



**“BREAKING THE CRUST”**

**AT THE 1<sup>ST</sup> ANNUAL COFFEE CUPPING COMPETITION**

**2<sup>ND</sup> ANNUAL REPORT & 6<sup>TH</sup> QUARTERLY REPORT**

**01 OCTOBER 2004 – 30 SEPTEMBER 2005**

**USAID CONTRACT :** GS-23F-9800H, TO # 690-M-00-04-00120-00  
**SUBMITTED TO:** USAID MALAWI  
ECONOMIC GROWTH STRATEGIC OBJECTIVE (SO6)



**SUBMITTED BY:** CHEMONICS INTERNATIONAL  
SALES PROJECT



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## ACRONYMS

AAFEX	Association for African Agro-Exports
ADEPTA	Association for the Development of International Trade in Agro-Food Products and Technologies
AG/NRM	Agriculture/ Natural Resource Management
AGOA	African Growth and Opportunity Act
AID	Agency for International Development - Washington
AIMS	Agricultural Input Markets Development Project
AMSCO	African Management Services Company
APS	Annual Program Statement (USAID)
BOA	Basic Ordering Agreement
CAMAL	Coffee Association of Malawi
CDA	Cotton Development Association
CLIN	Contract Line Item
CNFA	Citizen's Network for Foreign Affairs
COMESA	Common Market for Eastern and Southern Africa
CQI	Coffee Quality Institute
CSP	Country Strategic Plan
CTO	Cognizant Technical Officer
COP	Chief of Party
DCA	Development Credit Authority
DEMAT	Development of Malawian Entrepreneurs Trust
DFID	Department for International Development (UK)
DMS	Deepening Malawi's Microfinance Sector – USAID Project
EAFCA	Eastern African Fine Coffee Association - Uganda
ESCOM	Electricity Supply Corporation of Malawi
FDA	Food and Drug Administration (US)
FM	Financial Management Office (USAID)
FY	Fiscal Year
G&A	General and Administrative
GDA	Global Development Alliance
GOM	Government of Malawi
GTMA	Garment and Textile Manufacturers Association of Malawi
HACCP	Hazard Analysis Critical Control Point
HO	Home Office – Chemonics Washington
IF	Integrated Framework for Trade-Related Technical Assistance to LDCs
IFDC	International Center for Soil Fertility and Agricultural Development
ILO	International Labor Organization
inWent	Capacity Building International (Germany) <i>Internationale Weiterbildung und Entwicklung gGmbH</i>
IR	Intermediate Result
ISO	International Organization for Standardization
IT	Information Technology
ITC	International Trade Center
ITI	International Technologies Investment, Ltd.
KIR	Key Intermediate Result
KRA	Key Results Area
LOE	Level of Effort
LOP	Life of Project

MBS	Malawi Bureau of Standards
MC	Making Cents
MCCCI	Malawi Confederation of Chambers of Commerce and Industry
MEAC	Monitoring, Evaluation, Analysis, and Communication
MEPC	Malawi Export Promotion Council
MIPA	Malawi Investment Promotion Agency
MK	Malawian Kwacha
MTPSD	Ministry of Trade and Private Sector Development
MUSCCO	Malawi Union of Saving and Credit Cooperatives
NAG	National Action Group
NASFAM	National Smallholder Farmers' Association of Malawi
NGO	Non-Governmental Organization
NOLF	Notification of Limitation of Funds
NORAD	Norwegian Development Agency
NTAE	Non-Traditional Agricultural Exports
ODC	Other Direct Costs
PA	Protocol Agreement
PERSUAP	Pesticide Evaluation Report and Safer Use Action Plan
PIR	Project-level Intermediate Result
PMP	Performance Monitoring Plan
PSI	Population Services International
RAISE	Rural Agricultural Input Supply Expansion (CNFA)
RATES	Regional Agricultural Trade Expansion Support - Kenya
RF	Results Framework
RFP	Request for Proposal
RSA	Republic of South Africa
RTT	Results Tracking Table
SACU	Southern African Custom Union
SADC	Southern African Development Community
SAF	Strategic Activity Fund
SALES	Support for Agriculturally Linked Enterprises Project
SCAA	Specialty Coffee Association of America
SEG	Sustainable Economic Growth
SGS	<i>Societe Generale de Surveillance</i>
SIAL	<i>Salon International de l'Alimentation</i>
SO	Strategic Objective
TAML	Tea Association of Malawi
TCB	Trade Capacity Building
TSI	Trade Support Institution
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
USAID	United States Agency of International Development
USD	United States Dollars
WDO	Work Days Ordered
WICO	Wood Industries Corporation
WTO	World Trade Organization

## I. EXECUTIVE SUMMARY

Growth in the three commodity groups supported by USAID's SALES project greatly exceeded that of the overall agricultural economy in 2005. In spite of a 1-in-50 year drought the cotton, coffee and food sauce sectors registered significant positive growth in key economic indicators of employment, wages, income, production and exports. USAID supported sectors registered positive growth in production (14-28%) and exports (20-26%) in the same year that the Reserve Bank of Malawi announced an overall negative -6.7% growth in the agricultural sector. Total value-added to the Malawian economy from these three sectors approaches \$18.6 million with cotton by far the largest share (79%) followed by coffee (20%) and Nali (1%). These positive results were mainly due to productivity increases, increased labor and managerial changes at both the farm and firm levels.

Malawi's overdependence on one agricultural export commodity has made the economy vulnerable to external and internal shocks. Tobacco accounts for anywhere from 60 to 70% of export revenues. Supporting diversification and growth of the agricultural commodity export basket will increase national income, reduce pressure on the exchange rate regime and provide greater flexibility of the economy to support shocks. USAID's SALES Project focused 2005 technical activities on the cotton and coffee economic clusters within the Malawian agricultural export portfolio. SALES works within these clusters through the commodity-based business associations affiliated with each sector allowing leveraged support throughout a cluster. Only one individual firm (Nali) was retained from the original project because of the depth of support already underway.

Production, exports, wages and incomes all increased in USAID supported sectors. Increased exports helped relieve pressure on the Malawian Kwacha and dampen erosion of domestic purchasing power that exacerbates heightened vulnerability due to drought. In 2004-05 the Kwacha lost 15% of its purchasing power and inflation eroded at least another 10%. Even without a 1-in-50 year drought the average Malawian lost 25% of their purchasing power. This explicit decline in living standards was due to macroeconomic policies promoted over the previous decade. Support to agricultural export commodity sectors to help diversify and grow the export base will reduce this impoverishment by generating foreign exchange to support the Kwacha's value and reduce imported inflation.

