



---

# Proceedings of the National Consultative Forum on 'Promotion of Malawi's Agricultural Trade in the SADC Region'

Sun 'n' Sand Holiday Resort, Mangochi,  
April 15-16, 2000

Prepared by

**C.B.L. Jumbe (Ed.)**

**University of Malawi  
Agricultural Policy Research Unit (APRU)  
Bunda College of Agriculture**

Presented to

**REDSO/ESA**

under the Rural and Agricultural Incomes with a Sustainable Environment (RAISE)

Contract No. PCE-I-00-99-00001-00

Regional Trade Analytical Agenda

Implemented by TechnoServe-Kenya and ARD, Inc.

**ARD-RAISE Consortium**

1601 North Kent St., Suite 800

Arlington, VA 22209

Tel: 703-807-5700, Fax: 703-807-0889

[gkerr@ardinc.com](mailto:gkerr@ardinc.com)

**The ARD-RAISE Consortium:**

ARD, Inc., Cargill Technical Services,

Associates for International Resources and Development, CARANA Corporation,

A.P. Gross & Company, International Programs Consortium, Land O' Lakes,

Purdue University, and TechnoServe

---

## TABLE OF CONTENTS

<b>ACRONYMS AND ABBREVIATIONS.....</b>	<b>iii</b>
<b>CHAPTER 1. PREAMBLE.....</b>	<b>1</b>
1.1 Workshop Preparations .....	1
1.2 Publicity.....	1
1.3 Workshop Agenda.....	2
<b>CHAPTER 2. OFFICIAL SPEECHES.....</b>	<b>3</b>
<b>CHAPTER 3. PAPER PRESENTATIONS .....</b>	<b>6</b>
3.1 Production and Marketing of Maize, Cassava, Beans, Rice, Groundnuts, and Pigeon Peas in Malawi and the Promotion of Trade in the SADC Region (By Mr. I. Kumwenda, National Coordinator, Malawi Agricultural Sector Investment Program) ...	6
3.1.1 <i>Constraints to Producing the Commodities</i> .....	6
3.1.2 <i>Constraints to Marketing and Institutional Constraints</i> .....	6
3.1.3 <i>Comments on the Paper</i> .....	7
3.2.1 <i>Main Constraints to Export</i> .....	8
3.2.2 <i>Comments on the Paper</i> .....	8
3.3 Where are the Markets for Malawian Commodities? Knowledge and Information Gaps (Presented by F.G. Nyirenda, Marketing Officer, Malawi Export Promotion Council)...	8
3.3.1 <i>Comments on the Paper</i> .....	9
3.4 Standardization and Quality Implications and Competitiveness in Regional Trade (Presented by Mr. C. Malata-Chirwa, Malawi Bureau of Standards).....	9
3.4.1 <i>Introduction</i> .....	9
3.4.2 <i>Standards in International Trade Trends and Implications on Regional                 Competitiveness</i> .....	10
3.4.3 <i>Comments on the Paper</i> .....	10
3.5 Bilateral and Multilateral Agreements: Implications for Malawian Agricultural Commodity Exports (Presented by Mr. S. Nyirenda and Mr. M. Munthali, Ministry of Commerce and Industry) .....	10
3.5.1 <i>Comments on the Paper</i> .....	11
3.5.2 <i>Other General Comments</i> .....	11
<b>CHAPTER 4. SUMMARY OF PRIORITY ISSUES, ACTIONS, AND RESPONSIBLE         INSTITUTIONS.....</b>	<b>12</b>
4.1 Production Issues, Constraints, Inputs, Finance, and Institutional Issues.....	12
4.2 Standards and Quality (Phytosanitary , Legislation, Government Commitment, Implications for Regional Competitiveness .....	12
4.3 Agricultural Commodity Market Issues (Price and Market Information, Dissemination Channels).....	12
4.4 Support Systems for Promoting Agricultural Trade .....	12
<b>CHAPTER 5. RESEARCH AGENDA .....</b>	<b>13</b>
5.1 Production Related Issues .....	13
5.1.1 <i>Farmers Associations</i> .....	13
5.1.2 <i>Value-Adding Activities</i> .....	13
5.2 Standards and Quality Issues.....	13
5.3 Commodity Market Issues.....	14

---

5.3.1	<i>What is Demanded on the Foreign Market-Identify Demand/Markets .....</i>	14
5.3.2	<i>Entrepreneurship and Marketing Skills Development.....</i>	14
5.3.3	<i>Market Information Systems.....</i>	14
5.4	<i>Trade Policy Issues .....</i>	14
5.4.1	<i>Trade Protocols .....</i>	14
5.4.2	<i>Trade Strategies.....</i>	15
5.4.5	<i>Review World Trade Organization (WTO) Effects on Malawi on Malawi Law .....</i>	15
5.5	<i>Institutional Issues.....</i>	15
5.5.1	<i>Institutional Capacity .....</i>	15
5.5.2	<i>Compendium of Scientists and Researchers in the Network Countries.....</i>	15
5.5.3	<i>Information.....</i>	16
<b>CHAPTER 6. OFFICIAL CLOSING.....</b>		<b>17</b>

## **APPENDICES**

### **APPENDIX A. OPENING SPEECHES**

### **APPENDIX B. WORKSHOP PROGRAM**

### **APPENDIX C. LIST OF PARTICIPANTS**

### **APPENDIX D. GROUP PRESENTATIONS**

---

## ACRONYMS AND ABBREVIATIONS

ADMARC	Agricultural Development and Marketing Corporation
APIP	Agricultural Productivity Investment Program
APRU	Agricultural Policy Research Unit
COMESA	Common Market for Eastern and Southern Africa
DRC	Domestic Resource Cost
ESA	Eastern and Southern Africa
FANRPAN	Food, Agricultural and Natural Resources Policy Analysis Network
GCA	Global Coalition for Africa
GDP	Gross Domestic Product
MASIP	Malawi Agricultural Sector Investment Program
MoAI	Ministry of Agriculture and Irrigation
MoCI	Ministry of Commerce and Industry
NGO	Nongovernmental Organization
REDSO	Regional Economic Development Services Office
SADC	Southern Africa Development Community
SAP	Structural Adjustment Program
SARRNET	Southern Africa Root Crops Research Network
USAID	United States Agency for International Development
WTO	World Trade Organization

---

## CHAPTER 1. PREAMBLE

The Agricultural Policy Research Unit (APRU), based at the Bunda College of Agriculture, one of the constituent colleges of the University of Malawi, which is the node for the Food, Agricultural and Natural Resources Policy Analysis Network (FANRPAN) in Malawi, in conjunction with the Ministry of Agriculture and Irrigation (MoAI) held a National Consultative Forum on “Promotion of Malawi’s Agricultural Trade in the SADC Region” at the Sun’N’Sand Holiday Resort on April 15-16, 2000. The primary objectives of the forum were to develop strategies and action plans for growth and expansion of cross-border trade of Malawi’s agricultural commodities in the SADC region. The preparations of the forum started with the formation of the technical committee chaired by the MoAI principal secretary, with members drawn from the private sector, donor community, and the University of Malawi. About 60 participants attended the forum. A small planning committee or secretariat chaired by the FANRPAN node coordinator was formed to make all the logistics for a successful workshop. The secretariat, among other things, were responsible for deciding how to conduct the workshop, identifying resource persons for preparation of background papers and speakers at the workshop, and identifying and sending invitations to stakeholders. The secretariat was also responsible for reporting and the preparation of discussion summaries. Participants to the workshop were drawn from a wide range of stakeholders, from the government, farmers’ organizations, donors, the private sector, and civil society members interested in agricultural trade.

### 1.1 Workshop Preparations

Background papers were prepared by scientists and experts on six main agricultural commodities that have the potential to be developed into exportable commodities as well as intermediate inputs for domestic industries. These agricultural commodities include cassava, rice, pigeon peas, beans, maize, and groundnuts. The national coordinator for the Malawi Agricultural Sector Investment Program (MASIP) prepared a key paper based on summaries from the commodity-specific papers. The key paper was presented at the workshop. Other resource persons were identified to prepare papers on specific issues on issues of trade agreements, commodity markets, standards and quality, and experience on commodity exports by the Agricultural Development and Marketing Corporation (ADMARC).

### 1.2 Publicity

The node did most of the preparatory work including publicizing the forum through various media: in popular newspapers (The Nation and Daily Times), national television, national radio stations (Malawi Broadcasting Corporation), and private radio stations (Capital Radio and Power 101 FM). Through the various media, the secretariat was able to select stakeholders for the forum from different organizations.

---

### 1.3 Workshop Agenda

The workshop was divided into five sessions; Session I was the official opening. During this session, a keynote address and an introductory speech on FANRPAN were presented by Professor L. Kamwanja and Dr. E.S. Malindi, respectively before the Honorable L.K. Mangulama of MoAI delivered his official opening speech. After the official opening speeches, the participants were treated to an exhibition of cassava processing equipment/machines mounted by the Southern Africa Root Crops Research Network (SARRNET) to demonstrate how cassava can be easily processed into different products.

Resource persons presented their papers in Session II. In total, five papers were presented. After the presentations, participants posed questions to presenters for clarification or explanations on various issues following the presentations. Adequate time was provided to allow for sharing experiences and identifying measures for promoting agricultural trade for Malawi's agricultural commodities. The discussions assisted the identification of thematic trade issues for further analysis during group discussions in Session III. The four thematic trade issues identified were production, standards and quality, commodity markets, and support systems to promote trade. A discussion guide was prepared by the secretariat to assist each group in identifying key issues within a thematic trade area and preparing an action plan to address the issues. (Appendix D). The issues were then debated during Session IV from which priority issues were identified and a consolidated action plan was prepared.

