CROP POST HARVEST PROGRAMME

Farmer Organisations for Market Access

R8275 (ZB0344)

PROJECT FINAL REPORT

1 January 2003 – 31 March 2005

Core Partners
1. NASFAM (National Smallholder Farmers’ Association of Malawi)
2. MRFC (Malawi Rural Finance Company Ltd.)
3. Care International
4. Agricultural Policy Research Unit (APRU), Bunda College, University of Malawi
5. Centre for Development and Poverty Reduction, Imperial College London

Managing Partner
Dr A R Dorward
Centre for Development and Poverty Reduction, Imperial College London
Section A Executive Summary

Poor access to markets is a major problem in poor rural economies. Farmer organisations (FOs) are potentially important means for addressing critical problems of market coordination and access and hence for stimulating economic growth and poverty reduction in poor rural areas. Experience with FOs in Malawi, and more widely, is, however, very mixed as regards their sustainability and effectiveness. Examples of success in some areas and activities suggest that it may be possible for FOs to extend their scope, reach and effectiveness to include support for a wider range of crops and farmers in more difficult areas. However, this requires better understanding of the nature of the problems faced by FOs, and of necessary and sufficient conditions for their success, so that organisations working with FOs can identify opportunities for sustainable pro-poor development of FOs, implement best practice to support such development, develop appropriate institutional innovations and work for an enabling policy environment.

This project has promoted the creation and application of better understanding of FOs’ problems and of conditions needed for their success by a research process that brought together

- experience of FOs within and outside Malawi;
- new institutional economics and other theory regarding the potential roles of FOs, and the challenges that they face in poor rural areas in (a) addressing critical problems of market coordination and access and (b) their internal organisation;
- empirical analysis of different experiences with FOs, successful and otherwise, in Malawi; and
- reflection and networking by different actors in Malawi on their experience with FOs and on the potential for FOs and the challenges that they face.

Project activities involved

- collation of information about current and historical experience with FOs in Malawi and internationally, together with the development of a conceptual framework that draws on theoretical insights with a consultative workshop at which stakeholders reviewed the major issues in FO development and operation in Malawi, and identified priorities and activities for the second phase of the project
- farmer and organisational surveys and specific studies investigating particular aspects of FO development and operation in Malawi, with a second consultative workshop which reviewed findings and the organisational and policy lessons emerging from the work.

Outputs from the project include:

- Identification and documentation of elements determining success and failure of FOs.
- Development of organisational lessons for the creation and sustenance of FOs.
- Communication of policy lessons for the creation and sustenance of FOs.
- FOs, NGOs, private sector and government agencies concerned with agricultural production and marketing and with rural welfare better informed about the potential, limitations, challenges, opportunities and best practice in the establishment and operation of FOs and in their relationships with them.
- Improved networking and coordination between NGOs, private sector and government agencies concerned with FOs, agricultural production and marketing and with rural welfare.
Section B  Background
B.1  Administrative data

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<td><strong>Coalition Partners</strong></td>
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<td><strong>Total Budget:</strong></td>
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Poverty focus and livelihood constraints

Low agricultural productivity is a core problem affecting Malawian rural communities, and the economy as a whole, critically undermining the viability of non-farm activities too. Access to markets is undermined by low marketed surpluses (increasing marketing and transaction costs for buyers and producers, and depressing buyer activity and investment), and this in turn depresses prices to farmers, incomes, production incentives, and the ability to invest in purchased inputs or labour, thereby further depressing production, incomes and linkages within the rural economy. These problems directly affect the agricultural activities of slightly larger scale and less resource constrained farmers (many of whom should nevertheless be classed as poor in terms of per capita incomes below US$1 per day), and reduce wage employment opportunities and non-farm income generating opportunities of land scarce households. These problems are widely reported and recognised in rural consultations and in policy debate (for example [Khaila, 1999 #1], [Devereux, 2002 #2]) and problems of market access and the role of farmer organisations (FOs) in helping to overcome these and other problems are explicitly recognised as a key issue in Malawi’s Poverty Reduction Strategy Paper (Malawi Government, 2002).

Opportunities for farmer organisations to improve market access are evident from the successes of various FOs in assisting their members to access markets for a range of crops in Malawi in the past and present. The challenge is to learn from the experience of both success and failure, and to extend success to a wider range of crops for a wider range of farmers through development of more and stronger FOs, with institutional arrangements linking farmers to financiers, input suppliers and produce traders. The project therefore aimed to learn (a) what FOs can (and cannot) do to improve market access (and other services) for smallholder farmers in Malawi and (b) how they can operate to most effectively serve their members.

The project adopted a broadly inclusive approach to poverty reduction, as improved market access will benefit most members of rural communities. Most of the direct benefits are likely to accrue to the less poor but there are important indirect benefits to the poor through production and consumption linkages leading to increased demand for labour and local services. Furthermore, many of the less poor in Malawi’s rural areas are poor in terms of international criteria of per capita incomes below US$1 per day. The project also had an enabling approach to poverty reduction (many of the issues emerging from the project are relevant to pro-poor agricultural growth).

Project genesis and coalition partnership formation

The project concept and design initially emerged from work that the Imperial College and APRU team had been conducting under an ESCOR funded research project on Pro-Poor Agricultural Growth and from other CPHP funded work they had been involved in Malawi and elsewhere in Africa. Clear lessons from the ESCOR project were that poor access to financial and input and output marketing services was a major constraint to pro-poor agricultural growth, that the development of these services in poor rural areas needed non-market coordination mechanisms to get markets going, and that whereas previous successes in agricultural development in Asia and in Malawi had involved the state as a critical provider of this market non-coordination, market liberalisation and a reduced capacity of the state meant that new mechanisms for and providers of non-market coordination are needed1. The

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1 The project demonstrated the importance of institutional mechanisms coordinating financial and input and output marketing services and of the need for these to be embedded in wider macro-economic and sectoral policies promoting smallholder agricultural development. The
team identified FOs as potential providers of such coordination and recognised that an analysis of FOs in these terms could (a) fit in with the business orientation of many of the more successful market oriented FOs and (b) provide a useful entry point for a critical examination of the potential for FOs in promoting different kinds of pro-poor agricultural growth in different contexts. At the same time many donors and policy makers in Malawi and internationally were suggesting that FOs should (or could) be a critical element in pro-poor agricultural growth, and it was felt that the conditions under which FOs could support such growth needed careful examination.

Contacts were established with NASFAM, an apex FO which had achieved substantial success in extending farmer clubs promoting market access and technical training among smallholder farmers in Malawi, and which was itself looking to learn more about different roles for FOs. A pre-concept note was then submitted to CPHP who funded a meeting for the development of a wider coalition to include MRFC (as a partner providing financial services to NASFAM and other FO club members) and CARE International (as an NGO with some experience in working with FOs for improved market access, and with interests in extending this work). MASIP (Malawi Agricultural Sector Investment Programme) and of Dr Glyvens Chinkuntha of Freedom Farms were then invited to join the project steering committee to provide linkages into agricultural sector policy and horticultural producers / FOs. This committee then conducted problem, stakeholder, livelihood, environmental and gender analyses and worked together in first preparing the project concept note and then, after wider stakeholder consultation in Malawi, the Project Memorandum. The committee then operated as a Management Steering Committee during project implementation, with an active role in stakeholder workshops and, for coalition members with field activities involving FOs, in farmer and organisational studies.

End user involvement

End users of project outputs are a range of stakeholders who have interests in the effectiveness of FOs in providing market access services to their members. These include FO members, other farmers who are not currently members, private sector service delivery organisations, NGOs, government agencies, and FO staff.

The project identified, consulted and worked with a variety of stakeholders in the initial formulation and design of the project (see concept note, project memorandum, and inception report), through the establishment of the Coalition and steering committee (see above), and through visits to a variety of these stakeholders in different parts of the country.

During project implementation two well attended and successful stakeholder workshop were held. The first workshop\(^2\), among other things, worked with stakeholders to identify

- the range of stakeholders and stakeholder types with interests in FOs,
- the varying nature of those interests
- specific interests in the project and in project activities and outputs\(^3\).

Subsequent project activities involved working with different stakeholders in the conduct of farmer surveys, organisational studies, and special studies. The second stakeholder project also confirmed the importance of smallholder agricultural growth to rural poverty reduction in Malawi, and the benefit to the poor from such growth through consumption and production multipliers, even if agricultural services were mainly directed towards less poor smallholder farmers (see Dorward et al., 2005, Institutions and Economic Policies for Pro-poor Agricultural Growth. IFPRI Discussion paper DSG 15.)

\(^2\) See Kumwenda and Kachule, 2003

\(^3\) One specific stakeholder request at this workshop was for a directory of FO service providers in Malawi, a request that the project was able to respond to (Makoko, 2005 and Stockbridge, 2005)
workshop, also very well attended, fed back to participants the project’s major research findings and also promoted more coordination among stakeholders in the FO sector (assisting, for example in the development of a coordinated system for the development of training capacity to support different areas of FO development and operation). This, in conjunction with the dissemination of an end of project policy briefing paper and newsletter, will provide mechanisms for FOs and other stakeholders to follow up and implement project findings.