The goal of the restructured, USAID-funded Support for Agriculturally Linked Enterprises (SALES) Project is to increase rural employment, incomes, investment and trade in Malawi through growth of private sector enterprises linked to agriculture. SALES (Contract #GS-23F-9800H and TO#690-M-00-04-00120-00) is a 4½ year project implemented by Chemonics International, Inc. Originally signed in April 2004 at \$11.4 million, SALES project was restructured to \$6.7 million in June 2005 due to funding shortfalls.

SALES Project completed FY 2005 with a laudable technical performance in the face of severe budgetary restrictions and downsizing all within the first 12 months of start-up. Coupled with a 1-in-50 year drought the performance of the supported sectors is remarkable. The team began the year with a 4 expatriates that were reduced to 2 by year's end and will be reduced to one expatriate in early FY 2006. The team has absorbed these changes and enters the new fiscal year with a more secure funding horizon and expectations of an even better year in FY 2006. SALES completed FY 2005 as a very small and productive team focused on export promotion through trade and investment within the agricultural sector. The SALES team enters FY 2006 with a renewed sense of optimism for growth within the Malawian agricultural export economy.

## **II. ADMINISTRATION**

FY 2005 was an extremely challenging year for the SALES project team marked by continued project mobilization while downsizing, implementing activities with a severely reduced staff and cost-cutting while continuing to implement technical activities. The task at hand was to continue supporting technical activities while undergoing a severe downsizing within months of project start-up. The most ironic moment in this setting was the invoicing of mobilization costs for one of the long-term expatriates (originally scheduled for three years) in the same month that he was demobilized.

### **A. Downsizing**

The SALES team began FY 2005 with four expatriates and completed the year with just two. By early FY 2006 the expatriate staff will be further reduced to just one for the remainder of the life of project. SALES was originally contracted to retain three expatriates for the first three years of the project hence this staffing reduction had ramifications throughout the original project plan. Changes were needed in the number of vehicles, furnishings and office space originally contracted at project start-up. The Administrative team worked ceaselessly to identify potential "buyers" of originally procured project assets. By the end of FY 2005 the team had successfully found takers for half the original office space, one vehicle, and multiple project furnishings, including a filing and document storing system.

### **B. Staffing**

Two (2) expatriate staff departed the project in FY 2005, one as previously scheduled and the other just 9 months into a three year tour (due to the downsizing). Local staff were similarly limited in number due to funding constraints. At the end of FY 2005 the SALES local hire team consisted of two administrators (accountant and administrator), two drivers and one technical staff member. Combining the local hire team with the two remaining expatriates yields a total of seven SALES project staff. This number will be reduced to six in early FY 2006 with the scheduled departure of the second expatriate as the final element of the project downsizing.

### **C. Cost-Cutting**

Opportunities to reduce costs were limited because of the Fixed Daily Rate (FDR) labor billing system employed under MOBIS type contracts. These fixed prices for labor were non-negotiable and the team had scope to reduce the quantity but not the cost of labor (i.e., labor rates were fixed). The Administrative team sought to find other ways and means to lower the project's recurrent costs throughout FY 2005. For example, information technology procurements were limited to those that supported technical activities and project staff continued to use the start-up laptop computers. No client-server system was established as originally designed and a more cost-effective, peer-to-peer network was established. The project retained only black and white laser printing capability. Office air conditioners were not procured until half the office space was sublet and the area to be cooled reduced. The team went through the first project hot season using only fans. Expenditures are and continue to be monitored on a weekly basis and potential cost savings identified.

### III. TECHNICAL

The SALES Project began FY 2005 with a very broad mandate to work in multiple economic sectors with an emphasis on enterprise development. It became evident very early within the fiscal year that funding would be insufficient for such an ambitious undertaking. The project downsizing to meet fiscal reality began in the first quarter of the year. By mid-year the project had been restructured to focus on agricultural export promotion through trade capacity building and investment. Technical assistance was limited to three sectors in FY 2005 due to fiscal uncertainty and limitations, with another two sectors identified as potential project partners. The former sectors were cotton, coffee and Nali's food sauce line. The prospective sectors, with whom only exploratory talks were undertaken in FY 2005, were tea and macadamia nuts.

The performance of each of the three sectors supported in FY 2005 is outlined below. The overall performance of the SALES supported sectors is remarkable given the 1-in-50 year drought of 2005 in Malawi. Reserve Bank of Malawi (RBM) figures released in late October indicated Gross Domestic Product (GDP) growth was only +2.1% in 2005 against an IMF projection of +8.2%, reflecting the impact of drought on the agriculturally dominant Malawian economy. Growth in the agricultural sector was down -6.7% with smallscale agriculture registering a -7.4% decline and large-scale farming down by -4.2%. Maize production was down -29% from the previous year. In light of these extremely negative growth figures the positive production growth in the SALES supported sectors of cotton (+6%), coffee (+37%) and Nali (+5%) are commendable. Assuming a return to more favorable weather patterns in the next rainy season these sectors should exhibit even better performance in 2006.

#### A. COTTON SECTOR.

SALES work in the cotton sector supported efforts by the Cotton Development Association (CDA) to improve productivity of the numerous small scale farmers involved in this sector. On-farm cotton yields are extremely low in Malawi and improved farming methods can increase both national production and farmer incomes. CDA identified the use and maintenance of the backpack sprayer as a major productivity constraint to address during the 2004-05 growing season. SALES support produced a digital video demonstrating the appropriate use of two of the most common sprayers in Malawi along with a pesticide safety film. These films were used to support embedded extension services provided by the two private cotton firms regrouped within the CDA. Clark Cotton and Great Lakes Cotton trained over 10,000 people in 2005 using these materials and the rural projection kits designed by SALES. SALES used the 2005 growing season to produce a follow-on film for dissemination in the 2006 agricultural campaign that addresses best husbandry techniques for cotton at the smallscale level.

REGION	COTTON FARMERS TRAINED	
	COUNT	PERCENT
CHIKWAWA	5,088	50.64%
NSANJE	3,752	37.34%
BALAKA	734	7.31%
SALIMA	241	2.40%
NTCHEU	180	1.79%
MZUZU	52	0.52%
<b>TOTAL</b>	<b>10,047</b>	<b>100.00%</b>

**Table #1** : Cotton Trainees in FY05

*Trained.* The cotton sector provided the grand majority of trainees in FY 2005 with 10,047 people trained. This was expected as the digital films produced early in the project were

designed specifically for the cotton sector and the large number of smallholder farmers. The trainings provided by the cotton companies were focused on the Lower Shire Valley districts of Chikwawa and Nsanje because of the limited number (2) of rural projection kits available due to funding constraints. This embedded training program will be greatly expanded in FY 2006 through the procurement of four additional rural projection kits. Two additional kits for each of the two cotton companies will allow them to provide access to these training films to the center and northern portions of Malawi that grow cotton.

