through review of quantitative and qualitative research reports and decide what additional information is needed to develop a social and behavior change and/or communications strategy. FtF-INVC worked with Pakachere to develop message briefs based on the prioritized behaviors and with Nkhoma Hospital to revise plans for timed roll-out of messages in order to harmonize and synchronize efforts of all implementing Partners. As part of the workshop, two formative research sessions were completed in Chiwamba and Chigonthi EPAs to establish key barriers and determinants that influence – positively or negatively - the uptake of the 15 prioritized behaviours. Participants from Pakachere, Nkhoma Hospital, Farmers Union, NASFAM and FtF-INVC attended the session.

## **SUB-TASK 2: DEVELOP BCC STRATEGY**

The BCC Strategy is being revised based on the findings from the research referred to above and while the strategy is being finalized, interventions and messages based on the 15 prioritized behaviours are being implemented. For example, 15 radio program matrices have been developed and storylines for performances have also been developed by Pakachere for its theatre group and 17 community-based drama groups.

## **SUB-TASK 3: FACILITATE IMPLEMENTATION OF BCC STRATEGY**

### ***Drama performances***

101 Theatre group performances were conducted during the quarter in Mchinji and Lilongwe. Seventy performances were given in Lilongwe:

- 58 by community-based drama groups
- 12 by Pakachere Travelling Theatre

In Mchinji, 31 performances were done by community-based drama groups.

A total of 10,100 community members (including pregnant women, lactating mothers, care takers and leaders) were reached.

Key nutrition issues addressed were promotion of exclusive breastfeeding, dietary diversity among pregnant women, importance of ANC, water sanitation and hygiene.

### ***Mentoring and field monitoring***

Pakachere technical team conducted five monitoring and coaching sessions with community-based theatre groups in Ukwe and Mpingu EPAs, involving coaching on messaging, acting and conducting formative research before performances.

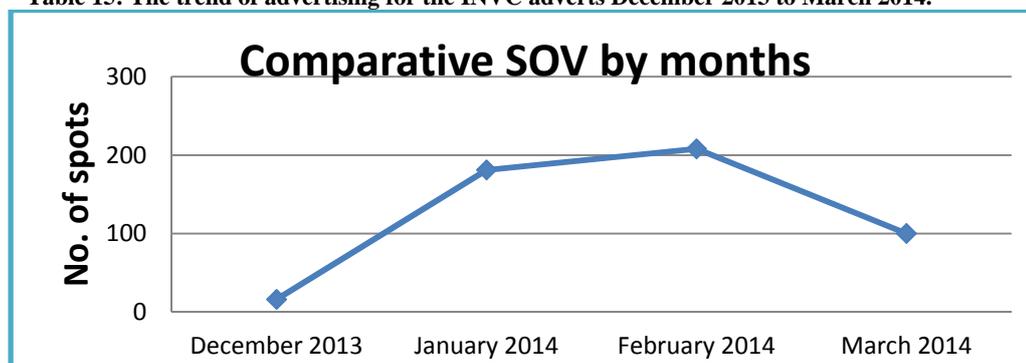
### *Airing of radio jingles*

Broadcast of two specialized radio jingles on exclusive breastfeeding continued during the quarter and were aired a total of 940 times on MBC Radio 1, Zodiak and Mudziwathu Community Radio

- 305 times in January
- 320 times in February
- 324 times in March

The airing of jingles on Mudziwathu Radio Station finished at end of the quarter following expiry of contract between Pakachere and the radio station, but transmission continues on MBC 1 and Zodiak. Table 32 below shows that the airing of the jingles on 2 radio stations (MBC and Zodiak) is decreasing as Pakachere is now phasing out this form of broadcast in favor of producing 15-30 minute radio programs. Broadcasts of these new programs will start in Q3. From the figure below it can be seen that airing of the jingles decreased from 208 slots in February to 100 in March 2014. Almost all jingles were aired during prime time – guaranteeing high listenership - which means that a wide audience was exposed to the FtF-INVC messages, even if they lived outside the usual ZOI of the project.

**Table 15: The trend of advertising for the INVC adverts December 2013 to March 2014.**



**Table 16: Broadcast Pattern of FtF-INVC radio jingles on MBC and Zodiak**

Time schedule category for high reach	Number of spots aired		
	Zodiak	MBC Radio 1	Both stations
Prime	16	47	63
News Adjacency	11	26	37
Sponsored	0	0	0
<b>Total</b>	<b>27</b>	<b>73</b>	<b>100</b>

Source: Footprint Research and Monitoring Consultants

Further analysis by independent radio monitoring firm FootPrints engaged by Pakachere established that the jingles had high impact by focussing exclusively on breastfeeding and by NOT including not addressing irrelevant information.

### *Production of a public service announcement (PSA)*

Eight PSAs on agriculture value chains were produced towards the end of the Quarter and started to air on Zodiak Broadcasting Corporation from 5:05 pm to 5:35 pm every Thursday. Broadcasting will continue in Quarter 3 on other radio stations. The messages relate to soy bean and groundnut harvest management, post-harvest management, warehouse receipt system and marketing.