Within Session IV, research issues were identified and presented by a resource person who followed the debate during the workshop.

The workshop was presided over by the Principal Secretary in the MoAI, Dr. E. Malindi, who later had a press briefing on the workshop outcomes.

---

## CHAPTER 2. OFFICIAL SPEECHES

The official opening of the meeting was preceded by a keynote address by Professor L. Kamwanja from the Bunda College of Agriculture on behalf of the Principal of the College, Dr. G. Kanyama-Phiri. The MoAI Principal Secretary, Dr E.S. Malindi, who is an interim committee member of FANRPAN, presented a brief overview of FANRPAN regarding its origin, focus, and operational framework.

In his keynote address, Professor Kamwanja highlighted major weaknesses in the marketing of agricultural commodities in general, and six crop enterprises in particular. In his speech, Professor Kamwanja lamented that the country still remains a net importer of agricultural commodities despite heavy investment in various areas of the sector such as training, research and policy changes following the liberalization programs embarked by the Malawian government in the agricultural sector within the framework of the Structural Adjustment Programs. In view of this, he challenged the forum to come up with strategies that will increase Malawi's competitiveness in the marketing of agricultural commodities in the region. He stressed that Malawi has developed the tobacco industry to the extent that it's the main foreign exchange earner. He urged the forum to draw lessons and experience from the way tobacco flourished over the years, in order to promote the production and marketing of the aforementioned six crop enterprises.

At this point, Professor Kamwanja called on all participants to focus on the commercial orientation of the country's farming practices regardless of land-holding sizes. In other words, he called on the farming community to concentrate on producing what the market demands, especially for the crops that Malawi has comparative advantage. Such crops could be promoted to the extent of penetrating trading partners' markets. He then pointed out that this could be achieved through (a) the provision of effective market information services to producers, traders, and exporters on both domestic and international markets; (b) restructuring of school curricula to include agribusiness skills; (c) review of trade agreements to identify ways how Malawi could take advantage of the provisions in the various trade agreements to promote its trade; and (d) encourage other trade promotion efforts by the relevant institutions. With such efforts, agricultural trade would go ahead despite several macroeconomic problems.

Introducing FANRPAN to the forum, Dr, Malindi gave the historical background, objectives of the network, organizational structure, operational strategies, and thematic focus of the network. Regarding the network, Dr Malindi explained that it came about as a result of the various consultations that date back as far as April 1994 when ministers of agriculture from East and Southern Africa met in Zimbabwe. At that meeting, the ministers agreed to support the establishment of a network to undertake policy research in areas of food, agriculture, and natural resources. This was later endorsed by the heads of state in the Global Coalition for Africa (GCA) in July 1994. However, it was not until July 1997, when the Department of Agricultural Economics of the University of Zimbabwe took the initiative of organizing a regional meeting, that the network was launched.

---

Dr. Malindi informed the participants that, currently, FANRPAN has a lean organizational structure. It is being guided by an interim seven-person steering committee (one of them being Dr Malindi himself) drawn from eight countries from the SADC region as pilot countries. The Department of Agricultural Economics and Extension at the University of Zimbabwe is the current interim secretariat. The eight countries have established “nodes” or “focal points,” which are responsible for coordinating network activities at the country levels. He told the participants that after examining the various institutions that conduct policy research in the country, APRU was identified as Malawi’s FANRPAN node.

In his speech, Dr. Malindi told the forum that the network has a number of objectives that could be summarized as ‘facilitate the analysis, adoption, implementation, monitoring and evaluation of appropriate food, agriculture and natural resources policy network that will amongst other things reduce poverty, increase food security, lead to economic growth and improve the standards of living in the Southern Africa region.’ To achieve this objective, FANRPAN initially identified several thematic areas on which it would seek improvement. These include poverty-related issues, trade issues, natural resource management, economic reforms, and institutional reforms. However, at a meeting of the interim committee and secretariat it was agreed that FANRPAN activities during the first year should concentrate on trade issues. Dr. Malindi further highlighted the operational principles of FANRPAN.

Delivering the official opening speech, the Honorable Leonard Mangulama of MoAI touched on a number of important issues to be considered at the workshop. He noted that since the agricultural sector remains the mainstay of Malawi’s national economy, its performance has serious implications for the other sectors in the economy. He then proceeded to elaborate the policy developments that have recently taken place in the agricultural sector. In his speech, the minister lamented that MoAI has in the past concentrated its efforts towards increasing agricultural production while giving little attention towards marketing or trading of the produce since all the marketing of agricultural produce was done by a parastatal, the Agricultural Development and Marketing Corporation (ADMARC) during the pre-liberalization period.

He pointed out that the focus of liberalization efforts centered on repealing and amending some regulatory measures with a view to creating a conducive environment to allow for fuller private sector participation. The minister pointed out that despite having implemented all the necessary reforms, the agricultural sector has continued to perform poorly. In particular, the minister expressed concern that there is little private sector participation in the marketing of agricultural commodities so that they can take advantage of the reforms.

The minister told the forum that the Malawian government has embarked on a number of initiatives to increase agricultural production, such as the Starter Park Program and the Agricultural Productivity Investment Program (APIP). However, he observed that while these programs have resulted in increased production of the various commodities, these initiatives have not been accompanied by any marketing arrangements.

On regional integration, the minister was equally concerned that Malawi has not benefited in terms of overall trade, both as a member of the Southern Africa Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA). Opening up of

---

the borders has only resulted in flooding of Malawi markets with foreign agricultural products. Malawi has not managed to penetrate the partner markets. He, therefore, called upon the forum participants to find realistic answers to all these challenges.

After the workshop opening session, the participants were invited to an exhibition of cassava processing machines mounted by SARRNET. There were four machines, each producing different products, which were demonstrated. Some of the machines demonstrated were capable of making cassava chips and starch, which is currently done manually. It was indicated at the demonstration that there is substantial demand for these processed products by the manufacturing industry in Malawi. This includes RIPLY in Chikangawa, who is currently testing the use of cassava starch in wood processing instead on using imported wheat; Rab Processors Ltd., Universal Industries Ltd., and others. These machines were imported from Uganda and their prices range from US \$65 to US \$600.

---

## CHAPTER 3. PAPER PRESENTATIONS

Five papers were presented and specific areas of clarifications were presented during the open discussions. The following section presents summaries of key issues from the papers presented at the forum.

### **3.1 Production and Marketing of Maize, Cassava, Beans, Rice, Groundnuts, and Pigeon Peas in Malawi and the Promotion of Trade in the SADC Region (By Mr. I. Kumwenda, National Coordinator, Malawi Agricultural Sector Investment Program)**

This paper was based on commodity-specific papers that were prepared by scientists on cassava, pigeon peas, groundnuts, rice, maize, and beans. The paper summarized area coverage of these crops, their importance in the food and livelihood systems of Malawians, their export potential in the domestic as well as regional markets, constraints faced in the production and marketing of these commodities, and poses key questions that need to be considered by the forum to promote these commodities.

#### **3.1.1 Constraints to Producing the Commodities**

- use of low yielding materials,
- unacceptable varieties,
- lack of information on high value crops,
- inadequate supportive services (infrastructure extension),
- low producer prices (not adding value to produce),
- clash in labor demand,
- diseases and pests,
- high cost of inputs, and
- declining soil fertility

#### **3.1.2 Constraints to Marketing and Institutional Constraints**

- lack of expertise in marketing skills,
- lack of market information,
- difficulty in accessing finances for export financing, and
- poor support and advisory services.

While there is a potential for these five mentioned commodities to do well as export products, there are questions that need to be answered if this potential is to be exploited. Some of the questions include:

- How do we encourage farmers to process and add value to these products?
- What is the market demand for these commodities and what are the market requirements (grades, standards, and quality specifications for each market)?

- 
- What should be done to produce these commodities effectively in order to compete on international markets?
  - What level of technical competence do we have?
  - Why is productivity low?
  - What is the mode of disseminating market information to producers, traders, and exporters to exploit the markets?
  - What are the practical solutions to the various constraints outlined?

### 3.1.3 Comments on the Paper

#### *Question*

*How did you come up with this list of crops?*

#### *Response*

We looked at a wide range of factors such as the importance of the crop to food security, the level of effort that has been put into the development of the crop, the contribution of the crop to food security and employment, and the domestic resource cost ratio (DRC). These factors were analyzed together using the Multiple Objective Policy Analysis Matrix (MOPAM) to come up with the list of priority crops.

The list could be longer but for the sake of achieving substantial progress there was a need to have a list of a few crop winners. In terms of the potential for expansion, the crops that have been chosen stand a better chance compared to traditional crops such as tobacco, tea, sugar, and coffee. This does not mean that MoAI would stop promoting these other crops but the experiences and lessons drawn from these winner crops could be used to develop the other commodities.

### 3.2 Promotion of Malawi Agricultural Trade in SADC: ADMARC Experience of Commodity Exports (Presented by Mr. A. Chipungu, Marketing Manager, ADMARC)

Mr. Chipungu shared ADMARC's experience as a major exporter of agricultural commodities in Malawi. The paper indicates that the SADC region is a potential market for Malawian agricultural produce considering a population of 195 million. As an export outlet, SADC has got proximity advantages such as a short transit period, low financial risks, quality for delivered products, and easy follow up. The paper suggests that Malawi could benefit significantly if efforts were concentrated on exporting the commodities within the SADC region. The paper reported that Zimbabwe, South Africa, and Zambia have been major markets for Malawi's agricultural exports although some trade has been ongoing with Namibia and Botswana. Over 50 percent of procured agricultural produce, particularly seeds, rice, pulses, and cotton lint are sold within the SADC region. However, the paper suggests that Malawi could potentially export oil seed, sunflower, cottonseed, soybeans and groundnuts, rice, and cotton lint in large quantities.

