

At market, Malawian farmer Timothy Machika sorts his chili by grade before presenting them for sale. Chilies that are the brightest red yield the highest prices. Photo by Sara A. Fajardo/CRS.

# PROGRAM SNAPSHOT

## CRS IS LINKING CHILI FARMERS TO MARKET IN MALAWI TO IMPROVE LIVELIHOODS AND BUILD RESILIENCE

### **WALA (Wellness and Agriculture for Life Advancement)**

**Duration:** 2009–2014, 5 years

**Funding:** USAID Title II Food for Peace, nonemergency

**Implementers:** Consortium of 9 organizations led by CRS

**Geographic focus:** 8 districts in southern Malawi

**Target:** More than 200,000 chronically food insecure households

**Objective:** To reduce food insecurity through improving maternal health and nutrition, improving livelihoods of smallholder farmers, and building the capacity of targeted communities to withstand shocks and stresses

### **LINKING FARMERS TO MARKETS**

CRS' Wellness and Agriculture for Life Achievement (WALA) program is linking smallholder farmers in Malawi to Exagris Africa Limited, one of the nation's leading bird's eye chili exporters, through the development of an out-grower program targeted to organized farmer groups. The WALA programme and Exagris piloted the "out-grower" program (which enables smallholders to supply crops to a guaranteed market) in 2010, and successfully linked 600 farmers to Exagris. To participate, farmers sign an out-grower contract which guarantees them a market for their crop, as well as extension support and subsidized seed from the company. Smallholder farmers in this area were previously unable to secure these types of agreements due to the high risk of default. Now these farmers have become reliable business partners through support from the WALA program.

### **SCALING UP FOR SUCCESS**

WALA and Exagris publicized the success of the pilot through marketing fairs, which interested more farmers.

In 2011, 5,315 farmers joined the program and farmers sold over 132MT of chilies valued at over \$292,000 dollars to Exagris. Of the total chili crop exported by Exagris in 2012, 40 percent was purchased from WALA farmers. The number of smallholder farmers participating in the program has since increased to over 10,000 for the 2012–13 season.

*Chilies are attractive crops due to the high price offered to growers. Compared to maize, which sells for 15¢/kg (at best), chilies sold for \$2.80/kg. The higher return on capital can boost typical household incomes by up to 300 percent.*



## BUILDING RESILIENCE

Farmers who sold chilies were not as negatively affected by the 2012 drought and food crisis because they had money to meet their food needs for additional months, compared to those who relied on their usual crop of maize. With increased profits, farmers have reinvested the proceeds from chilies to expand their farming and to better their lives. One farmer even bought a vehicle to support his farming activities. Other farmers used the proceeds to build better houses for their families and invest in WALA's Village Savings and Loans program. These informal community-managed groups help build up savings in a common fund from which individual group members can borrow for microenterprises.

## FINDING MORE LINKS TO MARKETS

Due to the success of farmers who sold chilies, other private sector service providers have become interested in working with WALA farmers, including banks, input suppliers and insurers, who now see the chili farmers as attractive clients.

The success of the chilies program is helping smallholder farmers in Malawi integrate into profitable value chains and improve their food security.

## FOCUSING ON WOMEN

Women in Malawi are often responsible for the health, education and overall well-being of their households, but they often lack access to adequate education, income, or household decision-making power that would otherwise enable them to provide healthy meals, health care and education for their families. CRS recognizes that women often face a multitude of barriers to participating in economic activity or decision-making, which in turn hinders communities from developing to their full potential. WALA responds to these challenges by encouraging field staff to incorporate a series of gender-sensitive steps from program conception to completion. These steps include examining the roles and responsibilities of males and females as well as their access to resources and implementation mechanisms that ensure equal access participation for male and female beneficiaries in the program. The program's focus on women is having positive results: sixty-two percent of participating farmers are women who are successfully engaging in economically productive activities through the out-grower program.



Chili farmer Timothy Machika rides to a monthly buyers market in Malawi on a bike laden with chili peppers and ledger books. Sara A. Fajardo/CRS.



Chili farmers wait to sell their peppers at a monthly buyers market in Malawi. Sara A. Fajardo/CRS.

**Figure 1. 5,315 farmers in the chili out-grower program 2011**