*Employment.* The cotton sector also provides the largest number of jobs among the SALES partners with roughly 170,000 total jobs in 2005, an increase of over 36,000 from the previous year. The majority of these jobs were new cotton farmers with each company (Clark and Great Lakes) registering around 18,000 new farmers in 2005 compared to 2004. The cotton companies are also expanding their post-production hiring with around 300 new jobs between the two companies. The majority of these jobs were at the “buying centers” in the rural areas which increased from 130 in 2004 to 168 in 2005 (+29%). These buying centers are expected to increase to around 250 in 2006. The cotton companies are not expecting a similarly large increase in cotton farmers in 2006 due to the low prices of 2005 and continued focus on increasing the productivity of existing farmers. While cotton farmers received lower prices in 2005 than 2004 they were paid on-time and in-cash, payments conditions which should continue to attract new entrants to cotton farming.

The cotton price debate of 2005 was not particularly well informed, particularly by the premature announcement of a floor price by the Ministry of Agriculture. Malawian cotton is disadvantaged by transport costs of at least 12 US cents per pound to reach buyers. This lowers the price paid to farmers in-country. Furthermore, the CDA subsidized the cotton seed used by farmers that is treated with insecticide (“dressed seed”). In 2005 the “dressed” seed cost 120 MWK per kilogram and was sold to farmers at 20 MWK per kilogram. Agricultural chemicals were similarly subsidized resulting in a net subsidy to the farmer of 7 MWK per kilogram of cotton produced. Expectations are that, given the 2005 experience, CDA members will continue to subsidize seed, albeit at a lower rate, and cost price all agricultural chemicals.

*Wages.* Wages in the cotton sector are predominantly a function of the price paid per kilogram for the farmers. World cotton prices declined in 2005 and the resultant local price followed suit. World market prices averaged around 39 US cents per pound in 2004 and declined to 36 cents in 2005. Cotton farmers were paid 22 MWK per kilogram in 2005 compared to 25 in 2004 (for Grade A cotton). On-farm wages increased slightly from an average of 5,920 MWK in 2004 to 6,191 MWK in 2005, in spite of this price decline, due to productivity gains and production increases. Off-farm jobs for the cotton sector also exhibit the largest values due to the size of the sector and need for experienced labor (administrative, extension, gins, buying centers, etc.).

*Production.* In spite of reduced expectations due to the drought cotton production actually increased by +6% in 2005 reflecting new entrants and increased productivity of existing farmers. Both cotton firms registered increases with Great Lakes registering twice the percentage increase of Clark. Great Lakes opted for an organic growth strategy while Clark has grown through an acquisition based strategy having absorbed ADMARCs cotton infrastructure.

Clark added to its acquisition strategy in 2005 by purchasing the former Blantyre Milling company and renaming it "Oil and Protein Company, Ltd.". This oil seed mill allowed Clark to process almost half of its cotton seed in-country during 2005. In 2004 Clark exported 94% of its cotton seed as seed against only 48% in 2005, the difference being processed in the newly acquired mill. Great Lakes continues to export all of its cotton seed except for the portion retained for the next year's planting which can be as high as 4% of total seed produced. If the demand for cotton seed oil warrants expectations are that Great Lakes will also sell a portion of their cotton seed to Clark for local processing. Assuming a return to trend rainfall pattern in 2006 the cotton sector is poised for significant growth.

*Exports.* All of the cotton produced in Malawi is exported and export prices were lower than 2004. Hence, the value of lint exported decreased slightly (-1%) in spite of the increased production (+6%). Cotton quality continues to improve as witnessed by the interest shown by Frame Group, a major South African textile manufacturer. Frame spins Malawian cotton and bought all of Clark's 2005 Ngabu District crop. Frame was impressed by the length, uniformity and strength of the Ngabu cotton fiber and expects to expand purchases to the Salima district in 2006.

Cotton seed exports dropped precipitously (-24%) in 2005 but this negative figure should not be attributed to the drought or to poor performance. Rather this negative figure should be positively interpreted to reflect the value-added processing now being done in Blantyre at the recently privatized Blantyre Milling. Clark Cotton's purchase of Blantyre Milling now allows for the domestic production of cotton seed oil. Clark's seed exports dropped by almost half (-46%) while Great Lakes cotton seed exports increased significantly. Clark processed almost half of its cotton seed through the renamed "Oil and Protein Company". Cotton seed oil from the 2005 crop is now selling locally under the brand name "Superstar" and marketed as "pure vegetable oil". Clark has moved its Blantyre headquarters to the oil mill grounds in Blantyre's industrial zone.

Overall, the cotton sector has performed extremely well in spite of a 1-in-50 year drought. The sector continues to provide significant growth potential with upstream and downstream linkage possibilities to promote further growth and added value. Assuming a return to long-term rainfall patterns the 2006 agricultural year could provide increased stimulus for continued broad-based economic growth in the cotton related value chain.

## **B. COFFEE SECTOR.**

SALES began working with the Malawian coffee sector via the Coffee Association of Malawi (CAMAL) in November 2004. The project's first support activities were to assist CAMAL to create an identity with a logo and slogan ("The Heart Warming Cup from the Warm Heart of Africa"). These efforts coincided with the production of marketing materials targeted to the Livingstone, Zambia "World's Wildest Coffee" conference and exhibition in March 2005. CAMAL further sought SALES assistance to clarify the source of contaminated samples sent to this conference that severely constrained recognition of the quality of Malawian coffee.

CAMAL ended FY 2005 on an extremely positive note by hosting, with SALES support, the first Annual Malawi Coffee Cupping Competition in which the Mzuzu smallholders swept the Top Five coffees from the 2005 season. By the end of FY 2005 CAMAL was a

rejuvenated commodity-based business association that had regained confidence in its product's competitiveness on world markets. Production levels will progress over the coming years given the perennial nature and 3 year maturity cycle for coffee. The coffee sector can make an appreciable contribution to the diversification of the Malawian export base with smallholders making significant increases in coming years in both production quantities and qualities.

*Trained.* The only figures counted against the training indicator for the coffee sector were the participants at the national cupping training and competition. These were estimated at 48 person days of training over the three and a half day program. A most encouraging note from the cupping training and competition was the 98% participation of the coffee growers. Almost all of the coffee growers in Malawi were represented at the training which assured the training elements were transmitted throughout the entire sector. Although there are roughly a dozen coffee producers in Malawi over 80% of the coffee produced is provided by the top four firms (Sable, Press, Mzuzu and Makandi). Greatest growth potential resides with Mzuzu and Press because of limited land holdings for the major estates and competition from other crops.