### 3.2.1 Main Constraints to Export

- low production resulting in failure to sustain demand;
- high cost of production;
- competition from within the region;
- high transportation costs;
- low quality of produce;
- non-tariff barriers in exporting countries, strict export regulations and quota systems; and
- limited marketing information.

The way forward to promote exports to the regional markets is first, to greatly increase production of the products mentioned above using good quality specifications while efforts should be made to remove some of the remaining barriers to trade; second, to set up SADC information centers; third, to strengthen local information institutions; and finally, to promote information sharing among information institutions, producers, and traders/exporters.

### 3.2.2 Comments on the Paper

#### *Question*

*We note that ADMARC, which has considerable experience in exporting agricultural commodities, has the list of potential crops that are in some ways different from the ones identified under the forum. Should we disregard ADMARC's list of priority crops or should we conform to the experiences of ADMARC ?*

#### *Response*

The list of commodities could be expanded. However, it is difficult to promote all the commodities given the resource constraints. As indicated earlier, it is expected that lessons learned from the six commodities could be applied to the other commodities as well.

#### *Question*

*ADMARC showed potential commodities for export — what about the minimum tonnage required for export?*

#### *Response*

The information is there on paper but it should be noted that there are other players that import agricultural commodities. Due to this, the figures that ADMARC has do not reflect a complete picture of imports at country level.

### 3.3 Where are the Markets for Malawian Commodities? Knowledge and Information Gaps (Presented by F.G. Nyirenda, Marketing Officer, Malawi Export Promotion Council)

This paper highlighted the major trading partners for Malawi within the SADC/COMESA region: South Africa and Zimbabwe. Other partners include Tanzania, Mozambique, Zambia, Kenya, and Botswana. Traditional exports have been tea, tobacco, and sugar. The other

commodities have not done well for various reasons. Farmers could compete favorably with soybeans, for example, if they could export it at MK10-12 per kg. Therefore, it may be necessary to add value to primary products like soybeans to be competitive at the market. Groundnuts used to be exported to Europe but the aflatoxin levels in the nut later became too great to meet the international standards for the export market. Chilies are doing well so far at an average price of US \$2.80 per kg. There is, however, need for increased collaboration and market information sharing among stakeholders. This could be accomplished at trade fairs and buyer seller meetings. Recently, the Malawi Export Promotion Council (MEPC) organized one such meeting on mushrooms and paprika.

### **3.3.1 Comments on the Paper**

#### ***Question***

*Has MEPC carried out market research to find out which commodities have high potential for export?*

#### ***Response***

MEPC carries out market research only for commodities that have been identified to have a market. During the past two to three years, MEPC has conducted research on mushrooms and paprika. The information that was obtained from this research was used to launch business workshops and seminars.

## **3.4 Standardization and Quality Implications and Competitiveness in Regional Trade (Presented by Mr. C. Malata-Chirwa, Malawi Bureau of Standards)**

### **3.4.1 Introduction**

The Malawi Bureau of Standards (MBS) was established by an Act of Parliament in 1992 to be responsible for the promotion of standardization of commodities. There is supposed to be improved coordination and information sharing and use among all stakeholders. Information can be obtained from the MBS library Internet. As a country, it is important to come up with a national position on standardization. This paper gave a clear understanding of quality and standard aspects of commodity production and its implications to regional trade. The paper defined standards and quality. A standard was defined as a technical specification drawn up with the cooperation and consensus of all interests affected by it, based on the consolidated results of science, technology, and experience aimed at promoting community benefits and approved by a body recognized on the national, regional, and international level. Quality, on the other hand, was defined as a totality of characteristics of an entity that bears on its stated and implied needs. Simply put, standardization implies improvement of the suitability of goods and services for their intended purposes.

The paper further outlined principles in standardization as follows:

- applying the same specifications where standards already exist,
- standards are developed through consensus, so there should be mutual agreements, and

- the standards should translate to advancement or improvements of development activities. Producers should aim at meeting or exceeding the standards.

### **3.4.2 Standards in International Trade Trends and Implications on Regional Competitiveness**

International trade in various products is becoming more competitive. Major buyers do not favor the quota systems. Agreements such as those on technical barriers to trade (TBT) and on sanitary and phytosanitary measures (SPS) have incorporated provisions that ensure transparency, equivalence, and fair treatment. Within the SADC region, trade agreements and protocols are coming into force, which are aimed at promoting trade and specifically applying the rule of country origin which would eventually result in harmonization of standards.

Malawian agricultural industries should take up the challenge of ensuring that the principles of standardization are carried out at every stage of production through processing and marketing. Harmonization of rules has also been set in motion. Pioneers will likely win the race while the industry lacks self-regulation and controls. Voluntary regulation or mandatory regulation through some effective legal instruments should be used.

In standardization, frequent consultations and collaboration are key towards achieving competitiveness in the agricultural sector.

### **3.4.3 Comments on the Paper**

#### ***Question***

*On standards, especially on non-tariff barriers, why is it that requirements/standards asked for on our exports do not apply on our imports? For example, there may be need for us to show a product expiration date, but we receive numerous imported products here with no expiration date; and what measures could be effectively taken to have unscrupulous businesspeople accountable once they bring substandard products on the market?*

#### ***Response***

We are using the MBS Act, which we realize is loose in terms of what action we can take. Currently, extensive regulations have been proposed in the act to cover the existing gaps.

### **3.5 Bilateral and Multilateral Agreements: Implications for Malawian Agricultural Commodity Exports (Presented by Mr. S. Nyirenda and Mr. M. Munthali, Ministry of Commerce and Industry)**

This paper provided a quick overview of justification for trade agreements looking at associated benefits of signing agreements. The Malawi government's objective on trade is to promote, facilitate, and encourage trade and investment. Agreements are aimed at

- improving access to the market,
- promoting industrialization,
- promoting consumer benefits,

- 
- providing quality products to consumer at affordable prices, and
  - creating competition through trade agreements.

It is to Malawi's advantage to sign numerous trade agreements because different agreements provide different opportunities for Malawian exporters. Some proposed actions to meet the challenges in the agricultural exports include encouraging agro-processing, widening the production base, strengthening export marketing, and developing the marketing infrastructure.

### **3.5.1 Comments on the Paper**

#### ***Question***

*Could the Ministry of Commerce and Industry elaborate on the Malawi/Zimbabwe trade agreement?*

#### ***Response***

The new agreement allows for more frequent consultations and takes adequate account of the sensitive commodities. It also emphasizes the promotion of competitiveness.

### **3.5.2 Other General Comments**

- There is need to increase productivity of maize so that excess land planted to maize should be released to other crops.
- It is also important to link production to the market. This calls for closer and effective linkages among various institutions involved in agricultural trade with the farming community.
- The current pricing system discourages production of high quality products because there is no premium for quality (except for a few products). There is need, therefore, for price differentiation, i.e., consumers should be prepared to pay for quality.
- There is the feeling that tea from Malawi should be bought at a low price because it is of poor quality. Is this really the case? The tea industry in the country is taking positive steps to improve the quality of tea in Malawi. Malawi has not fared very well so far with respect to marketing and the export of traditional crops. For example, nobody knows how much the tobacco buyers get when our tobacco is exported. As for tea, beyond the farmers, nobody knows what happens because everything is left to intermediaries who deal directly with the consumers outside the country. The same applies to coffee and other plantation crops such as tree nuts.

## CHAPTER 4. SUMMARY OF PRIORITY ISSUES, ACTIONS, AND RESPONSIBLE INSTITUTIONS

### 4.1 Production Issues, Constraints, Inputs, Finance, and Institutional Issues

ISSUES	ACTIONS	RESPONSIBLE INSTITUTION
Individualism, where farmers are working in isolation	Formation of farmer groupings, cooperatives	MCI, NGOs, private sector, MoAI
Inefficient extension services	Revamp and reinforce extension services	MoAI
Poor enforcement of the law	Enforce	Government

### 4.2 Standards and Quality (Phytosanitary, Legislation, Government Commitment, Implications for Regional Competitiveness)

ISSUES	ACTIONS	RESPONSIBLE INSTITUTION
Lack of information Standards and regulations	Consultation and training	MoAI, APRU, MBS
Bureaucratic and nontransparent support services	Streamlining, strengthening, and coordination of institutions	MCI, MBS
Gaps on standards and quality	Research to fill information gaps	MoAI, MBS

### 4.3 Agricultural Commodity Market Issues (Price and Market Information, Dissemination Channels)

ISSUES	ACTIONS	RESPONSIBLE INSTITUTION
Lack of information in agricultural marketing	Establishment of business information center	MoAI, NASFAM, MEPC, Bunda
	Market research	Bunda, MoAI, MEPC
	Establishment of information network	Bunda, MoAI, MEPC
Lack of technical capacity in marketing	Training and deployment of marketing officers	MoAI
Trade imbalance	Research on the effect of bilateral and multilateral trade agreements	MEPC, MoAI

### 4.4 Support Systems for Promoting Agricultural Trade

ISSUES	ACTIONS	RESPONSIBLE INSTITUTION
Lack of coordination among stakeholders	Establish linkages	MoAI, MEPC, MIPA, MCCI
Lack of business culture	Develop entrepreneurship	MoAI, MoESC, MoGCS
Lack of publicity	TVM to include agricultural trade issues	MoAI, TVM

These are the priority issues from the group discussions. The other issues related to the thematic areas discussed in the groups are presented in Appendix D.

---

## **CHAPTER 5. RESEARCH AGENDA**

This session summarizes thematic areas of research in agricultural trade based on the deliberations at the Forum.

