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KULIMA – Promoting Farming in Malawi More Income and Employment in Rural Areas of Malawi

Promoting inclusive business models and strengthening the business capacity of smallholder farmers and MSMEs to increase income and employment.

The Challenge

Malawi's economy is highly dependent on agriculture. The vast majority of rural people are smallholder farmers or are engaged in mostly informal micro, small or medium sized enterprises (MSMEs). Given the very small landholdings, poor access to inputs, services and markets, rural households tend to focus on subsistence farming. The low degree of market integration reduces opportunities to engage in value addition, be it through increasing productivity, processing of raw products or reaching better markets. As such, household and farm incomes remain low and chances for employment are limited. The **KULIMA More Income and Employment in Rural Areas of Malawi (MIERA)** programme has been designed to address these challenge applying an integrated value chain approach with the aim of increasing the income and employment opportunities for smallholder farmers and MSMEs, giving a special focus to women and the youths.

The Approach

KULIMA MIERA has selected an initial group of value chains for promotion: Cassava, Groundnut, Soybean, and Sunflower. It offers technical assistance on all levels, from trainings targeting beneficiaries on the micro level to supporting private sector partners and policy processes on the meso and macro level. With additional funding from the **EU KULIMA – Promoting Farming in Malawi** programme, activities are being scaled up and three value chains (Paprika / Chilli, Macadamia and Rice) have been selected for further support from 2018 onwards. KULIMA MIERA departs from market opportunities, focusing on the down-stream part of the value chain (processing, market linkages and marketing) and has three main intervention areas:



Project name	KULIMA More Income and Employment in Rural Areas of Malawi
Partner Country	Malawi
Total volume	€ 10 Million (BMZ + EU)
Duration	01.08.2016 – 31.01.2019
Commissioned by	German Ministry for Economic Cooperation and Development (BMZ) and European Union (EU)
Implementing Organisation	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Lead Executing Agency	Ministry of Industry, Trade and Tourism (MoITT)

1) Promotion of inclusive business models and stakeholder dialogue

KULIMA MIERA empowers smallholder farmers to deliver the required quantity and quality commodity that the (formal) market requires to substitute imports or tap into export markets. It supports committed companies to set up mutually beneficial and inclusive business relationships such as contract farming that provide input loans and extension packages, tied to the contractual commitment to deliver the commodity to the off-taker at a fair price. The programme also supports dialogue and networking platforms among value chain stakeholders.



Photo left: Farmers attending the ACE Marketing School © GIZ

Photo right: A good cassava harvest ready to be processed and marketed © GIZ

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Photo above: A proud soya farmer ready to harvest her crop ©GIZ

2) Improving value chain services

KULIMA MIERA works hand in hand with strategic service providers to improve their service delivery and increase smallholder adoption of marketing services such as market information, storage and collateral finance as well as a transparent structured trading platform that often offers better prices. KULIMA MIERA also works with partners on the development and promotion of new types of services such as alternative input provision and financing mechanisms as part of their inclusive business and new marketing models.

3) Supporting the business capacity of farmer organisations and MSMEs

Together with local training institutions and its private sector partners, KULIMA MIERA develops and delivers training and coaching packages for smallholder farmers, farmer organisations and MSMEs. The trainings are geared towards building business, organizational and management capacity, increase local value addition, increased marketing opportunities and to developing and offering improved services to members and clients.



Photo above: 2017 Farmer Business School participants after graduation © GIZ

Results in figures...

Since 2016, KULIMA MIERA has supported more than 9,000 smallholder farmers and MSMEs directly to engage more actively in value addition and to be structurally integrated into value chains through inclusive business and marketing models:

- Since 2017, more than 3,000 farmers have participated in the newly developed Agricultural Commodity Exchange for Africa (ACE) Marketing School, many of them starting to adopt structured trade services offered by the partner ACE.
- In 2017 KULIMA MIERA has successfully piloted the GIZ Farmer Business School approach in Malawi in cooperation with its partners, training 7,185 smallholder farmers on farm economics, agribusiness and marketing skills. Many participants have already started introducing new farm business management practices such as record keeping or gross margin analysis.
- In the cassava value chain 240 members of 6 farmer organizations have been supported through long-term business coaching. Additionally, more than 150 MSMEs have been trained on better processing, business and marketing opportunities for cassava products and are now starting to tap into new retail markets for their value-added products.
- As part of KULIMA MIERA supported inclusive business models more than 300 marketing and contract farming agreements have been signed between lead companies and farmer organisations, linking farmers directly to better output markets and increasing their access to improved inputs and extension.



Photo above: A cassava processor showing high quality cassava flour © GIZ

Published by

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices
Bonn and Eschborn, Germany

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The programme is funded by the German Federal Ministry for
Economic Cooperation and Development (BMZ) and the European
Union (EU).

It is implemented in cooperation with the Ministry of Industry, Trade
and Tourism (MoITT).

GIZ is responsible for the content of this publication.

As at

Lilongwe
2018