The Role of Agricultural Input Systems In Achieving the MW2063

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How are agricultural input systems related to agri-productivity growth?

- Agricultural input systems are a critical ingredient for raising agricultural labour productivity
- Raising agricultural labour productivity is critical for increasing the rate of agricultural output growth
- Increasing agricultural output growth is critical for increasing economic output per person and achieving MW2063

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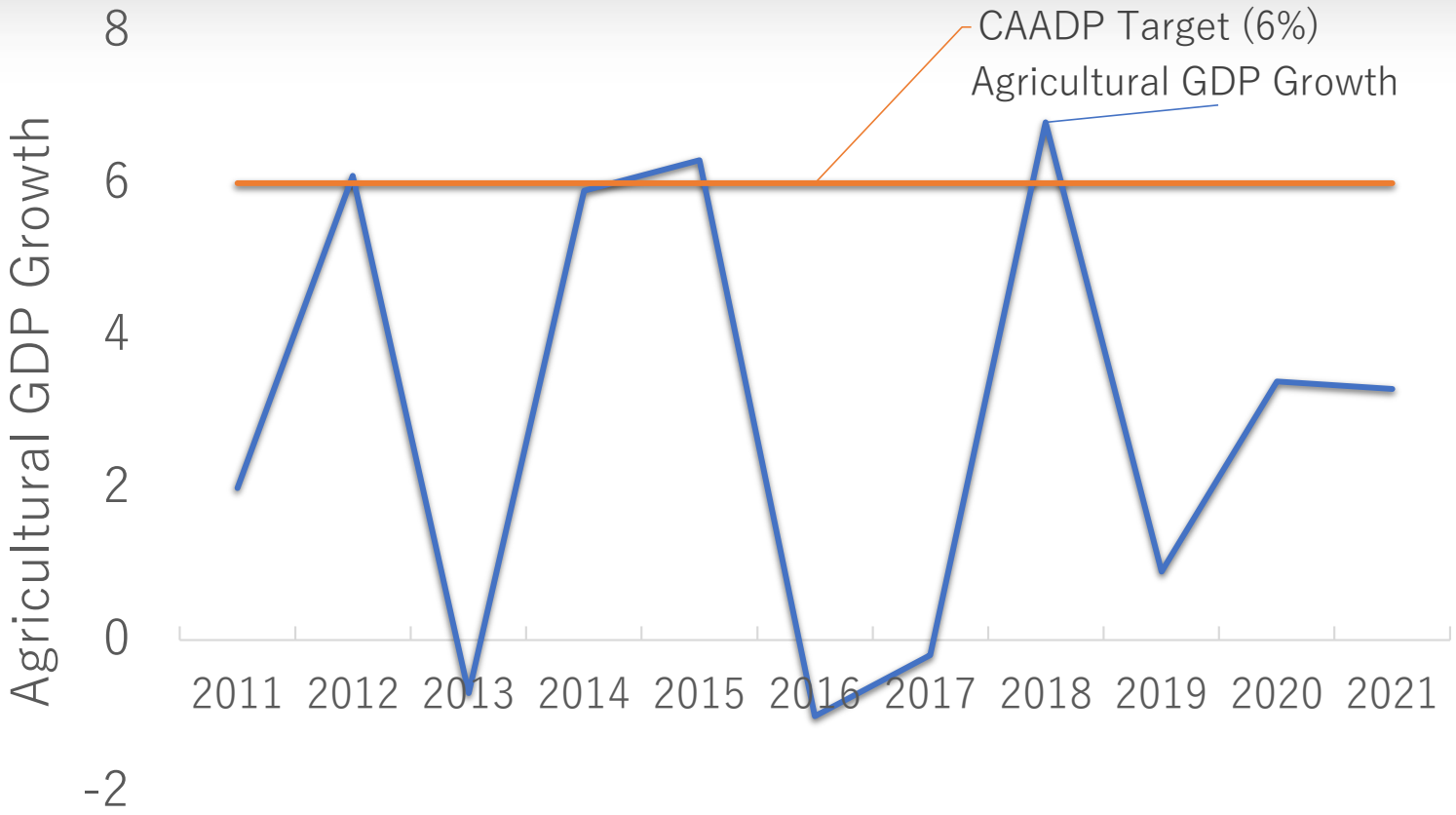
Trends in agricultural output growth relative to CAADP target



Source: GoM, Annual Economic Reports

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What needs to be done to develop agri-input systems?

