
Section Six

**OFFICIAL SPEECHES
IN DETAIL**





Key Note Address by The Acting Principal of Bunda College of Agriculture

PROF. L. KAMWANJA



The Chairman,

Our Guest of Honour, Minister of Agriculture and Irrigation, **Hon. L.K. Mangulama, MP,**

The Principal Secretary in the Ministry of Agriculture and Irrigation, **Dr. E.S. Malindi,**

The Acting Programme Manager of APRU, **Dr C. Mataya,**

Distinguished guests,

Ladies and Gentlemen,



It is with profound pleasure that I stand here this morning, to address this august gathering of experts on the issues of agricultural trade in Malawi. My duty this morning, Honourable Minister, ladies and gentlemen, is to point out a few pertinent issues that, I feel, would be of some importance in our two-day meeting. But, before I do that, allow me Mr Chairman, to express, on behalf of all the participants here and, indeed on my own behalf, our sincere gratitude to the Honourable Minister for sparing some time from his tight schedule to come and be with us here at this workshop. To me, this reflects the serious commitment that the Government has towards the promotion of agricultural trade in this country.



The Honourable Minister, ladies and gentlemen, one does not have to be an economist to appreciate the role of agriculture in our national economy. Equally true is the fact that one does not need to be a trade specialist to notice that Malawi is largely disadvantaged when it comes to the marketing of our agricultural produce. However, what we need is to seek answers as to why, despite having produced high level graduates from Bunda College of Agriculture; despite having invested heavily in educating agricultural professionals to the highest level; and despite the various efforts to change government policies to encourage private sector participation in the agricultural sector, the country continues to be a net importer of most commodities.



In the quest for increased export earnings from trade in the country, it is clear that the agricultural sector will continue to be the main contributor despite the myriad of challenges that beset agricultural trade in the SADC region. It is for this reason that fora such as this one, can provide appropriate avenue for proper cross-fertilization of various pieces of expertise, which, in no doubt, produces the much desired fruits.



The Honourable Minister, distinguished guests, ladies and gentlemen, I consider this forum to have come at right time. Over the past decade, national policy and orientation was on how best we could manage our liberalization process to achieve maximum private sector participation in the national economy. At that time, Government control of the markets was blamed for all the ills in our trading system. As such, dosage

prescriptions of liberalization coupled with privatisation were considered as the panacea of our economic challenges. Being the mainstay of our national economy, the agricultural sector naturally became the centre of the liberalization initiatives.


However, today, the Honourable Minister, ladies and gentlemen, we realize that having implemented all the policy reforms, that were deemed necessary, still agriculture is not performing as expected. It is for this reason that our gathering here becomes crucial because we have to come up with practical solutions and map out strategies to reverse the orientation of trade in Malawi.

At this juncture, the Honourable Minister, ladies and gentlemen, we all know that for trade in agricultural products to take place, there must be production, which economists would prefer to call the supply of goods. A look at our crop production statistics indicates that recently there has been some considerable increase in the production of almost all food crops such as cassava, pigeon peas, rice, ground nuts, beans, potatoes, just to mention a few. For maize, production has been experiencing annual fluctuations depending on the rainfall conditions in a particular year. However, because of various initiatives, Malawi, obtained a surplus in maize during the past growing season. This year, the picture also looks good.

Mr Chairman, today, most developing countries are worried about the threat to tobacco as pressure mounts through anti-smoking campaigns. I would like to challenge the gathering here that, the time has come to develop other commodities like the way the country broke through tobacco. How did we manage to promote tobacco to the status it has attained today? My appeal to the government is that resources should be provided to promote candidate crops such as cassava, rice and pigeon peas, which have demand and, thus, gaining some ground at the moment.

The Honourable Minister, ladies and gentlemen, over the years, the policy in the agricultural sector focussed on increased production. Resources were made available to researchers to develop technologies that would increase yields per hectare through the "Green Revolution". Time has come, ladies and gentlemen to provide resources towards market research in order to identify markets for our commodities. Our pattern of production should change to suit the market in terms of what we should produce for what market. If indeed this line of thinking is true, then what remains to be clarified in the case of Malawi, Honourable Minister, ladies and gentlemen, is the extent to which our farming practices should have a commercial orientation whether on small land holding sizes or estates.

