

"Before Afrisphere came in we did not know that our cattle had value other than for traditional exchange during marriages; now we have learnt that there is a commercial value for cattle and the company is providing us with training and technical support so that we can make a profit from cattle farming"

says Ms Marie B Khongolo

espite being home to nearly 80% of the nation's cattle, tobacco farming is the main source of income in northern Malawi. Marie is one of a small group of smallholder cattle farmers, living in Rumphi district, whose life has been transformed the Malawi Innovation Challenge Fund's (MICF) support to develop a robust, commercialized smallholder-led supply chain which can export beef to the international market.

Until now, most people in rural areas owned indigenous livestock breeds (Malawian Zebu). Due to

the time that it takes for the zebu to reach full size, its small mass, and its tendency to succumb to disease, this has led to poor quality and inconsistent supply of cattle to the market. In addition, there was no infrastructure in place to produce quality-assured, local beef products. In fact, with a lack of knowledge around disease and disease control, and limited processing facilities; it had long been assumed that smallholder-led supply chains were doomed to fail in this part of Malawi.

The MICF funded project has set up a sustainable supply chain

"Afrisphere provided trainings to our farmer group. One was how to check if our animals were free of disease, and who to contact if they were not, and one about the best way to feed our animals."

by introducing the Bonsmara breed through a cross breeding program with the local Zebu. Increasing the weight of the offspring by 40% allows the farmer to earn a higher income from the new cross bred animal and ensure that the company has a steady supply of high-quality raw material for processing.

This, combined with investments in a world class halaal abattoir and feedlot for fattening the smallholder reared cattle, has allowed the establishment of a high value beef supply chain.

The introduction of a traceability system, which allows the company to track the cattle from the field to the abattoir and on to the retail market, is integral part of this ambitious project.

With a focus on increasing the technical capacity of smallholder livestock farmers, Afrisphere, in association with Ministry of Agriculture Livestock Division and the Department for Animal Health and Livestock Development (DAHLD), provides the farmers training and animal husbandry services including vaccinations.

The project has increased the technical capacity of over 10,250 smallholder livestock farmers in the northern region, including Marie, whose farming methods have since dramatically changed.

"Afrisphere provided trainings to our farmer group. One was how to check if our animals were free of disease, and who to contact if they were not, and one about the best way to feed our animals. Driving an hour north from Rumphi and meeting with a local farmers' club, the support for the project is noticeable. With a



Ms Marie B Khongolo, a project beneficiary



A smallholder group part of the programme

continued deep community-level engagement, and an unrelenting focus on the smallholders and strong collaboration with other key players, farmer groups such as Marie's will continue to be successful. If commercial cattle buying can be extended to benefit more people, Afrisphere will have more produce to sell, and the whole livestock industry will become sustainable", she said.

Four years on, the project is flourishing. Across the value chain more than 200 jobs have been

created: at the extensive feedlot in Bolero, at the state of the art abattoir in Mzuzu which was officially opened in November 2018, and in the 10 retail shops across Malawi.

With improved breeding practices, standards and facilities, and a commitment to reduce wastage, every part of the cattle will be put to good use, and the potential for export is significant. The company-wide initiatives to engage and empower women and youth across the clubs are also having tangible social

"This is the first time that a highly productive breed of beef cattle – the Bonsmara, has been introduced in Malawi and we are very pleased to note that integrating small farmers into this supply chain has resulted in a 100% increase in income to farmers through the supply of high quality cross bred calves to the company's feedlot"

**UNDP** Resident Representative a.i., Claire Medina.

"Without MICF funding we could not have ventured into this highly innovative project that has multiple components which are highly risky. The supply chain is 100% smallholder led, we are confident that with proper support and trainings to smallholder farmers they can raise high quality cattle that can meet international standards"

**Hussein Jakhura, CEO Afrisphere Ltd** 

impact; challenging traditional gender roles within these communities, encouraging youth to favor staying in Malawi over migration and allowing families to share both financial and labor burdens.

The story of Afrisphere and these cattle farmers is just the beginning. Over the coming years, the company has ambitious targets to include additional 20.000 farmers with the intention of integrating them into their evergrowing network of partners. The company actively encourages self-sufficiency within the farmer clubs and hopes the farmers will one day have the means available to purchase their own Bonsmara bulls of the highest quality. The MICF is a platform to create partnerships with the poor, providing opportunities to explore the commercial viability of a new business model and/ or innovation that could change the face of the private sector in Malawi and the lives of its people.

UNDP Resident Representative a.i., Claire Medina, "This is the first time that a highly productive breed of beef cattle – the Bonsmara, has been introduced in Malawi and we are very pleased to note that integrating small farmers into this supply chain has resulted in a 100% increase in income to farmers through the supply of high quality cross bred calves to the company's feedlot".

Hussein Jakhura, CEO Afrisphere Ltd - "Without MICF funding we could not have ventured into this highly innovative project that has multiple components which are highly risky. The supply chain is 100% smallholder led, we are confident that with proper support and trainings to smallholder farmers they can raise high quality

cattle that can meet international standards".

The Malawi Innovation Challenge Fund (MICF) is a USD 24m competitive mechanism that provides matching-grant finance across Malawi's agricultural, logistics manufacturing and sectors. It is aimed at stimulating growth in the private sector through projects where, as in the case of Afrisphere, commercial viability may be unclear but demonstrate clear potential for scalability and the delivery of significant social impact. As the name suggests, whether through a new business model or technology, or a new approach to environmental sustainability; with innovation is at the heart of every MICF project.

The MICF is supported by UNDP, UK Aid, IFAD and the Federal Republic of Germany through KFW.



**Bonsmara and Zebu Crossbred calves** 

## **Project Building Blocks**

10,250 Farmers identified, trained in animal husbandry. Introduction of an electronic traceability platform.



Introduce the Bonsmara Bull into farmer groups to breed with the local Zebu breed using artificial insemination (Al) and natural methods.



Farmers raise cross bred calves, which they sell to Afrisphere at a premium price for quality.



Construction of feedlot where the cross bred heifers from farmers are fattened



Beef fit for international export is produced per month in new state of art Abattoir



Participating cattle farmers increase their income 100%. New jobs created throughout the value chain.





## **MALAWI INNOVATION CHALLENGE FUND**

P.O. Box 2873, 11 Jacaranda Avenue, Mandala Blantyre, Malawi (+265) 1 872 961 / 1 872 830 www.micf.mw