*Employment.* The coffee sector provides a better proportion of off-farm to on-farm jobs than the other SALES supported sectors. Roughly 10% of the total jobs in the coffee sector are off-farm due to sorting, grading, and processing labor requirements. On-farm coffee employment increased in 2005 (+5%) due mainly to Press and Mzuzu along with a few of the estates taking renewed interest in coffee (Sable, Zoa and Satemwa). Those estates with the largest decreases in their workforces reflect decisions to move away from coffee to focus on other crops. Because of limitations on estate land holdings the possibility of increased coffee planting and subsequent increases in labor requirements will be mostly from the smallholder sector in future years. Off-farm employment dropped by a slight amount (-2%) within the sector again reflecting the decision by some estates to reduce their coffee holdings.

*Wages.* Coffee farmer wages are a function of world market prices, premiums paid for specialty Arabica beans and the amount produced. World coffee prices firmed somewhat in 2005 and the Malawian coffee sector's move to "specialty" grading allowed for increased premiums above internationally quoted prices for Arabica beans. This trend was most evident within the third largest producer, Mzuzu Smallholder's Trust, where production doubled and prices almost doubled. The Trust's board voted an increased producer price from 2004 of 106 MWK per kilogram to 150 MWK in 2005. Coffee farmers annualized salaries from either day wages or production values approach or surpass the amounts paid to their off-farm counterparts.

*Production.* Coffee production in 2005 increased by over one-third due to increased land under cultivation (particularly Mzuzu) and management changes. While Mzuzu doubled its volume of coffee produced some estates such as Press and Universal (Njuli Estate) made even more impressive increases through improved management resulting from restructuring. Some of the smaller estates are clearly deciding whether to remain in coffee or to exit the sector completely. While some consolidation can be expected in the coffee sector it remains the most competitive of the SALES supported sectors with roughly a dozen active producers. Given the planting regime of the major producers, improved world prices and continued emphasis on specialty grades the prospects for continued growth in the Malawian coffee sector are quite good.

*Exports.* The vast majority (97%) of the coffee produced in Malawi is exported, mostly as Arabica green beans. Major roasters include Mzuzu and Chipunga who sell both roasted beans and ground coffee on the local market. New roasting entrants have appeared in 2005 (e.g., CTL) with some of the southern estates exploring marketing options both domestically and within the region. Both green bean export quantities and values increased in 2005 over 2004 with production increasing by one-third and values increasing by two-thirds. Thus, half of the export value increase came from production increases and half from price increases. Continued improvement in the export prospects for Malawian coffees are expected given their performance in national, regional and international cupping competitions.

Overall, the coffee sector made extremely good progress in 2005 with improved performance, increased awareness of international markets and an enhanced business association. Sector actors enter the 2006 season with higher expectations and a renewed commitment to quality coffee production and processing.

### **C. NALI - Food Sauces.**

Nali is the only individual firm supported directly by SALES in 2005. All other project technical assistance was provided through commodity based business associations (CDA and CAMAL) and subsequently available to all member firms. Nali was retained in the restructured SALES because of commitments made when the project had a wider and more enterprise based strategy. In essence, Nali has been "grand-fathered" into the revised SALES project. This was indeed the right choice given the 2005 performance of Nali and their prospects for future growth.

SALES assistance to Nali in 2005 focused almost exclusively on marketing. A new label design was created and tested at an international food show in Chicago. Nali management was introduced to international markets in both Europe (SIAL-Paris in October 2004) and North America (Fancy Food Show - Chicago in May 2005). SALES has also helped Nali produce marketing materials to promote their entire food sauce line domestically, regionally and internationally.

*Employment.* Nali initiated a restructuring in 2005 that resulted in a lower number of employees but increased salaries for the retained personnel. This restructuring follows the generational transition presently underway at this family owned firm. Productivity and cost concerns drove the downsizing in 2005 but will position the firm for greater growth in subsequent years. Commodity (i.e., non-processed foodstuffs) sales were also down in 2005 due to competition and drought but Nali intends to re-enter the bulk commodity business in 2006 which would increase their seasonal labor force. Nali's workforce dropped by 5 people in 2005 representing a -6% reduction.

*Wages.* As mentioned above, the Nali strategy in 2005 was to reduce personnel for productivity and cost reasons while paying the remaining workers higher salaries. This is reflected in the increased salary figures where the wage bill increased by +22% and wage rates were estimated to have increased by +29%.

*Production.* Production is measured in cases of sauce for Nali with 20 bottles per case. Production increased by around +5% in 2005 with the value increasing by +13% due to

retail price increases. The vast majority of the production was targeted to the national market and produced at the Luchenza production facility southeast of Blantyre.

*Exports.* Exports recorded by the Luchenza production facility were sent to Zimbabwe in 2005 via an import-export house with representation in Blantyre. These regional exports increased +88% by volume in 2005. While the volume increase was significant the value increase was less (+18%) reflecting the continued deterioration of the purchasing power of Zimbabweans and reduced margin for increasing retail prices there.

Overall, Nali performed very well in 2005 with a difficult restructuring and growth in both production and exports of their food sauce line. More importantly, Nali was able in 2005 to retire company debt owed since the untimely passing of the founding father of the company and family. Financially, strategically and tactically the Nali Group of Companies is better placed to manage renewed growth than in previous years. The Khoromana family is committed to reviving the Nali Group of Companies, Ltd. and have focused efforts on their flagship food sauce line. Nali has the potential for continued growth in all of the sectors within their family holding company.

## ANNEXES

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  - “In the Bag”
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- Annex 7** ..... SALES Project Indicator Definitions

