



The USAID Southern Africa Trade Hub: Enhancing Economic Growth and Food Security through Trade

Malawi



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The USAID Southern Africa Trade Hub: Working in Malawi

The goal of the United States Agency for International Development (USAID) Southern Africa Trade Hub is to increase international competitiveness, intra-regional trade and food security in Southern Africa.

While the majority of the Trade Hub’s activities are regional in nature, some activities specifically target Malawi as a direct beneficiary. Through various regional and cross-cutting initiatives, the Trade Hub is working with Malawi specifically within the context of regional agricultural value chain initiatives and trade facilitation.

Coordinated Border Management (CBM): The Trade Hub is improving border management efficiency and reducing the time and cost of trade through its CBM program at the following borders: Mwanza (border with Mozambique), Songwe (border with Tanzania), Mchinji (border with Zambia) and Dedza (border with Mozambique). We aim to reduce crossing times at Mwanza and Songwe by 10%, complete border operations assessments at the Dedza and Mchinji borders, and establish Joint Border Committees to coordinate all border operations.

National Single Window (NSW): The Trade Hub has partnered with Malawi’s Ministry of Industry and Trade to implement National Single Window, an online system that will enable all trade-related stakeholders to submit documentation to a single electronic portal, significantly reducing the time and cost of trade. The Trade Hub is bringing senior government officials from Malawi to Mozambique to tour their successful NSW operations and is facilitating the Malawi government’s formal acceptance of NSW. The Trade Hub is also arranging workshops to familiarize officials with the system and facilitating legislation to enable e-commerce and NSW.

Customs Connectivity: Increasing customs connectivity has substantial potential to streamline procedures and lower transport times. The Trade Hub launched the RADDEx program in 2010 to connect the Malawi Revenue Authority with the Tanzania Revenue Authority, which significantly increased transparency and reduced administrative costs associated with border crossing.

Warehouse Receipts: The Trade Hub has provided assistance in developing and ensuring best practice in the warehouse receipt regulations of the Agricultural Commodity Exchange (ACE) in Lilongwe. The Trade Hub is also supporting ACE in leveraging bank financing of these receipts through direct support to financial institutions to develop warehouse receipt collateral loan products and through identifica-

tion of insurance products to mitigate bank risk. In 2012, approximately \$100,000 USD in finance was provided to small holder farmers in Malawi on the basis of ACE warehouse receipts.

Strategic Partnership Grant between Capstone Seeds (SA) and Peacock Seeds (MW): The Trade Hub has provided a \$100,000 USD grant to Capstone Seeds, a small independent South African seed company, to partner with a small independent Malawian seed company, Peacock Seeds. This partnership is increasing the technical capacity of Peacock Seeds to multiply and certify seeds effectively and will expand farmer access and choice in hybrid maize varieties. Peacock Seeds is expected to increase its sales of certified hybrid maize seed from 40 to 500 metric tons this year.



Groundnut Aflatoxin Mitigation Trainings: The Trade Hub has developed a practical, management-based approach to aflatoxin reduction in commercial groundnut supply chains and has delivered trainings across the region to stakeholders in production, trading, processing and regulatory sectors. In Malawi, 41 stakeholders were trained in 2012. A second training focused on processing techniques for removing aflatoxin from nuts will be held in 2013.

Grain Grading and Storage Management Training: The Trade Hub will launch a nationwide training on grain grading and standards, warehouse management and pest control. This will be a rigorous, two-week residential training targeting staff from certified warehouse receipts facilities, the National Food Reserve Agency (NFRA), private traders, feed and grain mills and other grain processors. Over a six-month period, approximately 120 people will be trained, reaching the majority of formal grain storage in the country.

Bunge/SENWES Strategic Partnership Grant: The Trade Hub is developing a strategic partnership grant agreement with SENWES, South Africa's second largest integrated agribusiness company, to encourage and support increased private sector investment into the soy sector. We expect the agreement to support increased contract farming of soybeans and improve private extension to contract farmers.

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