### *Radio programs*

A total of 15 radio program matrixes on nutrition were produced and submitted to Adriane Siebert (SCI Senior Nutrition Specialist, Washington USA) for her comments.

**Posters**

Two different poster concepts on nutrition were developed and submitted to experts for review and comments.

**Typical BCC success story**

A ‘success story’ on care group activities was developed featuring Mrs. Eveless Goliati from Mankhwa GAC, Chiwamba EPA who is a prosperous NASFAM club member and dedicated Care Group Lead mother. She is doing well in terms of food production and nutrition at her household and the write-up reflected these successes.

Figure 20: Mrs. Eveless Goliati - prosperous lead mother and club member



**TASK 2: INCREASE ACCESS TO DIVERSE AND QUALITY FOODS AMONG TARGET POPULATIONS**

**SUB-TASK 1: FACILITATE AND PROMOTE CULTIVATION OF HIGH NUTRITIVE-VALUE CROPS**

FtF-INVC continued to promote the cultivation of high nutritive value crops especially groundnuts and soy beans to enhance increased access to diversified and quality foods. Cultivation of high nutritive value indigenous crops by target households in backyard/kitchen gardens started in this quarter with 2,432 households having established home/backyard/kitchen gardens. In keeping with the Feed the Future-INVC entry pathways for agriculture and nutrition interventions and working with existing governance structures, the project has worked collaboratively with ministry of agriculture by linking agriculture extension development officers (AEDOs) and promoters at community level. Through this linkage, promoters continue to receive technical information from AEDOs. In conjunction with Nkhoma Hospital, AEDOs provided training on construction of vegetable beds suitable for rainy and dry seasons to optimize water management in both seasons.

Figure 21: Working with the Local Villagers



There is a discrepancy between Lilongwe and Mchinji in the uptake of home gardens interventions, despite being initiated at the same time in the two districts. The Table below shows that Lilongwe had many more households adopting home gardens than Mchinji.

**Table 17: Number of Households with Established Home Gardens by District**

District	Number of households with established home gardens
Mchinji	40
Lilongwe	2392
<b>Total</b>	<b>2432</b>

This quarter, the nutrition team considered not continuing with scaling up of the home gardens. This intervention is important for sustainably contributing to improved dietary diversity throughout the

year, but feasibility of implementation within the remaining time-frame of the project and subsequent contribution to prevention of stunting was deemed likely to be minimal. Following the agriculture model where demonstration farms are established at key points to support farmer learning, the nutrition team applied the same concept vis-à-vis vegetable gardens. The team determined to continue promotion of the gardens in the care group system at the lead mother/Care group volunteer level. The promoters and lead mothers/fathers with established gardens will serve as models and demonstrations. One of the key elements of strengthening the model gardens through lead mothers/fathers and promoters will be efficient use of water to sustain gardens during the dry season of the year.

## **SUB-TASK 2: FACILITATE FOOD PROCESSING**

Food processing activities were conducted with 1,200 care group volunteers and 195 government officials during the orientation of health surveillance assistants and agriculture extension development officers in 16 of the 17 EPAs where FtF-INVC activities are being implemented in Lilongwe and Mchinji. The orientation of 195 AEDOs and HSAs in food processing and utilization followed FtF – INVC approach. In training both categories (government extension workers and care group volunteers), emphasis was placed on the dangers of aflatoxin contamination to enable HSAs and AEDOs, care group volunteers and households effectively implement recommended practices for selection, storage and consumption of groundnuts with minimal aflatoxin contamination

**Table 18: Number of Trained HSAs, AEDOs and Care Group Volunteers by Location**

District	Number of people oriented		Total
	Male	Female	
Lilongwe	85	62	147
Mchinji	27	1221	1248
<b>Total</b>	<b>112</b>	<b>1283</b>	<b>1395</b>

Messages on importance of food processing and utilization were also delivered to the general community through theatrical performances by Pakachere in Mkanda EPA in Mchinji. In this quarter processes for nutrition beneficiary household registration and formation of care groups continued. Food processing and utilization demonstrations via the care groups commenced albeit at small scale because the team prioritized sanitation and hygiene messaging because during the rainy season poor sanitation and hygiene related diseases become prevalent. Secondly, most care groups were in their infancy of formation and needed preliminary topics in buildup to food processing and utilization training. Food processing and utilization trainings through the care groups will continue to be scaled up in the third quarter.

## **SUB-TASK 3: FACILITATE FOOD FORTIFICATION**

This task was not pursued in this quarter: it was postponed because of the need to expedite the process of establishing care group structures at community level. Work will re-commence in Q3.

## **TASK 3: ENHANCE CONSUMPTION OF A NUTRITIOUS AND SUFFICIENTLY DIVERSIFIED DIET**

### **SUB-TASK 1: FACILITATE PROMOTION OF DIETARY DIVERSIFICATION**

Promotion of dietary diversification continued in this quarter through two major channels: community drama performances facilitated by Pakachere Institute of Health and Development Communication and care groups trained through Nkhoma Hospital. Though Nkhoma Hospital, 5,019 people (promoters, care group volunteers and government extension workers) were reached through training on importance of diversified diets.