# SALES PROJECT INDICATORS

FY 2005

INDICATOR				YEAR		DIFFERENCE		FY 2005	
Cat.	#	Sub-Category	Sector Units	2003-04	2004-05	Absolute	Percent	Achieved	Target
Trained	1	Trained	Nali		2			10,097	7,500
			Cotton		10,047				
			Coffee		48				
Employment (annual)	2	New Jobs	Nali <i>Off</i>	80	75	-5	-6%	37,035	2,500
			Cotton <i>Farm</i>	132,997	169,342	36,345	27%		
			Cotton <i>Off</i>	1,148	1,449	301	26%		
			Coffee <i>Farm</i>	7,715	8,120	405	5%		
	3	Wage Rate	Coffee <i>Off</i>	680	669	-11	-2%	16%	10%
			Nali <i>Off</i>	31,719	40,977	9,258	29%		
			Cotton <i>Farm</i>	5,920	6,191	271	4.6%		
			Cotton <i>Off</i>	81,055	90,304	9,249	11%		
	4	Income	Coffee <i>Farm</i>	17,500	20,750	3,250	19%	25%	10%
			Coffee <i>Off</i>	16,344	19,068	2,724	17%		
			Nali <i>Off</i>	2,537,520	3,073,275	535,755	21%		
			Cotton <i>Farm</i>	787,342,240	1,048,396,322	261,054,082	33%		
Production	5	Volume	Cotton <i>Off</i>	93,051,140	130,850,496	37,799,356	41%	14%	10%
			Coffee <i>Farm</i>	79,117,500	97,047,750	17,930,250	23%		
			Coffee <i>Off</i>	8,286,408	8,866,620	580,212	7%		
			Nali <i>Off</i>	2,537,520	3,073,275	535,755	21%		
	6	Value	Nali <i>case</i>	15,869	16,630	761	5%	28%	10%
			Lint <i>mt</i>	14,460	15,361	901	6%		
			Seed <i>mt</i>	22,564	24,022	1,458	6%		
			Coffee <i>mt</i>	1,583	2,173	590	37%		
7	Volume	Nali <i>USD</i>	233,638	263,142	29,504	13%	26%	10%	
		Lint <i>USD</i>	12,670,410	12,519,370	-151,040	-1%			
		Seed <i>USD</i>	1,634,717	2,161,132	526,415	32%			
		Coffee <i>USD</i>	2,115,885	3,562,669	1,446,784	68%			
8	Value	Nali <i>case</i>	400	750	350	88%	20%	10%	
		Lint <i>mt</i>	14,460	15,361	901	6%			
		Seed <i>mt</i>	20,982	15,873	-5,109	-24%			
		Coffee <i>mt</i>	1,562	2,105	543	35%			
9	Success Stories	Nali <i>USD</i>	6,000	7,050	1,050	18%	3	2	
		Lint <i>USD</i>	12,670,410	12,519,370	-151,040	-1%			
		Seed <i>USD</i>	1,471,687	1,367,934	-103,753	-7%			
		Coffee <i>USD</i>	2,138,781	3,631,069	1,492,288	70%			
Other	10	Action Plans						0	0

Summary Table

# COTTON SECTOR INDICATORS

2003-04 to 2005-05

COTTON			PRODUCERS				ADMIN				TOTAL				GRAND TOTAL	
			GLCC		CC		GLCC		CC		GLCC		CC			
			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
EMPLOYMENT	YEAR	2003-04	23,165	34,747	52,560	22,525	457	88	504	99	23,622	34,835	53,064	22,624	134,145	
		sub-total	57,912		75,085		545		603		58,457		75,688			
	DIFF.	YEAR	2004-05	30,491	45,851	65,100	27,900	622	126	584	117	31,113	45,977	65,684	28,017	170,791
			sub-total	76,342		93,000		748		701		77,090		93,701		
	DIFF.	YEAR	Absolute	7,326	11,104	12,540	5,375	165	38	80	18	7,491	11,142	12,620	5,393	36,646
			sub-total	18,430		17,915		203		98		18,633		18,013		
DIFF.	YEAR	Percent	32%	32%	24%	24%	36%	43%	16%	18%	32%	32%	24%	24%	27.3%	
		sub-total	18,430		17,915		203		98		18,633		18,013			

COTTON			PRODUCERS		ADMIN				TOTAL		GRAND TOTAL		
			GLCC	CC	GLCC		CC		GLCC	CC			
			Farmer	Farmer	Male	Female	Male	Female	Farmer	Farmer			
WAGE BILL	YEAR	2003-04	341,706,725		46,509,893	2,616,767	36,997,483	6,400,491	390,833,385		489,400,278	880,233,663	
		sub-total	446,002,304		49,126,660		43,397,974		489,400,278		880,233,663		
	DIFF.	YEAR	2004-05	453,923,778		69,974,821	4,377,444	48,490,173	8,388,703	528,276,043		655,478,901	1,183,754,944
			sub-total	598,600,025		74,352,265		56,878,876		655,478,901		1,183,754,944	
	DIFF.	YEAR	Absolute	112,217,053		23,464,928	1,760,677	11,492,690	1,988,212	137,442,658		166,078,623	303,521,281
			sub-total	152,597,721		25,225,605		13,480,902		166,078,623		303,521,281	
DIFF.	YEAR	Percent	33%		50%	67%	31%	31%	35%		34%	34%	
		sub-total	152,597,721		25,225,605		13,480,902		166,078,623		303,521,281		

COTTON			PRODUCERS		ADMIN				
			GLCC	CC	GLCC		CC		
			Farmer	Farmer	Male	Female	Male	Female	
WAGE RATE	YEAR	2003-04	5,900		101,772	29,736	73,408	64,651	
		sub-total	5,940		90,141		71,970		
	DIFF.	YEAR	2004-05	5,946		112,500	34,880	83,031	71,698
			sub-total	6,437		99,468		81,140	
	DIFF.	YEAR	Absolute	45		10,728	5,144	9,623	7,047
			sub-total	497		9,327		9,170	
DIFF.	YEAR	Percent	1%		11%	17%	13%	11%	
		sub-total	497		9,327		9,170		

# COTTON SECTOR INDICATORS

2003-04 to 2005-05

COTTON			GREAT LAKES		CLARK		TOTAL		GRAND TOTAL		
			LINT	SEED	LINT	SEED	LINT	SEED			
VOLUME (mt)	Production	YEAR	2003-04	7,451	11,198	7,009	11,366	14,460	22,564	37,024	
		YEAR	2004-05	8,046	12,172	7,315	11,850	15,361	24,022	39,383	
		DIFF.	Absolute		595	974	306	484	901	1,458	2,359
			Percent		8.0%	8.7%	4.4%	4.3%	6.2%	6.5%	6.4%
	Export	YEAR	2003-04	7,451	10,298	7,009	10,684	14,460	20,982	35,442	
		YEAR	2004-05	8,046	11,272	7,315	4,601	15,361	15,873	31,234	
		DIFF.	Absolute		595	974	306	-6,083	901	-5,109	-4,208
			Percent		8%	9%	4%	-57%	6%	-24%	-12%

COTTON			GREAT LAKES		CLARK		TOTAL		GRAND TOTAL		
			LINT	SEED	LINT	SEED	LINT	SEED			
VALUE (USD)	Production	YEAR	2003-04	6,642,670	440,859	6,027,740	1,193,858	12,670,410	1,634,717	14,305,127	
		YEAR	2004-05	6,740,520	877,963	5,778,850	1,283,169	12,519,370	2,161,132	14,680,502	
		DIFF.	Absolute		97,850	437,104	-248,890	89,311	-151,040	526,415	375,375
			Percent		1%	99%	-4%	7%	-1%	32%	3%
	Export	YEAR	2003-04	6,642,670	349,460	6,027,740	1,122,227	12,670,410	1,471,687	14,142,097	
		YEAR	2004-05	6,740,520	755,224	5,778,850	612,710	12,519,370	1,367,934	13,887,304	
		DIFF.	Absolute		97,850	405,764	-248,890	-509,517	-151,040	-103,753	-254,793
			Percent		1%	116%	-4%	-45%	-1%	-7%	-2%