- Malawi must reset the tone for agri-development by:
  - Increasing investments in Agricultural R&D
  - Improving access to farmer services (all farmers)
  - Developing input systems to supply the irrigation subsector
  - Improving the legal and regulatory environment
  - Increasing agro-industry competitiveness (i.e., for seed, fertilizer, services, etc.)
  - Improving institutional support to agri-businesses

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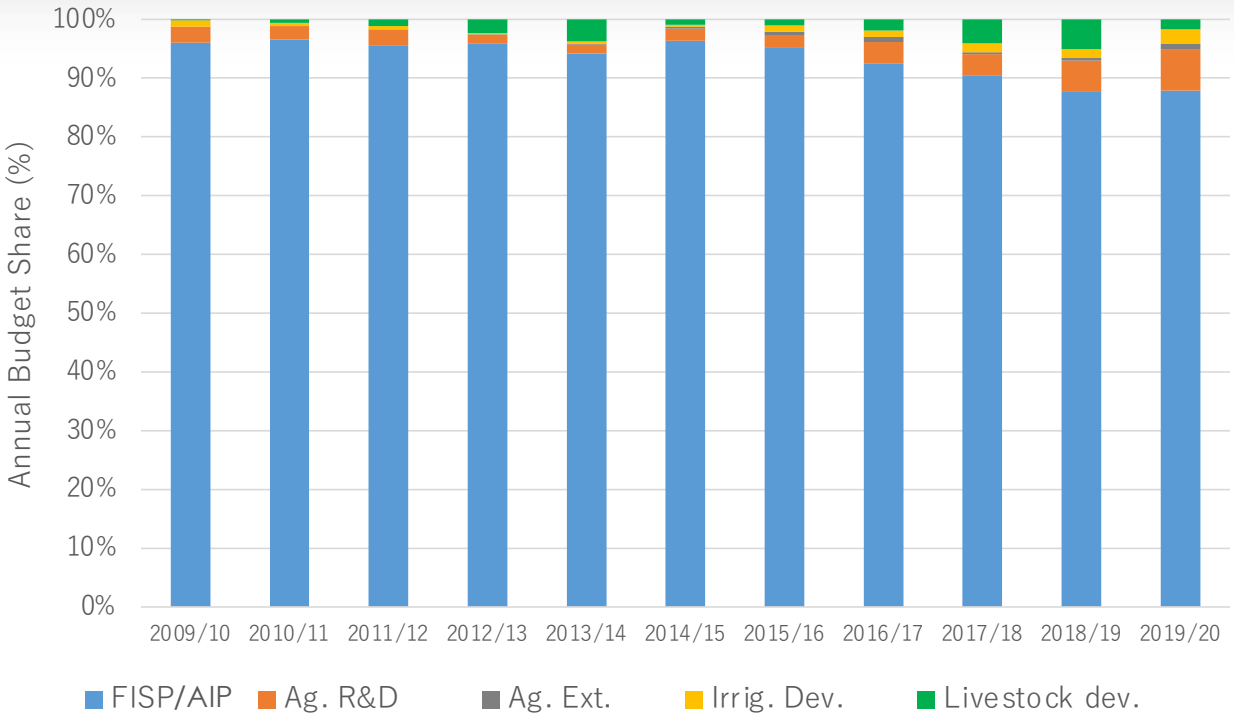
Increase R&D investments to strengthen the seed systems, farmer support, and other services



