FROM NANDOLO TO PIGEON PEAS: THE STATE–MARKET INTERVENTION FALLACY
1. THE MIRACULOUS NANDOLO BOOM

The journey from Nandolo to pigeon peas in Malawi is a mixed bag of excitement, hope, frustrations, fights and looting: excitement because of the unprecedented boom in production, hope because of promising pace at which it set to replace heavy-rains-reliant crops and tobacco, frustrations because of the short-lived hope it brought, fights because of the myriad stakeholder interest, looting because of the unfortunate arcade it built for actors who pride themselves as architects of state looting and exploitative opportunist tendencies. The journey continues but the “Promised Land” remains out of reach.

Since time immemorial, farmers believed that “Nandolo” was solely grown for local industry and household consumption. Evidence however shows that export exploits were enjoyed by a few traders (such as Rab Processors, ETG, HMS traders, Transglobe and KU distributors) to which Nandolo producers arbitrarily sold their surplus year in and year out. Over time, being one of the most versatile grain legume grown by smallholder farmers in the country, Nandolo was one of the commodities that gained recognition amidst anti-smoking lobby campaigns as one crop that has the potential to complement and possibly replace the prominence of tobacco.

Nandolo provides soothing statistics for every Malawian who is tired of being at the bottom of every socio-economic parameters’ ladders. Nandolo is grown in most populous districts of the southern region (Mulanje, Thyolo, Phalombe, Chikwawa) and this means that the outcry that its farmers can face, may attract political attention. Malawi ranks first in terms of “pigeon pea” production in Africa. Surprised? There is one more good news: it is the third largest pigeon pea producer in the world, behind India and Burma. It accounts for 22% of the total Malawi legume production and a third crop in terms of hectarage.

The good news ends here. The sad reality is that the country hardly benefits from the trade. Malawi is jeopardized by high freight costs and low pigeon pea grain quality as compared to countries like Tanzania and Kenya. On the other hand, despite the availability for other international pigeon peas markets such as Myanmar Tanzania, Sudan, Kenya, France, Ecuador, Sri Lanka and Peru, Malawi’s overreliance only on India has led to low and fly-by-night export earnings; no wonder when India restricted importation of pigeon peas in 2017 to protect its local farmers, the Malawian pigeon pea market dismally crashed and is yet to resuscitate.

Our success story is not largely a matter of chance and fate. The crop is well adapted in the semi-arid tropics; is highly drought tolerant (compared to maize, tobacco and cotton).
The journey to prominence for pigeon peas has been a congruency of three factors namely the inevitable climate push, robust variety push and the Indian market breakthrough. Climate wise, the adaptability to climate change of pigeon peas, especially in the recent years, mainly in the land-deprived communities of the southern mean that the commodity was the surest safety crop amidst the two barriers. The crop is drought resistant and can be intercropped thereby maximizing the land usage. This has obviously been an attractive bet from the Mulanje, Thyolo, Chiladzulu, Phalombe belt where the skyrocketing population make it obvious to have land usage intensification. This largely explains why the districts in question have higher production than Chikwawa and Balaka where the crop equally does well and drought occurrence are almost twice.

Imbued on the above factor is the release of high yielding varieties in the name of Mwaiwathualimi, Nthawajune and Chitedze 1 & 2. These varieties unlike the traditional varieties, perform produce exceedingly high yields. Equally instrumental is the adoption of farmers on these varieties which unlike other crops meant that the usage of improved varieties is a non-issue in nandolo. Finally, the opening up of the India market, which was lucrative and promising, increased exports and prominence of Nandolo to the extent that 1 kg of Nandolo was being bought at MWK 1,000.00 locally.

Explicitly put, the rise to prominence for Nandolo was at union of these factors. Considering that climate change is here to stay, and population boom and land scarcity are conspicuous in sight just as the variety research efforts are still boiling, the likelihood of pigeon peas production going down, is not as high as it may look especially amidst the present pessimistic outlook.

The budding prominence of pigeon peas in Malawi led to the honeymoon of Pigeon Peas production that was followed by an upsurge in number of farmers growing pigeon peas in most populous districts of the southern region where it was grown vigorously namely; Mulanje, Phalombe, Chiradzulu, Thyolo. Farmers were getting more money from Nandolo and its increase in prominence attracted interest of different actors and developmental partners. At the same time, there were a lot of initiatives in Nandolo production.