Production and Export Volumes and Values

# COFFEE SECTOR INDICATORS

2003-04 to 2004-05

COFFEE		Sable	Press	Mzuzu	Makandi	Conforzi	Zoa	Universal	Satemwa	Wallace	Katoto	Mbabzi	Naming'omba	Matambo	TOTAL	
FARM	2003/04	M Perm	282	376	2,526	36	137	120	139	7	18	0	0	0	0	3,642
		M Temp	507	572	0	177	142	0	3	88	103	0	0	214	2	1,809
		M Total	535	661	2,526	124	208	120	141	52	70	0	0	107	1	4,546
		F Perm	192	313	668	4	72	83	88	0	0	0	0	0	0	1,420
		F Temp	1,565	352	0	284	991	0	7	73	64	0	0	158	2	3,497
		F Total	975	489	668	146	568	83	92	36	32	0	0	79	1	3,169
	<b>TOTAL</b>	<b>1,510</b>	<b>1,151</b>	<b>3,194</b>	<b>270</b>	<b>776</b>	<b>202</b>	<b>233</b>	<b>88</b>	<b>102</b>	<b>0</b>	<b>0</b>	<b>186</b>	<b>2</b>	<b>7,715</b>	
	2004/05	M Perm	262	379	2,766	36	43	128	92	25	18	0	0	0	0	3,750
		M Temp	314	1,128	0	154	44	0	4	86	94	0	0	264	0	2,089
		M Total	419	943	2,766	113	65	128	94	68	65	0	0	132	0	4,794
		F Perm	192	285	677	5	17	92	62	20	0	0	0	0	0	1,350
		F Temp	1,835	1,475	0	271	167	0	6	42	59	0	0	98	0	3,953
		F Total	1,109	1,022	677	140	101	92	66	41	30	0	0	49	0	3,326
	<b>TOTAL</b>	<b>1,529</b>	<b>1,966</b>	<b>3,443</b>	<b>253</b>	<b>166</b>	<b>220</b>	<b>160</b>	<b>109</b>	<b>95</b>	<b>0</b>	<b>0</b>	<b>181</b>	<b>0</b>	<b>8,120</b>	
	Difference	M Perm	-20	4	240	0	-94	8	-47	17	0	0	0	0	0	108
		M Temp	-192	557	0	-23	-98	0	0	-2	-9	0	0	50	-2	280
		M Total	-116	282	240	-12	-143	8	-47	16	-5	0	0	25	-1	248
		F Perm	0	-29	9	1	-55	9	-26	20	0	0	0	0	0	-71
F Temp		270	1,123	0	-14	-824	0	-1	-31	-5	0	0	-60	-2	456	
F Total		135	533	9	-6	-467	9	-26	4	-2	0	0	-30	-1	157	
<b>TOTAL</b>	<b>19</b>	<b>815</b>	<b>249</b>	<b>-17</b>	<b>-610</b>	<b>17</b>	<b>-73</b>	<b>21</b>	<b>-7</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>-2</b>	<b>406</b>		
Percent	M Perm	-7%	1%	10%	0%	-69%	7%	-34%	233%	0%	0%	0%	0%	0%	3%	
	M Temp	-38%	97%	0%	-13%	-69%	0%	14%	-2%	-9%	0%	0%	23%	-100%	15%	
	M Total	-22%	43%	10%	-9%	-69%	7%	-33%	32%	-7%	0%	0%	23%	-100%	5.5%	
	F Perm	0%	-9%	1%	33%	-77%	11%	-29%	1997%	0%	0%	0%	0%	0%	-5%	
	F Temp	17%	319%	0%	-5%	-83%	0%	-13%	-43%	-8%	0%	0%	-38%	-100%	13%	
	F Total	14%	109%	1%	-4%	-82%	11%	-29%	12%	-8%	0%	0%	-38%	-100%	5%	
<b>TOTAL</b>	<b>1%</b>	<b>71%</b>	<b>8%</b>	<b>-6%</b>	<b>-79%</b>	<b>9%</b>	<b>-31%</b>	<b>24%</b>	<b>-7%</b>	<b>0%</b>	<b>0%</b>	<b>-3%</b>	<b>-100%</b>	<b>5%</b>		

Employment and Wages

# COFFEE SECTOR INDICATORS

2003-04 to 2004-05

COFFEE		Sable	Press	Mzuzu	Makandi	Conforzi	Zoa	Universal	Satemwa	Wallace	Katoto	Mbabzi	Naming'omba	Matambo	TOTAL	
OFF FARM	2003/04	M Perm	52	61	45	7	49	5	53	5	6	0	0	0	0	284
		M Temp	37	47	200	0	0	0	0	8	4	0	0	7	0	304
		M Total	71	85	145	7	49	5	53	9	8	0	0	3	0	436
		F Perm	19	99	4	1	0	6	0	15	0	0	0	0	0	144
		F Temp	12	82	48	36	0	0	0	6	12	0	0	4	0	202
		F Total	25	140	28	19	0	6	0	18	6	0	0	2	0	245
	<b>TOTAL</b>	<b>96</b>	<b>225</b>	<b>173</b>	<b>26</b>	<b>49</b>	<b>11</b>	<b>53</b>	<b>27</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>680</b>	
	2004/05	M Perm	65	39	45	7	24	2	43	2	6	0	0	0	0	233
		M Temp	22	27	250	0	0	0	0	6	2	0	0	8	0	317
		M Total	76	52	170	7	24	2	43	6	7	0	0	4	0	391
		F Perm	17	81	4	1	0	6	0	4	0	0	0	0	0	113
		F Temp	19	190	60	32	0	0	0	12	12	0	0	5	0	330
		F Total	27	176	34	17	0	6	0	10	6	0	0	2	0	278
	<b>TOTAL</b>	<b>103</b>	<b>228</b>	<b>204</b>	<b>24</b>	<b>24</b>	<b>8</b>	<b>43</b>	<b>16</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>669</b>	
	Difference	M Perm	12	-22	0	0	-25	-3	-11	-2	0	0	0	0	0	-51
		M Temp	-15	-20	50	0	0	0	0	-2	-1	0	0	1	0	13
		M Total	5	-32	25	0	-25	-3	-11	-4	-1	0	0	1	0	-45
		F Perm	-1	-17	0	0	0	0	0	-11	0	0	0	0	0	-30
F Temp		6	107	12	-4	0	0	0	6	0	0	0	1	0	128	
F Total		2	36	6	-2	0	0	0	-8	0	0	0	0	0	34	
<b>TOTAL</b>	<b>7</b>	<b>4</b>	<b>31</b>	<b>-2</b>	<b>-25</b>	<b>-3</b>	<b>-11</b>	<b>-12</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>-11</b>		
Percent	M Perm	24%	-37%	0%	0%	-51%	-57%	-20%	-50%	0%	0%	0%	0%	0%	-18%	
	M Temp	-40%	-42%	25%	0%	0%	0%	0%	-25%	-37%	0%	0%	17%	0%	4%	
	M Total	7%	-38%	17%	0%	-51%	-57%	-20%	-39%	-9%	0%	0%	17%	0%	-10%	
	F Perm	-7%	-18%	0%	0%	0%	-5%	0%	-75%	0%	0%	0%	0%	0%	-21%	
	F Temp	50%	130%	25%	-12%	0%	0%	0%	100%	-3%	0%	0%	14%	0%	63%	
	F Total	8%	26%	21%	-11%	0%	-5%	0%	-45%	-3%	0%	0%	14%	0%	14%	
<b>TOTAL</b>	<b>7%</b>	<b>2%</b>	<b>18%</b>	<b>-8%</b>	<b>-51%</b>	<b>-29%</b>	<b>-20%</b>	<b>-43%</b>	<b>-6%</b>	<b>0%</b>	<b>0%</b>	<b>16%</b>	<b>0%</b>	<b>-2%</b>		