Source: GoM budget records

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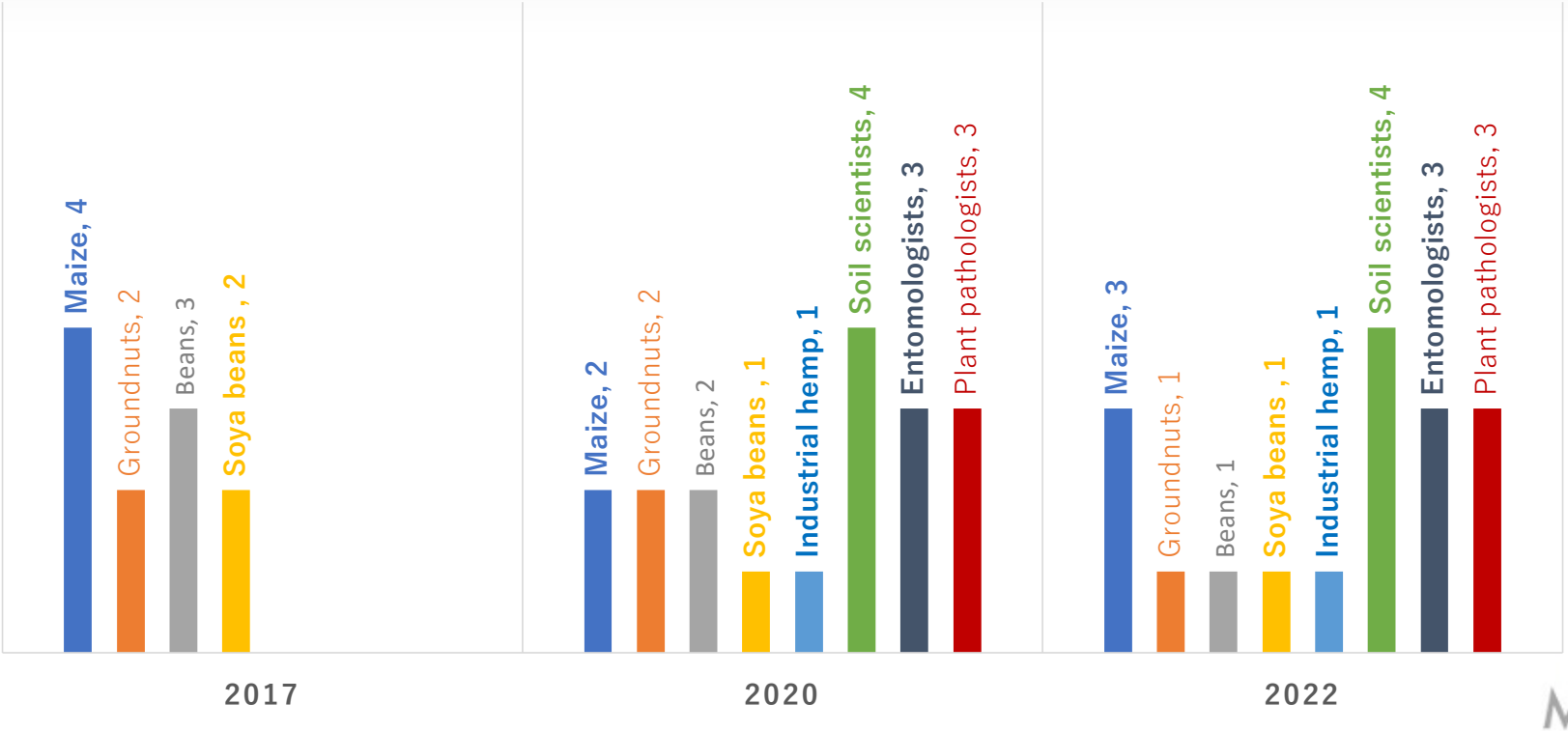
Example: Number of active breeders/researchers at DARS



Source: African Seed Access Report, 2020 and Key Informants Interviews, 2020 & 2022