Eighteen sensitization campaigns were conducted on the importance of consuming diversified diets where 320 people (220 males and 100 females) participated. Sensitizations were conducted by Nkhoma Hospital in conjunction with NASFAM during the project briefing meetings at Area

Development (ADC) meetings in Mkanda, Mduwa, Mavwere, Simphasi, Mlonyeni and Pitala Traditional Authority in Mchinji district.

### **SUB-TASK 2: PROMOTE MANAGEMENT OF ACUTE MALNUTRITION**

In order to promote better management of acute malnutrition, care group volunteers, AEDOs and HSAs were trained in nutrition screening using mid-upper arm circumference and presence of pitting bilateral oedema. In total, 24 AEDOs (17m, 7f), 24 HSAs (10m, 14f), 38 (24m, 14f) promoters and care group volunteers 1,200 (all female) were oriented on screening of malnutrition using MUAC and presence of bilateral edema. Community sensitization and mobilization conducted during ADC sensitization meetings, drama performances, care group trainings and quarterly promoter review meetings also provided opportunities for promoting management of acute malnutrition.

### **SUB-TASK 3: PROMOTE HYGIENE AND SANITATION**

Promotion of sanitation and hygiene continued in this quarter through community-based theatrical performances by Pakachere traveling theatre group and care groups. Through care groups, households were encouraged to construct hand-washing facilities near their toilets and ensuring they were washing hands before food preparation, child feeding and after visiting the toilet. In addition to the training of the staff referred to in Sub-task 2 above, 143 hand-washing facilities have been constructed.

## **TASK 4: INCREASE ACCESS TO, AND UTILIZATION OF, KEY NUTRITION-RELATED SERVICES AMONG TARGETED POPULATIONS INCLUDING COMMUNITY SURVEILLANCE AND REFERRALS**

### **SUB-TASK 1: CONDUCT COMMUNITY-BASED GROWTH MONITORING AND PROMOTION**

As part of nutrition screening training, regular growth monitoring and promotion was encouraged during training of care group volunteers and extension workers. The project identified 29 of the 54 model group head villages where community growth monitoring and promotion will be promoted in Lilongwe.

### **SUB-TASK 2: PROMOTE VITAMIN A SUPPLEMENTATION AND DE-WORMING**

Promotion of vitamin A supplementation and deworming took place during orientation of AEDOs and HSAs as well as sensitization meetings with Area Development Committees. Sensitizations encouraged care givers to seek vitamin A supplementation and deworming from their nearest health facilities and community outreach clinics.

### **SUB-TASK 3: SUPPORT / STRENGTHEN COMMUNITY SYSTEMS/STRATEGY FOR REFERRAL OF CHILDREN**

Following training of promoters and volunteers in nutrition screening to provide hands on experience on criteria for referring malnourished children for further treatment, initial meetings scheduled with SSDI services senior technical advisor for nutrition and Health and Nutrition Advisor in health department, Save the Children International Malawi country office. The meetings were held to learning more about structure of referral systems in SSDI and Malawi Integrated Child Survival (MICS) project. In MICS project the referral system consists of a referral form linking the community to health facility. MICS does not have plans strengthening other structures such as village health committees to be evaluating the performance of the system. Meeting with SSDI will be held in the third quarter.

## **TASK 5: CREATE ENABLING ENVIRONMENT FOR EXECUTION OF NUTRITION ACTIVITIES**

### **SUB-TASK 1: CONDUCT MEETINGS WITH KEY STAKEHOLDERS**

In this quarter, FtF-INVC participated in a number of meetings to strengthen technical quality and collaboration with other stakeholders as shown in the list of meetings attended below:

**Table 19: Selection of some key meetings attended - January to March 2014**

Meeting/Contact category	Organizer	Number of meetings/sessions	Issues discussed/tackled	Stakeholders
Filed visits and mentoring and coaching	FtF – INVC	10	Implementation progress at grassroots; Mentoring and coaching partner staff	FtF – INVC, FUM, Nkhoma Hospital and Pakachere
Coordination meetings with partners	FtF – INVC	16	Joint implementation progress review and planning	Nkhoma Hospital, Pakachere, ACE, MMPA, FUM, NASFAM, CADECOM
District council and local authority meetings	FtF – INVC and Nkhoma Hospital	5	Introducing FtF – INVC project and providing implementation progress update	District Health Offices, District Agriculture offices, Area Development committees
National level policy and strategy meetings	Department of Nutrition, HIV and AIDS	1	Review of the national nutrition policy and strategic plan for period 2013 to 2018	FtF – INVC, DNHA, Save the Children, SSDI, UNICEF, WFP, USAID, Feed the Children, MoH Agriculture, MGWCD
Training of government extension workers in Mchinji and Lilongwe districts	Nkhoma Hospital and FtF – INVC	3	Care group model, scaling up nutrition, food processing and utilization with focus on soy, groundnuts and dairy	Nkhoma hospital, FtF – INVC, Ministry of Health (MOH) and Ministry of Agriculture and Food Security (MOAFS)