### **5.1 Production Related Issues**

#### **5.1.1 Farmers Associations**

The potential for exporting the various commodities could not be achieved when production is fragmented. In order to take advantage of the economies of scale to enable farmers to successfully exploit trade, there is a need for farmers to be organized in groups based on the commodities being produced for the export markets. The study will be conducted to determine a type of associations that will facilitate the marketing or trade of the farmers' produce. The main research question is that, does Malawi need associations, clubs, or cooperative in order to penetrate the market or even produce? What will be the specific support needs of farmer organizations to enable them to produce efficiently for the market (issues of training, marketing strategies, etc)? The study will help to design a support system for specialized growers and link the farmers to the markets both domestic and international.

#### **5.1.2 Value-Adding Activities**

Currently, Malawi exports most crops in raw form and, therefore, it does not benefit from value adding activities such as processing. The research will to identify value-adding activities to the various crops.

The cost benefit analysis will be used to determine this determine how much Malawi would make if it started exporting some commodities processed. The study will identify the various technologies for different crops and identify support systems to promote the adoption of the agro-processing technologies. This study will be extended to determine the markets for different crop products.

### **5.2 Standards and Quality Issues**

The workshop noted that with regards to standards, especially on non-tariff barriers, the question as regards inconsistencies in quality requirements/standards for Malawian exports in international markets as those applied by Malawi on imported products. These inconsistencies have negative impacts on our imports leading to trade imbalance. For the officials to present these issues to relevant authorities, there is need for facts and information that will back these sentiments. A study is, therefore, proposed to identify quality and standard requirements for different products in different markets where Malawi has trade agreements. The study will propose

- common roles and rules for participation in commodity exchange in the region;
- ways to harmonize grades and standards, including phytosanitary (disease, insect, certified residues, size, color, types, and consumer preferences) for different commodities; and

- 
- training needs of producers and traders in standards and quality aspects of commodity trade.

### **5.3 Commodity Market Issues**

#### **5.3.1 What is Demanded on the Foreign Market-Identify Demand/Markets**

The workshop noted that little attention focussed on developing or producing commodities that have a market. The major focus was production for own consumption. In this liberalization era, there is a shift in focus in view of the dwindling foreign exchange earnings from traditional export crops. Further, the need to enhance income-earning opportunities of the farming community to enable them to adopt new technologies requires the focus towards exportable commodities. In other words, production decisions should now oriented towards products that are demanded on domestic and external markets. The research will be conducted to identify commodities or products that are demanded on domestic and foreign markets that Malawi should concentrate its efforts. The commodities that have been identified as winner crops should serve as a pilot. However, more information needs to be collected regarding the volumes required and what quality. This research will further look at the kinds of markets that exist, *i.e.* between contract marketing forward marketing, spot marketing.

#### **5.3.2 Entrepreneurship and Marketing Skills Development**

Given the fact that the focus of government policy needs to change from subsistence to commercial orientation, there is need for a thorough understanding of farmers circumstances to change the orientation towards commercialization whether on small or large estates. The study will examine how farmers market their product in order to identify skill gaps in commodity marketing (such as grading, pricing, negotiation and market intelligence. The study will further propose how the various markets could be exploited.

#### **5.3.3 Market Information Systems**

Various institutions collect information on various aspects of farming. However, the information is desegregated, thereby making its availability to users difficult. A study will be conducted to establish who is keeping what type of “market” information and who are the major users. This documentation will assist entrepreneurs to have access to information on various aspects: production, pricing, markets and other relevant information such as information to support regional trade and information on the standards in different countries.

### **5.4 Trade Policy Issues**

#### **5.4.1 Trade Protocols**

The Malawi government has signed a number of trade agreements and protocols. Unfortunately, very little is currently known as to whether after signing the agreements what are the quantifiable gains or losses. A study will be conducted to review the current trade protocols in order to determine how much Malawi has paid and how much it has gained. The study should identify sectors that have benefited and those that have lost as a result of the trade protocols.

---

### 5.4.2 Trade Strategies

Malawi has been trading with its partners. However, different countries employ different strategies to block or penetrate other country's markets. A study is proposed to review trade strategies that various countries use so that Malawi could emulate or adapt some of the strategies to improve its exports. The study will examine the various trading regimes (structure of trade) and how the production in other countries is linked to the industry and markets. Other aspects of the study could include

- export permits and procedures;
- tariffs; and
- price control, especially on controlled commodities.

The study will define the role of government in trading is different in different countries (for example limits on amounts that can be traded and to what extent countries should have reserves, government buying products crowding out private sector)

### 5.4.5 Review World Trade Organization (WTO) Effects on Malawi on Malawi Law

Examine the movement of goods from the country of origin to the final destination. What can we incorporate in our law system to reduce the problems? This may necessitate physically exporting commodities to different countries while recording the process from the source to the market (including procedures to obtain export permits, clearance certification, packaging, selling the products including documenting the prices obtained). This study will help to understand what it takes to export commodities to neighboring countries. The same could be done to understand what it takes to import the commodities into Malawi. This information will help to argue during trade negotiations on the practicality of implementing the agreements. Again, the various agreements signed may have required changing the laws of Malawi to accommodate the terms of trade agreements. This study will help to identify areas that will necessitate the change in the national laws.

## 5.5 Institutional Issues

### 5.5.1 Institutional Capacity

As we move into market oriented production system, there is need to establish a business center. However, given that there are other institutions that have a mandate to provide information on various aspects of agricultural marketing, a study will be conducted to establish whether business centers should be established. The research will determine how to set-up sustainable business centers.

### 5.5.2 Compendium of Scientists and Researchers in the Network Countries

Some studies will require collaboration with researchers and scientists from neighboring countries. A study will be conducted in all the FANRPAN countries to document scientists and researchers classified by field of expertise and a minimum qualification of a Master's Degree or

for specialized fields such as information technology, with a minimum of a diploma. This compendium will be a compilation of scientists and researchers in the region that may be called upon to undertake specific assignments or requested to form a multi-disciplinary research team.

### **5.5.3 Information**

A subsector analysis will be conducted in order to determine information gaps. A subsector analysis looks at the activities from production through processing and marketing to consumption in order to determine the constraints in terms of who should provide it and what type of information is existing

---

## CHAPTER 6. OFFICIAL CLOSING

In his closing remarks, the Program Manager of APRU, Dr. C. Mataya thanked the Chairman for the workshop, Dr. J. Luhanga for ably handling the deliberations to articulate the debate and meet the workshop objectives. He thanked the Secretariat for FANRPAN for identifying and providing financial resources to hold the National Consultative Forum which has opened eyes of the participants in terms of how Malawi should organize its production to meet what the market requires or demands. He further thanked the various authors those that prepared the commodity specific background papers, the organizing committee, the Secretariat and participants for making all the necessary preparations to make the Forum a success. He finally thanked the MoAI for their interest and support to the forum.

In his closing remarks, the Principal Secretary, Dr. E. Malindi thanked all participants for their active participation in the discussions. He stressed that the outcome of the workshop would assist the ministry to link farmers to the markets. He observed that previous agricultural policies concentrated on production for own consumption. The policies were not oriented towards production for external markets. He indicated that the challenge now is to find markets for Malawi's agricultural commodities. He cautioned that the selection of six focal crops (maize, beans, groundnuts, pigeon peas, cassava, and rice) should not be interpreted as a shift in the ministry's policy on crops. All other crops and livestock will be given attention. Lessons learnt from the crops would be applied to other crops on the list. He expressed that the ministry is committed to implement the action plans developed at the workshop. He particularly alluded to the fact that he personally will make sure that the recommendations reached are implemented. He therefore requested the Secretariat to circulate the workshop report to all participants as soon as possible. He requested the scientists to prepare good project proposals should be prepared for funding from local and donor resources.

## APPENDICES

---

## APPENDIX A. OPENING SPEECHES

### KEY NOTE ADDRESS BY THE ACTING PRINCIPAL OF BUNDA COLEGE OF AGRICULTURE: PROFESSOR L. KAMWANJA

The Chairman, Our Guest of Honor, Minister of Agriculture and Irrigation, Hon. L.K. Mangulama, MP, The Principal Secretary in the Ministry of Agriculture and Irrigation, Dr. E.S. Malindi, The Acting Program Manager of APRU, Dr C. Mataya, Distinguished guests, Ladies and Gentlemen,

It is with profound pleasure that I stand here this morning, to address this august gathering of experts on the issues of agricultural trade in Malawi. My duty this morning, Honorable Minister, ladies and gentlemen, is to point out a few pertinent issues that, I feel, would be of some importance in our two-day meeting here. But, before I do that, allow me Mr. Chairman, to express, on behalf of all the participants here and, indeed on my own behalf, our sincere gratitude to the Honorable Minister for sparing some time from his tight schedule to come and be with us here at this workshop. To me, this reflects the serious commitment that the government has towards the promotion of agricultural trade in this country.

The Honorable Minister, ladies and gentlemen, one does not to be economics expert to appreciate the role of agriculture in our national economy. Equally true is the fact that one does not need to trade specialist to notice that Malawi is largely disadvantaged when it comes to the marketing of our agricultural produce. However, what would need is seeking answers as to why, despite having produced highly graduates from Bunda College of Agriculture; despite having invested heavily in educating agricultural professionals to the highest educational; and despite the various efforts to changes government policies to encourage private sector participation in the agricultural sector, the country continues to be a net importer of most commodities.

In the quest for increased export earnings from trade in the country, it is clear that the agricultural sector will continue to be the main contributor despite the myriad of challenges that beset the agricultural trade in the SADC region. It is for this reason that fora like this one provide appropriate avenue for proper cross-fertilization of various pieces of expertise, which, in no doubt, produces the much desired fruits.