The first entrant from the development partners’ side was NORAD through AICC which championed the established of Legumes Development Trust (LDT). Irish Aid followed later
and made significant investments in the pigeon peas sector through LDT and research stations. Business Innovations Facility (BIF) followed later. BIF facilitated and coordinated different meetings with concerned and relevant stakeholders for the promotion of Pigeon Peas.

Mounting interest by different actors in Nandolo enticed government to intervene by mobilizing a lot of farmers to grow pigeon peas. This was followed by government’s intent through the Ministry of Industry, Trade and Tourism to make plans for signing a memorandum of understanding with the Indian government to provide export market for Nandolo. The news brought more excitement to most Nandolo farmers and Nandolo sold like hot cake.

Seeing that Nandolo spun to be a crop to make a date with as other crops such as cotton, tobacco and others were demeaning in value on markets, Nandolo Farmers Association of Malawi budded in this very era to safeguard the interest of Nandolo farmers.

However, the interest, hype as well as excitement that Nandolo created evaporated and was short-lived due to a number of factors. Firstly, the booming of Nandolo was not a planned phenomenon. It was not something that a traceable entity could get credit for unlike Tobacco or Maize. One could not attribute a certain government or NGO or donor intervention for its prominence. It was something that farmers were doing as a resilient measure due to climate challenges that hampered alternative crops and land challenges in the dominant districts. As a result, Nandolo became plenteous in the country. In short, plenteous Nandolo in Malawi is not something that came about due to a policy measure or any intervention from players (other than farmers) but rather it happened on its own. Subsequently, stocks of Nandolo piled up and government seemed to have been overtaken by events as it was reactive not pro-active in its interventions.

Secondly, Malawi’s overreliance on one market (India Market) for export of its pigeon peas even though other markets were available in the region had contributed to the short-lived honeymoon. The Indian market was a captive market and thus its crush meant that Nandolo would face a market catastrophe. This was evident when it reduced its import and imposed abrupt quotas on Nandolo.

Thirdly, there was a creeping crush in warehouse receipt system (WRS). The low uptake of Nandolo (compared to maize) has been a subject of debate for all market actors. This ideally meant that there was no refuge for Nandolo farmers at a time that the Indian market was shrinking in size.
Lastly, lack of corresponding intervention on value addition was another contributing factor to the short-lived honeymoon. Consumption of pigeon peas (in its raw form) in Malawi is concentrated among few districts in the southern region. The 400,000 metric tons are consequently at the mercy of raw consumers. In the absence of value addition, demand for Nandolo is not as high as claimed.

Clearly put, Nandolo attracted interest of different stakeholders due to its prominence to the extent that it would have been considered a substitute for tobacco and other cash crops in export earnings. However, the unplanned surge, overreliance on one market, crush of warehouse receipt system and lack of corresponding intervention on value addition led to the decrease in hype and interest that Nandolo attracted.

4. TOWARDS GOVERNMENT’S INTERVENTION

At the outset, Farmers had grown a lot of Nandolo with the full hope that there would be another Indian market that would increase their profits. However, this much awaited miracle never materialized. India produced more Pigeon Peas that could suffice India’s demand and thus deprived a need for importing the commodity from other countries.

Secondly, NGOs that were encouraging and pushing farmers to grow more pigeon peas disappeared and were nowhere in sight, resulting in loneliness of farmers. At the same time, there was literally no buyer on ground – except for those that came in to buy as low as K40 per kilogram. The noise of farmers consequently became loud and the political opposition bloc took the noise as an issue. Some opposition started making promises around the matter.

It was at this particular time that government decided to do something and thus made a directive that it would buy Nandolo through ADMARC.

5. THE MESSIAH THAT NEVER SAVED

The intervention by government to purchase Nandolo was a sweet melody to the ears of Nandolo farmers. Whilst this was good news, the farmers never benefited considerably and the nature in which the directive was announced, ignited diverse thoughts.

