



# COOPERATION AND DEVELOPMENT NETWORK



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**Hosting organization: COOPI**



## CREATING VALUE FOR LOCAL ECONOMIC CIRCUIT” - THE ROLE OF AGRICULTURAL COOPERATIVES



The purpose of this study is to analyze the level of government intervention in the development of Agricultural Cooperatives in Salima and also analyze the extent of local value chain development and the associated benefits of farmers engaging in Cooperative initiatives. To achieve the above mentioned aim, a multiple case study of 11 cooperatives in Salima supported by COOPI Malawi was conducted.



These Cooperatives are working with COOPI under the DISCOVER project since 2009. It was found out that government policy, strategies and structures are very vital and have greatly helped in the development of the cooperatives. Also the development and growth of the local economic value chain was evident leading to an improvement in the peoples' living standards.



Insieme, per un mondo possibile.



It was further found out that that most farmers joined cooperatives to improve their livelihood, through better access to capital and product markets, and for family food security. The farmers have managed to obtain input loans at small scale, despite their dissatisfaction with their cooperatives failure to access product markets. The general consensus for the participants in all the 11 cooperatives was that in their current state these cooperatives are not sustainable. Although, all the members interviewed were satisfied with the idea of having a cooperative and perceived it to be a good idea for addressing their needs, they were



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skeptical of their survival. The participants highlighted lack of market access, poor governance and a lack of managerial skills as the main problems affecting their cooperatives. These problems are aggravated by the complexity of the market environment in which these cooperatives are operating, that underscores the significance of the managerial capabilities and the cooperatives capacities. The study indicated that Malawian agricultural cooperatives are essential but still need a lot more support in the area of produce marketing. These findings draws propositions in relation to factors which led to Malawian agricultural cooperatives sustainability problems that can later be tested on a large sample in the other parts of the country or region. From such experiences and lessons, it is recommended to strengthen the collaboration with the district trade and agriculture offices and a further community sensitization is needed to increase memberships. In addition, policy interventions such as provision of the infrastructure necessary for accessing market information and supportive regulatory framework that would allow competitive market environment.

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