The Honorable Minister, distinguished guests, ladies and gentlemen, I consider this forum to have come at right time. Over the past decade, national policy and orientation was on how best we could manage our liberalization process to achieve maximum private sector participation in the national economy. At that time, government control of the markets was blamed for all the ills in our trading system. As such, dosage prescriptions of liberalization coupled with privatization were considered as the panacea of our economic challenges. Being the mainstay of our national economy, the agricultural sector naturally became the center of the liberalization initiatives.

---

However, today, the Honorable Minister, ladies and gentlemen, we realize that having implemented all the policy reforms, that were deemed necessary, still the agriculture is not performing as expected. It is for this reason that our gathering here becomes crucial because we have to come up with practical solutions and map out strategies to reverse the orientation of trade in Malawi.

At this juncture, the Honorable Minister, ladies and gentlemen, we all know that for trade in agricultural products to take place, there must be production, which economists would prefer to call the **supply of goods**. A look at our crop production statistics indicates that recently there has been some considerable increase in the production of almost all food crops such as cassava, pigeon peas, rice, ground nuts, beans, potatoes, just to mention but a few. For maize, production has been experiencing annual fluctuations depending on the rainfall conditions in a particular year. However, because of various initiatives, Malawi, for many years obtained a surplus in maize last growing season. This year, the picture also looks good.

Mr. Chairman, today, most developing countries are worried about the threat to tobacco as pressure mounts through anti-smoking campaigns. I would like to challenge the gathering here that, time has come to develop other commodities like the way the country broke through tobacco. How did we manage to promote tobacco to the status it has attained today? My appeal to the government is that resources should be provided to promote candidate crops such as cassava, rice and pigeon peas, which has demand and, thus, gaining some ground at the moment.

The Honorable Minister, ladies and gentlemen, over the years, the policy in the agricultural sector focussed on increased production. Resources were made available to researchers to develop technologies that will increase yields per hectare through the “Green Revolution”. Time has come, ladies and gentlemen to provide resources towards market research in order to identify markets for our commodities. Our pattern of production should change to suit the market in terms of what we should produce for what market. If indeed this line of thinking is true, then what remains to be clarified in the case of Malawi, Honorable Minister, ladies and gentlemen, is the extent to our farming practices should have a commercial orientation whether on small land holding sizes or estates.

The Honorable Minister, ladies and gentlemen, I am told that studies in the agricultural sector show that Malawi has comparative advantage in the production of such as cassava, pigeon peas, rice, ground nuts, beans and potatoes. This means that there is potential for increased production of these crops, and subsequently, penetration of our major trading partners’ markets. My appeal, Mr. Chairman, is that we need to exploit this opportunity. Our meeting here is, therefore, expected to define specific strategies for unleashing this potential, which would include entry point and who to starts the process.

The Honorable Minister, distinguished guests, ladies and gentlemen, for trade in agricultural products to effectively take place, there is need for adequate market information to all the stakeholders. Traders in one part of the country need to have timely information on the type of the products available in another part of the country, including the quantities or volumes involved and their quality. Similar type of information of market information is necessary on

---

the foreign markets, if we are to penetrate these markets. But this is rather a hypothetical situation when compared to the realities on the ground in Malawi. In this case, it is imperative that the roles of the public and private sectors in information collection, analysis and dissemination be clearly defined.

To me, market information, the Honorable Minister, ladies and gentlemen, refers even to information on government policy changes at both national and international levels. As such, I would expect the business community in the country to be fully aware of the policy changes that the government has effected with the liberalization. I would argue the business community to be kept abreast of the production and marketing policies and export regulations in Zimbabwe and South Africa, besides information on types of products in demand.

Market liberalization is supposed to be supported by appropriate institutional changes. Bunda College of Agriculture recognizes its role to start the process of instilling marketing, agribusiness and entrepreneurship skills in the minds of our young graduates through the proposed business-related programs.

Honorable Minister, Ladies and Gentlemen, it is sad to note that, while all countries are committed to the various trade protocols, there is still bureaucratic red tape in the external trade, which retards development. While all countries are moving towards globalization, I wish to challenge this forum to examine critically how Malawi should use the provisions in the various trade agreements to promote trade in the country.

Equally important is the need for the trade promotion efforts by the relevant institutions not, only to be stepped, but also carried out with high level of professionalism. Honorable Minister, ladies and gentlemen, I am emphasizing this point because I know that the high level of informal cross border trade that take place between Malawi and our neighboring countries, is a reflection of the preliberalization hangover.

The Honorable Minister, ladies and gentlemen, allow me to make special mention of the macro-economic challenges which also have a direct bearing on the performance of agricultural marketing. We all know of the implications of the high interest rates, the general security situation, and the high collateral requirements for the obtaining loans from the financial institutions. While this forum may not be in a position to find remedies to these challenges, it would, however, be important to find ways of forging ahead with agricultural trade even in the face of these challenges. At the end of this two-day, it is everybody's expectation that tangible solutions, research agenda and action plan will be developed that will provide information, tangible strategies and specific recommendations as how agricultural trade could be promoted in the region.

With these remarks, the Honorable Minister, distinguished guests, ladies and gentlemen, I wish to thank all of you for your attention. Thank you.

---

**SPEECH BY THE SECRETARY FOR AGRICULTURE AND IRRIGATION: DR. E.S. MALINDI**

The Minister of Agriculture and Irrigation, Hon. L.K. Mangulama; The Principal, Bunda College of Agriculture; The Acting Programme Manager, APRU; Distinguished Guests; Ladies and Gentlemen,

My duty this morning is to give a brief background to the developments that have led to the convening of this consortium. This forum, the Honorable Minister, ladies and gentlemen, is a result of the several consultations at the SADC level, which gave birth to a regional policy network called Food, Agriculture and Natural Resources Policy Network (FANRPAN). I personally have been involved in the discussions that led to the formulation of this regional initiative. It is the spirit of this policy network that has prompted the Agricultural Policy Analysis Unit (APRU) of Bunda College of Agriculture and the Ministry of Agriculture and Irrigation to organize this consortium. In view of this, the Honorable Minister, ladies and gentlemen, allow me to give the background to this Policy Network, its objectives, operational strategies and its organizational structure.

The history of the Food, Agriculture and Natural Resources Policy Network dates back to April 1994 when the Ministers of Agriculture from Eastern and Southern Africa met in Harare, Zimbabwe. At this meeting, the ministers agreed to support the establishment of a network that would bring together competent professionals to undertake policy research and analysis in the areas of food, agriculture and natural resources sector for relevant and effective policy formulation. Later, in July 1994, this proposal was endorsed by the Heads of State participating in the Global Coalition for Africa (GCA) Advisory Committee. Following the endorsement, the Food Security Sector of SADC convened a meeting in the same month to discuss the concept and to identify the nature, format, and structure of such a network.

Three years thereafter, to be specific, in March 1997, the Food Security Sector convened a meeting to develop its new strategic framework. The framework sets out strategic objectives for improving access to food, availability of food, and nutritional status in the region. Further to that, the framework guides the Food Security Sector in developing detailed programs and priorities of action in the areas of food, agriculture and natural resources.

The Honorable Minister, ladies and gentlemen, within the SADC Food Security Sector operational parameters, the Department of Agricultural Economics and Extension of the University of Zimbabwe in July 1997, organized a meeting to launch a regional policy consortium and network in the areas of food, agriculture and natural resources. So it was at this meeting that FANRPAN was launched, and a seven-person interim steering committee was elected, one them being myself. The main function of the committee was to oversee the establishment of the network. The Department of Agricultural Economics and Extension of the University of Zimbabwe itself was elected as an interim secretariat of the network.

At this juncture, Honorable Minister, distinguished guest, ladies and gentlemen, let me highlight the operational framework for implementation of the Network activities. These include:

- broad participation of through shared responsibilities among participants drawn from public, private, civil society, and donor organizations;
- lean and mean administrative structure;
- accountability and transparency;
- quality work;
- built-in flexibility, and standard operational procedures; and
- the autonomy for the network.

A number of fora have been held since the launch of the network. For instance, in May 1999, the interim Steering Committee met to develop the strategy framework and the research and technical agenda for the network. It was agreed at that meeting that nodes, which would coordinate the activities of the network at the national level be identified. In this respect, in Malawi, the APRU was identified as our nodal point.

And later in December 1999, the first stakeholders' forum was held in Pretoria, South Africa to validate the strategy framework and research agenda developed by the steering committee in May. Participants to the December forum were drawn from nine countries and included representatives from farmer organizations, ministries of agriculture, private sector organizations, and nodal organizations. The forum also drew up the plan of action for the year 2000 from January to December. In fact, one of the issues on that agenda is holding the national consultative fora like the one we have today.

The Honorable Minister, distinguished guests, ladies and gentlemen, the Food, Agriculture and Natural Resources Policy Network has a set of policy objectives. The overall objective of the network is to facilitate the analysis, synthesis, formation, adoption, implementation, monitoring and evaluation of appropriate food, agriculture and natural resources policies that will reduce poverty, increase food security, lead to economic growth and improve the standard of living in the Southern African Region. The specific objectives of the network are as follows:

- Provide a forum for policy dialogue and advocacy amongst stakeholders.
- Improve policy research, analysis, formulation and monitoring of priority food, agriculture, and natural resource themes.
- Develop and strengthen human and institutional capacity for coordinated policy research, analysis, and formulation amongst stakeholders.
- Develop a mechanism to promote advocacy, collation building, information exchange, and effective utilization of research analysis results.