**Institutional issues**

This project differs from many others in explicitly investigating broad institutional issues around FOs’ ability to improve market access for smallholder, rather than addressing institutional issues in the context of organisational relations involving coalition members in the development, promotion and uptake of specific technology or technologies by end users.

The project was therefore founded on and addressed a set of hypotheses related to

(a) institutional constraints to agricultural intensification by and market access for smallholder farmers in poor rural economies such as are common in Malawi

(b) the potential for FOs to address some of those constraints; and

(c) the conditions necessary for, and hence constraints to, the success of FOs in addressing these constraints and improving market access for smallholder farmers.

These hypotheses were conceptualised using a framework that integrated five different strands of theory within the broad umbrella of the New Institutional Economics (the institutional environment (e.g. [North, 1990 #17][Davis, 1971 #18]), bilateral contractual arrangements and transaction costs (e.g.[Williamson, 1985 #19; Williamson, 1991 #20];[Dorward, 2001 #21]), collective action ([Ostrom, 1994 #12]), economic coordination ([Hall, 2001 #13]; [Kydd, 2002 #14]; [Dorward, 2002 #15]), and processes of institutional change ([North, 1990 #17])) with rural livelihoods analysis ([Dorward, 2002 #16]) and to business and organisational theory.

In this farmer organisations were highlighted as one form of non-market coordination mechanism that can play an important role in getting markets and agriculture moving, as collective action and organisation by farmers can reduce farmers’ and other stakeholders’ transaction costs (by developing contractual relations and trust between farmers and traders, by overcoming skills-related barriers to entry, and by enhancing the formation and development of farmer businesses) apart from their more obvious role in assembly and scaling up the volume of transactions. However FOs also face numerous challenges, as a result of their collective governance, of the difficult environment that they tend to operate in, and of the expectations and demands laid on them by their members, by government agencies, by businesses, by NGOs and by the communities in which they are located. Unfortunately these challenges are often greatest where, for a poverty reduction agenda, FOs are most needed.

The project attempted to relate these opportunities and challenges to specific experience in Malawi over the last thirty years in order to identify (a) critical elements determining success and failure of farmer organisations in different circumstances and (b) the structures, interventions, processes and policies needed to promote successful farmer organisations to meet different objectives in different circumstances.
Section D  Implementation process

Participation among stakeholders

Participation was maintained among coalition partners and other steering committee members through (a) steering committee meetings at which project activities were planned; (b) email consultation in the preparation of quarterly reports; (c) email distribution of draft study reports for comment; (d) partners’ involvement in specific activities (see below) and (e) informal ad hoc consultation over specific activities. While Andrew Dorward of Imperial College had overall management responsibility for the project, Richard Kachule was responsible for coordination within Malawi.

All partners were involved in the planning and implementation of stakeholder workshops; NASFAM, CARE and MRFC were involved in logistical arrangements for the farmer survey; Ian Kumwenda of MASIP also co-authored two papers presented at the first and second workshop. APRU played a major role in the implementation of the farmer and organisational surveys, with planning and analytical support from the Imperial College team, and with logistical support from NASFAM, CARE and MRFC as noted above. In addition Richard Kachule (APRU) and Duncan Warren (NASFAM) both attended (a) CPHP regional workshop on Lesson learning and experience sharing in Lusaka in 2004 and (b) a CPHP international workshop on ‘Beyond Agriculture: Making Markets Work for the Poor’ in 2005.

Some concern arose during the project regarding communication failures and lack of regular information regarding project activities. Subsequent discussion clarified (a) a failure as regards email addresses, and (b) some misunderstanding as regards roles of some team members.

Participation by other stakeholders was maintained through the initial stakeholder workshop in May 2003, the subsequent publication of the newsletter, contacts with a number of stakeholder organisations involved in the farmer and organisational surveys and the collation of the directory of FO training resources, and by the stakeholder workshop held in February 2005.

Changes during implementation

There were no major changes in project design during implementation, or in relationships between partners: the roles of the partners proceeded very much as envisaged in the 2003 Inception Report. Plans to include a small number of interested stakeholders into a formal advisory group were not implemented as it was felt that the breadth of interests in the steering committee and the relations established in the initial stakeholder workshop provided sufficient stakeholder representation, while further expansion of the steering committee would make it more unwieldy.

The major change in project implementation involved a rescheduling of project activities. This was necessary due to delays in the conduct of the farmer and organisational surveys and in the analysis of these surveys. Delays in the publication of the Newsletter resulted from unfortunate changes in the Ministry of Agriculture Principal Secretary’s Office during 2003 and 2004.

Monitoring system

As noted in the 2003 Inception Report, in the context of a project explicitly researching institutions with the objective of promoting institutional innovation, the monitoring of institutional change is both conceptually and practically demanding. Particular difficulties relate to (a) identifying and attributing the project’s influence on FO development, (b) the time scale over which this is expected to occur, and (c) the very extensive resource demands of monitoring of the diffuse institutional change among multiple stakeholders. It was not possible to develop and implement a system
for monitoring institutional outputs from the project. However, some of the outputs of the project (for example key organisational lessons and benchmarks for the creation and sustenance of different types of FO) provide a basis for future monitoring of FO development and activity in Malawi, as does the emergence of a new apex FO in Malawi (the Farmers Union of Malawi or FUM) and the engagement of members of the project team with FUM in the development of a directory of FO activities and resources in Malawi.

**Organisational involvement.**

<table>
<thead>
<tr>
<th>Organisational type and organisation</th>
<th>Involvement</th>
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<tr>
<td><strong>Membership Organisations</strong></td>
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</tr>
<tr>
<td>1. HODOM</td>
<td>SW2</td>
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<tr>
<td>2. ASSMAG</td>
<td>SW1, Organisational study, SW2</td>
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<td>3. Zipatso Association</td>
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<td>5. MUSCO</td>
<td>SW1, SW2</td>
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<td>6. Malawi Tea Company (MATECO)</td>
<td>SW1, Special study</td>
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<td>7. Smallholder Coffee Farmers’ Trust</td>
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<td>8. Paprika Association (PAMA)</td>
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<td>9. Poultry Industry Assocn of Malawi</td>
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<td>10. Farmers Union of Malawi</td>
<td>Organisational study, SW2</td>
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<td>11. IDEAA</td>
<td>SW1, Organisational study, SW2</td>
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<td>12. Central Region Milk Producers Association (CREMPA)</td>
<td>SW2</td>
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<td><strong>NGOs</strong></td>
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<td>1. Concern Worldwide</td>
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<td>2. CISANET</td>
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<td>3. Concern Universal</td>
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<td>4. World Vision</td>
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<td>5. Action Aid</td>
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<td>6. FINCA</td>
<td>Special study</td>
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<td>7. MALEZA</td>
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<td>8. Save the Children(USA)</td>
<td>SW2</td>
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<td>9. Plan International</td>
<td>SW1</td>
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<tr>
<td>10. Total Land Care</td>
<td>SW2</td>
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<td>11. AFRICARE</td>
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<td>12. Evangelical Association of Malawi</td>
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<td>13. CARE</td>
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<td>14. CRS</td>
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<td>15. Harvest Help</td>
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<td><strong>Commercially Oriented Organisations</strong></td>
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<td>4. CNFA</td>
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<td>5. YARA Malawi (PVT) Ltd</td>
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<td>6. Land O Lakes</td>
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Project outputs effects on the institutional setting?

Project outputs are expected to change the institutional setting in a number of ways. The most immediate effects will be through contributions to coordination in the sector, due to the networking encouraged through the stakeholder workshops, through the involvement of the project team with the coordination activities of the Farmers Union of Malawi, and through the Directory of FO Service Providers. More fundamental changes are expected in the longer term as membership organisations and those directly supporting make use of project recommendations as regards the establishment and operation of FOS, and as government and donor policy and investment initiatives apply project recommendations as regards the roles of FOs in agricultural development and the necessary conditions for their success.
Section E  Research Activities
This section should include a description of all the research activities (research studies, surveys etc.) conducted to achieve the outputs of the project analysed against the milestones set for the implementation period.

Information on any facilities, expertise and special resources used to implement the project should also be included.

1. Establishment of management & advisory structure for project (Jan-Mar 2003).
The management structure for the project was established at an initial project steering committee meeting in January 2003. At this meeting revisions to the project budget were agreed to take account of downward revisions in the total budget agreed with CPHP, the broad functioning of the steering committee discussed, and detailed plans made for the opening stakeholder workshop (scheduled for June 2003) and review activities leading up to the workshop.