Employment and Wages

# COFFEE SECTOR INDICATORS

2003-04 to 2004-05

COFFEE			Sable	Press	Mzuzu	Makandi	Conforzi	Zoa	Universal	Satemwa	Wallace	Katoto	Mbabzi	Naming'omba	Matambo	AVE.
DAILY WAGE (MWK)	2003/04	Farm	71	65	53	78	71	64	65	65	81		65	79		76
		Non Farm	71	65	379	84	71	67	65	65	81		65	83		110
	2003/04	Farm	86	77	187	90	86	75	72	77	98		75	90		101
		Non Farm	86	77	555	99	86	76	72	77	98		75	92		139
	Difference	Farm	15	12	133	12	15	11	7	12	17		10	11		26
		Non Farm	15	12	176	15	15	9	7	12	17		10	9		30
	Percent	Farm	22%	18%	250%	15%	21%	17%	11%	18%	21%		15%	14%		34%
		Non Farm	22%	18%	46%	18%	21%	13%	11%	18%	21%		15%	11%		27%

# COFFEE SECTOR INDICATORS

2003-04 to 2004-05

COFFEE			FIRM												GRAND TOTAL			
			Sable	Press	Mzuzu	Makandi	Conforzi	Zoa	Universal	Satemwa	Wallace	Katoto	Mbabzi	Naming' omba		Matambo		
VOLUMES (mt)	Production	YEAR	2003-04	672	81	135	242	120	77	25	42	48	20	60	54	7	1,583	
		YEAR	2004-05	1,059	281	270	161	80	75	62	55	47	35	30	18			2,173
		DIFF.	Absolute	387	200	135	-81	-40	-2	37	13	-1	15	-30	-36	-7		590
		DIFF.	Percent	58%	247%	100%	-33%	-33%	-3%	148%	31%	-2%	75%	-50%	-67%	-100%		37%
	Export	YEAR	2003-04	672	81	114	242	120	77	25	42	48	20	60	54	7	1,562	
		YEAR	2004-05	1,059	281	220	161	80	75	62	55	47	35	30			2,105	
		DIFF.	Absolute	387	200	106	-81	-40	-2	37	13	-1	15	-30	-54	-7	543	
		DIFF.	Percent	58%	247%	93%	-33%	-33%	-3%	148%	31%	-2%	75%	-50%	-100%	-100%	35%	
COFFEE			FIRM												GRAND TOTAL			
Sable	Press	Mzuzu	Makandi	Conforzi	Zoa	Universal	Satemwa	Wallace	Katoto	Mbabzi	Naming' omba	Matambo						
VALUES (USD)	Production	YEAR	2003-04	925,125	97,248	114,480	342,082	144,000	120,000	27,500	40,270	61,380	80,000	92,000	64,800	7,000	2,115,885	
		YEAR	2004-05	1,779,130	417,489	324,000	281,750	128,000	150,000	75,000	99,000	90,000	140,000	49,500	28,800			3,562,669
		DIFF.	Absolute	854,005	320,241	209,520	-60,332	-16,000	30,000	47,500	58,730	28,620	60,000	-42,500	-36,000	-7,000		1,446,784
		DIFF.	Percent	92%	329%	183%	-18%	-11%	25%	173%	146%	47%	75%	-46%	-56%	-100%		68%
	Export	YEAR	2003-04	925,125	97,248	137,376	342,082	144,000	120,000	27,500	40,270	61,380	80,000	92,000	64,800	7,000	2,138,781	
		YEAR	2004-05	1,779,130	417,489	421,200	281,750	128,000	150,000	75,000	99,000	90,000	140,000	49,500			3,631,069	
		DIFF.	Absolute	854,005	320,241	283,824	-60,332	-16,000	30,000	47,500	58,730	28,620	60,000	-42,500	-64,800	-7,000	1,492,288	
		DIFF.	Percent	92%	329%	207%	-18%	-11%	25%	173%	146%	47%	75%	-46%	-100%	-100%	70%	

Production and Export Volumes and Values

# NALI INDICATORS

2003-04 to 2004-05

NALI		FACTORY PROCESSING			ADMIN or MANAGERIAL			SEASONAL			GRAND TOTAL	
		Male	Female	Total	Male	Female	Total	Male	Female	Total		
EMPLOYMENT	YEAR	2004	35	10	45	27	6	33	1	0	2	80
		2005	30	6	36	25	6	31	7	1	8	75
	DIFF	Absolute	-5	-4	-9	-2	0	-2	6	1	6	-5
		Percent	-14%	-40%	-20%	-7%	0%	-6%	437%	103%	349%	-6%

NALI		FACTORY PROCESSING			ADMIN/MANAGERIAL			GRAND TOTAL	
		Male	Female	Total	Male	Female	Total		
WAGE BILL	YEAR	2004	508,044	134,424	642,468	984,656	901,435	1,886,091	2,528,559
		2005	531,324	159,708	691,032	1,256,750	1,135,600	2,392,350	3,083,382
	DIFF	Absolute	23,280	25,284	48,564	272,094	234,165	506,259	554,823
		Percent	5%	19%	8%	28%	26%	27%	22%

NALI		FACTORY PROCESSING			ADMIN/MANAGERIAL			GRAND TOTAL	
		Male	Female	Total	Male	Female	Total		
WAGE RATE	YEAR	2004	14,516	13,442	14,277	36,469	150,239	57,154	31,719
		2005	17,711	26,618	19,195	50,270	189,267	77,173	40,977
	DIFF	Absolute	3,195	13,176	4,918	13,801	39,028	20,018	9,258
		Percent	22%	98%	34%	38%	26%	35%	29%