### ***Nutrition Expansion activities in Balaka, Mangochi and Machinga***

During the quarter, FtF-INVC also expanded nutrition activities to Balaka, Machinga and Mangochi districts. Start-up activities such as recruitment processes for identification of one nutrition specialist and three field coordinators have been completed. Recruitment of 14 nutrition assistants that train and supervise 169 promoters will be concluded early next quarter. These promoters are expected to work with at least 507 care groups through 6,084 lead mothers/fathers also called care group volunteers. Meetings were held with NASFAM Association Business Managers and Innovation Productivity Centre Coordinators to explain nutrition integration within NASFAM structures. These meetings also explored sharing nutrition concepts in agriculture delivery system and importance of soya and ground nuts in human nutrition. The project was also introduced to district council technical committees on agriculture and health FtF-INVC activity and nutrition activities in particular to ensure effective collaboration and leverage with government and civil society structures in the districts. Through these meetings, FtF-INVC identified potential partners to work with in the districts such as PCI-WALA and Emanuel International-WALA.

Additionally, FtF-INVC has also initiated collaboration with other USAID activities such as Dignitas International and Malawi Bridge II project to better coordinate and begin integration of activities.

### **SUB-TASK 2: CONDUCT MENTORING AND COACHING**

In this quarter, seven mentoring and coaching visits were conducted to monitor progress in implementation of nutrition activities: three sessions were conducted in Mchinji and four in Lilongwe district. The sites visited are Nthesa GAC and Chikowa GAC in Nyanja EPA, Kambirimбири GAC in Chigonthi EPA and Mankhwa GAC in Chiwamba EPA in Lilongwe; and Kazoyoyo Cluster in Mkanda EPA, Matutu and Chinkhota MACs in Mikundi and Chioshya EPAs respectively in Mchinji district.

USAID Malawi mission also conducted two project site visits in Lilongwe: Chikowa GAC on 3<sup>rd</sup> February and Mankhwa GAC on 28 February 2014 to monitor implementation of nutrition and agriculture activities. In both visits, USAID expressed satisfaction with progress being made. USAID indicated need for continued integration of activities and services as this is one of the key issues in the country strategy.

**Figure 22: USAID Mission visit to Chikowa GAC, Nyanja EPA in Lilongwe**



## COMPONENT 4: INVESTING IN INNOVATION

The \$2 million “Investing in Innovation Fund” (IIF) is an integral element of FtF-INVC’s programming across Components 1, 2, and 3. The fund is open to private and non-governmental entities, and public-private partnerships who are able to demonstrate that proof-of-concept interventions can be tested in one growing or marketing season or less. Proposals must demonstrate a clear business case for scaling that is built upon end-market analysis and a financing plan. The \$9 million “Implementation Support Fund” (ISF) cuts across Components 1, 2, 3 and 4. It is intended primarily to support the refinement and scaling of partner programs that align very closely with FtF-INVC objectives in value chain competitiveness, productivity, and community nutrition activities. ISF grants will also enable FtF-INVC to build partner capacity to meet the objectives of USAID’s FORWARD policy.

This quarter, three grant modifications were documented. Two - for Farmers Union of Malawi and Pakachere - resulted in an increase in funds distributed under their grants

**Table 20: Grant Modification in Q2-Fy2014**

Grantee	Initial Grant(US\$)	Amended Grant(US\$)
FUM	218,438	565,798
PAKACHERE	111,044	331,149
<b>Totals</b>	<b>329,482</b>	<b>896,947</b>
<b>Increase</b>	<b>US\$ 567,465</b>	

The other modification, for MMPA, was a ‘period of performance’ extension. Three more grant modifications will be formalized in the next quarter. FtF-INVC submitted the MMPA phase 2 proposal to USAID in January for concurrence. Three of CADECOM’s certified CG7 groundnut seed suppliers were paid late, mainly due to the detection in January of low germination. Ananchuma Holdings Ltd the 4<sup>th</sup> supplier, has not yet been paid as a key document it submitted as part of the procurement process was found to be questionable. FtF-INVC continued its refresher training of grantees on financial and grants management issues. The project has also engaged a Financial Management expert to assist in assessing grantee financial systems and reporting. Much of this work will be conducted in 2014 Quarter 3. USAID also conducted a Financial Management workshop.

### TASK 1: FUND DESIGN

It has not been necessary to make any amendments to the Manual developed in 2010, but the Grants section of the DAI Field Operations Manual was reviewed and where necessary, changes were recommended.

### TASK 2: OPERATIONALIZE FUNDING MECHANISM

#### SUB-TASK 1: ESTABLISH GRANT REVIEW AND MANAGEMENT PROCESS

The table below shows the cumulative progress to date in FtF-INVC grant review, USAID concurrence and signature.

**Table 21: Cumulative Grant Review**

Components	Concept Notes	Proposals	Total Received	Grants concurred by USAID to date	Grants signed to date
Advancing value chain competitiveness	13	6	19	2	2
Improving productivity	6	7	13	4	4
Improving community capacity to prevent under –nutrition	2	2	4	2	2
Investing in innovation	0	2	2	1	1
Developing local capacity	4	1	5	1	1
<b>Grant Total</b>	<b>25</b>	<b>18</b>	<b>43</b>	<b>10</b>	<b>10</b>

A draft Call for Proposals was drawn up in anticipation of FtF-INVC seeking the assistance of already established nutrition service providers operating in the targeted districts of Balaka, Machinga and

Mangochi. However it was decided later that DAI would mobilize its own staff in extending its nutrition activities, thus negating the need for another Call for Proposals.