2. Establishment of relations with farmer organisations, NGOs, private sector and government agencies concerned with agricultural production and marketing and with rural welfare, publication of newsletter (Jan-Jun 2003).
Relations with various stakeholders were established through the ongoing work of coalition members in Malawi, participation in sectoral meetings, the issuing of invitations to the stakeholder workshop (with background information on the project). It was decided that the first issue of the news letter would benefit from an introduction by the Principal Secretary of the Ministry of Agriculture, and should be published after the first stakeholder workshop, to include a report on the workshop. As noted earlier, unfortunate changes in the Principal Secretary/s office then led to substantial delays in publication of the first issue, but this did not actually reflect a delay in project publicity as this had been achieved through the information provided with invitations to the first stakeholder workshop.

3. Preparation: gathering of existing data and information, literature review, development of conceptual framework (Jan-Jun 2003).
Two review papers were prepared, one on international experience with Farmer Organisations (Stockbridge, Dorward, Kydd, Morrison and Poole 2003)) and the other on experience with Farmer Organisations in Malawi (Kachule and Kumwenda, 2003). Stockbridge et al developed the conceptual framework for the project, considering the different roles that FOs play, the different stakeholder interests in them (varying for example between NGOs, farmers, commercial partners, and government agencies), the management challenges that FOs face, and the policy environment needed for their success.

4. Consultation with wider set of stakeholders, detailed planning of data collection activities (June 2003).
A very successful stakeholder workshop was held in June 2003, drawing in 40 participants from a wide range of stakeholder organisations, who participated actively in group and plenary discussions. These discussions

- confirmed the importance of FOs in the development policies of the Malawi Government and of many other stakeholders
- supported and added to the main findings of the review papers
endorsed and further developed the project’s initial analysis of FO constraints and project objectives and planned activities

specifically highlighted the need for improved coordination between FOs and other stakeholder to both improve their ability to work together efficiently and to strengthen their advocacy

requested that the project support the development of a directory of FO service providers for FOs and organisations supporting them to access.

The workshop was followed by a steering committee meeting to agree on the next steps, and detailed planning and preparation for the farmer and organisational studies, to be conducted by APRU with professional support from the Imperial College team and with logistical support from the other partners. Other project activities were discussed: the preparation of a directory of FO service providers; a study of the changes in farmer organisation roles, activities and effectiveness in the smallholder tea industry; work with CISANet and others on the role of ADMARC (at the time an important political issue); a follow up study of FOs which were studied in the mid 1990s. It was agreed to pursue these by identifying other researchers who would be willing and able to take these matters forward.


The farmer survey was planned and conducted over the planned period, 431 FO members in 40 clubs were interviewed along with 200 non-members in the localities of these clubs. The clubs were associated with NASFAM (25), the Agricultural Development Divisions of the Ministry of Agriculture (6), NGOs (6, supported by World Vision, CARE and Concern Universal), and the Smallholder Coffee Trust (3) and were distributed across the three regions. Club Officials were also interviewed, to provide information for the Organisational Study. This also involved sending of a postal questionnaire to 45 organisations and in depth interviews with senior management of 12 organisations with different roles in the FO sector. This took longer to complete, due to a variety of logistical and other difficulties, and data collection continued well into 2004.

Delays were also experienced with the implementation of the different special studies, mainly due to difficulties in identifying and contracting individuals and organisations to conduct the work. The proposed ADMARC study was dropped as it was planned to conduct this in consultation with other work associated with CISANet (Civil Society Agricultural Network) did not work out, and the political debate moved on.


Delays in conduct of the different studies as outlined above led to delays in data analysis and reporting. Preliminary reports were prepared for the follow up study and directory of FO service providers by the end of the year, and for the other studies in time for the stakeholder workshop at the beginning of February 2005.

7. Feedback/ consultation with wider set of stakeholders (Feb 2005).

Due to delays reported above, this workshop was delayed until early February 2005. Another very successful workshop was held with 60 participants from 40
organisations. The research team reported back to stakeholders the main findings from the different activities (farmer survey, organisational study, directory of FO service providers; smallholder tea industry study; and the follow up study of FOs). This was followed by group and plenary discussions of the validity, relevance and implications of the findings and conclusions from the different studies for participants’ own organisations and activities and for the on-going development of the FO sector in Malawi. There was also some discussion of specific ways in which the project should hand over the directory of training resources and contribute to the longer term development of training resources and capacity in Malawi for the benefit of FOs and organisations working with them and supporting them.


Various proposals for institutional innovation emerged from the different studies undertaken by the project and from discussion of these studies at and after the stakeholder workshop. However, as will be discussed later (under Outputs in Section F) it was not possible to develop proposals for the coalition members (MRFC, NASFAM and CARE) to implement before the end of the project.


Following the stakeholder workshop the steering committee agreed a programme of preparation and dissemination of materials to feed into and contribute to ongoing policy and other processes in Malawi (for example a ‘Core Function Analysis’ being conducted by the Ministry of Agriculture) and to serve the different interests and information needs of national and international practitioners and policy makers. The different dissemination outputs (briefing paper, newsletter, participation in different meetings) recognises the need for different messages and media to serve different target groups.


Dissemination of project outputs is continuing at the end of the project, with coalition members active in Malawi and internationally in different policy and practitioner fora and processes and a number of outputs being disseminated. Preparation and submission of peer reviewed journal articles documenting the main project outputs is planned for 2005.
### Section F  Project effectiveness

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<th>Comments</th>
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<td></td>
<td>There is continuing and growing interest in ‘making markets work for the poor’ and in the role of FOs in supporting this, together with action by international and national commercial, non-governmental, civil society and government agencies. Significant achievement of project outputs and their likely impact on project purpose (see below) suggest that the project will make a worthwhile and valuable contribution to the project goal both internationally and in Malawi.</td>
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**Project Goal:**
National and international crop-post harvest innovation systems respond more effectively to the needs of the poor.

**Project Purpose:**
Improved access to markets and business services (*inter alia*) promoted in poor rural areas through increased scope, reach and effectiveness of sustainable farmer organisations

**Project Outputs:**

1. Critical elements determining success and failure of farmer organisations identified, documented and considered by stakeholders.

2. Key organisational lessons and benchmarks for the creation and sustenance of different types of farmer organisation identified, documented and considered by stakeholders.

3. Key policy lessons for the creation and sustenance of different types of farmer organisation identified, documented and considered by stakeholders.

   - Project outputs 1 to 3 were largely achieved as evidenced by the background papers (OVI 1.1), workshop and different study reports (OVI 1.2, 1.3 and 1.4), and dissemination outputs (OVI 1.5). We would not claim complete achievement as no study can realistically hope to exhaustively identify and document all critical success/failure elements and organisational and policy lessons.
4. Implementation by coalition members of critical innovations to promote best practice in FOs they are working with and in development of new FOs  

3  
The project identified a number of critical innovations for implementation by different stakeholders working with FOs in different ways and at different levels (in the establishment and management of clubs, in the operation of apex organisations, and in national policies and institutions). However the institutional processes, time scale and resources involved in different stakeholder organisations adopting and putting into practice these innovations meant that it has not been possible for these to be implemented during the life of the project.

5. Farmer organisations, NGOs, private sector and government agencies concerned with agricultural production and marketing and with rural welfare better informed about the potential, limitations, challenges, opportunities and best practice in the establishment and operation of farmer organisations and in their relationships with them.  

2  
The substantial attendance at the two stakeholder workshops and favourable feedback from these workshops (with increased organisational and individual participation in the second workshop), together with the lively and high quality participation in group and plenary discussions are evidence that output 5 has been largely achieved (OVI 1.2 and 1.4). Again we would not claim complete achievement as we achieved significant but not 100% coverage of organisations with stakeholder interests in FO development.

6. Improved networking and coordination between NGOs, private sector and government agencies concerned with farmer organisations, agricultural production and marketing, and with rural welfare  

2  
As noted above, the stakeholder workshops were attended by individuals from a wide range of different types of stakeholder organisation. Participants explicitly appreciated the opportunity for networking and experience sharing afforded by the workshops, and highlighted the need for further action to improve coordination. During the life of the project a new apex organisation was established in Malawi, the Farmers Union of Malawi, with the explicit objective of improving coordination among FOs and others in the FO sector in providing services to farmers and in advocacy. Members of the coalition are actively working with FUM, and following the second stakeholder workshop the Project is working with FUM and others to, for example, develop a system to maintain the directory of training resources and to use it to contribute to ongoing work to develop a directory of FOs and FO stakeholders in Malawi. The project has also been in discussion with a NORAD project working with Farmer Organisations in Malawi and in other countries in the region.

Ratings: 1 = completely achieved, 2 = largely achieved, 3 = partially achieved, 4 = achieved only to a very limited extent, X = too early to judge the extent of achievement.
Section G – Uptake and Impact

As noted earlier, the nature of the project and its outputs (investigating constraints, roles and institutional changes for better FO performance) meant that the outputs of the project were not expected to be taken up to any significant extent during the life of the project. Nevertheless it is possible to identify some areas where the uptake of research outputs has occurred or is likely.

