

Purchase for Progress - P4P Malawi



QUICK FACTS

Project start date:
2009

Number of farmers' organisations (FOs): 59

Number of members:
61,000 (49% women)

Sales to WFP through P4P modalities:
73,000 mt (2009-2015)

Sales to WFP directly from smallholders and small traders:
11,500 mt (2009-2015)

Main commodities:
Maize, cowpeas and pigeon peas

Main P4P activities

- Improving credit and market access
- Group marketing and improved harvesting skills
- Capacity building
- Pro-smallholders procurement practices

Funding

P4P Malawi is financially supported by the Bill and Melinda Gates Foundation, the Government of Flanders, BMZ/ German Government and Purchase from Africans for Africa (PAA). All food purchases are financed by donor contributions to WFP's regular operations.

P4P in Malawi

Purchase for Progress (P4P) is an initiative that leverages WFP's purchasing power and expertise in food quality and logistics to link smallholder farmers to agricultural markets. WFP Malawi uses a two-track approach with P4P: one, bottom-up, by working directly with smallholder farmers' organisations (FOs) and the other, top-down, by working through the Agricultural Commodity Exchange for Africa (ACE) to use the online, public commodity exchange as a marketing platform and by engaging various stakeholders to build smallholder-friendly agricultural markets that the country relies on for sustained economic development.

Through these two approaches, WFP and local partners work with FOs to help smallholder farmers develop business and harvesting skills to meet WFP's high quality standards. By acquiring these skills, smallholder farmers are able to sell their crop production to WFP and other buyers, and, most importantly, become competitive players in the formal markets to improve their lives.

Background

Smallholder farmers in Malawi produce about 80 percent of the nation's food, particularly the main staple commodity maize. Although agriculture represents roughly 40 percent of the Malawian GDP and about 80 percent of export earnings, many farmers face obstacles in accessing the commercial market and derive very little income from their agricultural activities.

Achievements

- P4P is making notable progress in improving the lives of smallholder farmers by increasing their income and providing them with adequate tools to develop into profitable and sustainable organisations. As a result, not only have FOs been directly selling more to WFP, but they are also beginning to sell to other buyers on the formal market using the production and marketing skills gained through P4P.
- On average, farmers participating in P4P have seen a 13 percent increase in their maize production as compared to their production before P4P.
- With the harvesting and storing skills acquired through P4P, 16 percent fewer farmers are selling their commodities immediately after harvest. This means they are able to sell their commodities later, receiving a higher price and increasing their income.
- Since 2009, WFP has injected over US\$41 million into the local economy by procuring food through smallholder friendly and pro-market structures, enabling smallholder FOs and small/medium traders to actively engage in the market and stimulating economic activity.





Representatives from seven P4P farmers' organisations visit Mwandama FO in southern Malawi on a study tour organized by WFP to promote farmer-to-farmer learning. Mwandama FO is one of the organisations who has successfully transitioned into an entrepreneurial business with the help of P4P and sales to WFP. Bornwell Kaunga (front right), a full-time warehouse manager hired by Mwandama FO, explains about the FO's maize mill and how it plays into their overall business model and strategy.

"Thanks to the support from P4P, Mwandama has increased its sales, sells at better and fairer prices and now understands how to deliver food that meets globally accepted quality standards to many buyers on the market."

KEY PARTNERS

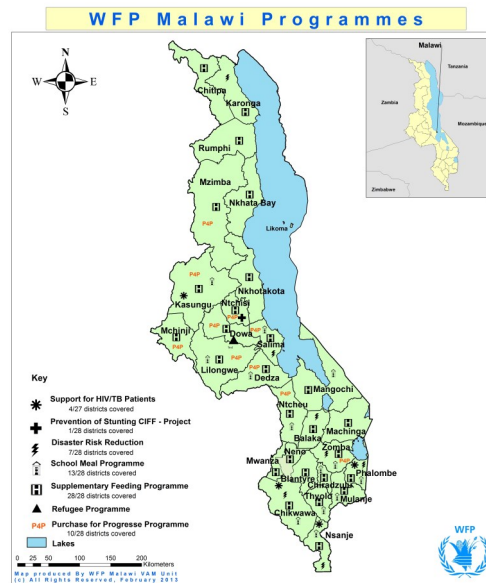
- Food and Agriculture Organization of the United Nations (FAO)
- The Government of Malawi, Ministry of Agriculture and Food Security (MoAFS)
- Agricultural Commodity Exchange for Africa (ACE)
- We Effect
- National Association of Smallholder Farmers in Malawi (NASFAM)
- Network for Youth Development
- Total Land Care

Challenges

- Price fluctuations on the market often result in sharp increases from the time-of-sale agreement to delivery dates. This in turn leads to increased defaults by P4P farmers' organisations.
- Poor storage facilities, or a lack of storage facilities, for many FOs means that production is only aggregated after contracts have been awarded, and thereby prolongs procurement processes.
- A general lack of access to affordable credit for farm inputs contributes to low productivity for many P4P farmers, especially women.

Partnerships

WFP works with the Ministry of Agriculture Irrigation and Water Development through extension services and the Agro-Economic Survey, as well as other partners like the Agricultural Commodity Exchange for Africa, National Association of Smallholder Farmers, We Effect, Network for Youth Development most recently Total Land Care and other UN agencies like FAO, in order to build capacity of FOs to become business-oriented sustainable entities. These partners have assisted in training P4P farmers in new agricultural techniques such as conservation agriculture, constructed warehouses and provided warehouse equipment, and increased access to valuable price information.



Read more about

WFP in Malawi

www.wfp.org/countries/malawi

Access to Credit

www.wfp.org/stories/better-access-credit-through-innovative-p4p-procurement

Empowering Women through P4P

www.wfp.org/stories/malawi-p4p-raising-income-women-farmers

Tradition Meets Innovation

<https://www.wfp.org/stories/tradition-meets-innovation-farmer-field-days>

Linking Farmers to Refugees

<https://www.wfp.org/stories/Everybody-benefits-linking-farmers-families-dzaleka-refugee-camp>

WFP ACTIVITIES IN MALAWI

WFP is contributing to the Government of Malawi's efforts towards a food and nutrition secure future by providing food assistance and capacity development through nutritional, agricultural, educational and health-related projects. Currently, WFP implements development programmes (school meals, nutrition and resilience for food security) targeting over 1 million people; provides relief support with both in-kind food and cash transfers, as appropriate, to nearly 2 million people; and provides food assistance to around 39,600 targeted refugees and asylum seekers. All programmes are supported by the P4P initiative, giving smallholder farmers access to reliable markets and the chance to sell to WFP at competitive prices.