The Honourable Minister, ladies and gentlemen, I am told that studies in the agricultural sector show that Malawi has comparative advantage in the production of crops such as cassava, pigeon peas, rice, ground nuts, beans and potatoes. This means that there is potential for increased production of these crops, and subsequently, penetration of our major trading partners' markets. My appeal, Mr. Chairman is that we need



to exploit this opportunity. Our meeting here is, therefore, expected to define specific strategies for unleashing this potential, which would include entry point and also who starts the process.

The Honourable Minister, distinguished guests, ladies and gentlemen, for trade in agricultural products to effectively take place, there is need for adequate market information among all the stakeholders. Traders in one part of the country need to have timely information on the type of the products available in another part of the country, including the quantities or volumes involved and their quality. Similar type of information of market information is necessary on the foreign markets, if we are to penetrate these markets. But this is rather a hypothetical situation when compared to the realities on the ground in Malawi. In this case, it is imperative that the roles of the public and private sectors in information collection, analysis and dissemination be clearly defined.

To me, market information, the Honourable Minister, ladies and gentlemen, refers even to information on Government policy changes at both national and international levels. As such, I would expect the business community in the country to be fully aware of the policy changes that the government has effected with the liberalization. I would argue the business community to be kept abreast of the production and marketing policies and export regulations in Zimbabwe and South Africa, besides information on types of products in demand.

Market liberalization is supposed to be supported by appropriate institutional changes. Bunda College of Agriculture recognises its role to start the process of instilling marketing, agribusiness and entrepreneurship skills in the minds of our young graduates through the proposed business-related programs.

Honourable Minister, Ladies and Gentlemen, it is sad to note that, while all countries are committed to the various trade protocols, there is still bureaucratic red tape in the external trade which retards development. While all countries are moving towards globalization, I wish to challenge this Forum to examine critically how Malawi should use the provisions in the various trade agreements to promote trade in the country.

Equally important is the need for the trade promotion efforts by the relevant institutions not, only to be stepped, but also carried out with high level of professionalism. Honourable Minister, ladies and gentlemen, I am emphasizing this point because I know that the high level of informal cross border trade that take place between Malawi and our neighbouring countries, is a reflection of the preliberalization hang-over.

The Honourable Minister, ladies and gentlemen, allow me to make special mention of the macro-economic challenges which also have a direct bearing on the performance of agricultural marketing. We all know of the implications of the high interest rates, the general security situation, and the high collateral requirements for obtaining loans from the financial institutions. While this forum may not be in a position to find

remedies to these challenges, it would, however, be important to find ways of forging ahead with agricultural trade even in the face of these challenges. At the end of this two-day meeting, it is everybody's expectation that tangible solutions, research agenda and action plans will be developed that will provide information, tangible strategies and specific recommendations on how agricultural trade could be promoted in the region.

With these remarks, the Honourable Minister, distinguished guests, ladies and gentlemen, I wish to thank all of you for your attention. Thank you.





Speech by The Secretary for Agriculture and Irrigation

DRE.S. MALINDI



The Minister of Agriculture and Irrigation, Hon. L.K. Mangulama

The Principal, Bunda College of Agriculture,



The Acting Programme Manager, APRU,

Distinguished Guests,



Ladies and Gentlemen,



My duty this morning is to give a brief background to the developments that have led to the convening of this consortium. This forum, the Honourable Minister, ladies and gentlemen, is a result of several consultations at the SADC level, which gave birth to a regional policy network called Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN). I personally have been involved in the discussions that led to the formulation of this regional initiative. It is the spirit of this policy network that has prompted the Agricultural Policy Analysis Unit (APRU) of Bunda College of Agriculture and the Ministry of Agriculture and Irrigation to organize this consortium. In view of this, the Honourable Minister, ladies and gentlemen, allow me to give the background to this Policy Network, its objectives, operational strategies and its organizational structure.



The history of the Food, Agriculture and Natural Resources Policy Network dates back to April 1994 when the Ministers of Agriculture from Eastern and Southern Africa met in Harare, Zimbabwe. At this meeting, the ministers agreed to support the establishment of a network that would bring together competent professionals to undertake policy research and analysis in the areas of food, agriculture and natural resources sector for relevant and effective policy formulation. Later, in July 1994, this proposal was endorsed by the Heads of State participating in the Global Coalition for Africa (GCA) Advisory Committee. Following the endorsement, the Food Security Sector of SADC convened a meeting in the same month to discuss the concept and to identify the nature, format, and structure of such a network.