Organisational Uptake (max 100 words)
Over 50 individuals from 50 organisations attended the two stakeholder workshops, and a significant number of these were involved in other project activities. It has not been possible to document specific changes made in the operations of individual organisations as a result of participation in project activities. At a wider level the project has been working with FUM and other stakeholders to develop a continuing system for developing and documenting an inventory of FOs in Malawi and of FO service providers for FO support. The findings of the Farmer Survey complemented those of a study conducted by NASFAM over the same period, providing independent support to many of the findings from the NASFAM study regarding member perceptions of the benefits of FO membership and of the principal activities of FOs.

Knowledge Impacts
As noted earlier there is widespread interest in Malawi and internationally in the role of FOs in facilitating farmers’ access to markets. Although a large body of experience and studies have documented the many failures and weaknesses of FOs, many of the current expectations of FOs are regrettably naïve and are not founded on a clear understanding of the strengths and weaknesses of FOs, of the roles that they can play in facilitating market access or of the conditions that are necessary for them to play these roles. As a result many policies and programmes relying on FOs to get markets going are unlikely to achieve their goals, either progressing much more slowly and with less impact than intended, or rapidly setting up FOs which are not able to fulfil the functions and roles (unreasonably) expected of them and which subsequently fail.
Project outputs make a valuable contribution to theoretical and practical knowledge to guide policy makers and practitioners in formulating feasible strategies, objectives, institutional arrangements and operations for FOs.

Institutional Impacts
Impacts on institutional capacity arise from stakeholder organisations’ exposure to, participation in and contribution to stakeholder workshop debates and project activities (as discussed above) and from the development of the directory of training resources developed by the project. In addition coalition members have benefited from working together and sharing insights and experience (in FO activities and in conducting research for example) and two members of the project team (Richard Kachule and Duncan Warren) attended regional and international workshops (CPHP regional workshop on Lesson learning and experience sharing in Lusaka in 2004 and CPHP international workshop on ’Beyond Agriculture: Making Markets Work for the Poor’ in London 2005). Staff at APRU (Misheck Mtaya and Richard Kachule) also gained special skills in data management and analytical techniques through interaction with experienced researchers from Imperial College Discussion at the first stakeholder workshop also contributed to debates that led up to the establishment of the FUM as a FO apex organisation in Malawi (in 2004).

Policy Impacts
As yet there are no documented instances of project outputs having any impact on policy, but project outputs are expected to contribute to ongoing debates in the Ministry of Agriculture on ‘core function analysis’ regarding the roles, responsibilities and relationships of and between local and national stakeholders in agricultural development. It is also expected that a special presentation on the project’s key findings and policy implication will be made to the Ministry of Agriculture through the Principal Secretary and the Director Agricultural Planning Services offices with the hope of advancing the project’s findings into better policy formulation by the Ministry of Agriculture.

**Poverty and Livelihoods Impacts** (max 100 words)
It is too early to assess this and no information is currently available. However it is anticipated that as various stakeholders put into practice some of the recommendations/key findings of this research, some positive livelihood impacts form improved FO performance will occur, which may be partially attributed to this project in association with other efforts and initiatives in the same area.

**Environment Impacts** (max 100 words)
The research activities themselves are likely to have had negligible direct environmental impacts. More effective FO operations and reach are likely to ease natural resource pressures due to poverty and to extend better technical information on sustainable agricultural intensification.

Signature                                           Date    24th May 2005

Core Partners All core partners have been fully consulted in the preparation of this report.

Managing Partner

A.R Dorward
Imperial College London
ANNEX I STAKEHOLDER, GENDER, LIVELIHOODS AND ENVIRONMENTAL FORM INCLUDED WITH THE CONCEPT NOTE.

LIVELIHOODS ANALYSIS

Table 1

1. Which interest group(s) is your work intended to benefit and where are they?
The key groups of poor people whose livelihoods will be affected by a successful research outcome are:
   a. better resourced smallholder farmers – those who have the land, labour and financial resources to produce surpluses for the market of cash crops and staple food crops;
   b. acutely resource-poor rural people, with smaller landholdings (or landless). They are likely to benefit from intensified production for the market by group (a) through a range of important linkages:
      - the labour market – increased opportunities for and better real wages in ganyu (daily casual labour in agricultural production, transporting and processing);
      - increased opportunities to diversify out of agricultural activities created by growing rural demand by more prosperous smallholder farmers, e.g. in construction.
   c. industrial workers who will benefit from increased processing and manufacturing
   d. poor consumers in rural and urban areas who are dependent on the market. They will benefit from more regular availability, greater choice and lower real prices, resulting from a better function marketing system.

Initial work will focus on people in the above categories in different parts of Malawi, but will have wider reference to similar categories of people in other countries in Southern Africa, and in poor rural economies elsewhere in Africa and beyond.

2. In what way can they be defined as ‘poor’? State your source(s).
Malawi is one of the poorest countries in the world. The Integrated Household Survey (IHS) conducted in 1997/98 is the most comprehensive study of poverty in Malawi. This found that 65% of the rural population live in poverty (as defined by consumption and expenditure necessary to consume per capital recommended daily calorific intake), and 91% of the poor in Malawi live in rural areas (National Economic Council (Poverty Monitoring System), 2000). Rural non-agricultural households have slightly lower (but still high) incidence of poverty as compared with rural agricultural households, and within agricultural households both poor and non-poor households are engaged in both food and cash crop production, although the poor generally have smaller marketed surpluses. These figures were obtained with rural poverty lines of MK8 to MK11 per person per day, equivalent to less than USS0.50 at the April 1998 rate of exchange. About 95% of the population lay below a poverty line set at USS1.00 per person per day. Khaila et al., 1999 in ‘Consultations with the poor’ reported that 70% to 80% of Malawians belong to lower well being classes as compared with 30 to 40% a decade ago, where ill being was defined in varying terms relating to malnutrition, vulnerability, isolation, insecurity, disease, debts, lack of assets, lack of family and social support, age, disability, and lack of income. The poor depend increasingly on casual agricultural labour, but problems with own agricultural production, and with agricultural markets, are reported as a major cause of increasing poverty. A picture emerges of very poor rural communities with very few economic players or activities generating wealth or income above minimal survival requirements. These observations are supported by other studies (for example Binauli et al., 2000) and are overtaken by the
humanitarian crisis currently facing Malawi, and particularly its rural communities who have been further impoverished by a process of decapitalisation in obtaining food prior to the 2001/2 harvest.

3. What livelihood problem or opportunity are they experiencing and how many people are affected? State your evidence.

As discussed above, low agricultural productivity is a core problem affecting Malawian rural communities, and the economy as a whole, critically undermining the viability of non-farm activities too. Access to markets is undermined by low marketed surpluses (increasing marketing and transaction costs for buyers and producers, and depressing buyer activity and investment), and this in turn depresses prices to farmers, incomes, production incentives, and the ability to invest in purchased inputs or labour, thereby further depressing production, incomes and linkages within the rural economy. These problems affect both food and cash crops. They directly affect the agricultural activities of slightly larger scale and less resource constrained farmers (many of whom will nevertheless be classed as poor in terms of per capita incomes below US$1 per day), and reduce wage employment opportunities and non-farm income generating opportunities of land scarce households. Poor market access for food crops also affects poor rural and urban consumers who are faced by wide intra and inter seasonal variation in grain prices and in many cases higher prices as a result of poor market services. These problems are widely reported and recognised in rural consultations and in policy debate (for example Khaila et al., 1999, Devereux, 2002).

According to the figures cited above, some 9 rural million people in Malawi would be classed as poor using the US$1 per day criterion and the 1997/98 IHS figures. The vast majority of these are affected directly or indirectly by problems (or opportunities) of access to agricultural markets. These problems are widely documented not only in Malawi, but in poor rural areas in Africa and South Asia where very large numbers of the world’s poor live (e.g. Dorward et al., 2002).

4. What contribution will your work make to this, over the timeframe of the project?

The research will seek to achieve a positive impact on the livelihoods of the above categories of poor people via a coalition approach to discovering, debating, distilling, disseminating and advocating information which will lead to a better understanding of the factors making for success and failure in farmer organisations in Malawi and the wider Region. The research will seek to elucidate guiding principles and their application to a variety of situations. There will be a particular focus on issues of contractual arrangements, business models, governance, structure (multi-function & multi-product), capacity building, approaches for external support; and engagement by farmer organisations with wider markets.