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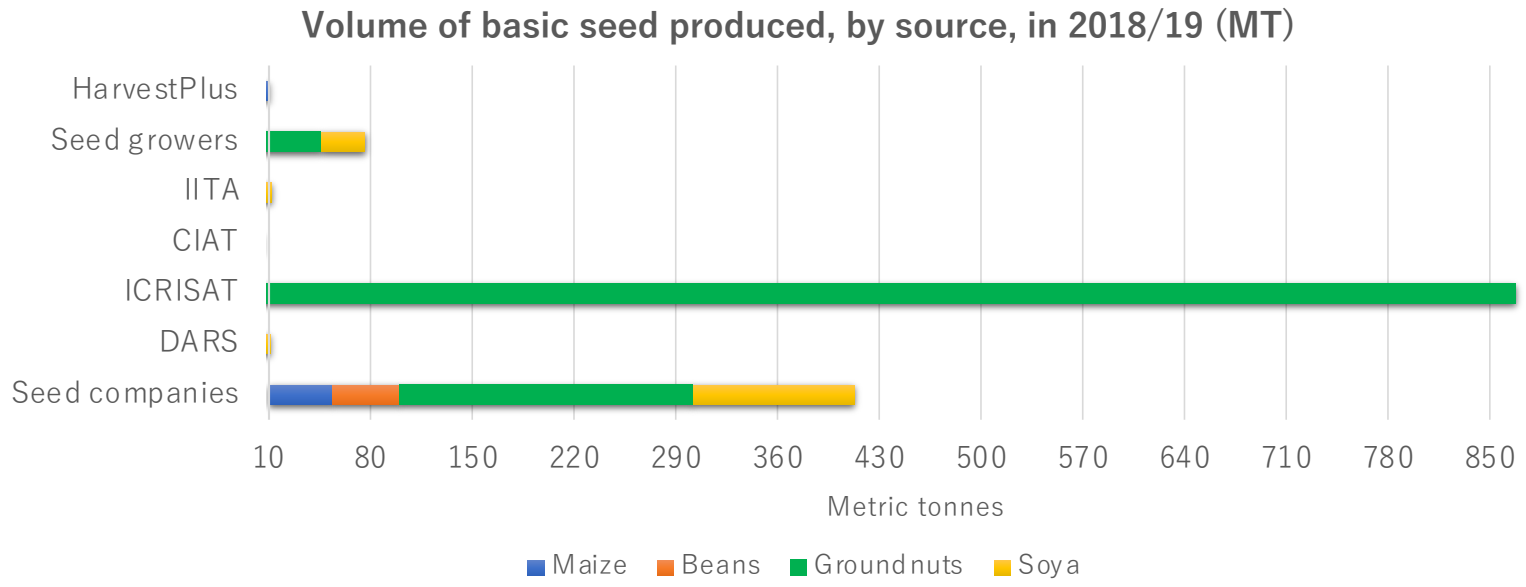
Example: Source & Volume of basic seed produced in 2018/19 (MT)

- Inadequate funding constraining supply of basic seed from DARS to seed companies



Source: African Seed Access Report, 2020

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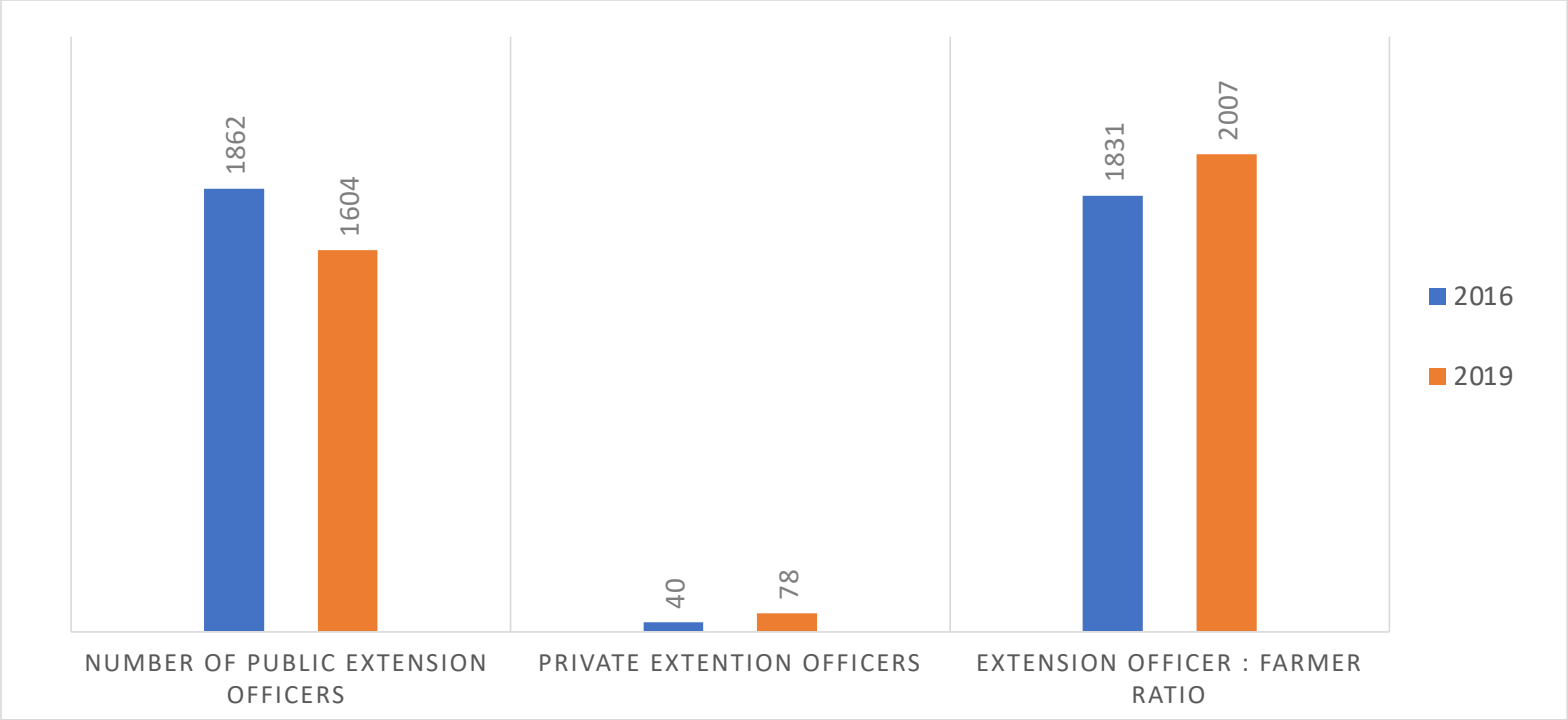
Increase investments in Ag. extension services to strengthen farmer support

