COMMUNITY ACCESS TO MARKETING OPPORTUNITIES: MALAWI CASE STUDY

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Objectives of the case study

The need to travel and transport goods to and from the field is an essential task associated with the agricultural activities of rural households. The role of the road network in agricultural production and marketing reflects the strength of the household's agricultural links with the wider economy. Agricultural systems are dependent on the quality of road access for the delivery of farm inputs to local communities, and for the evacuation of produce from the local area to market centres. This case study examines the experiences of agricultural marketing and transport in Malawi.

1. INTRODUCTION

The research programme on community access to marketing opportunities was funded by DFID's Crop Post-Harvest Research Programme, and managed by the Natural Resources Institute. The project ran from April 1998 to March 1999 and had the following research 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

Following the liberalisation of agricultural markets in Malawi, it was observed that farmers in rural areas where ADMARC (Agricultural Development and Marketing Corporation) withdrew its services faced difficulties in purchasing inputs and food, and selling produce (Marsland and Golob, 1996). Malawi has been able to increase its agricultural production throughout the 1990s but in remote areas, farming communities have become marginalised because of a lack of access to marketing opportunities.

2. SURVEY RESULTS

2.1 Transport Infrastructure and Agricultural Marketing

Surveys in four districts (Chitipa, Nsanje, Mangochi and Rumphi) revealed that poor roads, lack of means of transportation, lack of market information, and inadequate markets (i.e. lack of infrastructure and distance) are the main constraints to market access in remote areas.

The road network in Malawi is classified into the main, secondary, tertiary, district and other unclassified roads. Over 90% of the total road network consists of seasonal (earth) roads that become impassable during the rainy season. Most of the seasonal roads connect urban to rural areas and during the rainy season access to rural areas is drastically affected.

Major factors contributing to poor road network include lack of maintenance funds as a result of the change in government policy towards road maintenance, poor road and bridge design coupled with excessive truck overloading exceeding design limits; and the reduction of community self-help spirit which used to be important for the rehabilitation and maintenance of village access roads.

Through village and district level workshops and consultations undertaken during the field surveys, a number of solutions to the poor road conditions in Malawi were suggested. These include:

- The need to routinely maintain the feeder and village access roads through community self-help initiatives.
- District assemblies should engage in sourcing funds for district roads maintenance and rehabilitation. Subscriptions from the district level associations, road user taxes, property rents, withholding taxes etc should all be put in the district development fund to be used for development activities within the district.
- Government and donor efforts are needed to ensure grading of the earth/gravel roads at least once before and after the rainy season including the construction of bridges. This is important because community effort is limited in these instances.

2.2 Means of Transport and Agricultural Marketing

During the course of the survey, lack of means of transportation was also identified as a key constraint to agricultural marketing in all districts. The availability of transport provides the poor with better physical access to markets and other social amenities such as education and health services. There is ample evidence that the availability of transport enhances agricultural productivity by addressing the spatial dislocation and any distributionally unacceptable consequences associated with lack of adequate means of transport particularly for the rural poor (World Bank, 1999).

In most rural areas of Malawi, the most common means of transport is walking and headloading. Many people (i.e. mostly women, by virtue of their dual responsibility for social reproduction and economic production), can carry on average up to 30kg which is equivalent to 50–60% of the average weight of a woman.

To improve the transport situation in the rural areas several recommendations were suggested during the field and district level workshops and consultations. These include the need for Government to establish a well co-ordinated and clear rural travel and transport policy and institutional framework. Already several steps have been taken towards this direction through the Malawi Rural Travel and Transport Programme in the Ministry of Local Government. There is need for increased government and donor commitment in terms of financial and logistical support to rural transport improvement. The development of Intermediate Means of Transportation would be the most effective and sustainable solution especially in the

rural areas where accessibility and affordability problems would prevent the use of motorised means of transportation. However, for the sake of ensuring sustainability there is need to train adequate numbers of local artisans to manufacture and repair the IMTs.

An active responsibility over the rural access roads needs to be taken not only by the communities but also through relevant support from the government, the private sector and the NGOs.

2.2.1 Motorised and non-motorised transport

Motorised transport:

It is understood that motorised transport needs a minimum of rural road infrastructure, yet the standard of roads in remote rural areas is often unsatisfactory. It is widely acknowledged that trunk roads have an important role to play in opening up an agricultural region. However, the exact requirements for motorable feeder and community access roads are less well known.

