

## My Late Grandfather would be Surprised – A Business Case for Mwanza, Neno

My grandfather moved to and settled in Neno. We call this place our village, although we also have some roots in the Thyolo and Mulanje areas. There is a Neno story that is commercially astonishing.

During school holidays we would travel to the village and see grandparents. There were chores yes, but there was also eating. Of the many things that I recall eating were the big sweet and juicy tangerines, huge tasty oranges and yes even big scrumptious lemons.

We were also introduced to what was commonly called “Tirigu,” literally translated as wheat, and was used to refer to trays of wheat scones and bread which were traditionally brick-oven baked. There remain very few people who still bake these delicious scones in the market at Neno, and wheat farming has almost disappeared in the whole Mwanza-Neno districts.

My Secondary (High) School Agricultural project saw me visit beneficiaries of the Malawi German Fisheries and Aquaculture Development (MAGFAD) project and the then developments in private commercial fish farming.

Late grandfather would be surprised if he resurrected and heard that today we are **importing** tangerines, oranges and lemons from Chimoyo, Mozambique (suspected to be informal trade) and from as far as South Africa (mostly formalized). He would also be surprised that we **import huge and growing amounts of wheat** and that the **fisheries development never really took off**.

I am an unapologetic advocate for the exports of refrigerated fish, fruits and vegetables, and animal husbandry products. It is interesting that studying the exports of Malawi through the years, our organic and very tasty fruits and vegetables, our amazing and organic chambo fish, local poultry and natural livestock have not made it through exports beyond our borders at significant enough levels to be noted, except obviously Malawi Mangoes who make Malawi proud!

For those in the Food sector, research will show that people are getting more health conscience by the day, what with the growth in ailments related to food, e.g. mineral water has grown in competition with soft drinks in part because of this health consciousness. There is a growing demand of organic foods and Malawi has the propensity to position herself for this market of healthy foods.

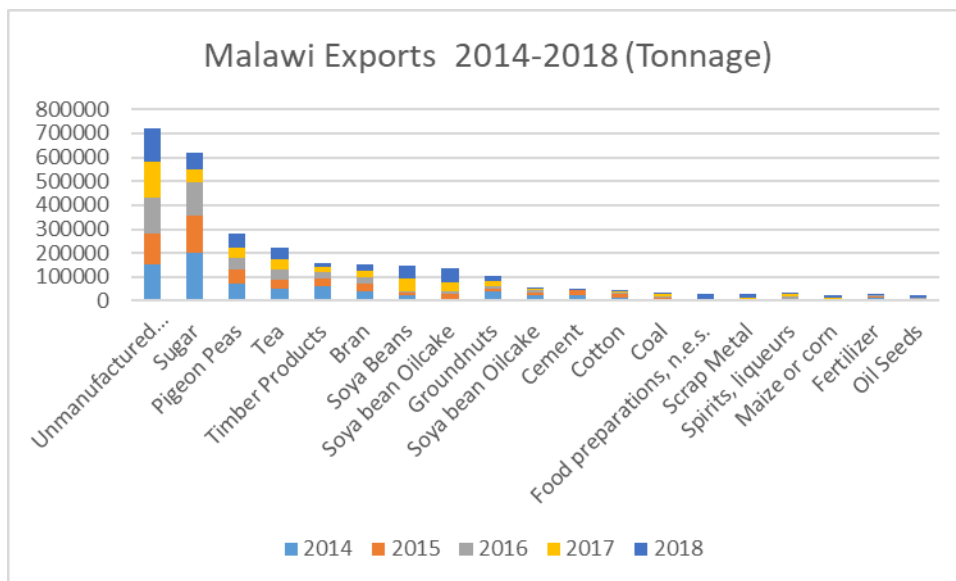
Exports of fruits and vegetables would help reduce the loss through decay following failed local sales and would bring the much needed income for smallholder farmers and forex for the nation. Unconfirmed estimates suggest that over 40% of our fruits and vegetables are destroyed due to lack of local sales and / or agro-processing and / or storage amongst other things. Both agro-processing and exports of these fruits and vegetables is low. Aggregation is

also very limited which also presents problems if you were to secure the markets abroad that need these goods on a weekly basis.

Notwithstanding the aforesaid, the logistics industry has facilities and infrastructure to handle refrigerated exports and encouragingly some shelf-life of the products allows for sea transportation which is the cheapest and would provide the highest margins. It is granted the other products would demand chilled airfreight.

Product (Fruit)	Temperature	Shelf Life (Days)
Organic bananas (each)	13-15	7-28
Organic lemons (each)	10-13	30-180
Organic apples	-1-4	90-240
Granny Smith apples (each)	-1-4	90-240
Honey crunch apples (each)	-1-4	90-240
Golden apples (each)	-1-4	90-240
Pink lady apples (each)	-1-4	90-240
Product (Veg)	Temperature	Shelf Life (Days)
Organic Cabbage (each)	0	21-42
Organic leeks (per kg)	0	30-240
Organic spring onions (each)	0	30-240
Organic carrots (per kg)	0	60-150
Organic potatoes (per kg)	5-10	60-150
Organic garlic (each)	0	30-240
Brown Onions (per kg)	0	30-240
Garlic (per kg)	0	30-240
White cabbage (per kg)	0	21-42
Gala apples (each)	-1-4	90-240

See below our traditional exports over the years<sup>1</sup>. None of the organic fruits and vegetables or meats make it into the below chart of top exports ex Malawi.