- Extension services overstretched due to low extension worker-to-farmer ratio



Source: African Seed Access Report, 2020

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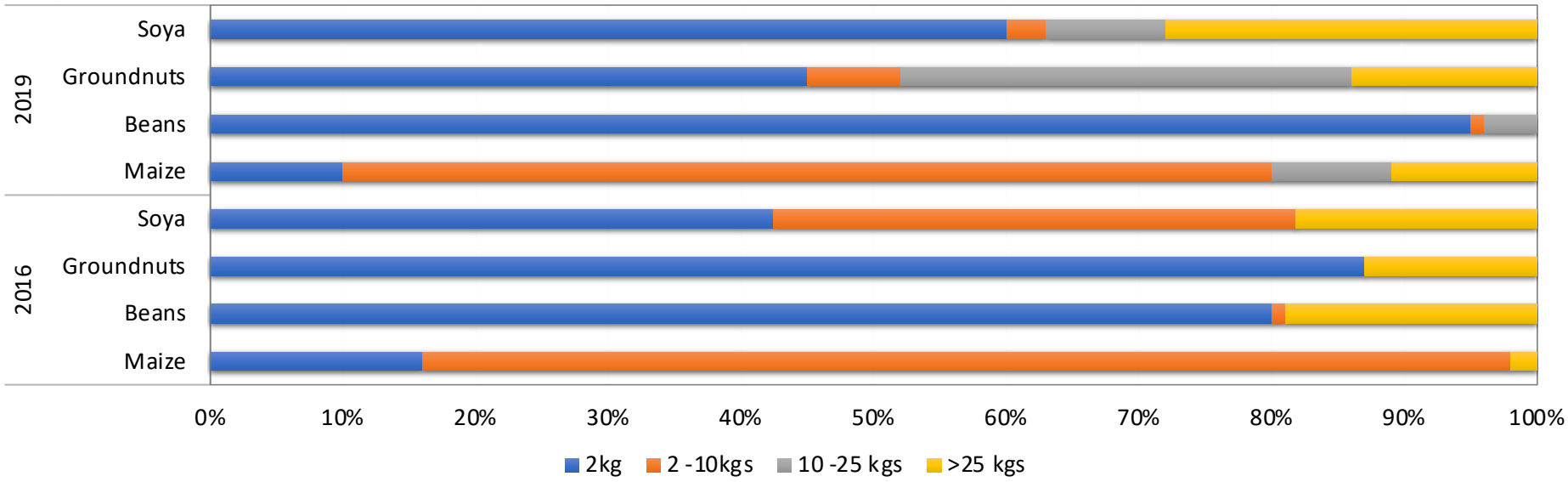
Increase access to certified quality seed