Impact over the life of the project will be achieved in two ways. First NASFAM, CARE and MRFC will be able to apply insights gained from the research to their general practice, with immediate benefits for the farmer organisations and farmers they are currently serving, and with wider benefits in the communities in which these farmers live and work. Appropriate ‘lessons’ will also be taken up by other agencies supporting FOs but outside the coalition (see the stakeholder analysis) and these will lead to rapid benefits for farmers. Second, we expect other benefits (for example expanding membership and activities of existing farmer organisations, or the establishment of FOs) to result from pilot activities by coalition partners working together to develop improved contracting arrangements and market access in specific areas within Malawi. Three of the coalition partners will be in a position to develop further, implement and scale up these activities on a large scale in Malawi after the project has ended. As noted earlier, NASFAM and MRFC work on a national scale, with capacity to reach very large numbers of farmers. The project’s and coalition members’ close links with other stakeholders will provide further opportunity for such scaling up, both within Malawi and elsewhere. Emphasis throughout the
5. What external factors need to be in place for impacts to be sustained and extended after the project has ended?
Moderate macro-economic and political stability will be needed for farmers, traders, financiers and change agents to work together and invest in systems and materials necessary to develop market channels and access. National and international input and produce markets with reasonable physical infrastructure are needed to support the development of improved rural market access. Produce and input (including credit) price structures, whether affected by international markets, by national markets, or by government interventions, need to be reasonably stable and to provide sufficient incentives and returns for farmers and traders.
Many of these wider policy issues are being addressed in a project that APRU and Imperial College are currently conducting, ‘Institutions and Economic Policies for Pro-Poor Agricultural Growth’ (due for completion end 2002). This work emphasises the need for market coordination and examines (a) the conditions required for effective market coordination to support pro-poor agricultural growth, and (b) the institutional and economic policies necessary to promote those conditions. The two projects have a very different focus, but there are strong complementarities between them.

6. What other initiatives (research or development) would your project complement/add value to?
Decentralisation is an ongoing process in Malawi, and this project will be working with decentralised farmer organisations. While the two processes are not directly linked, there will be synergies between them. There may also be synergies with initiatives to develop welfare/safety net programmes providing ‘crop inputs for work’ and with ongoing research on the development of organic soil fertility enhancing technologies. There will also be complementarities with other agricultural research and extension activities, with environmental development and protection, with enterprise development, with infrastructural and communications investment and service development (for example roads, transport and mobile phones).

7. On what basis was the work that you propose identified?
Within Malawi components of this work were identified from on-going Ministry of Agriculture policy concerns about problems of market access, from NASFAM and donor interest in further studies of NASFAM’s achievements and of critical elements in its success, from difficulties faced in NGO work with farmer organisations, and from research on problems constraining pro-poor agricultural growth (APRU, Imperial College, and discussions with private sector, government and donor consultations in the course of that research). This built on earlier work under CPHP within Malawi (in which APRU was a partner) and elsewhere in Africa (R7147, R7148, R7151).

8. Who stands to lose from your work, if it is adopted/implemented on a large scale?
Potential losers include: (i) big traders (who currently have powerful monopoly positions; (ii) intermediate buyers; (iii) those who gain from systematically abusing donor/NGO supported farmer organisations, i.e. “Those organisations created just to get credit”. Although middlemen may stand to lose income in the short run either by being cut out of marketing chains or by having their margins squeezed, the greater volumes of marketed surplus and the increased opportunities in a more vibrant economy should provide greater opportunities to entrepreneurs in the medium and longer term. Threats to livelihoods of women are discussed separately in Annex 2 and will be specifically addressed in research design and implementation.
### GENDER ANALYSIS

#### Table 1

1. **How does the research problem/opportunity that you have identified affect men and women differently?**
   
   Agricultural development and marketing in Malawi affected men and women differently. Presently, “the more organised marketing is, the more it excludes women”.
   
   Generally, although women provide the majority of agriculture labour, men’s control of production and marketing increases with the value of the crop. Presently men dominate the cash crops of tobacco, cotton, coffee and (increasingly) cassava. Women dominate in grain legumes and tomatoes, and market, perhaps, about 50% of the marketed surplus for maize.
   
   Women’s domestic responsibilities make it more difficult for them to engage in anything other than local marketing. Given that markets are “thinnest” at local level, the relatively lower mobility of women leave them at a particular disadvantage. For this reason, women potentially stand to benefit especially from strong farmer organisations that provide local collection and payment, and “reasonable” prices (at least in comparison with what may be offered by private traders in thin markets).

2. **How will your expected results impact differently on women and men?**
   
   As noted above, men may benefit disproportionately from market development at the expense of women unless particular steps are taken to ensure that women also benefit. Women are likely to benefit strongly from measures such as:
   
   - a strong welcome into farmer organisations;
   - arrangements for participation in decision making and leadership that fit women’s (compared to men’s) much more limited time available for activities out of the home;
   - improved physical security in marketing (women may be more likely to be robbed of products or cash);
   - improved local marketing opportunities for staple food crops and the specialist cash crops which women can produce.

   Attention to these issues should ensure that both men and women benefit directly from project activities.

3. **What barriers exist to men’s and women’s involvement in project design, implementation and management decisions?**
   
   As noted above, there are important practical and cultural issues involved in ensuring that both women and men, and particularly poorer women and men, are not excluded from project activities and from indirect benefits. NASFAM currently takes gender issues very seriously. There is, for example, a minimum quota of 30% for women in all leadership structures, and 34% of members are women. NASFAM also places a high priority on supporting the development of functional literacy among its members, and on supporting members in combating HIV/AIDS, where burdens are often borne disproportionately by women. Both of these issues are the subject of a recently initiated and separate research initiative.

   The research will examine the roles of farmer organisations in meeting (or failing to
women’s needs. This requires a focus on the needs of women, and some research (participatory surveys, focus groups, individual interviews) that works with men and women separately.

ENVIRONMENTAL SCREENING SUMMARY NOTE (ESSN)

| 1. Project Title: **FARMER ORGANISATIONS FOR MARKET ACCESS: LEARNING FROM SUCCESS** |
| 2. Project Cost: *Leave blank at CN stage.* |
| 3. Duration: 2 years |
| 4. Country: Malawi |

5. What are the potential significant environmental impacts (both positive and negative) of the proposed research activities?

The research activities themselves are likely to have negligible direct environmental impacts.

6. What are the potentially significant environmental impacts (both positive and negative) of widespread dissemination and application of research findings?

Current agricultural practices of very intensive land use and ‘soil mining’ are leading to declining soil fertility, declining soil organic matter content and structure, and hence increasing susceptibility to erosion. This is accompanied by extension of cultivation into marginal and previously forested lands. Changes in livelihood opportunities that increase access to inorganic fertilisers, increase agricultural and non-agricultural incomes, and reduce pressure on the land should all have beneficial impacts on the environment. There are potential economic and environmental benefits of complementary use of organic and inorganic fertilisers.

There are however serious environmental issues around the intensification of cash and food crop production, which include:

- Increased use of agro-chemicals, with possible effects on soil quality, pollution of water, direct poisoning of farmers and health of consumers.
- Burley tobacco is associated with extraction of poles annually to construct curing barns. In some areas this is contributing to deforestation – although old barn poles are used for firewood.

7. What follow-up action is required to minimise potentially significant negative impacts?

Farmer organisations are potentially a very powerful tool for disseminating information on environmental damage and environmentally beneficial measures that farmers should consider taking, either individually or collectively. Research will give attention to environmental
aspects of the work of the farmer organisations studied, and possible ways in which this might be improved.

| 8. How can positive impacts be enhanced/extended cost-effectively? |
| In so far as poverty reduction reduces pressure on natural resources, this will be an intrinsic element of project outputs. As noted above, farmer organisations are potentially powerful agencies for promoting environmental protection. Environmental issues related to different technologies will be considered during the course of the research, although this will not be a primary focus of the project. |
## ANNEX II  PROJECT LOGICAL FRAMEWORK FROM INCEPTION REPORT

<table>
<thead>
<tr>
<th>Narrative Summary</th>
<th>Objectively Verifiable Indicators</th>
<th>Means of Verification</th>
<th>Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National and international crop-post harvest innovation systems respond more effectively to the needs of the poor.</td>
<td>By 2005, a replicable range of different institutional arrangements which effectively and sustainably improve access to post-harvest knowledge and/or stimulate post-harvest innovation to benefit the poor have been validated in four regions.</td>
<td>Project evaluation reports. Partners’ reports. Regional Coordinators’ Annual Reports. CPHP Annual Reports. CPHP Review 2005.</td>
<td>National and international crop-post harvest systems have the capacity to respond to and integrate an increased range of research outputs during and after programme completion. National and international delivery systems deliver a range of services relevant to poor people in both focus and non-focus countries. Livelihood analysis provides accurate identification of researchable constraints or opportunities that lead to poverty reduction.</td>
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</table>

### Purpose

**Improved access to markets and business services (inter alia) promoted in poor rural areas through increased scope, reach and effectiveness of sustainable farmer organisations**

1.1 Increased interest and activity among external stakeholders in support to farmer organisations providing improved market access to members (no of stakeholders reporting interest in FOs, no of FOs with links to supporting organisations).