NALI		Production		Export		
		Quantity	Value	Quantity	Value	
		cases	USD	cases	USD	
PRODUCTION	YEAR	2003-04	15,869	233,638	400	6,000
		2004-05	16,630	263,142	750	7,050
	DIFF	Absolute	761	29,504	350	1,050
		Percent	5%	13%	88%	18%

## COTTON SECTOR TRAINING STATISTICS

Jan through June 2005

**TABLE #1 :** Total Cotton Farmers Trained  
Jacto Red DVD Training Video  
By Region

REGION	COTTON FARMERS TRAINED	
	COUNT	PERCENT
CHIKWAWA	5,088	50.64%
NSANJE	3,752	37.34%
BALAKA	734	7.31%
SALIMA	241	2.40%
NTCHEU	180	1.79%
MZUZU	52	0.52%
<b>TOTAL</b>	<b>10,047</b>	<b>100.00%</b>

Data : Jan - May 2005  
Source : GLCC and CC  
Analysis : SALES Project

**TABLE #2 :** Total Cotton Farmers Trained  
Jacto Red DVD Training Video  
By Gender and Month

MTH-YR	MALE	FEMALE	TOTAL
Jan-05	79	5	84
Feb-05	182	27	209
Mar-05	2,860	950	3,810
Apr-05	3,851	2,093	5,944
May-05	0	0	0
Jun-05	0	0	0
<b>TOTAL</b>	<b>6,972</b>	<b>3,075</b>	<b>10,047</b>
<b>PERCENT</b>	<b>69%</b>	<b>31%</b>	<b>100%</b>

*NOW SHOWING  
IN A VILLAGE  
NEAR YOU*



USAID Malawi's SALES Project has introduced an innovative means of training thousands of farmers in rural areas through the use of digital videography. This exciting information and communication technology employs digitally recorded training episodes on specific topics to reach mass audiences. All films are produced in the community's own language using local settings and actors to lend credibility to the disseminated information. The 2004-05 growing season focused on correct knapsack sprayer use and maintenance for agricultural export commodity producers in the cotton, tea and coffee sectors. The impact was so immediate and apparent that the Malawi Cotton Development Association (CDA) expects to reach more than 50,000 farmers with its new blockbuster on cotton production best practices. "In High Cotton" is scheduled for release nationwide in August 2005, four months before the onset of the main planting season.

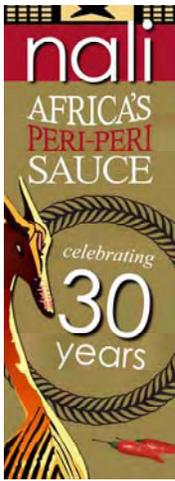
# In The Bag



Quality not quantity is key when it comes to specialty coffee and Malawi's top grade arabica beans are no exception. The Coffee Association of Malawi (CAMAL) has developed and implemented a new international marketing strategy in conjunction with USAID's SALES project. CAMAL regroups both smallholder and estate coffee producers under one roof to work

together to address industry concerns and several exciting trade enhancing changes were introduced in 2005. CAMAL rebranded itself with an attractive new logo, introduced a policy of single sourcing best quality food-grade bags to export its quality coffee beans, attended sector-specific trade fairs and rallied round a new slogan. All of these efforts serve to ensure consumers worldwide will get "a heartwarming cup from the warm heart of Africa".

Hot  
stuff



Nali Ltd produces a series of quality food sauces – a product line which is a household name in Malawi and throughout the southern African region. Nali's sauces are now known to US distributors because of the combined efforts of USAID bilateral, regional and Washington-based activities. USAID Malawi's SALES Project, the Botswana-based Regional Trade Hub and the Africa Fast Track Trade (AFTT) program combined efforts in mid-2005 to assist Nali's penetration of the American market by co-sponsoring their attendance at the Fancy Food Fair in Chicago. The product line was updated to a genuine African look that was both exotic and professional to attract potential clients in the US. Nali received over a hundred inquiries from US distributors about its delicious range of sauces and is confident of securing its first export order to the US later this year.

## SALES Project Indicator Definitions

CATEGORY	#	PERFORMANCE INDICATOR	DEFINITION
Trained	1	Number trained	To be determined by the number of entrepreneurs and/or enterprises/firms benefiting from TA or training resulting from SALES-interventions. This indicator will be disaggregated by gender, by farm and post-farm, and to the sector level. (Corresponds to Indicator 6.2.1a of SEG PMP)
Employment	2	Number of new jobs created	Number of jobs created (on a cumulative basis) within enterprises/ benefiting from TA or training resulting from SALES-interventions. This indicator will be disaggregated by gender, by farm and post-farm, and to the sector level. (Corresponds to Indicator 6.2a of SEG PMP)
	3	Average wage rate of new jobs created	Percent increase in the average wage of people getting new jobs within enterprises/firms benefiting from TA or training resulting from SALES-interventions. This indicator will be disaggregated by gender, by farm and post-farm, and to the sector level. (Corresponds to Indicator 6.2.1b of SEG PMP)
	4	Additional household income of people getting new jobs	The percent increase in additional household income is derived from the average wage rate of people getting new jobs within enterprises/firms benefiting from TA or training resulting from SALES-interventions multiplied by the Number of jobs created (on a cumulative basis) within enterprises/firms benefiting from TA or training resulting from SALES-interventions. This indicator will be disaggregated by gender, by farm and post-farm, and to the sector level. (Corresponds to Indicator 6b of SEG PMP)
	Production	5	Increase in production volume
6		Increase in sales value	Percent increase in the value of sales of enterprises/firms benefiting from TA or training resulting from SALES-interventions is derived from the firm's production multiplied by the price received for its production. Given that price is determined by supply and demand, the SALES team will measure firm sales and production, and will impute the sales price. This indicator will be disaggregated to the firm and sector levels.
Exports	7	Increase in export volume	Percent increase in volume of export of enterprises/firms benefiting from TA or training resulting from SALES-interventions. This indicator will be disaggregated to the firm and sector levels.
	8	Increase in export value	Percent increase in the value of exports of enterprises/firms benefiting from TA or training resulting from SALES-interventions is derived from the volume of firm's exports multiplied by the price received for its exports. This indicator will be disaggregated to the firm and sector levels.
Success Stories	9	Success stories	The number of success stories of enterprises/firms benefiting from TA or training resulting from SALES-interventions. This indicator will be disaggregated to the firm and sector levels.
Action Plans	10	Number of sector-level action plans developed and operating with SALES support	The number (on a cumulative basis) of sector-level action plans in place and working as a result of SALES support.