



MALAWI



**Deputy Minister of Agriculture and Food Security
of the Republic of Malawi, Hon. Frank T. Mwenifumbo, MP.**

on

**Malawi's Efforts in Harnessing Increased Agricultural Production
for Sustainable Food Security and Socio-Economic Development**

**New York
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(Check against delivery)

Distinguished Co-chair,
Your Excellencies,
Distinguished Colleagues,
Ladies and Gentlemen,

Preamble

The fact that agriculture is the main source of development, food security and poverty reduction has been reiterated by several other distinguished speakers during this High-level segment of the 2008 substantive session of ECOSOC. It has also been collectively appreciated that this fact is much more pronounced in developing countries than developed countries. This Ladies and Gentlemen, demonstrates the need for a more proactive policy shift towards prioritizing investment in agriculture production. Again, this has to be done with more concerted efforts and in much more practical ways in least developed countries where the majority of producers are resource-constrained smallholder farmers.

I therefore wish to take this opportunity to share with all distinguished members present here some of the efforts/initiatives that we have taken in Malawi to address this challenge.

Background Information

As alluded to above, Malawi's economy is agro-based with 36% to 40% of GDP coming from agriculture. The sector further generates about 90% of the country's foreign exchange earnings and employs the majority of the rural people who account for more than 85% of the currently estimated between 10.8 million and 12.4 million people.

Trends in Agricultural Production in Malawi

The period after independence witnessed growing levels of agricultural productivity. Malawi was self-sufficient in terms of food production. However, the advent of World Bank and IMF spearheaded Structural Adjustments Programmes (SAPS) in the early 1980s and the subsequent

market liberalization policies resulted in the abolition of agricultural subsidies. This negatively affected accessibility of agricultural inputs by smallholder farmers. Additionally, a number of other factors, including poor weather conditions also affected the sector. Consequently, the country had during the entire 1990s been experiencing declining agricultural productivity, more especially in the production of maize which is the country's staple food. This forced the Government to engage in persistent importations of food, especially maize grain for humanitarian purposes.

Government Policy Intervention

Recognizing the negative effects of poor agricultural productivity, Government has identified Agriculture and Food Security as one of the six priority areas in the current Malawi Growth and Development Strategy (MGDS)¹. At the sectoral level, the Ministry of Agriculture and Food Security has formulated a programme based approach framework, the Agricultural Development Programme (ADP). The ADP is aimed at harmonizing all investments into the agricultural sector thereby operationalizing the agriculture components in the MGDS. The ADP has to this effect identified food security and risk management, commercialization of agriculture through agribusiness development and land and water management as the major areas of focus in the next five years. Issues of agricultural research and technology generation and institutional development and capacity building have been mainstreamed in the three major focus areas.

In terms of action plans, Government has focused on improving agricultural productivity by smallholder farmers by ensuring easy access to improved agricultural inputs. This has led to the conception and implementation of the Inputs Subsidy Programme, which aims at subsidizing agricultural inputs (fertilizers and seed) to targeted smallholder farmers starting from the 2005/06 growing season.

¹ The other five priority areas are: Irrigation and Water Development, Transport Infrastructure Development, Integrated Rural Development, Energy Generation and Supply and Prevention and Management of Nutrition Disorders, HIV and AIDS.

Results of Programme Implementation

The country has for the first time registered food surplus production levels of 400,000 metric tones; over 1 million metric tones, and 500,000 metric tones in the growing seasons of 2005/06, 2006/07 and 2007/08 respectively.

Harnessing and Sustaining the Commodity Boom: Strategic Management of Returns to Investments

After attaining food self-sufficiency for three consecutive years, the Government's current priorities are to ensure sustainability of the food security situation, enhance returns on investment by preventing leakage through commodity smuggling, and enhance agricultural commodity diversification for increased income to smallholder farmers.

To this effect, Government has put in place programmes that will expand its strategic management capacity. Construction of regional steel bin maize silos is underway and a 20,000 metric tones facility was completed late last year. Meanwhile two more facilities are being constructed in the northern and southern parts of the country each with the same capacity level. These are expected to add on to the existing centrally located silos which have the capacity of storing 180,000 metric tones of grain. The idea is to ensure that the country has enough and affordable food stocks at all times, since consideration for exports will only be made after re-stocking of all available silos.