### Grant preparation and signing

FtF-INVC did not sign any new grants this quarter.

### Grant Modifications

This quarter, much time was spent on grant modifications for the following partners:

- Pakachere
- Farmers Union of Malawi (FUM)
- Agricultural Commodity Exchange (ACE),
- National Smallholder Farmers Association of Malawi (NASFAM), and
- Nkhoma CCAP Hospital (NKHOMA).

The grant modifications resulting in extension of the grants, involved documenting a new Activity Reporting schedule and a related Monitoring and Reporting plan. These were completed by the Monitoring and Evaluation (M&E) staff and included in the respective grant modifications. A budget that related to such activities was also included and involved obtaining justifications from grantees of the budget line items related to those activities. The new DSA rates that went into effect December 1, 2013 were also included in the grant modifications.

**Table 22: A ‘snap shot’ of the grants signed to date is as follows:**

Grantee	Total Signed Grants Value (US\$)
ACE	430,127
NASFAM	1,126,694
MMPA	336,091
IITA	591,610
FUM	565,798
CADECOM	634,399
PAKACHERE	331,149
NKHOMA	329,864
MIM	77,480
CISANET	159,499
<b>TOTAL</b>	<b>4,582,711</b>

## SUB-TASK 2: MANAGEMENT OF POST-GRANT AWARD ACTIVITIES

### Requests for advances

During this quarter a total of US\$614,615 was advanced to the grantees. This brings the total disbursement of funds to US\$2.34 million. Of the funds disbursed, US\$1.87 million have already been reconciled to date; this quarter, US\$478,983 of grantee expenses was liquidated.

**Table 23: Funds disbursed by DAI to partners**

Grantee	Funds disbursed by DAI this quarter (US\$)	Funds disbursed by DAI (US\$) – Cumulative to date	Expense reports submitted and reconciled (US\$) – Cumulative to date
ACE	-	391,627	356,673
NASFAM	32,335	500,218	532,958
MMPA	65,293	200,935	159,122
IITA	54,050	121,711	29,862
FUM	75,365	271,959	182,144
CADECOM	267,350	349,952	281,472
PAKACHERE	86,226	139,929	41,895
NKHOMA	-	296,879	231,762
MIM	33,996	54,926	54,926
CISANET	-	14,925	-
<b>TOTAL</b>	<b>614,615</b>	<b>2,343,061</b>	<b>1,870,814</b>

The reconciliations to date include expenses cleared through largely January 2014. A few partners such as ACE and MMPA have reconciled their expenses through February 2014. Many other partners continue to lag in their submission. Although, improvements have been noted with many as they are beginning to espouse the reporting requirements.

There was a delay in paying CADECOM's certified seed suppliers as low germination was detected in the fields in Dedza, early in January 2014, initially by USAID. This resulted in an investigation immediately instituted by FtF-INVC and then later by a team of third party independent consultants. Three of the four suppliers were paid a total of US\$211,101 as full payment for the supply of certified CG7 groundnut seed since the third party assessment results came out reasonably good on germination rates. One supplier, Ananchuma Holdings Ltd, has not been paid so far due to questions about the validity of a critical document. This delay in making payment resulted in several meetings with CADECOM staff as we worked closely with them in keeping the concerned suppliers briefed on the various investigations that were being carried out.

CADECOM's cost share reporting is a cause for concern and this has been reported to them. The Grants Manager and the Groundnut Value Chain Coordinator, visited CADECOM on 24 January 2014 and, once more, reiterated the need for CADECOM to fulfill its cost share obligations. The Accountant promised to straighten out the issue during the next quarter.

During the quarter, FtF-INVC forwarded to the grantees the new DSA rates communicated to us late in November 2013. Since then we have also incorporated the new DSA rates in all the grant modifications we have done, thus formalizing the new DSA rates.

#### **Grantee Training on Grants/Finance/Reporting Issues**

FtF-INVC continued engaging with Grantee staff in improving their understanding of the need for quality and reliable documentation when presenting their expense reports. During the quarter, INVC provided guidance in the form of direct mentoring, training and one-on-one meeting on the following topics:

- Grantee systems and how they relate to documentation
- Communication
- Request for Funding
- Process of grant payment approval
- Expense, technical and financial reports
- Required support documentation
- Procurement policy

#### **Grantee audit visits**

Preparations are being made to engage a Financial & Management expert, Mr. Andrew Keith to meet with at least five grantees (NASFAM, IITA, Pakachere, Nkhoma, and CISANET) to conduct a financial system review/audit to help partners improve their process and procedures.