1.2 Increased rates of success in establishment, longevity and performance of farmer organisations (stakeholder reports of success/ failure in work with FOs as regards no of FOs failing; no of FOs continuing with specific activities; measures of financial performance and turnover). 

1.3 Increased scope of activities and reach of farmer organisations, with extension of new organisations and membership to include previously under represented or excluded activities (i.e. food crops), remote areas, and poor households (stakeholder

Informal and formal surveys investigating external organisations supporting farmer organisations; workshop consultations. Organisational records of selected organisations. Formal surveys of farmer organisations and farmers.

Benefits of improved markets not captured by elites but also accrue to poorer farmers, women, those resident in remoter areas, and other disadvantage groups. Growth in final demand for agricultural products (locally, nationally and internationally)
### Outputs

<table>
<thead>
<tr>
<th>Outputs</th>
<th>1.1 Background papers reviewing lessons from theoretical and international review of farmer organisations (May 2003)</th>
<th>For all OVI, project quarterly reports, final technical report, and delivery of specific papers and reports.</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Critical elements determining success and failure of farmer organisations identified, documented and considered by stakeholders.</td>
<td>1.2 Workshop / consultation and report on stakeholder perceptions of critical elements determining success and failure of farmer organisations (June 2003)</td>
<td>External stakeholders (government agencies, NGOs, private sector) able and willing to implement recommendations, not affected by resource constraints; shifts in policies and priorities away from support to farmer organisations; continued disincentives from unhelpful state interference in marketing; perceived conflicts between stakeholder interests; political or government restrictions on activities in rural areas; reduced physical access to rural areas due to fuel shortages or damage to physical infrastructure.</td>
</tr>
<tr>
<td>8. Key organisational lessons and benchmarks for the creation and sustenance of different types of farmer organisation identified, documented and considered by stakeholders.</td>
<td>1.3 Reports of empirical work on NASFAM and other farmer organisations (March 2004)</td>
<td>Farmers able and willing to engage with farmer organisations, not precluded by food crises; access to alternative and more remunerative income sources; political or social restrictions; previous difficulties with and scepticism about farmer organisations; declining agricultural opportunities and returns in agriculture (due to climatic or price shocks, increasingly severe resource constraints, or lack of wider markets and demand).</td>
</tr>
<tr>
<td>9. Key policy lessons for the creation and sustenance of different types of farmer organisation identified, documented and considered by stakeholders.</td>
<td>1.4 Workshop / consultation and report on stakeholder consultation and feedback on empirical results (May 2004)</td>
<td>Moderate macro-economic and political stability for farmers, traders, financiers and change agents to work together and invest in systems and materials necessary to develop market channels and access.</td>
</tr>
<tr>
<td>10. Implementation by coalition members of critical innovations to promote best practice in FOs they are working with and in development of new FOs.</td>
<td>1.5 Various dissemination outputs, to be determined in consultation with stakeholders (December 2004)</td>
<td>National and international input and produce markets with reasonable physical infrastructure to support development of improved rural market access.</td>
</tr>
<tr>
<td>11. Farmer organisations, NGOs, private sector and government agencies concerned with agricultural production and marketing and with rural welfare better informed about the potential, limitations, challenges, opportunities and best practice in the establishment and operation of farmer organisations and in their relationships with them.</td>
<td>2 See 1.1 to 1.5 above. In addition, specific proposals on institutional innovations to be developed by June 2004</td>
<td>Reasonably stable produce and input (including credit).</td>
</tr>
<tr>
<td>12. Improved networking and coordination between NGOs, private sector and government</td>
<td>3 See 2 above.</td>
<td></td>
</tr>
</tbody>
</table>
agencies concerned with farmer organisations, agricultural production and marketing, and with rural welfare  | price structures (whether affected by international or national markets, or by government interventions), providing sufficient incentives and returns for farmers and traders.

| Activities | See milestones & budget | For all activities: project quarterly reports, financial reports; final technical report, and delivery of specific papers and reports. | Implementation not adversely affected by policy or political change among ‘external stakeholders’ away from promotion of rural livelihoods and farmer groups; by political and social instability or insecurity preventing field work for data collection, etc.; or by natural, economic or political/social disasters

Clear empirical relationships emerge between FO activities, structures, policies etc and FO performance, with opportunities for institutional innovations to extend scope, reach and effectiveness of FOs.


12. Establishment of relations with farmer organisations, NGOs, private sector and government agencies concerned with agricultural production and marketing and with rural welfare, publication of newsletter (Jan-Jun 2003, bi-annual newsletter).

13. Preparation: gathering of existing data and information, literature review, development of conceptual framework (Jan-Jun 2003).

14. Consultation with wider set of stakeholders, detailed planning of data collection activities (Junel 2003).

15. Data Collection: farmer surveys, organisational surveys, participant observation (July-Nov 2003).


All activities contribute to each output.
ANNEX III  COPIES OF DIARIES, COALITION MEETING REPORTS ETC

FARMER ORGANISATIONS FOR MARKET ACCESS:
LEARNING FROM SUCCESS

Notes on a meeting held at APRU, Area 15 Block 21
20th January 2003

Present:
Sophie Chitedze   (CARE)
Falyson Kaimila   (MRFC)
Gloria Kamalizeni (NASFAM)
Richard Kachule   (APRU)
Glyvyns Chinkuntha (Freedom Farms)
Ian Kumwenda  (MASIP)
Andrew Dorward  (Imperial College)

Introduction
This meeting is the first meeting of the Management Committee for the project, following approval of the project memorandum by the Crop Post Harvest Programme (CPHP). It was noted that Farmer Organisations featured strongly in Malawi’s Poverty Reduction Strategy Paper (PRSP) and NASFAM had been specifically mentioned in a question posed by a British MP in an evidence session of the UK House of Commons International Development Committee in their enquiry into the humanitarian crisis in Southern Africa. In conjunction with the strong interest shown in the project by a range of stakeholder consulted during project preparation, this demonstrated the relevance of the project to current policy debates. The purpose of this meeting was to set up the initial implementation of the project. As outlined in the Project Memorandum (PMF), the Management Committee will maintain regular contact through email and a formal progress monitoring and reporting system, and will meet at critical intervals within the period of project implementation. It was agreed that the organisations represented would send alternate representatives to meetings where necessary, and these would be added to the email distribution lists for the project to ensure their wider participation in and familiarity with the project.

Action: Sophie Chitedze & Falyson Kaimila to provide Andrew Dorward with contact details of alternate representatives from CARE & MRFC respectively.

Project approval processes
The meeting reviewed the letter from CPHP Southern Africa Regional Coordinator, and the technical and financial comments regarding the proposal. It was agreed that:

- identification of opinion leaders would be an ongoing task within the broader process of engagement with stakeholders;
- an important part of the project is to provide an independent evaluation of NASFAM (by APRU and Imperial College researchers);
- farmers’ evaluation of NASFAM would be sought in the data collection phase of the project, and accountability of NASFAM to its farmer members is a central principle of NASFAM’s operations and would be the subject of research;
• it is still too early to specify sample design: this should be determined when more information is available regarding data collection requirements and methods;
• the structure-conduct-performance approach would be used for examination of input and output markets as they relate to FOs;
• quantification of logical framework indicators would be attempted once the project was under way, with more information about current FOs in Malawi.
• APRU and IC will together take forward the issue of laptop purchase
• The financial breakdown requested had been supplied
• It would be very difficult to deliver the suggested budget cuts. APRU and IC will together examine ways of achieving budget reductions.

**Action:** Richard Kachule and Andrew Dorward to discuss and agree budget modifications; Andrew Dorward to amend the PMF as necessary in the light of discussions reported above.

### Preliminary planning of first workshop

The purpose of the workshop is engage with stakeholders concerned about or working with FOs in Malawi in order to

- Determine stakeholder perceptions of critical issues, opportunities and problems in FO development and operation,
- Consider possible solutions to problems,
- Identify potential project actions to address these problems
- Align project activities with stakeholder interests
- Identify opportunities for project / stakeholders partnerships with stakeholder involvement as both suppliers and consumers (demanders) of relevant information

To achieve these objectives the following provisional workshop structure was agreed:

**Day 1**

- 8.30 –9.00 am  Registration, Opening (PS Agriculture to be invited)
- 9.00 –9.45  International review, conceptual framework
- 9.45 –10.30  Malawi experience with FOs
- 10.30-11.00 Coffee break
- 11.00-12.30 ‘Viewpoint’ papers: 5-10 minutes each, Government, NGO, Private sector, Donor and Farmer perspectives on the critical issues in FOs (reasons for interest, successes/ problems, the way ahead).
- 12.30-12.45 Briefing on break-out groups (after lunch)
- 12.45-13.45 Lunch
- 13.45-14.30 Break-out groups (1), groups organised by type of organisation: Why is each type of organisation interested in FOs?
- 14.30-15.30 Plenary report back and discussion
- 15.30-16.00 Tea
- 16.00-16.45 Break-out groups (2), mixed groups: What are the critical problems facing FOs?
- 16.45 Close day 1

**Day 2**

- 8.30 –9.30  Plenary report back and discussion on break-out groups (2)
- 9.30 –10.15 Break-out groups (3), mixed groups: What actions should be taken by who to address problems identified earlier?
- 10.15-10.45 Coffee break
10.45-11.45 Plenary report back and discussion on break-out groups (3)
11.45-12.45 Conclusions, action points, workshop close.
12.45 Lunch, departure

It was agreed that Wednesday 7th and Thursday May 8th were the preferred dates for
the workshop, but that Tuesday 29th April and Wednesday 30th April were also
possible (Thursday 1st May is a public holiday). Further discussion is needed to identify appropriate speakers to give the ‘Viewpoint’
papers.
Action: Andrew Dorward to consult Jonathan Kydd regarding dates; All parties to
consider possible candidates to present ‘viewpoint’ papers; Richard Kachule/ Andrew
Dorward to initiate circulation of possible invitee list.