Three years thereafter, to be specific, in March 1997, the Food Security Sector convened a meeting to develop its new strategic framework. The framework set out strategic objectives for improving access to food, availability of food, and nutritional status in the region. Further to that, the framework guided the Food Security Sector in developing detailed programs and priorities of action in the areas of food, agriculture and natural resources.



The Honourable Minister, ladies and gentlemen, within the SADC Food Security Sector operational parameters, the Department of Agricultural Economics and Extension of the University of Zimbabwe in July 1997, organized a meeting to launch a regional policy consortium and network in the areas of food, agriculture and natural resources. So it was at this meeting that FANRPAN was launched, and a seven



person interim steering committee was elected, one them being myself. The main function of the committee was to oversee the establishment of the network. The Department of Agricultural Economics and Extension of the University of Zimbabwe itself was elected as an interim secretariat of the network.

At this juncture, Honourable Minister, distinguished guest, ladies and gentlemen, let me highlight the operational framework for implementation of the Network activities. These include:

- Broad participation through shared responsibilities among participants drawn from public, private, civil society, and donor organizations,
- Lean administrative structure;
- Accountability and transparency;
- Quality work;
- Built in flexibility, and standard operational procedures;
- The autonomy for the network.

A number of fora have been held since the launch of the network. For instance, in May 1999, the interim Steering Committee met to develop the strategy framework and the research and technical agenda for the network. It was agreed at that meeting that nodes, which would coordinate the activities of the network at the national level be identified. In this respect, in Malawi, the Agricultural Policy Analysis Unit (APRU) was identified as our nodal point.

And later in December 1999, the first stakeholders forum was held in Pretoria, South Africa to validate the strategy framework and research agenda developed earlier by the steering committee. Participants to the December forum were drawn from nine countries and included representatives from farmer organizations, ministries of agriculture, private sector organizations, and nodal organizations. The forum also drew up the plan of action for the year 2000 from January to December. In fact, one of the issues on that agenda was holding national consultative fora such as the one we have today.

The Honourable Minister, distinguished guests, ladies and gentlemen, the Food, Agriculture and Natural Resources Policy Network has a set of policy objectives. The overall objective of the network is to facilitate the analysis, synthesis, formation, adoption, implementation, monitoring and evaluation of appropriate food, agriculture and natural resources policies that would reduce poverty, increase food security, lead to economic growth and improve the standard of living in the Southern African Region. The specific objectives of the Network are as follows:

- Provide a forum for policy dialogue and advocacy amongst stakeholders
- Improve policy research, analysis, formulation and monitoring of priority food, agriculture and natural resource themes.
- Develop and strengthen human and institutional capacity for co-ordinated policy research, analysis and formulation amongst stakeholders.



- Develop mechanism to promote advocacy, collation building, information exchange and effective utilization of research analysis results.



In addition to that, the Honourable Minister, ladies and gentlemen, you may also wish to know that the network has some strategies for achieving its objectives. These include:



- Facilitating and mobilizing human and financial resources for policy research, analysis and human capital development.
- Organising and implementing policy reviews, briefs, performance indicators for monitoring policy impacts,
- Facilitating information sharing, communication of results including organizing workshops, conferences and publications.
- Coordinating and facilitating skill building and institutional development
- Establishing and maintaining a database.
- Establishing and maintaining linkages with other networks and international organizations involved in similar activities.



The Honourable Minister, ladies and gentlemen, the Food, Agriculture and Natural Resources Policy Network (FANRPAN) has a number of thematic areas. These were developed at the July 1997 meeting. These areas are:



- Poverty related issues, which encompass food security, agricultural technology, rural economic growth linkage issues and rural finance.
- Trade issues covering intra regional trade, tariff and non-tariff barriers to agricultural trade, phytosanitary regulations, and infrastructure.
- Natural resource management issues that include land tenure and property rights, land use management, and preservation of bio-diversity.
- Economic reforms encompassing structural adjustment programs and macro-economic reforms.
- Institutional reforms covering areas such as institutional structures, conduct and performance; changing roles of public and private sectors, and intellectual property rights.