There are three schools of thought as to why the farmers never benefited considerably as will be discussed in the subsequent sections. However, a few suspicious points can be observed.

a) Prophets in the room? Six days before the official announcement, about 8 trucks loaded with Nandolo were seen packed at Luchenza ADMARC igniting the suspicion of even ADMARC officers who didn’t even have a clue that government would intervene. The presence of these market “prophets” was suspicious from the word go.

b) Selective depot financing: Anybody who has more reason to suspect underground dealings in the whole Nandolo buy-out may wish to use Luchenza depot as the starting point. While the general expectation was that all ADMARC depots in Nandolo growing areas would be sufficiently financed, there were some depots that were not financed at all while others had as little as K1 Million for the whole exercise period. The
exception was Luchenza which was being given K150 million a week for the exercise, yet Luchenza area is not the top most Nandolo growing area.

c) Discounting Approach: The irony with government’s directive was in the manner how on the other hand it discounted and ruled out the presence of unsold stocks by farmers. From the word go, government did not believe in the extent of the stocks held by farmers. Any effort to prove otherwise by Nandolo Farmers Association was greeted with full rebuttal by top government officials. At one point, the whole press briefing by the minister of agriculture and top officials became a dress-down room for the chairperson of Nandolo Association for her insistence on the availability of Nandolo in villages.

6. RESPONSE OF ACTORS

At the onset, farmers aggregated produce through their respective cooperatives. However, due to lack of markets for aggregated Nandolo produce, farmers dispersed their produce and started selling individually. The government intervention therefore made the farmers to come together again and aggregate the produce with hope that ADMARC will buy their produce. However, ADMARC kept on refusing to buy from cooperatives’ stocks. Farmers consequently started withdrawing from this arrangement and tried to sell individually. The individual selling proved to be an equal hustle. In turn farmers started selling their produce to traders at as low as MK 70 to pay off their transport costs. Of question was ADMARC’s prioritization of traders on top of farmers.

B. NGOs

As earlier disclosed, the interest of opposition parties and the Agricultural Parliamentary Committee (to be discussed later) made the whole Nandolo issue a political issue. Any player who was seen to be making suggestions that appeared similar to those of these two entities was not treated objectively. NGOs that had reservations with the manner in which the directive was made and effected opted to remain quite. The exception was Nandolo Farmers Association whose noise was ruthlessly discounted by government.

C. ADMARC

In general, ADMARC was not prepared as it took three weeks before it started purchasing Nandolo after the government’s directive. Furthermore, despite a sign of intent and seriousness from the concerned parties, ADMARC was not transparent enough in its operations. The issue of trucks earlier discussed and the visible lack of knowledge about how much funds they would get for the whole exercise (as depots) left them clueless on what answer to give to stranded farmers. There were no traits of corruption as in the case of FISP arrangement but the perpetual
sending back of farmers by ADMARC officials made the farmers to suspect underground dealings. Trucks loaded of Nandolo were seen being moved from Luchenza to offload at Machinjiri depot.

In the case of trucks that were sold at Luchenza and later offloaded at Machinjiri, the ADMARC officials had no prior knowledge of the trucks owners. This did not convince the farmers and in the process the relation that ensued between ADMARC officials and the farmers was that of mistrust.

D. GOVERNMENT

The role of government in the whole deal is a subject for speculation and counter-facts. Three scenarios can be examined.

i. Gimmicks of Political Patronage? The strange parked trucks at Luchenza ignites suspicions that government staged the buy-out to award its cronies. Throughout the whole exercise, Luchenza ADMARC entertained many trucks even against the lamentation of farmers. The fact that these trucks were packed six days prior to the official directive could confirm that the owners of the trucks were not ordinary merchants but those close to the government decision hub. These cannot be none other than ruling party politicians. Furthermore, at a time when everybody had ruled out on Nandolo market, these “truck owners" had the courage to buy Nandolo consistently, implying that they had a fore-knowledge of impending government arrangement. There is however another counter-side of this suspicion. The fact that ADMARC turned away farmers who went to sell as a corporative and demanded that each of the farmer should sell individually for fear of vendors riding behind the farmers casts doubt to this school of thought. In any case, this second version could confirm that government was at the onset so serious with its intention to ensure that farmers were bailed out and had benefited.