In addition to that, the Honorable Minister, ladies and gentlemen, you may also wish to know that the network has some strategies for achieving its objectives. These include:

- facilitating and mobilizing human and financial resources for policy research, analysis and human capital development;
- organizing and implementing policy reviews, briefs, and performance indicators for monitoring policy impacts;
- facilitating information sharing, communication of results including organizing workshops, conferences, and publications;
- coordinating and facilitating skill building and institutional development;
- establishing and maintaining an-update database; and
- establishing and maintaining linkages with other networks and international organizations involved in similar activities.

The Honorable Minister, ladies and gentlemen, the Food, Agriculture and Natural Resources Policy Network (FANRPAN) has a number of thematic areas. These were developed at the July 1997 meeting. These areas are:

- poverty-related issues, which encompass food security, agricultural technology, rural economic growth linkage issues, and rural finance;
- trade issues covering intra regional trade, tariff and non-tariff barriers to agricultural trade, phytosanitary regulations, and infrastructure;
- natural resource management issues that include land tenure and property rights, land use management, and preservation of biodiversity;
- economic reforms encompassing structural adjustment programs and macroeconomic reforms; and
- institutional reforms covering areas such as institutional structures, conduct and performance; changing roles of public and private sectors, and intellectual property rights.

The Honorable Minister, ladies and gentlemen, it was agreed at the stakeholders forum last December, that the network should start concentrating on the trade issues rather than tackling all the thematic areas at once. It is in light of this, that our forum is on agricultural trade.

With these few remarks, Mr. Chairman, distinguished guests, ladies and gentlemen let me call upon the Minister of Agriculture and Irrigation, Honorable L.K. Mangulama to officially open the workshop. Thank you.

---

**OPENING SPEECH DELIVERED BY THE MINISTER OF AGRICULTURE AND IRRIGATION: HONORABLE L.K. MANGULAMA**

Mr. Chairman; the Principal Secretary for Agriculture and Irrigation; the Principal, Bunda College of Agriculture; The Acting Program Manager, APRU; Distinguished Guests; Ladies and Gentlemen,

It gives me great pleasure to perform the official opening of this important consultative forum on the agricultural trade. Before I go any further, let me also join the Chairman and the preceding speakers in welcoming all of you to this forum. It is my sincere hope that you will feel free to bring out all the pertinent critical issues, which, I hope, this forum is ready to refine and consolidate in our collaborative search for the practical solutions to the challenges in the agricultural trading.

Mr. Chairman, distinguished guests, ladies and gentlemen, our gathering here, as you might already be aware, has been necessitated by the realization that there is need to urgently address bottlenecks to the marketing of our agricultural produce. We all know that this is very important considering the crucial role being played by the agricultural sector in the country's economy. This is evidenced by the fact that the sector's contribution towards the gross domestic product (GDP) is around 37 percent, while over 90 percent of the national export earnings come from the same sector. In addition, about 80 percent of the national employment is being provided by the agricultural sector.

Mr. Chairman, ladies and gentlemen, bearing in mind the sectoral inter-linkages that exist between the agricultural sector and others, one would realize that the failure of the agricultural sector has serious implications for the other sectors in the economy as well. Similarly, the good performance of the agricultural sector is highly dependent on what happens in the other sectors. Mr. Chairman, I understand it is for this reason that participants to this forum are technocrats from various government departments, parastatal organizations, financial institutions, researchers and the private sector involved in marketing of agricultural products. It is, therefore, my hope that the diverse wealth of technical background, experiences and perspectives of us present here will significantly contribute towards the revitalization of the agricultural sector through improvement of marketing of our products.

Mr. Chairman, ladies and gentlemen, it is a known fact that the Ministry of Agriculture and Irrigation has in the past concentrated all its efforts towards the promotion of agricultural production to meet national demand and have surplus for export. Issues pertaining to the market outlets for the agricultural produce were supposedly taken care of by parastatal institutions such as ADMARC and the crop authorities. As such, for the past three decades or so, little efforts were made to equip the government machinery, with the requisite technical know how to advise the farmers on the marketing of their produce.

---

This policy background, Mr. Chairman, ladies and gentlemen, has had impact on the way we have handled our liberalization programs. When the winds of policy reforms started blowing across the country under the famous Structural Adjustment Programs (SAPs), the government adopted several reform measures without putting in place some supportive programs to compliment the liberalization process.

At this juncture, Mr. Chairman, ladies and gentlemen, let me briefly remind this forum of some of the major policy reforms the government has undertaken since 1994 under the umbrella of structural reform programs. These measures have centered on the repealing or amendment of various stringent policies and regulatory frameworks such as:

- the repeal of the of the Special Crops Act, thus providing opportunity for the smallholder farmers to participate in the production of high value crops such as burley tobacco;
- the repeal of the Agricultural and Livestock Marketing Act to remove policy restrictions for private sector participation in the marketing of the agricultural produce;
- the amendment of the Fertilizer, Farm Feeds and Remedies Act to provide room for private sector involvement in the importation, distribution and even blending of fertilizers and other farm inputs; and
- the repeal of the Seed Act to offer the private sector leeway for their involvement in the seed technology generation and promotion, seed importation and marketing in the country.

Mr. Chairman, distinguished guests, ladies and gentlemen, it is an indisputable that these policy moves have resulted in some positive economic developments. Indeed, a number of private sector entities, with various capacities levels, and operating in various geographical areas, have come up to participate in the marketing of agricultural commodities. It is, however, also clear, Mr. Chairman that the performance of the private sector in this arena is being challenged by various factors, thus compromising their effectiveness in service delivery. Most of us here are quite familiar with these challenges. It is therefore, my sincere hope that our gathering here for the two days will help to come up with realistic solutions to these challenges.

Mr. Chairman, ladies and gentlemen, on its part the government realizes that there are serious shortfalls in the agricultural production system, some of which can be attributed to the inefficiencies in the markets. In view of this, government has put in place some production intervention programs, especially for the support of the smallholders subsector. These include: the renowned Starter Pack Scheme under which the government universally distributes packs of free inputs to the smallholder households across the country, and the Agricultural Productivity Investment Program (APIP) under which farm inputs are provided at some affordable credit interest rates to the resource-poor smallholder farmers.

---

I am sure, Mr. Chairman, that most of us gathered in this room knows the positive impacts brought about by these initiatives. This notwithstanding, I know that currently there is on going debate regarding the input market distortion challenges emanating from these programs which, of course, is not an arena of focus in this forum. But perhaps what is of direct relevance to this meeting, Mr. Chairman, is the question of what to do with the relatively abundant agricultural produce that has come because of these initiatives. While there are no easy policy prescriptions to correct the foregoing production-marketing imbalances, such a scenario calls for proper synchronization of issues of production and marketing. Put differently, it sends a clear message to all the stakeholders, government inclusive, that issues of trade need not be downplayed in the planning of agricultural production initiatives.

Mr. Chairman, ladies and gentlemen, let me also point out here that even in cases where some positive marketing developments are taking place, the level of private sector involvement in the marketing of the agricultural commodities has varied amongst various crops. Some crops such as tobacco, have seemingly, attracted more trading activities than others. Even in the absence of reliable market data, any one familiar with the Malawi economy would agree with me that there has been little private sector trading activities in the crops such as cassava, groundnuts, beans, pigeon peas, maize, and rice when compared to tobacco. It, therefore, gives me great pleasure, Mr. Chairman, to note that this forum intends to focus on finding ways of improving the marketing of these commodities. To me, our focus on improved domestic and international trade of these crop enterprises is a strategic approach to much desired agricultural diversification and I have no reason to doubt its effectiveness.

Mr. Chairman, distinguished guests, ladies and gentlemen, our previous oversight, or lack of proper projection of policy reform implications extends to the way we have handled our regional integration issues. Malawi has been a good disciple of the doctrine of regional integration through SADC and COMESA initiatives, and some bilateral trade agreements. As a matter of fact, we have few equals in the Southern African region in terms of opening up our borders for the inflow of various goods in anticipation that our products would equally penetrate the markets of our trading partners. But we all are aware of the obvious experiences emanating from these policy integration measures. Suffice it to say, Mr. Chairman, that our country that is known to have its economy heavily dependent on the agriculture has, surprisingly, been a good importer of agricultural produce from its neighbors.

It is, therefore, imperative that from this forum, tangible policy actions to reverse this trend be developed because as a country we can not afford to continue losing our meager foreign exchange on commodities that we also produce locally. Neither can we afford to continue watching things getting worse. The cry of many people out here is that something should be done to correct the situation. And it is sincere hope, Mr. Chairman, ladies and gentlemen, that this consultative forum is the

beginning of the path to dealing with the critical issues in the minds of the Malawians both in the urban and rural areas.

Mr. Chairman, distinguished guests, ladies and gentlemen, I am told that the objectives of this workshop are drawing up an action plan and developing a research agenda for improvement of trade in our agricultural produce at both national and international levels. To me, this reflects growing awareness amongst various stakeholders that promotion of agricultural production alone is not only inadequate but also self-defeating if markets for what the farmer has toiled for in the entire growing season are not available. It further reflects the realization that the government can not confine itself to the promotion of agricultural production and entrusting issues of marketing to the markets forces. Indeed, it shows some sense of cautiousness amongst policy makers that Malawi need not trust the effectiveness of markets more than the countries where such thinking evolved.

In conclusion, Mr. Chairman, Ladies and gentlemen, I wish to urge you distinguished guests, you ladies and gentlemen, to fully commit yourselves to the discussions in this two-day forum. With an open mind approach to the issues that will be raised here, I am sure, Mr. Chairman, we will be able to come up with long lasting resolution that will help shape the agricultural sector in Malawi. In so doing, the entire economy will be equally resuscitated.