The Honourable Minister, ladies and gentlemen, it was agreed at the stakeholders forum last December, that the network should start concentrating on the trade issues rather than tackling all the thematic areas at once. It is in light of this, that our forum is on agricultural trade.



With these few remarks, Mr Chairman, distinguished guests, ladies and gentlemen let me call upon the Minister of Agriculture and Irrigation, Honourable L.K. Mangulama to officially open the workshop. Thank you.



Opening Speech delivered by The Minister of Agriculture and Irrigation, Honourable L.K. Mangulama

Mr Chairman,
The Principal Secretary for Agriculture and Irrigation,
The Principal, Bunda College of Agriculture
The Acting Programme Manager, APRU,
Distinguished Guests,
Ladies and Gentlemen,

It gives me great pleasure to perform the official opening of this important consultative forum on agricultural trade. Before I go any further, let me also join the Chairman and the preceding speakers in welcoming all of you to this forum. It is my sincere hope that you will feel free to bring out all the pertinent critical issues, which, I hope, this forum is ready to refine and consolidate in our collaborative search for the practical solutions to the challenges in agricultural trading.

Mr Chairman, distinguished guests, ladies and gentlemen, our gathering here, as you might already be aware, has been necessitated by the realization that there is need to urgently address bottlenecks to the marketing of our agricultural produce. We all know that this is very important considering the crucial role being played by the agricultural sector in the country's economy. This is evidenced by the fact that the sector's contribution towards the gross domestic product (GDP) is around 37 percent, while over 90 percent of the national export earnings come from the same sector. In addition, about 80 percent of the national employment is being provided by the agricultural sector.

Mr Chairman, ladies and gentlemen, bearing in mind the sectoral inter-linkages that exist between the agricultural sector and others, one would realize that the failure of the agricultural sector has serious implications for the other sectors in the economy as well. Similarly, the good performance of the agricultural sector is highly dependent on what happens in the other sectors. Mr Chairman, I understand it is for this reason that participants to this forum are technocrats from various government departments, parastatal organizations, financial institutions, researchers and the private sector involved in marketing of agricultural products. It is, therefore, my hope that the diverse wealth of technical background, experiences and perspectives of us present here will significantly contribute towards the revitalization of the agricultural sector through improvement of marketing of our products.

Mr. Chairman, ladies and gentlemen, it is a known fact that the Ministry of Agriculture and Irrigation has in the past concentrated all its efforts towards the promotion of agricultural production to meet national demand and have surplus for export. Issues pertaining to the market outlets for the agricultural produce



were supposedly taken care of by parastatal institutions such as ADMARC and the Crop Authorities. As such, for the past three decades or so, little efforts were made to equip the Government machinery, with the requisite technical know how to advise the farmers on the marketing of their produce.



This policy background, Mr. Chairman, ladies and gentlemen, has had impact on the way we have handled our liberalization programmes. When the winds of policy reforms started blowing across the country under the famous Structural Adjustment Programmes, the Government adopted several reform measures without putting in place some supportive programmes to compliment the liberalization process.



At this juncture, Mr. Chairman, ladies and gentlemen, let me briefly remind this forum of some of the major policy reforms the Government has undertaken since 1994 under the umbrella of structural reform programmes. These measures have centred on the repealing or amendment of various stringent policies and regulatory frameworks such as:



- the repeal of the of the Special Crops Act, thus providing opportunity for the smallholder farmers to participate in the production of high value crops such as burley tobacco.
- the repeal of the Agricultural and Livestock Marketing Act to remove policy restrictions for private sector participation in the marketing of the agricultural produce.
- the amendment of the Fertilizer, Farm Feeds and Remedies Act to provide room for private sector involvement in the importation, distribution and even blending of fertilizers and other farm inputs.
- the repeal of the Seed Act to offer the private sector leeway for their involvement in the seed technology generation and promotion, seed importation and marketing in the country.



Mr. Chairman, distinguished guests, ladies and gentlemen, it is indisputable that these policy moves have resulted in some positive economic developments. Indeed, a number of private sector entities, with various capacities levels, and operating in various geographical areas, have come up to participate in the marketing of agricultural commodities. It is, however, also clear, Mr. Chairman that the performance of the private sector in this arena is being challenged by various factors, thus compromising their effectiveness in service delivery. Most of us here are quite familiar with these challenges. It is therefore, my sincere hope that our gathering here for the two days will help to come up with realistic solutions to these challenges.