ii. The Discounted Eye-view. If government was to buy just 100,000 metric tons of Nandolo (against the 200,000 tones in farmers stocks), it needed at least K27 Billion kwacha. There is reasonable doubt that government did not have that money. This implies that government went into the whole transaction with a causal and discounted view that the stocks held by farmers were not as high as it turned out to be. Proof to this could be how government through the ministry of Trade deployed a high powered delegation to “verify” the availability of stocks by farmers and how throughout the period the
officials kept on arguing that the 100,000 metric tones was an exaggerated figure. It was upon the “verification” of some sites that some ADMARC depots were given some funds. Put differently, government might have had some clean motives on the directive but did not think that the financial implication was as high as it turned out.

iii. Artificial Demand-Trick: The third school is that none of the two schools above are correct but rather government knew the implications very well but wanted to create an artificial demand that would benefit the farmers. Through the directive, government might have wanted to create a situation where farmers would flock to ADMARC depots to sell but since there would be no money in depots (a deliberate trick), they would opt to sell to vendors at a higher price than the prevailing K70. The vendors would buy from farmers with the hope that they would use their financial muscle (to bribe) to sell to ADMARC at a later stage. Consequently, although farmers would sell at a price lower than the government directed price, they would nevertheless sell at a good price close to K200 and would still excite them than the prevailing K70. Since politics is about numbers, government would prefer to dupe the vendors and please the one million plus farmers who largely come from the ruling party strong support base. It appears government got what it wanted although this is not a strategy that can be repeated.

E. PARLIAMENTARY COMMITTEE on AGRICULTURE (PCA)

The PCA was from the onset not convinced of the technicality of the government directive and government’s motive towards the directive. PCA was worried on whether the government’s intervention would be feasible or whether it was mere rhetoric political sentiments. For obvious reasons, the PCA did not want government to buy Nandolo. The committee had different propositions and diversity of parties from which PCA members come from, devised a conflict of interest by the committee. Whilst other members wanted Nandolo to be bought, others did not want Nandolo to be bought so as to be an area of political capitalization and motive for their party. This thus brought misperception even amongst the committee members themselves. They consequently kept expressing pessimism in the media: a development that created panic on the part of farmers.

7. RECOMMENDATIONS/WAY FORWARD

I. The Supremacy of Market-Driven Production: As earlier discussed, the spontaneous boom of Nandolo was driven by government championed release of new
technologies. However, there were no corresponding market interventions for the outputs. This therefore calls for the need for attention towards Market led production interventions.

II. **Rethinking on Value addition:** The captive market in India was the only export market that was heavily depended for the commodity. Overreliance on one market for exports led to the devastation that Nandolo suffered. There is therefore a need for mobilization in value addition to stimulate local demand.

III. **Exploration of other Markets:** As the paper has discussed, other regional markets were available but more attention was given to the Indian market. Crush of the India market affected the grain’s prominence as well as its future. It is now doubtful if more farmers can continue growing the grain due to the tragedy it has faced. There is need therefore to find more markets to eliminate overreliance on one market. Furthermore, farmers were instructed to grow more Nandolo whilst the MoU with India was not signed. This reflects poor planning as well as making decisions without tangible base. For possible export markets therefore, MoU’s should first be signed before instructing farmers to grow more commodities.

IV. **Nature of directives’ announcements:** It has been discussed that nature of announcement by government for purchase of Nandolo led to a rise in different schools of thoughts. As such, there is a need by government to undertake objective consultation before making announcements. Furthermore, transparency in effecting the directive on the part of relevant bodies need not to be compromised.

**8. NOTE ON METHODOLOGY**

In compiling this report we made use of a number data collection methods and reference to different documents. These are as outlined below:

- Verification exercises to the farmers' warehouses coupled with interviews with chiefs, district agriculture officials and smallholder farmers;
- Observations in ADMARC depots;
- Minutes from Pigeon pea stakeholders’ meetings;
- Agricultural Production Estimates survey reports;
- Demand and supply analysis of legumes in Malawi; and
- Pigeon pea commodity outlooks
- Interviews with agricultural market experts
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