#### **Grantee Engagement**

During this quarter, FtF-INVC decided to work even closer with grantee staff on matters pertaining to grantee expense document compilation and technical and financial report preparation. While in the past quarters, INVC had been providing guidance, mentorship and training with regular communications, experience has proven that a much more closer engagement may be necessary to improve partner performance. On March 14, INVC kicked off the quarterly "consultative meeting" with all partners (grantees) to conduct a programmatic review of the FtF-INVC program. The objective of the consultative meeting was to assess implementation progress, explore solutions to programmatic challenges and enhance relationship for better communication. The meeting was well attended by all levels from each grantee organization.

FtF-INVC continued to engage grantees on issues related to grantee expense documentation. INVC Grants Accountants went out to grantee offices and assisted them to compile their expense documents

and checked grantee expense reports. While several meetings were held during the quarter, two meetings focused particularly on advice on expense documentation and grants related issues (Table).

**Table 24: Number of interactions done**

<b>Date</b>	<b>Organization</b>	<b>Participants</b>	<b>Content</b>	<b>Type of guidance</b>	<b>No. of sessions</b>
29 Jan, 14	ACE	2 Accounts staff including Manager	Explanation and interaction on grant related issues.	Advice	1
12 Mar, 14	Pakachere	Financial Controller	Detailed explanations on required grant expense documentation	Advice	1

Preparations are also being made to enlist the assistance of the Financial Management expert during the next quarter to further engage, mentor and assess grantee progress in grants reporting. While training and coaching partner field personnel in grant documentation began this quarter, the bulk of it will be completed early next quarter. This should help grantee head offices in reducing the queries they receive from FtF-INVC pertaining to grant documentation.

### **Approval for Restricted Commodities**

During this quarter, FtF-INVC requested DAI to process a waiver request from USAID for procurement of 1050 bottles of heat synchronization hormone. This hormone will assist in synchronizing heat in cows to conduct artificial insemination. Pharmaceuticals are classified as restricted commodities according to ADS 312.3.3; USAID's definition of pharmaceuticals includes "any substances (other than food) intended to affect the structure or any function of the body of humans or animals".

## **TASK 3: DEVELOP SUSTAINABILITY MECHANISMS FOR FUNDS**

### **SUB-TASK 1: CONDUCT ORGANIZATIONAL CAPACITY ASSESSMENTS**

Grants operations did not carry out any Pre-Award Surveys or administer any Financial Capability Questionnaires during this quarter.

### **SUB-TASK 2: DEVELOP INDUSTRY BUSINESS PLANS**

FtF-INVC has identified 3 Business Service Providers (BSP) (Umodji Consulting, Tradeline Consult, and Target Consulting) to document Business Plans for best performing milk bulking groups (MBGs), associations and cooperatives identified by the implementing partners. The following associations, MBGs and cooperatives will receive training from BSPs in business plan 'construction' as part of the process of helping these MSMEs to become more business oriented. MMPA has identified two MBGs (Machite and Lumbadzi), FUM has identified three cooperatives (Tithese Umphawi, Nambuma, and Ntapo), and ANSFAM has identified two IPCs (Lilongwe North Association Management Centre (AMC) and Namwera AMC) for business plan support. In addition to IPCs, NASFAM has also selected three AMCs (Ntcheu, Balaka, and Lilongwe South) for support. CADECOM on the other hand has decided to identify all five of their marketing association (Lifidzi Smallholder Association, Ulimi ndi Chuma Smallholders Association, Dedza Smallholder Farmers Association, Golomoti Association, and Bembeke Association) to receive business plan development support.

### **SUB-TASK 3: SURVEY AND ASSESS INVESTORS' INTEREST**

Two BSPs, Umodzi Consulting and Tradeline Consult, who produced business plans during the last quarter, will also survey and assess investor interest in commercial activities of those entities. As part of the process, the 2 BSPs will mentor and coach the Nthenje MBG and two cooperatives (Nkhunguyembe, and Tiziwane) under FUM, on implementing the business plans already developed.

## **TASK 4: INCREASE INVESTMENTS IN AGRICULTURE AND NUTRITION-RELATED ACTIVITIES BY PRIVATE SECTOR ACTORS**

### **SUB-TASK 1: FACILITATE PUBLIC-PRIVATE PARTNERSHIP RELATED TO AGRICULTURE AND NUTRITION SECTORS**

This quarter, ACE added six (6) new private sector operators to the list of ACE-certified storage. Facilities owned and operated by Bio-Energy Resources Limited (BERL), Sunseed Oil Limited, Export Trading Group, Agora, Propac and CP Feeds were inspected and certified by an expert as being ready to issue warehouse receipts and store warehouse receipted commodities.

A total of 2,679 metric tons of commodity deposits were facilitated in the quarter under review. Most of these deposits were for soya forward contracts and were deposited at Sunseed Oil silos.

This quarter, ACE facilitated a total of 79 contracts for a total volume of 6,351 metric tons and a total value of approximately, US\$2,643,535. Forward contracts and BVO-generated contracts accounted for the largest portion of the traded volumes. ACE anticipates that it will need over \$50 million from commercial banks for collateral financing. With this in mind, ACE continued to have discussions with several commercial banks as well as OIBM. NedBank, IndeBank, CDH bank and National Bank have expressed willingness to commit resources to finance ACE marketing linkage services in the coming season. Term sheets have been received from the four banks, but no agreements have been signed yet.