- Availability of seed in small packages declined over time



Source: African Seed Access Report, 2020

Improve access to farmer services

- Developing input systems to supply the irrigation subsector will be critical for irrigation development
- Improving access to farm mechanization services will reduce drudgery and increase the quality of farm operations and promote plant nutrient sequestration
- Improving agribusiness services will spur the development of the business of agriculture
- Increase the supply of soil conditioning services to raise crop response rates to N (from 5kgs/N to 35-37kgs/N)
- Developing inclusive seed systems will be a critical ingredient for responding to the needs of emerging medium-scale farmers

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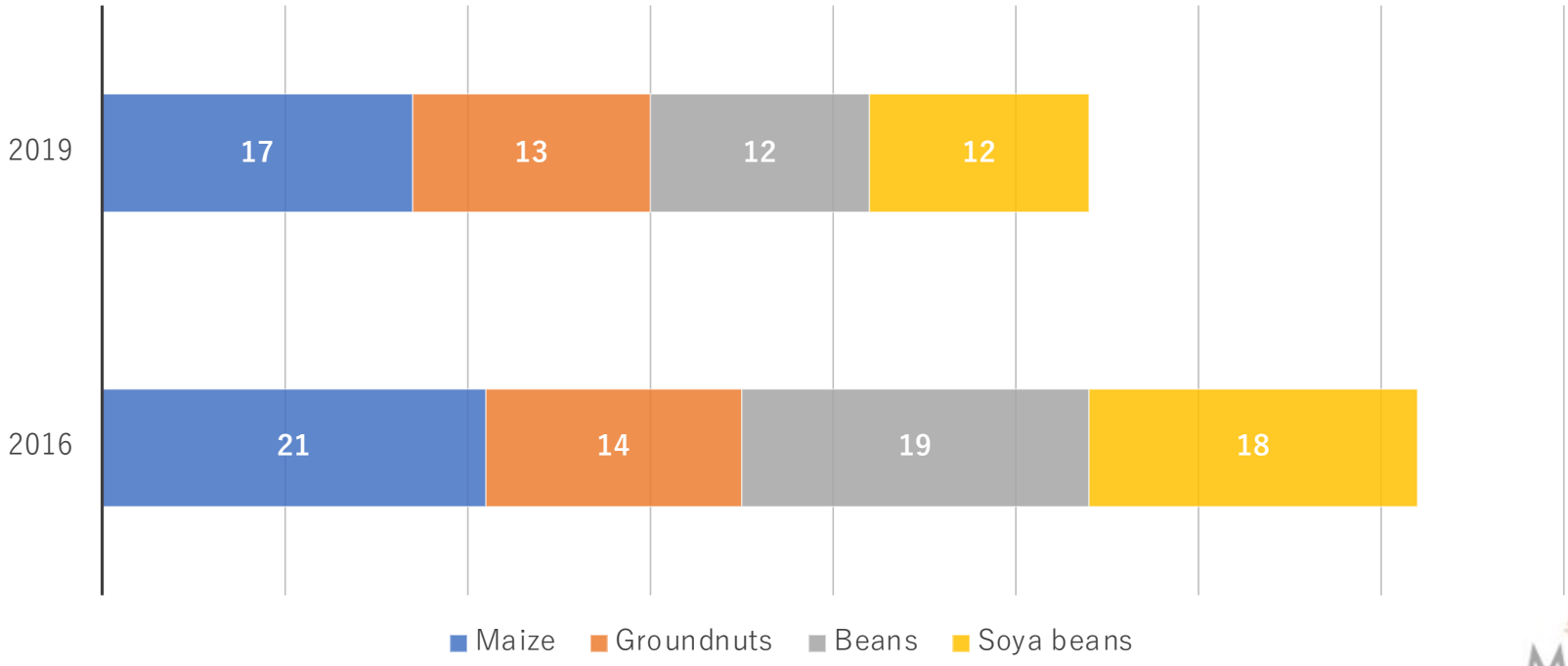
Develop and competitive seed industry to promote innovation and quality of services