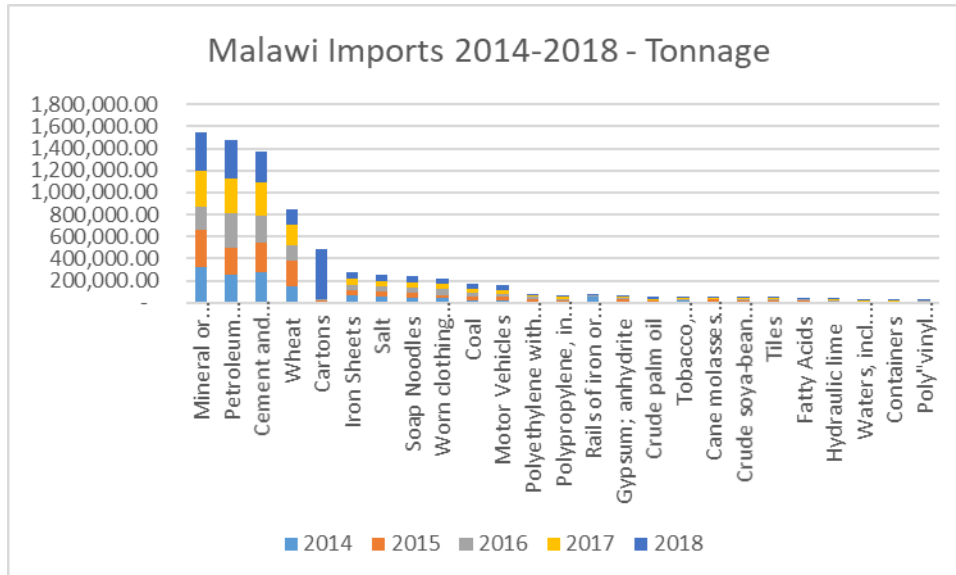
Legumes have done well, as all other products in the above chart due to deliberate promotion, focus and policy. This is proof that increased production and ultimate exports can be achieved. Lilongwe streets are to some extent portraying the picture that horticultural production is on the increase and the market is getting saturated with vehicle stalls for fruits and vegetables

<sup>1</sup> Source: International Trade Centre

being mounted all over, sadly no corresponding export figures. The saturation has the effect that the prices of fruits and vegetables is suppressed as supply exceeds demand, which is ultimately affecting the rural smallholder / subsistence farmer as opposed to the commercial farmer.



On the other hand, and sadly, one of the top imports is wheat which we used to produce before! Again resuscitation of wheat by direct promotion and policy would help in imports substitution. Looking at the chart below<sup>2</sup> could help policy-makers to decide on what to target to reduce forex outflows and in time to start bringing in forex as we produce enough to export.



The import values in USD thousands in the below table<sup>3</sup> are staggering for a product that we were producing in Malawi:

<sup>2</sup> Source: International Trade Centre

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Code	Product label	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018	Imported value in 2019
TOTAL	All products	2,348,475	2,231,866	2,562,126	2,707,070	1,334,102
'300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, ...	120,005	170,709	124,196	81,410	94,167
'100199	Wheat and meslin (excluding seed for sowing, and durum wheat)	17,393	4,357	17,922	10,759	32,441
'851712	Telephones for cellular networks "mobile telephones" or for other wireless networks	9,326	9,380	12,537	13,145	29,899

Turning this around is possible as evident in the promotion of legume exports. Increased production would bring logistics costs down. The Special Economic Zones on the table currently need to take into consideration our trade trends and strategically and fearlessly redefine our goals.

### **Suggestions Summarized<sup>4</sup>:**

- 1) Enhance cooperatives. We have too few success stories but in this Mzuzu Coffee is pure example of possibilities we are not optimizing on when things are set-up correctly. The set-up of legal cooperatives with proper governance structures would allow for the much needed aggregation of volumes that the foreign markets would require.
- 2) Encouraging the set-up of agro-processors in target areas through investment incentives. This would offload excess production that is saturating the market.
- 3) Resuscitate wheat production. Local markets are available for all wheat that can be produced if we consider the tonnages imported. This will provide income to the farmers, savings to millers and Malawi would save forex. Malawi could even become a net exporter. This can be a low hanging fruit albeit it is recognized that it would take several years to increase production to interesting enough levels.
- 4) Map out production centers for horticultural goods, poultry, livestock farming and fisheries and create Special Economic Zones for these areas and have cold stores built and operated through PPP or otherwise to maintain the required temperatures for exports.
- 5) Resuscitate Fisheries production. Our chambo is uniquely delicious and several other of our fish species as well have unique tastes, like the mormyridae (*Petrocephalus Catostoma*) fish from Lake Chirwa. So far we do not produce enough for local consumption, but it is possible to increase production to levels where we are able to export.
- 6) Increase volumes and improve quality of horticultural produce in general. Imports of fruits and vegetables are being favored to what Malawi is producing. On the part of vegetables, the grading and exports is a low hanging fruit.
- 7) Animal husbandry. We can increase the production of meats and consider more exports of same as largely still "free range" produced.

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<sup>4</sup> Working on an advanced paper for interested parties