### **SUB-TASK 2: INVESTMENT PROMOTION TARGETING FtF-INVC VALUE CHAINS**

FtF-INVC met with private sector fund managers such as the South Africa based Business Partners International (a regional investment company) to assist INVC value chain partners attract investment interest in the more valuable business propositions. FtF-INVC will continue to support value chain players in this sphere.

## COMPONENT 5: DEVELOPING LOCAL CAPACITY

FtF-INVC is focusing on delivering its Local Capacity Development interventions along two prongs:

- **Organizations (institutions)**, - Organizational capacity gaps for FtF-INVC partners are determined by conducting organizational capacity assessments annually. Capacity building action plans are then developed based on the identified gaps during the OCA. INVC then facilitates implementation of capacity building action plans and monitoring progress of capacity development over time.
- **Beneficiaries** to maximize performance and benefits accrual within the value chain, through technical skills development and enhanced business management skills. This training targets lower level institutions like farmer organizations, farmers and partner field level staff

### TASK 1: DEVELOP MALAWI'S CAPACITY GOING FORWARD

#### SUB-TASK 1: UPGRADE/IMPROVE ORGANIZATIONAL CAPACITY TO MANAGE GRANTS

During the quarter, FtF-INVC continued mentoring partners on grant management and financial reporting through meetings and individual coaching. The INVC team further recognized the need to bring partners together to provide the space for knowledge sharing, encourage learning and exchange common experiences to improve implementation while also increasing partner buy-in to both process and practice. As a result, the M&E team kick-started this need by bringing together close to 25 participants to form the M&E Technical Working Group (TWG) from all the grantee organizations, which included chiefly their M&E officers, program managers and interested officers from each organization. The M&E TWG meets every month to discuss issues pertinent to the M&E officers. Following the successful formation and kick-off of the INVC M&E Technical Working Group (TWG), the INVC Marketing and Production Agriculture teams are also preparing to establish, next quarter, their own TWGs in order to harmonize technical practices and bring closer together the respective officers from all grantee organizations so that FtF-INVC results are improved.

The FtF-INVC team also recognized the need for a consultative meeting with representatives from all partners including Chief Executive Officers and Program Managers. All eight partner organizations were represented at the consultative meeting held in an effort to engage partners and get feedback on programmatic achievements and challenges, and to improve the partnership. The meeting agreed on the following way forward:

- To bear in mind that many of the items discussed are time-sensitive; hence FtF-INVC and partners should implement issues agreed in order to capitalize on this growing season.
- Communication: existing communication mechanisms to be strengthened – go through program managers and M&E, copy to (Grants Manager).
- Improve on spending/flow of money: field-based staff training on documentation procedures in March, partners to be proactive in speedy accounting and liquidation following proper documentation

#### SUB-TASK 2: BUILD ORGANIZATIONAL CAPACITY

FtF-INVC conducted organizational capacity assessments of 5 organizations using OCAT methodology in January and February 2014, bringing the total OCA conducted to a total of 8 (with 3 conducted last quarter). The organizations assessed were: NASFAM, FUM, Nkhoma Hospital, Pakachere, and CADECOM. The OCAT covered the 8 capacity areas as recommended by USAID namely: 1. Governance, 2. Administration, 3. Human Resources Management, 4. Financial Management, 5. Organization Management 6. Project Management, 7. Project Performance Management and 8. Leadership & Team Dynamics. The assessment was done for two days per organization with the 1<sup>st</sup> day spent on assessment and 2<sup>nd</sup> day used for developing action plans to address identified capacity gaps. Full OCAT reports for individual organizations were produced and shared with respective partners as reference for capacity improvement requirements. FtF-INVC has scheduled follow-up training activities early next quarter following the assessments and these are in

areas of: supportive documentation in financial reporting and this will target partners' field staff; and procurement rules and procedures for administration, finance and procurement staff.

Figure 23: Small Group Discussion during NASFAM OCA



Figure 24: Prioritization exercise on day 2 at NASFAM



## **TASK 2: ENHANCE HUMAN AND INSTITUTIONAL CAPACITY DEVELOPMENT WITHIN VALUE CHAINS**

### **SUB-TASK 1: DELIVER NEW TECHNOLOGIES AND MANAGEMENT PRACTICES TO ORGANIZATIONS**

FtF-INVC organized a Data Quality, Demand and Use training course for partners' staff responsible for data collection and reporting. The training was undertaken to develop skills and tools for improving data quality, demand and use – as tool for Data Demand and Information Use (DDIU). The course was attended by Managers, M&E Officers and field staff from FtF-INVC partners.

FtF-INVC provided training to 24 NASFAM field staff (AFOs) from target districts on FtF-INVC M&E tools and reporting formats. The training covered FtF-INVC attendance registration form, lead farmers participation form, GAC registration form, NASFAM monthly and quarterly reporting manual and household registration forms. The training was conducted by the FtF-INVC M&E team and all participants gathered at Liwonde from all the 6 districts.