Review of historical and current Malawian experience
with FOs
This work will be conducted by APRU who will require assistance from the team as a
whole in collating information (for example on the SACA experience, from MRFC).
There was some discussion of the need to consult more widely outside the project
team, to ensure that a comprehensive picture is obtained. It was noted that at this stage
only a ‘scoping’ study was intended, and the data collection stage of the project (from
May onwards) has provision for a study with more breadth and depth. This will allow
more time to design such a study, and the benefit of designing it in the light of
workshop outputs. However if this review is to have any value then it must cast its net
wide enough to capture the broad scope of activities in Malawi. One possibility is to
conduct a short and simple postal questionnaire survey of FOs and organisations
supporting FOs.
Action: Richard Kachule to follow up

Collation of information on/from NASFAM
NASFAM has an extensive data bank on its own (current and historical) activities, on
its member associations and clubs and their activities, on markets, and on farmer
surveys. The research team needs to identify what information is available and begin
to access relevant information in order to plan the data collection activities planned
from May onwards.
Action: Gloria Kamalizeni/ Richard Kachule / Andrew Dorward to follow up this
week.

International literature review and development of
conceptual framework
This work will be conducted by the Imperial College team, with the help of a
researcher who has already been identified and who should be starting work this
week. It will very much build on the literature review and framework developed for
the PMF.
Action: Andrew Dorward to follow up
**Newsletter**

It is planned to produce bi-annual newsletter. It was agreed that the newsletter should in general contain emerging lessons from the project, announcements about events, contributions from stakeholders. The first issue should introduce the project (its objectives, planned activities, schedule, etc). It will be edited by Richard Kachule, Ian Kumwenda and Andrew Dorward. A circulation list will be developed. Layout will vary with content. 

*Action: Richard Kachule / Ian Kumwenda/ Andrew Dorward to develop the first issue and a circulation list.*

**Advisory group**

It was decided at the planning workshop that provision should be made for the project to draw on a wider set of ‘advisors’ to review workplans and outputs. It was agreed that the most effective way to use such ‘advisors’ will be to invite them to comment on draft workplans and reports, with the payment of an honorarium. It was agreed that although there could be benefits from trying to draw them together in a meeting, this would not be practical, and comments could be shared within the Project management team, and responded to, using email. Project advisors should be drawn from the main stakeholder groups, including researchers/ policy analysts. The following were proposed: Dr Kwima Ntara (Chancellor College), Dr Wycliffe Chilowa (CSR), Dr Naomi Ngwira (Institute for Policy Research and Analysis for Dialogue, IPRAD), Mr Jason Agar (Kadale Consultants), Mr Stanley Hewa / Mr Francis Mbuka (World Bank), Mr Stephen Carr, Mr Vick Mhone (CISANET), Dr Malindi (PS, MAI), Mr Silangwe (CropServe). The possibility of including others was also discussed (for example Smallholder Tea Company, Smallholder Coffee Trust, other NGOs ).

*Action: Andrew Dorward to contact individuals as appropriate.*

Andrew Dorward  
20th January 2003
FARMER ORGANISATIONS FOR MARKET ACCESS:
LEARNING FROM SUCCESS

Notes on a meeting held at NASFAM offices, Lilongwe, 2.00pm Friday 28th May 2004

Present:
Francis M’maka  (CARE)
Warren Duncan  (NASFAM)
Richard Kachule   (APRU)
Glyvyns Chinkuntha   (Freedom Farms)
Andrew Dorward  (Imperial College)
Jonathan Kydd  (Imperial College)
Nigel Poole   (Imperial College)

Apologies:
Falyson Kaimila   (MRFC)
Ian Kumwenda  (MASIP)

Progress on current activities
Progress on the farmer survey, postal questionnaire, organisational study and special
studies (FO resources database and Tea), and the Newsletter were reported and
discussed (see attached notes for the IC team visit). Activities are running behind
schedule for a variety of reasons, and it is important that the remaining activities for
the different project studies are completed promptly.
Concern was expressed regarding some communication failures and lack of regular
information regarding project activities. Subsequent discussion clarified (a) that there
had been a failure as regards email addresses, and (b) there had been some
misunderstanding as regards roles of some team members. More regular team
meetings will be held in Lilongwe, with the next meeting to be held by end August /
early September, followed by a meeting at the end of September to discuss draft
reports on the different studies in the project. Action: RK to call meetings.

Update on relevant issues
Project funding: AD reported on recent developments as regards DFID funding of
the RNRRS and subsequent discussions with CPHP management. At present the
position is not clear, but it is likely that further funds would be available in 2005 for
new follow up activities. The team should consider innovative ideas emerging from
this project to put to the CPHP. There is a possibility that it may be possible to extend
project completion beyond 31st December 2004, but this is subject to further
discussion with CPHP management, who are not currently in a position to approve
this. The team should therefore plan on the basis of project completion by 31st
December, while continuing to request an extension beyond that date to allow more
time for stakeholder consultation and involvement in taking forward project findings.
National farmer organisation: AD reported receipt of an email from Crispin
Mkandawire regarding the formation of Farmers Union of Malawi. In discussion it
appeared that the status of this organisation was not at all clear. Various members of
the team are already following up this issue.

Further activities and work schedule
Action needed on different activities was discussed, and it was agreed that all of
these should work to a schedule of delivery of draft reports by mid September, to
allow review by the project team and others to allow revisions and assimilation for
delivery of final reports by mid November, in time for the second project workshop to held at the end of November. Those responsible for each activity would determine specific actions and deadlines necessary to meet these deadlines.

**Farmer survey analysis and write up:** Opportunities for comparison with NASFAM 2003 Impact Survey were considered. *Action:* Draft report (APRU & IC). Consultation regarding access to NASFAM 2003 Impact Survey data and report (APRU, NASFAM).

**Organisational interviews:** *Action:* completion of organisational interviews and interview reports (APRU). Continued ‘chasing’ for completed postal questionnaires from respondents. (APRU). Draft report by mid September (APRU, IC)

**Integrated organisational studies:** Organisational interviews need to be conducted at different ‘levels’ with MRFC, CARE, Coffee Trust, World Vision and Concern Universal. Detailed information needed from NASFAM was discussed. *Action:* Collation of base information from NASFAM by mid June (APRU, NASFAM). Similar arrangements to be worked on with other organisations (APRU). Completion of organisational interviews and interview reports (APRU, by end August). Subsequent liaison on analysis and report writing (APRU, IC). Draft report by mid September. (APRU, IC)

**Special studies:** (Draft ToR to be circulated when available)

- **FO resource data base study:** 28th May deadline for bids will be followed up by RK and AD.
- **Tea study:** *Action* JK to liaise with Dr Chirwa and Mateco.
- **Organisational follow up study:** It was agreed that there could be considerable benefit from a study that attempted to follow up the fates of different FOs that were studied in a survey conducted in 1996. This should address the various political, policy and other factors affecting FO success or failure. reasons that written in o commission a study that will follow up a study of 34 FOs conducted in 1996, by I Kumwenda. *Action* RK to follow up with I Kumwenda
- **ADMARC study:** It was agreed that the status and activities of ADMARC have a profound impact on FOs in Malawi, and that the project should conduct a review to consider the implications for FOs of likely outcomes of current government deliberations regarding the future of ADMARC. Meetings were held with Oxfam, ADMARC and CISANet regarding (a) current processes of change and (b) possible collaboration on a study of ADMARC (see attached note). *Action* JK to take discussions further and draw up written proposals for consideration.
- **Other possible studies:** it was noted that there were a number of other organisations with interesting activities relevant to FOs, for example ICRISAT, AISAM. These should be followed up as part of the organisational study sample (action RK).