Despite the rapid growth of some vehicle fleets in the recent past, the number of goods vehicles is insufficient to satisfy the transport demands of agricultural producers, especially in a country where a large proportion of the population lives in rural areas. Many factors were cited to contribute to this including the unavailability of trucks due to lack of credit facilities to purchase these vehicles. Furthermore, importation of trucks is discouraged by the relatively high duties (on average between 20 – 30%). Apart from the poor road conditions, which considerably increase operational costs to truck owners, the other problems include lack of a clear policy and government attention to rural transport problems, the insufficient development of appropriate technologies and the uncoordinated institutional framework regarding rural transport in Malawi.

Given its role in the economy, it seems important that Central and Local Governments take measures to encourage the development of a competitive transport sector. This includes for example:

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

Intermediate Means of Transportation (IMTs):

Given the limited quantities which can be transported, the speed involved and the maximum distances to be covered, head-loading is one of the most expensive means of transportation. At the other end of the spectrum, motorised transport (e.g. trucks, tractor-trailers) is often not profitable in isolated villages. As a consequence, it has been argued that Intermediate Means of Transportation (IMT) have an important role to play in this context. For example, Sieber (1997) argues that the shift from headload to donkey cart can reduce the transport costs by 60%, and the shift to an ox-cart by nearly 90%.

The best cost efficiency for transporting agricultural produce is achieved when a combination of animal traction is used with truck transport (Sieber, 1997). Ox carts

can transport loads on poor roads to collection points, where trucks carry bigger, aggregated loads to the marketing centres.

In Mali, the majority of carts are drawn by donkeys. In fact, for cost reasons, even owners of oxen often prefer to use donkeys and donkey carts for transport. In that respect, the country benefits from its large donkey population, which was 574,000 in 1991 (Gordon, 1997).

The main constraint to access to IMT for resource poor households is the initial capital expenditure. Appropriate credit schemes are necessary for households to be able to pay for donkeys/carts etc. Evidence from Kenya showed that farmers were able to pay off their loans for ox carts after only one harvesting period (IT Transport, 1996). Potential manufacturers of IMTs require training and credit for setting-up a business. (e.g service delivery, parts and repair workshops, etc.)

The following are recommendations for improving transportation of agricultural produce, therefore benefiting the marketing process in rural Malawi:

- There is the need for Government to establish a well co-ordinated and clear rural
- travel and transport policy and institutional framework. For example, the Government ought to avoid regulatory barriers (e.g. high taxes) blocking the widespread up-take of motorised and non-motorised means of transportation. Local Government taxes on the movement of goods should be avoided since this can lead to significant extra marketing costs.
- Adequate availability of credit for farmers and workshop owners is important for the up-take of means of transportation.
- Government officials have to be made aware of the benefits of Intermediary Means of Transportation. In the context of small-scale farming, animal traction and other forms of IMTs do not represent an out-dated technology. IMTs should be given more prominence in training and extension curricula.
- Due to socio-cultural constraints, awareness building amongst the rural population is necessary. This should make certain means of transportation more acceptable to women (e.g. bicycles, donkeys, etc).
- A programme supporting the introduction of intermediate means of transportation should have an adequate element on animals (i.e. management, nutrition, and health of draught animals such as oxen and donkeys).

2.3 Access to Information and Agricultural Marketing

Lack of information is another characteristic of remote areas. This is often influenced by poor roads and low traffic volumes, in particular, in areas where there is no telephone or other communication infrastructure. Given the limited impact of the central Market Information Service, decentralised systems should be developed, involving relevant local stakeholders. A pilot project is required to identify how efficient information delivery systems should be set up at District level.

Farmers and traders require other information in addition to prices. For example, information on supply and demand, trade contacts, technical matters and the new institutional arrangements brought about by decentralisation. More prominence should be given to cheap mass media (i.e. local FM radio stations), in disseminating information in rural areas.

Farmers should be encouraged to organise themselves into groups or co-operatives so as to reduce their constraints to market access, while taking care to avoid past mistakes in co-operative building. Relevant projects should pay close attention to farmers' capabilities and needs. Market integration and linkage building are important, but were only indirectly touched upon in this project given that DFID have recently funded other research in this field. Contract farming and out-grower schemes can overcome some of the constraints related to agricultural service supply. They tend to work best when there are fewer, relatively large, players at some point in the marketing chain, and there is scope for interlocking transactions involving input supply and output marketing. Whilst export commodity chains of cash crops often fulfil this requirement, it is difficult to implement similar schemes with food crops. Non-governmental organisations may have a role to play in getting farmers to take the initiative in improving the commodity chains for such crops.

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