Mr Chairman, ladies and gentlemen, on its part the Government realizes that there are serious shortfalls in the agricultural production system, some of which can be attributed to the inefficiencies in the markets. In view of this, Government has put in place some production intervention programmes, especially for the support of the smallholder sub-sector. These include: the renowned Starter Pack Scheme under which the Government universally distributes packs of free inputs to the smallholder households across the country, and the Agricultural Productivity Investment Programme (APIP) under which farm inputs are provided at some affordable credit interest rates to the resource-poor smallholder farmers.



I am sure, Mr Chairman that most of us gathered in this room know the positive impacts brought about by these initiatives. This notwithstanding, I know that currently there is on going debate regarding the input market distortion challenges emanating from these programmes which, of course, is not an arena of focus in this forum. But perhaps what is of direct relevance to this meeting, Mr chairman, is the question of what to do with the relatively abundant agricultural produce that has come because of these initiatives. While there are no easy policy prescriptions to correct the foregoing production-marketing imbalances, such a scenario calls for proper synchronization of issues of production and marketing. Put differently, it sends a clear message to all the stakeholders, Government inclusive, that issues of trade need not be downplayed in the planning of agricultural production initiatives.

Mr Chairman, ladies and gentlemen, let me also point out here that even in cases where some positive marketing developments are taking place, the level of private sector involvement in the marketing of the agricultural commodities has varied amongst various crops. Some crops such as tobacco, have seemingly, attracted more trading activities than others. Even in the absence of reliable market data, any one familiar with the Malawi economy would agree with me that there has been little private sector trading activities in the crops such as cassava, groundnuts, beans, pigeon peas, maize, and rice when compared to tobacco. It, therefore, gives me great pleasure, Mr Chairman, to note that this forum intends to focus on finding ways of improving the marketing of these commodities. To me, our focus on improved domestic and international trade of these crop enterprises is a strategic approach to much desired agricultural diversification and I have no reason to doubt its effectiveness.

Mr Chairman, distinguished guests, ladies and gentlemen, our previous oversight, or lack of proper projection of policy reform implications extends to the way we have handled our regional integration issues. Malawi has been a good disciple of the doctrine of regional integration through SADC and COMESA initiatives, and some bilateral trade agreements. As a matter of fact, we have few equals in the Southern African region in terms of opening up our borders for the inflow of various goods in anticipation that our products would equally penetrate the markets of our trading partners. But we all are aware of the obvious experiences emanating from these policy integration measures. Suffice it to say, Mr Chairman, that our country that is known to have its economy heavily dependent on the agriculture has, surprisingly, been a good importer of agricultural produce from its neighbours.

It is, therefore, imperative that from this forum, tangible policy actions to reverse this trend be developed because as a country we can not afford to continue losing our meagre foreign exchange on commodities that we also produce locally. Neither can we afford to continue watching things getting worse. The cry of many people out here is that something should be done to correct the situation. And it is our sincere hope, Mr Chairman, ladies and gentlemen, that this consultative forum is the beginning of the path to dealing with the critical issues in the minds of the Malawians both in the urban and rural areas.



Mr Chairman, distinguished guests, ladies and gentlemen, I am told that the objectives of this workshop are drawing up an action plan and developing a research agenda for improvement of trade in our agricultural produce at both national and international levels. To me, this reflects growing awareness amongst various stakeholders that promotion of agricultural production alone is not only inadequate but also self-defeating if markets for what the farmer has toiled for in the entire growing season are not available. It further reflects the realization that the Government cannot confine itself to the promotion of agricultural production and entrusting issues of marketing to the markets forces. Indeed, it shows some sense of cautiousness amongst policy makers that Malawi need not trust the effectiveness of markets more than the countries where such thinking evolved.



In conclusion, Mr Chairman, Ladies and gentlemen, I wish to urge you distinguished guests, ladies and gentlemen to fully commit yourselves to the discussions in this two-day forum. With an open mind approach to the issues that will be raised here, I am sure, Mr Chairman, we will be able to come up with long lasting resolutions that will help shape the agricultural sector in Malawi. In so doing, the entire economy will be equally resuscitated.



With these few remarks, Mr Chairman, distinguished guests, ladies and gentlemen, I wish to declare the workshop open. Thank you very much for your attention.