- Incentivize more players to enter the seed industry



Source: African Seed Access Report, 2020

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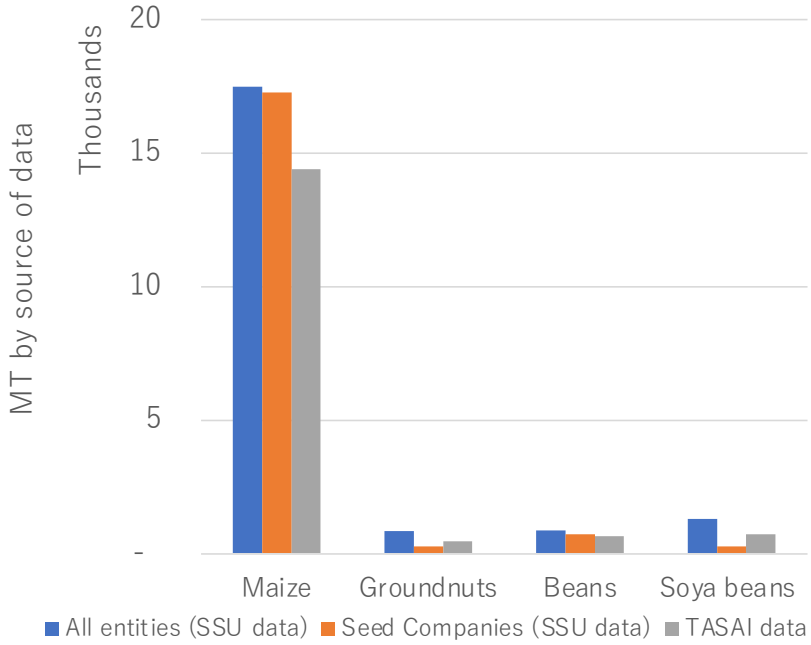
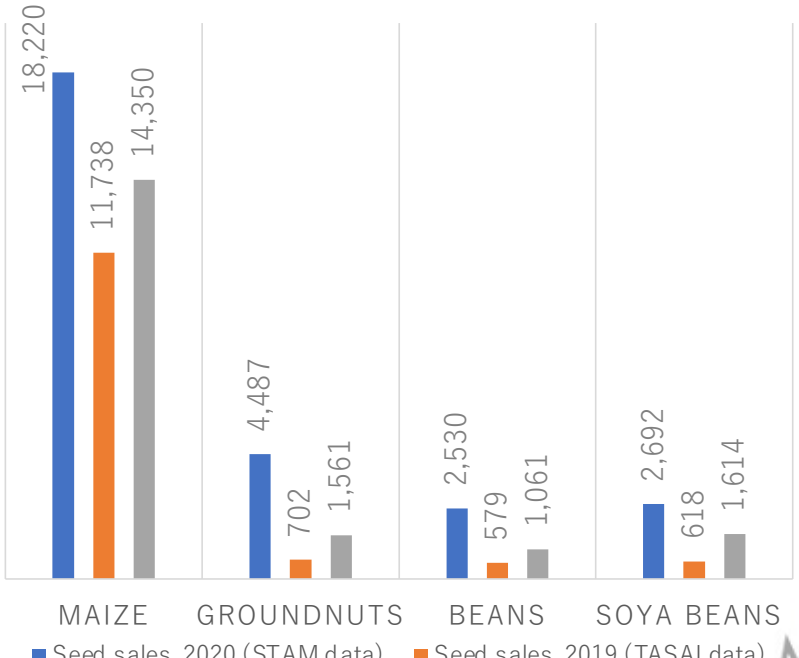
A competitive seed industry will improve the supply of quality seed

- Estimated total seed produced in 2009



Source: African Seed Access Report, 2020

- Estimated commercial seed sales (MT)