**Newsletter:** *Action* RK to encourage submissions for the next issue.

**Workshop:** It was agreed that for most parties the best date before the end of the year would be the end of November (if the project end date is extended then late January or early February would be possibilities , but we should plan for the last week in November). *Action* APRU/IC to set arrangements under way. *Note:* Subsequent discussion (RK and AD) suggests the need for a three day workshop (to allow time for presentation and discussion of the different research studies), and this would entail the dates of 23rd to 25th November.

**Dissemination & uptake materials and initial implementation of critical innovations:** All team members should be aware of the need for the project to prepare dissemination & uptake materials, and to begin to implement critical
innovations. The team should continue to give this some thought in the lead up to the workshop.

**CPHP regional workshop on lesson learning and experience sharing**

There was some discussion regarding an invitation for the project to send two representatives from the region to a regional workshop on lesson learning and experience sharing to be held in Lusaka in October. The objectives of this will be to consider a summary set of lessons on institutional knowledge and partnership practices. Activities will include presentations and discussion from individual projects and a synthesis across the regional programme. CPHP will support for 2 people from each project, but if the project wished to send more than two then the project should be able to find funds for this. AD to distribute information and request further information from CPHP.

The meeting was reminded of the CPHP regional programme manager’s intention to visit Malawi. AD to request further information

**AOB**

NASFAM are holding a conference on August 17th to 19th on the future of agriculture in Malawi

A Danish team are working with APRU and NASFAM within a regional research programme on farmer organisations, and they had approached the IC team regarding possible collaboration. The IC team had indicated a general willingness to collaborate, in order to avoid duplication and use resources most efficiently, but had indicated that any collaboration on research specifically related to NASFAM had to be subject to agreement by NASFAM. RK to follow up with NASFAM.

Note: RK and AD subsequently met with the Danish team leader and Dr Khaila at APRU on 29th May. Fuller discussion of the research activities of the two projects suggested that significant benefits could be achieved from collaboration on general research planning and dissemination, and there might be potential for sharing plans and research results (to gain synergies and avoid duplication of effort), for joint dissemination activities under currently planned activities (for example newsletter contributions and workshop participation) and for planning joint future activities (eg for submission for funding to the CPHP and NORAD). RK to play a key role in this through involvement in both projects, and AD also to follow up through sharing of project reports etc. Specific collaboration on work with NASFAM will be subject to discussion with NASFAM.
Post workshop meeting
8th February 2005, Kalikuti Hotel, Lilongwe

Attendance:
Richard Kachule (APPRU)
Prince Thewa (NASFAM)
Frances. Mbuka (CARE)
Ephraim Chirwa (Chancellor College)
Ian Kumwenda (MASIP)
Jonathan Kydd (ICL)
Nigel Poole (ICL)
Andrew Dorward (ICL)

1 Workshop follow up:
Action (see timetable under (2) below)
- Write-ups of presentations (study authors)
- Workshop report (RK & AD to liaise)
- Dos & Don'ts (RK & AD to liaise)
- International resource websites (AD)
- RK to convene meeting regarding institutional arrangements for updating FO training resource directory
- RK and AD to discuss a small study of Concern Universal and FINCA performance with APIP

2. Deliverables & Dissemination.
Deliverables are basically
(a) report or reports of policy and best practice recommendations
(b) manual of best practice
(c) critical innovations adopted by stakeholder partners (ie NASFAM & CARE)
The last needs a process of dialogue and this requires a ‘critical path’ of workshop follow-up and report preparation and impose time constraints as indicated below, so that by 2nd half of February some ideas for critical innovations can be developed and discussed.

Action and timetable to ensure deliverables are obtained by end March
(a) general lessons from each paper by 11th Feb
(b) Papers 1st draft, end February
(c) workshop report 11th February
(d) Do's & don't's 11 February.
(e) Initial synthesis 18th February & innovation ideas
(f) General report mid March
(g) Manual end of March

Dissemination strategy must consider the messages, the targets, the media, responsibilities and constraints.

Messages: these concern issues and recommendations wrt policy and practice
Targets: international and national policy makers and practitioners (concerned with agricultural and rural development policy, FO policy, FO support and management, partner organizations management); DFID UK and Malawi; also IPRAD FUM, KONGOMA

Media: See overleaf

Note:
MoA. Is conducting a ‘core function analysis’ involving a rapid process of district and national stakeholder panels (in April) to determine roles, responsibilities and relationships. Briefing paper needed by end March

3. Project follow up

Possible research topics
- commercial sector roles & relationships (AD check with Tim Donaldson or Tafadzwa on possibility of quick project)
- fill the gaps left by ADMARC
- Auditing and regulation systems
- Reasons for death of FOs

4. London workshop
IC/APRU to draft poster paper and circulate for comment
NASFAM to provide digital pictures.
ANNEX IV FEEDBACK ON THE PROCESS FROM PARTNERS

THE RESEARCH PROCESS: APRU’s EXPERIENCE AND PERCEPTION

From the Agricultural Policy Research Unit’s (APRU’s) point of view, this research project on “Farmer Organisations for Market Access” adopted a participatory and consultative approach right from the beginning. The principal brains behind this research project were researchers from Imperial College who collaborated and shared experience on issues pertaining to farmer organizations with researchers from APRU. Through consultations of the researchers from the two institutions, the project was conceptualized based on problems of market access faced by farmers in Malawi and the potential role that FOs could play in alleviating problems of access despite the mixed record that FOs have had in Malawi.

The project was then designed to incorporate some of the key NGOs with keen interest in FOs and other stakeholders from government and the private sector. Consortium of three principal institutions namely the National Association of Smallholder farmers in Malawi (NASFAM), CARE Malawi, and the Malawi Rural Finance Company (MRFC). These were the contracted institutions in the project with APRU institution contracted at the local (Malawi) level. Two other partners, the Malawi Agricultural Sector Improvement Programme (MASIP) and an individual smallholder farmer in the name of Dr. Glyvns Chinkhuntha were non contracted partners in the project representing the Ministry of Agriculture and the farming community, respectively.

This consortium played the leading role in designing and implementation of the research project which had several sub-components namely, literature review, the smallholder farmers member and non-member survey, the Organisational survey and some special studies focusing on the tea industry, development of database on FO support institutions and a follow up study on FOs that were identified in a study conducted around 1995.

The experience in the project life was that various players (members of the consortium, other stakeholders from the public and private sector, the farmers themselves) showed keen interest in the project and this was evident from their willingness to provide information when requested and participation in meetings (for the consortium members) in the two workshops that were held at the project inception and towards the end (for the rest of the stakeholders).

In terms of actual implementation, there were no major problems with regard to flow of resources especially funds from Imperial college. Any delays that might have been experienced were either due to delays by APRU in invoicing Imperial college or sometimes minor bureaucratic accounting procedures from Imperial college’s side, otherwise funding did not derail the research process.

No major hassles were also experienced in terms of field work and the is largely attributed to committed team of enumerators that were employed, willingness to participate of the farmers and others that were consulted for various pieces of information and also the assistance rendered by the consortium members especially NASFAM and CARE with respect to organizing various groups in the field. This
made the data collection process go on smoothly and almost on time. The MRFC\textsuperscript{4} played along with NASFAM also played a key role in providing various information through reports and verbal communication on issues pertaining to dynamics of FOs. One of the most notable problem in the research process was minimal communication amongst the consortium members which was partly attributed to poor e-mail system and sometimes busy schedules for members to meet. However, this is an area that could have been improved and not desired to have a similar experience in future joint research projects.

There was an element of capacity building through imparting expertise in issues like research design and implementation. The flow of expertise was largely from the seasoned Imperial researchers while the Malawi team provided the local experience. The international workshops that two of the participants in the project (Duncan Warren and Richard Kachule) participated in Lusaka and London also provided a wider exposure and experience on issues pertaining to FOs and market access from a wider geographic perspective. However, one of the areas that should have been intensified somehow, was the analytical skills on the part of the Imperial/APRU consultations.

All in all the research process has been fairly good and a success. The only major issue that remains to add extra scores is how good the project is going to disseminate the finding of these finds and ensure that the project contributes to efficient FO operation and policy as well as decision making.

Richard Kachule
APRU

\textsuperscript{4} This was despite the fact that MRFC felt it was not actively involved to the extent that they refrained from drawing the funds that were budget for them in their sub-contract. The role that their representative (Mr. Kaimila played) should not go without mention.
ANNEX V DISSEMINATED OUTPUTS

Publications:
No formal publications to date

Internal Reports:

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<td>DORWARD, A., KACHULE, R., KYDD J. and POOLE, N.</td>
<td>Farmer Organisations for market access. [Final technical report]</td>
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6. Other Dissemination of Results:

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<td>CHIRWA E. and KYDD J.</td>
<td>Study on farmer organisations in smallholder tea in Malawi Presented at Stakeholders’ Meeting on Farmer Organisations in Malawi. Kalikuti Hotel, Lilongwe, Malawi, 7-8 February 2005</td>
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# 7. Listing and reference to key data sets generated:

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