With these few remarks, Mr. Chairman, distinguished guests, ladies and gentlemen, I wish to declare the workshop open. Thank you very for your attention. Thank you.

## APPENDIX B. WORKSHOP PROGRAM

14 April 2000	Arrival and Registration of Participants	<b>Mrs. Mwabumba</b>
15 April 2000	Day 1, Session 1	Official Opening
<b>Session Chair:</b>	<b>Dr. Mataya</b>	<b>Rapporteur: Mr. F. Msiska</b>
0900-0910	Welcome Remarks	<b>Dr. C. Mataya</b>
• Introductions		
• Workshop Objectives and Expected outputs		
0910-0920	Introduction to FANRPAN	<b>Dr. E. Malindi</b>
0920-0930	Keynote address	<b>Professor L. Kamwanja</b>
0930-0940	Official Opening	<b>Hon. L. Mangulama</b>
0940-1000	Exhibition of Cassava Processing Equipment SARRNET	
1000-1015	Tea/Coffee Break	
	Day 1, Session 2	Paper Presentations
<b>Session Chair:</b>	<b>Dr. J. Luhanga</b>	<b>Rapporteur: Mr. Maideni</b>
1015-1045	Presentation of Key paper	<b>Mr. I. Kumwenda (MASIP)</b>
1045-1100	ADMARC Experience of Commodity Exports	<b>Mr. A. Chipungu (ADMARC)</b>
1100-1115	Where are Markets for Malawian Commodities? Knowledge and Information gaps.	<b>Mr. F. Nyirenda (MEPC)</b>
1115-1130	Standardization and Quality: Implications for Regional Trade	<b>Mr. Malata-Chirwa (MBS)</b>
1130-1200.1	Bilateral and Multilateral Agreements: Implications for Malawian Agricultural Commodity Exports	<b>Mr. S. Nyirenda (Min of Commerce and Industry)</b>
1200-1230	Open Discussions	
1230-1400	Lunch Break	
	Day 1, Session 3	Group Discussions
1400-1600	Group Discussions	
<b>Group I</b>	Production Issues (production constraints, inputs, finance, institutional issues, information gaps, way forward)	<b>Facilitator: Mr. Z. Chikhosi (Min of Agric)</b>
<b>Group II</b>	Standards and Quality (phytosanitary, legislation, government commitment, implications for regional competitiveness, way forward):	<b>Facilitator: Malata-Chirwa (MBS)</b>
<b>Group III</b>	Agricultural commodity market issues (price and market information, dissemination channels, information gaps, and other pertinent issues)	<b>Facilitator: Mr. F. Nyirenda (MEPC)</b>
<b>Group IV</b>	Support Systems for promoting agricultural trade in Malawi (policy, research, technical, training Issues):	<b>Facilitator: Mr. C. Kumbemba (MIPA)</b>
1600-1615	Tea/Coffee Break	
1615-1730	Day 1, Session 3 (Continued)	

16 April 2000	Day 2, Session 4	Plenary
<b>Session Chair:</b>	<b>Dr. J. Luhanga</b>	<b>Rapporteur: Mr. H. Tchale/Mr. F. Msiska</b>
0900-0930	Group I Presentation and Discussions	
0930-1000	Group II Presentation and Discussions	
1000-1015	Tea/Coffee Break	
1015-1045	Group III Presentation and Discussions	
1045-1115	Group IV Presentations and Discussions	
	Day 2, Session 5	Action Plan
<b>Session Chair:</b>	<b>Dr. J. Luhanga</b>	<b>Rapporteur: Mr. C. Nyirongo</b>
1115-1145 workshop	Presentation and Discussions of major (research) issues from the <b>Dr. Kambewa (Chancellor College)</b>	
1145-1200	Defining the Way Forward: Follow-up Activities	<b>Dr. Luhanga</b>
1200-1210	Summary of Conclusions and Recommendations	<b>Dr. Luhanga</b>
1210-1220	Closing Remarks	<b>Dr. Mataya</b>
1220-1230	Official Closing	<b>Dr. Malindi</b>
1230	Lunch and Departure	

---

## APPENDIX C. LIST OF PARTICIPANTS

### University of Malawi

- |                      |  |
|----------------------|--|
| 1. Prof. L. Kamwanja | Acting Principal (Bunda College)               |
| 2. Mr. F. Simutowe   | APRU   |
| 3. Mr. C. Malemba    | Bunda College                                  |
| 4. Dr. A. Ambali     | Chancellor College                             |
| 5. Dr. C. Mataya     | Program Manager, APRU, Bunda College           |
| 6. Mr. C.B.L. Jumbe  | APRU, Bunda College                            |
| 7. Mr. H Tchale      | APRU, Bunda College                            |
| 8. Mr. F. Ngaiyambe  | APRU, Bunda College                            |
| 9. Mr. O. Chulu      | Agricultural Policy Analysis and Training Unit |
| 10. Mr. R. Lunduka   | APRU, Bunda College                            |
| 11. Dr. P. Kambewa   | Economics Department, Chancellor College       |
| 12. Mr. K. Sichinga  | APRU   |
| 13. Dr. M. Mbilizi   | University Research Coordinator                |

### Government

- |                      |  |
|----------------------|--|
| 1 Dr. E. Malindi     | Ministry of Agriculture                        |
| 2 Dr. A. Mtukuso     | Ministry of Agriculture                        |
| 3 Mr. D. Kamputa     | Ministry of Agriculture                        |
| 4 Mr. F. Maideni     | Chitedze Research Station                      |
| 5 Dr. J. Luhanga     | Ministry of Agriculture                        |
| 6 Mr. A. Likoswe     | Makoka Research Station                        |
| 7 Mr. Z. Chikhosi    | Ministry of Agriculture                        |
| 8 Mr. I. Kumwenda    | MASIP  |
| 9 Mr. I. Benesi      | Chitedze Research Station                      |
| 10 Mr. F. Msiska     | Ministry of Agriculture                        |
| 11 Dr. C. Matabwa    | Ministry of Agriculture                        |
| 12 Mr. W. Kanyika    | Lifuwu Research Station                        |
| 13 Mr. E. Tchongwe   | Ministry of Agriculture                        |
| 14 Mr. C. Nyirongo   | Ministry of Agriculture                        |
| 15 Mrs. E. Manda     | Ministry of Agriculture                        |
| 16 Mr. E. Mphande    | Ministry of Agriculture                        |
| 17 Mr. S. Nyirenda   | Ministry of Commerce and Industry              |
| 18 Mr. M. Munthali   | Ministry of Commerce and Industry              |
| 19 Mr. G. Mkandawire | Ministry of Commerce and Industry              |
| 20 Mr. P. Kamwendo   | Economic Affairs Section (Ministry of Finance) |

### Private Sector

- |                   |                                 |
|-------------------|---------------------------------|
| 1 Mr. C. Price    | National Seed Company of Malawi |
| 2 Mr. J.S. Kirran | Rab Processors Ltd.             |

- 
- |   |                   |                           |
|---|-------------------|---------------------------|
| 3 | Mr. Abbas Mukadam | Rice Milling Company      |
| 4 | Mr. Mpinganjira   | Commercial Bank of Malawi |

### **Parastatals**

- |    |                      |                                    |
|----|----------------------|------------------------------------|
| 1. | Mr. F. Nyirenda      | Malawi Export Promotion Council    |
| 2. | Mrs. E. Chulu        | Chamber of Commerce and Industry   |
| 3. | Mr. C. Malata-Chirwa | Malawi Bureau of Standards         |
| 4. | Mr. A. Chipungu      | ADMARC                             |
| 5. | Mr. C. Kumbemba      | Malawi Investment Promotion Agency |
| 6. | Mr. A. Msalanyama    | Malawi National Revenue Authority  |

### **Farmer Organizations**

- |   |               |   |
|---|---------------|---|
| 1 | Mr. D. Warren | National Smallholder Farmers Association        |
| 2 | Mr. M.S. Jeke | Smallholder Seed Producers Association          |
| 3 | Mr. R. Vinyo  | Cotton Growers Association                      |
| 4 | Mr. S. Donker | Horticultural Development Association           |
| 5 | Mr. A. Banda  | National Smallholder Seed Producers Association |

### **Others**

- |   |                  |         |
|---|------------------|---------|
| 1 | Prof. James Teri | SARRNET |
| 2 | Mr. C. Mwale     | SARRNET |
| 3 | Mr. V. Sandifolo | SARRNET |
| 4 | Mr. A. Mhone     | SARRNET |
| 5 | Mr. W. Mkupu     | SARRNET |
| 6 | Dr. G. Boumann   | GTZ     |

### **Press**

- |   |                 |                                 |
|---|-----------------|---------------------------------|
| 1 | Mr. C. Vinthula | Malawi Broadcasting Corporation |
| 2 | Mr. C. Matiya   | Television Malawi               |
| 3 | Mr. Kuntambila  | Television Malawi               |
| 4 | Reporter        | Malawi News Agency              |