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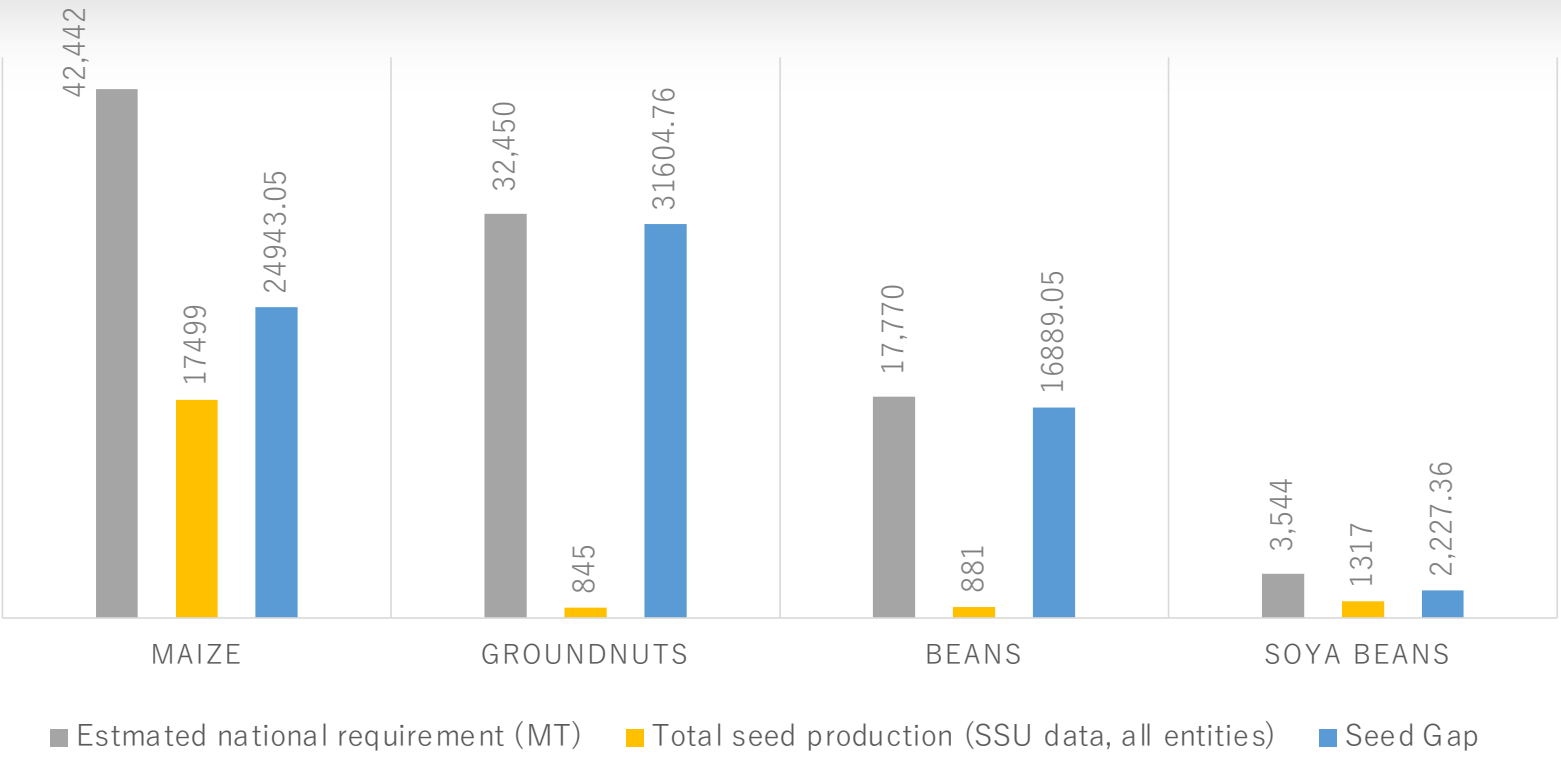
Example: Estimated seed requirement/seed gap in 2019 (MT)



Source: African Seed Access Report, 2020/Author calculations, 2022

Institutional support to agribusiness

- Promoting farming as a business will require:
  - Introducing targeted agribusiness services and incentives for farmers
  - Elevating the agribusiness Section in the Ministry of Agriculture
  - Re-aligning banking services to make them compatible with the country's economic framework
  - Alternatively, introducing agricultural banks (e.g., the Cooperative Bank idea)
  - Developing commodity market models that improve farmers' access to formal markets
  - Strengthening input supply systems in general

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Way forward

- Improving agricultural productivity is a pre-condition for achieving MW2063
- Developing agricultural inputs systems is essential to increasing agriculture labour productivity
- Investing in Ag. R&D and Extension services could have long-lasting positive impacts on the human and systems capacities that are needed for increasing labour productivity

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