

BOOSTING FARMER INCOMES AND REVIVING MALAWI'S GROUNDNUT INDUSTRY

Afri-Oils is a groundnut processing business in Malawi which purchases locally grown groundnuts from smallholder farmers.

AgDevCo invested \$1.5m of debt and equity in 2016 to finance a new factory including modern grading equipment. AgDevCo's team in Malawi provides regular support to management to strengthen governance, operations and financial performance.

The company is working directly with farmers to increase productivity and reduce aflatoxin levels, through an extension programme supported by AgDevCo's Smallholder Development Unit.

Afri-Oils has come a long way since the move into the new factory. In the first season it processed 700 tonnes of groundnuts. Over the past season (2017/18) it processed 3,000 tonnes buying from over 23,000 farmers, the large majority of whom were women. Their graded nuts are sold into regional markets, including to a manufacturer of ready-to-use-therapeutic (RUTF) foods which supplies UNICEF and WFP; and to a peanut butter factory.

Throughput is expected to be 33% higher in the coming season as the factory moves towards full capacity. By 2021, the company expects to be able to engage with at least 40,000 smallholder groundnut farmers. Moreover, by demonstrating Malawi can meet demanding international standards on aflatoxin, Afri-Oils is paving the way for the revival of the local groundnut industry, which was a significant exporter in the 1980s.