



Module 4: Rural Mobility

Community access to marketing opportunities: Malawi

Session: 4.3

Part 2 – Case Study

Presentation: 4.3b

1. Introduction

Learning Objectives

By the end of the session participants will be able to:

- ③ Describe the factors affecting poor transport services in Malawi and how these affect agricultural marketing
- ③ Design recommendations for ways in which transport services can be improved to meet marketing needs

Session Overview

- ③ The research programme
- ③ Transport infrastructure
- ③ Means of transport
- ③ Access to information

2. The research programme

Community access to marketing opportunities

- April 1998 to March 1999
- funded by DFID's Crop Post-Harvest Research Programme
- managed by the Natural Resources Institute

Objectives:

- Policy recommendations to improve community access to marketing opportunities in remote areas
- Identification of sustainable institutional solutions
- Contribution to poverty alleviation in rural areas

🌀 **Liberalisation** of agricultural markets

- ADMARC (Agricultural Development and Marketing Corporation) **withdrew** its services
- farmers faced **difficulties in purchasing** inputs and food, and selling produce

🌀 Malawi increased **agricultural production** in 1990s

- ... but in remote areas farming communities became **marginalised**
 - because of a **lack of access to marketing opportunities**

Survey

In four districts

- © Chitipa
- © Nsanje
- © Mangochi
- © Rumphu

3. Transport infrastructure

⊙ **Constraints** to market access in remote areas

- poor roads
- lack of means of transportation
- lack of market information
- inadequate markets
 - i.e. lack of infrastructure and distance

⊙ **90%** of road network is **seasonal, earth roads**

- impassable in rainy season
- connect urban to rural areas
- access to rural areas drastically reduced in rainy season

Factors contributing to poor road network

⊙ Lack of maintenance funds

- due to change in government policy on road maintenance

⊙ Poor road and bridge design

- with excessive truck overloading
- exceeding design limits

⊙ Reduction of community self-help spirit

- was important for rehabilitation and maintenance of village access roads

4. Means of transport

- ◎ Availability of transport provides **poor people** with
 - better physical access to markets
 - other social amenities e.g. education and health services
 - enhances agricultural productivity
- ◎ Rural areas - most common means of transport
 - walking
 - headloading
- ◎ Many people - mostly **women**
 - ... due to their dual responsibility for social reproduction and economic production
 - carry up to **30 kg**
 - equivalent to 50 - 60 % of the average weight of a woman

Motorised transport

- ③ Number of goods vehicles is **insufficient** to satisfy transport demands of agricultural producers
 - unavailability of trucks due to lack of credit facilities to purchase these vehicles
 - high duties (20 - 30%) discourage importation of trucks
 - poor road conditions
 - increase operational costs to truck owners
 - lack of a clear policy and government focus on rural transport problems
 - insufficient development of appropriate technologies
 - uncoordinated institutional framework

IMTs

- ⊙ Head-loading: expensive means of transportation
- ⊙ Motorised transport: often unprofitable in isolated villages



Intermediate Means of Transportation (IMT)

- shift from headload to
 - donkey cart reduces transport costs by 60%,
 - ox-cart reduces costs by nearly 90%

Animal traction + Truck transport =

Best cost efficiency for
transporting agricultural produce

- © Main constraint to access to IMT for resource poor households is the **initial capital expenditure**

5. Access to information

- ◎ Influenced by poor roads and low traffic volumes
 - no telephone or other communication infrastructure
- ◎ Limited impact of the central Market Information Service

A market approach from Malawi



Group Activity

What recommendations would you make to address transport issues to meet marketing needs for agriculture?

Recommendations

from village and district workshops during field surveys

Transport infrastructure

- ③ Routinely **maintain** feeder and access roads
 - through community self-help initiatives
- ③ District assemblies should source **funds**
 - for district roads maintenance and rehabilitation
- ③ Subscriptions from the district level associations, road user taxes, property rents, withholding taxes etc
 - put in the district **development fund** for development activities
- ③ Government and donors
 - **grading** of the earth/gravel roads before & after the rains
 - construction of **bridges**

Recommendations

Means of transport

- ◎ Government to establish
 - rural travel and transport **policy**
 - **institutional framework**
- ◎ Increased government and donor commitment for
 - **financial**
 - **logistical** support
- ◎ Development of IMTs
 - train local artisans to manufacture and repair the **IMTs**
- ◎ **Responsibility** for rural access roads by
 - communities
 - relevant support from the government
 - private sector
 - NGOs

Motorised transport

© Central and local governments take measures to encourage the development of a competitive transport sector

- **avoid cartels** in the form of transport unions or otherwise
- **avoid** excessively **high taxes** on fuel, vehicle importation and ownership

IMTs

© Credit schemes

- so households can pay for donkeys/ carts

© Kenya

- farmers paid off their ox carts loans after only one harvesting period

© Potential manufacturers of IMTs require

- training and credit for setting-up a business
 - e.g. service delivery, parts and repair workshops

- ③ Government to establish transport **policy** and **institutional framework**
 - avoid regulatory barriers (e.g. high taxes) blocking the widespread up-take of motorised and non-motorised means of transportation
- ③ **Avoid taxes** on the movement of goods
 - can increase marketing costs.
- ③ **Credit** for farmers and workshop owners
- ③ Government officials made aware of the **benefits** of IMTs

- ◎ IMTs given more prominence in training and extension **curricula**
- ◎ **Awareness** building amongst the rural population is necessary
 - to make certain IMTs more acceptable to women e.g. bicycles, donkeys, etc.
- ◎ A programme introducing IMT should have an adequate element on **animals**
 - management, nutrition, health

Access to information

③ Decentralised systems

- involving relevant local stakeholders

③ Pilot project

- to identify how efficient information delivery systems
- set up at district level

③ Farmers and traders require information on

- prices
- supply and demand
- trade contacts
- technical matters
- new institutional arrangements brought about by decentralisation.

③ Give more prominence to cheap mass media

- local FM radio stations to disseminate information

🌀 Farmers organise into groups or **co-operatives**

- to reduce their constraints to market access

🌀 Market **integration** and linkage building

🌀 **Contract** farming and out-grower schemes

- overcome constraints of agricultural service supply
- work best with fewer, large players
- ... and scope for interlocking transactions of input supply and output marketing
- cash crops often fulfil this requirement

🌀 Non-governmental organisations (**NGOs**)

- improving the commodity chains for food crops