## APPENDIX D. GROUP PRESENTATIONS

### Group 1: Production Issues

Constraints	Suggested Solution	Action To Be Taken By
<b>A. Production</b>		
Crop rotation and soil conservation	Revamp and reinforce crop rotation and soil conservation practices	MoAI
Fertilizer utilization	Awareness programs	NGOs and MoAI
Forward contracts	To be discussed by Group 3	To be discussed by Group 3
Use of improved seed	Breeding and multiplication of improved seed	MoAI, NGOs and private sector
Technology adoption	Policizing and dissemination of improved technology	Government
Pests and diseases	Breeding of pest and disease resistant varieties and use of chemicals	MoAI, private sector
Inefficient Land utilization	Planting viable ash crops	MoAI, private sector, MEPC
Dependence on rainfed agriculture	Use of irrigation technologies	MoAI, NGOs
<b>B. Institutional</b>		
Individualism	Farmer groupings e.g., associations, cooperatives, clubs	Ministry of Commerce and Industry, private sector, NGOs
Extended market chain	Farmer groupings, improve logistics	Ministry of Commerce and Industry, Private sector, NGOs
Crop insecurity	Tighten security, no bail	Community and government
Uncontrolled liberalization	Managed liberalization	Government
Lack of law enforcement	Ensure law enforcement	Government
Human Resources misallocation	Allocate efficiency	MoAI
<b>C. Information Gaps</b>		
Lack of agricultural information	Generate and disseminate information	MoAI, Research
Inadequate technology transfer	Revamp extension services	MoAI, Extension
<b>D. Financial Constraints</b>		
Costly inputs	Subsidize inputs	Government and NGOs
Inadequate credit facilities	Improve and reduce interest rates	Government, NGOs and the private sector

## Group 2: Standards and Quality

### 1. Do we have standards?

Crop	Nation	SADC Region	International
Maize	available	Available at country level	Codex Alimentarius
Cassava	No	No	Codex Alimentarius
Beans	No	No	Codex Alimentarius
Groundnut	available	Available at country level	Codex Alimentarius
Pigeon pea	available	Not yet publicized	Codex Alimentarius
Rice	available	Available at country level	Codex Alimentarius
Sorghum			Codex Alimentarius

Coverage of the standards:

#### *Maize*

- Moisture content
- Purity
- Percentage rotten grains
- Heavy metals
- Moulds
- Aflatoxin
- Packaging
- Labeling

#### *Groundnuts*

- Size of nuts
- Purity
- Rottenness
- Aflatoxins
- Packaging
- labeling

The group felt that the standards should also include pesticide residues, entero-bacteria and salmonella typhii.

The differences in standards in different countries is due to the differences in the national laws. This needs harmonization of trade and the legal institutions.

### 2. Are traders aware of the standards?

*Yes*

Big commercial traders would know the standards on the regional and international market because they are involved in exporting

*No*

Local institutions do not provide the information or they would like to provide information under certain conditions.

Rules for importation and exportation procedures are nontransparent, not clearly spelled out and inaccessible. At present information is provided through:

- Libraries - MBS, MEPC
- Government Gazette

Most traders find it difficult to access information through these channels of dissemination because the presentation is in most cases not user friendly. Information dissemination could be improved through stakeholder forums and training.

### 3. *What should producers and traders do in terms of production and marketing?*

Producers need to be well informed about market requirements:

- Varietal selection
- Pest management
- Avoid contamination
- Handling under hygienic conditions
- Proper packaging, grading, labeling, storage
- Logistics for shipping

There is also need for cooperation between government services and exporters especially in the area of phytosanitary certification and export inspection.

#### *Action Plan*

Action to be taken	Responsibility	Time of Implementation
Dissemination of available information Research to fill in information gaps in standards	Standards: MBS, MEPC Procedures: MCI, MEPC	
Training of exporters and service institutions	MIPA, MEPC, MBS, MoAI, MoCI.	
Forum of stakeholders to discuss facilitation of exporting procedures ( exporters association, phytosanitary services, etc. )	MoAI, MoCI	
Reduce bureaucratic red tape in order to streamline export procedures	Every civil servant concerned in export procedures has be undergo civic education by MoCI	

---

### Group 3

Main issues discussed:

- Market information
- Price of output
- Information dissemination channels
- Information gaps

**1. *Lack of information***

- Lack of trust
- Information sources dispersed
- Lack of equipment
- Financial constraints

**2. *Quality of information***

- Not accurate/unreliable

**3. *Timing of information dissemination***

- Not good in terms of capturing opportunities
- Not good in terms of production response

**4. *Relevance of the information***

- Is not useful and practical

**5. *Weak links between the sources and the users of information***

*Types of information required*

- Production volumes
- Buyer demand volumes
- Information on the buyers
- Quality and standards requirements
- Documentation requirements
- Taxes and tariffs / barriers
- Prices - domestic and regional
- Margins
- Where to sell and when
- Non-price terms and incentives

*Currently, information is being collected and disseminated by:*

- Ministry of Agriculture and irrigation - domestic market information
- MEPC – international market information
- Other sources include: trade attaches, SADC/COMESA Information Center, Chamber of Commerce and the Banks ( forex departments).

*Dissemination channels include:*

- Radio
- Print media
- ADD newsletters
- ADD field assistants

*Action Plan*

1. Establishment of a Business Centre – This center will have to be neutral and sustainable

Proposal should be prepared and submitted for funding in the next three months (by July 2000).

Contact: African Capacity Building Foundation in Harare, Zimbabwe.

2. Research

- Action oriented research on in-depth information needs assessment
- Identification of information gaps
- Identification of information disparities for standardization
- Appropriate dissemination channels
- Identification of the tariff and non-tariff barriers

These research proposals should be prepared by APRU and conducted in conjunction with MEPC, Ministry of Agriculture and Irrigation and Ministry of Commerce and Industry.

Funding will have to be sourced from FANRPAN and the studies should be conducted in the next six months (completed by end of October 2000).

3. Ministry of Agriculture and Irrigation should place Marketing Officers at ADD level.

**Group 4**

	<b>MAIZE</b>	<b>CASSAVA</b>	<b>RICE</b>
<b>POLICY</b>	<ul style="list-style-type: none"> <li>• Price band</li> <li>• Export ban</li> </ul>	<ul style="list-style-type: none"> <li>• Agro-processing</li> <li>• Food security - trade</li> </ul>	Promotion of Malawi's indigenous varieties, e.g., Kilombero; Super faya
<b>RESEARCH</b>	<ul style="list-style-type: none"> <li>• Maize and maize products markets</li> </ul>	<ul style="list-style-type: none"> <li>• Market requirements for specific cassava varieties</li> </ul>	<ul style="list-style-type: none"> <li>• Use of machines (broken)</li> <li>• Value adding (wine, flour, etc.)</li> </ul>
<b>TECHNICAL</b>	<ul style="list-style-type: none"> <li>• Mechanization</li> <li>• Sasakawa technology</li> </ul>	<ul style="list-style-type: none"> <li>• Agro-processing</li> </ul>	<ul style="list-style-type: none"> <li>• Production for Malawi's demanded rice varieties</li> </ul>
<b>TRAINING</b>	<ul style="list-style-type: none"> <li>• Agro-processing (value adding)</li> <li>• Farming as business</li> </ul>	<ul style="list-style-type: none"> <li>• Civic education on usage of cassava</li> </ul>	<ul style="list-style-type: none"> <li>• Civic education, e.g. varieties with a market (domestic and external)</li> </ul>

	<b>GROUND NUTS</b>	<b>BEANS</b>	<b>PIGEON PEAS</b>
<b>POLICY</b>	<ul style="list-style-type: none"> <li>• CG7 and Chalimbana seed production</li> </ul>	<ul style="list-style-type: none"> <li>• Types of marketable beans, e.g. sugar beans</li> </ul>	<ul style="list-style-type: none"> <li>• Production incentives</li> </ul>
<b>RESEARCH</b>	<ul style="list-style-type: none"> <li>• Chalimbana - uniform seed size</li> <li>• Market research</li> <li>• Value adding</li> </ul>	<ul style="list-style-type: none"> <li>• Market requirements</li> <li>• Value adding</li> <li>• Diversification</li> </ul>	<ul style="list-style-type: none"> <li>• Early maturing varieties</li> <li>• Agro-processing</li> </ul>
<b>TECHNICAL</b>	<ul style="list-style-type: none"> <li>• Seed quality control</li> </ul>	<ul style="list-style-type: none"> <li>• Pests and diseases</li> </ul>	<ul style="list-style-type: none"> <li>• Pests and diseases</li> </ul>
<b>TRAINING</b>	<ul style="list-style-type: none"> <li>• Civic education (e.g., varieties with market: domestic and foreign)</li> </ul>	<ul style="list-style-type: none"> <li>• Quality control</li> </ul>	<ul style="list-style-type: none"> <li>• Quality control</li> </ul>

**GENERAL POLICIES**

- Deliberate government policy to ensure access to technology to improve productivity
- Government policy to link producers, buyers and consumers
- Government policy to value adding of agricultural primary products

**SPECIFIC COMMODITY PRICES**

- Market research - MEPC (leader)
- Technology research - MIRTDC (leader)
- Biological research - DARTS (leader)
- Business training (MoAI)
- Entrepreneurship culture (MoEd.)
- Quality control (MBS)

**SPECIFIC NEEDS (PRODUCERS AND TRADERS)**

- Data Bank institution
- Efficient trade attaches

- Trade legal experts
- Publicity

### **SUMMARY PRIORITY ISSUES, ACTIONS AND RESPONSIBLE INSTITUTIONS**

<b>ISSUES</b>	<b>ACTIONS</b>	<b>WHO</b>
<b>1. LACK OF COORDINATION AMONGST STAKEHOLDERS</b>	<ul style="list-style-type: none"> <li>• Establish linkages</li> </ul>	<ul style="list-style-type: none"> <li>• MoAI, MEPC, MIPA, MCCI, Private sector</li> </ul>
<b>2. LACK OF BUSINESS CULTURE</b>	<ul style="list-style-type: none"> <li>• Develop entrepreneurship</li> </ul>	<ul style="list-style-type: none"> <li>• MoAI, MoESC, MoGCS</li> </ul>
<b>3. LACK OF PUBLICITY</b>	<ul style="list-style-type: none"> <li>• TVM to include agricultural trade issues</li> </ul>	