FtF-INVC organized the M&E TWG meeting held on 7<sup>th</sup> March, 2014 at Riverside Hotel. The meeting had participation from NASFAM, MMPA, Nkhoma, CISANET, FUM and ACE M&E Coordinators and program Managers. The team reviewed data collection forms as well as the DQA action points made during the 2013 DQA. A task force was set up to draw the TORs for the TWG.

### **SUB-TASK 2: DELIVER NEW TECHNOLOGIES AND MANAGEMENT PRACTICES TO FARMERS**

FtF-INVC conducted training on “Collective marketing” for farmers, lead farmers and association executive members. The training objective was to prepare farmers for the forthcoming marketing season so that they are motivated to minimize post-harvest losses as well as realize better income from the sale of the produces through collective marketing. These training activities were carried out at all strategic associations/cooperatives in the NASFAM, CADECOM and FUM implementation sites. Around 5250 Training of Trainers (Lead farmers, AEDOs, Motivated farmers, and association executives) under NASFAM, 1,146 under CADECOM and 1550 under FUM were trained. The training methodologies included a combination of drama performances and/or role plays, discussions and lectures with handouts for lead farmers and TOTs to use for onward training of farmers.

During the quarter, FtF-INVC also carried out TOT sessions on crop management (including IPM), harvesting, post-harvest handling and storage. Training materials in form of handouts (in Chichewa) were distributed to all participants after the training sessions. Additionally, 19 AI Technicians and 48 lead farmers from MBGs were trained in recommended dairy management practices (housing breeding, milking) and also orienting them on the lead farmers training form.

### **SUB-TASK 3: FACILITATE POLICY REVIEW AND ADVOCACY SUPPORT**

CISANET, with support from FtF-INVC, organized the Soya Association of Malawi (SOYAMA) consultative meeting involving stakeholders along the soya beans value chain to discuss plans for institutionalizing SOYAMA as a legal body that would manage the soya bean industry in Malawi. The meeting resolved that there is a great need for stakeholders in the value chain to be organized and form an alliance that can champion the soya industry. Among others, the proposed actions to fulfill this objective are: CISANET was urged to do a comprehensive mapping of the key stakeholders in the value chain; CISANET should continue facilitating registration of SOYAMA, support the development of strategic and business plans of SOYAMA and also organize a national formal launch of SOYAMA after all technical and capacity gaps have been addressed.

A Dairy Industry Development Platform (DIDP) consultative meeting was organized with the aim of reviewing the five thematic areas under DIDP as well as the contents of the constitution. The meeting also nominated Trustees. CISANET was tasked to facilitate identification of the Law Firm that would be engaged to refine the constitution. In addition, CISANET was advised to do further stakeholder mapping and consult on various documentation and past initiatives related to the dairy platform.

CISANET organized the Livestock and Dairy Development Thematic meeting. The meeting was attended by key stakeholders in the dairy value chain and discussions were centered on two main issues:

- The 3% withholding tax on milk sales, its cost implications to the formal milk marketing system – the presentation was led by MMPA.
- Update of the Milk and Milk Act Review Process – the presentation was led by the Department of Animal Health and Livestock Development (DAHLD).

As a way forward, the meeting recommended that CISANET in collaboration with other stakeholders should engage the Parliamentary Committee on Agriculture and Natural Resources with data/information on the impact of withholding tax on milk sales in milk bulking groups so that it can assist in lobbying with government. The meeting also identified a task force to follow up on the letter that was sent to Ministry of Agriculture and Food Security headquarters requesting for services of a lawyer to vet the draft Milk and Milk Products Act.

### **SUB-TASK 4: CONDUCT TRAINING IN VALUE CHAIN AND NUTRITION SPECIFIC TOPICS**

FtF-INVC conducted the BCC nutrition workshop involving NASFAM, FUM, Nkhoma and Pakachere on message development. During the workshop, 15 behaviors were discussed prioritized to be promoted. In addition, FtF-INVC in collaboration with ACE, NASFAM, ITTA and CADECOM produced public service announcements (PSAs) on soy bean and ground harvesting and marketing. The PSAs are being aired on Zodiak Broadcasting Station. FtF-INVC also conducted community-based training in “Community Complementary Feeding and Learning” (Thanzi) and “Community Growth Monitoring and Promotion” targeting impact sites in Lilongwe and Mchinji.

### **SUB-TASK 5: STRENGTHEN AND FACILITATE GROWTH OF SERVICE PROVIDERS**

FtF-INVC continued engaging Umodzi Consulting and Tradeline Consulting to provide Business Management services to all the 5 MBGs under MMPA and 5 farmer cooperatives under FUM; including facilitating development and implementation of business plans for the groups. Similar collaborative arrangements were pursued with Tradeline for NASFAM area management committees (AMCs) and associations. Discussions were initiated with a new service provider called Target Consulting whose role will be providing governance and business skills training to associations under NASFAM and CADECOM, starting from next quarter.

FtF-INVC in collaboration with Agriculture Commodity Exchange for Africa (ACE) also trained 42 potential private individuals in “produce market brokering”. The trained individuals were examined and the successful ones will be selected, certified and licensed to become brokers.

## **ANNEX: PARTNER ACTIVITY REPORTS**