In terms of improving agricultural diversification of products to ensure increased agro-based incomes, Government has since last year started subsidizing the cost of improved cotton seed and cotton pesticides to targeted smallholder farmers. This is in response to the policy priorities of the Malawi Growth and Development Strategy which identifies cotton as one of the strategic crops that has great potential of complimenting and gradually substituting tobacco as the main foreign exchange earner for the country. The crop is very important in the economy of the country since it is a raw material for the country's textile industry. The seed from cotton can be processed into very precious edible oil while the seed cake can be used as an animal feed. The current low levels of cotton production results into increased importation of cotton lint for use in the local textile industry. Apart from initiating the subsidy, Government has also strongly engaged cotton ginners who buys from farmers into a collaborative process of determining

minimum farm gate prices based on the cost of production. These two initiatives have tremendously increased the production levels of cotton this year.

To further improve the profitability of the enterprise to farmers, Government is planning to install mini ginneries in strategic cotton growing areas of the country in order to ensure that farmers benefit from the entire value chain of the commodity. It is expected that farmers will be able to process their seed cotton and sell lint at much higher prices than those offered for seed cotton. The ginneries will also employ people in the country as such Government has put in place restrictions on exportation of seed cotton in order to arrest the associated job exports.

The second major effort in product diversification is with respect to cassava production. The focus on cassava is in view of its ability to produce high levels of yields even in tough weather conditions. It is therefore expected that sustained increased production of cassava would cushion the country against hunger even in the events of droughts and dry spells. Additionally, cassava is considered to have a substantially high commercial value as it can be processed into a range of products. These include starch, glue, chips, animal feeds and flour. Despite the high production potential of cassava, the country is still importing starch and glue due to the limited processing capacity as such the Malawi Government has devoted resources towards revamping cassava processing in the country. The high cassava production in the country needs to be supported by increased processing capacity in order to save foreign exchange spent on imports of starch and glue. These products may also be exported once the country's requirement is surpassed. To promote its production, Government has gone flat out to establish institutionally and farmer managed nurseries which ensures timely availability of adequate clean planting materials. These efforts have raised cassava yields from 14.3 metric tones per hectare in 2004/05 to 18.8 metric tones per hectare in 2007/08 and production levels from 2.2 million metric tones to 3.3 million metric tones over the same period.

Meanwhile, Government is planning to promote cassava processing into high value products such as starch, glue, chips, animal feed and flour. However, the country requires financial assistance from its cooperating partners to operationalize these plans at a much wider scale that would speed up attainment of the envisaged outcomes.

Other crops that Government has earmarked for strategic support in the short to medium term include; sweet potatoes production for diversifies food security, and sugarcane production, intensification of macadamia production and tea production by smallholder farmers for increased agro-based incomes within the smallholder agriculture sub-sector to enable it graduate from a subsistence farming into a commercial enterprise so as to spur economic growth and development.

Way Forward

The Government of Malawi remains committed to increasing agricultural production of maize for both food as well as export purposes. However, maize exportation will be at such a time when adequate product is bought from farmers and stored in the strategic grain reserve facilities. We are therefore treating the increase in food prices as an opportunity as we expect to gain more foreign exchange earnings through exports of surplus maize, which will be used to offset the high costs of fuel and improve the trade balance for the country.

The country is seriously working on long term measures of sustaining this glorious position that has been attained in both food security as well as economic development. To this effect, investment in irrigation development (which is the second priority area in the MGDS) is underway. Due to high investment costs in this area, an appeal to our cooperating partners for the requisite financial and technical support is hereby being extended. However, several land and water management initiatives have already been incorporated in the ADP. Through this programme, Government will from this year intensify the implementation of rain water harvesting technologies, use of organic fertilizers to enhance soil fertility and various other conservation farming technologies.

In conclusion, I wish to mention that I have noted with great interest the concerns from many distinguished colleagues with respect to the issue of sustainability of some of these programmes, especially the subsidy programmes. In respect of this issue, Malawi strongly believes that with the little resources that the country has, the country has demonstrated to the entire world that with strong political will and leadership and stakeholder involvement, good results can be attained as in the case of food security. In the circumstance, my appeal on behalf of Malawi is that the international

community including the UN system, must take this opportunity to help in sustaining what we believe has alleviated our long standing problems to attaining socio-economic development. The gaps that exist must be closed and we will appreciate those partners that will come forward to help to sustain the path we have already established.

I thank you very much for your kind attention