



INDUSTRIALIZATION AND TRADE DEVELOPMENT FOR SUSTAINABLE ECONOMIC GROWTH AND JOB CREATION

11th -12th November, 2021

Sunbird Nkopola, Mangochi

Agriculture Commercialization and Value addition

How Can We ?

**A journey of hope and faith in an unstructured and
unregulated market space**



Pyxus Agriculture (Malawi) Limited

Company Reg # TMBRS1011143

Plot 29/285 Kananego
P.O. Box 40048
Lilongwe 4

Directors H Saunders C. Jere, R. Ngwira, W. Mwafulirwa



**Pyxus Agriculture Ltd
(Malawi)**

**Trusted provider of
responsibly produced, independently verified,
sustainable and traceable agricultural products,
ingredients and services to businesses and
customers.**

Groundnuts



**To produce high
quality, traceable
value added
groundnut products
for domestic,
regional &
international markets**

Seed House



**To produce and supply
high quality seeds of next
generation varieties for
Pyxus contracted farmers
domestically regionally
as well as third party
businesses and
producers**

Forestry



**To become a
trusted provider of
sustainable,
traceable, superior
quality wood
products**

Crop Services



**To be a provider of an
all-inclusive
integrated production
service to tobacco
industry clients and
other agricultural
value chains**

GROUNDNUTS IN MALAWI

National Production

447,421 MT

4th

Africa's largest Exporter
of groundnuts

1%

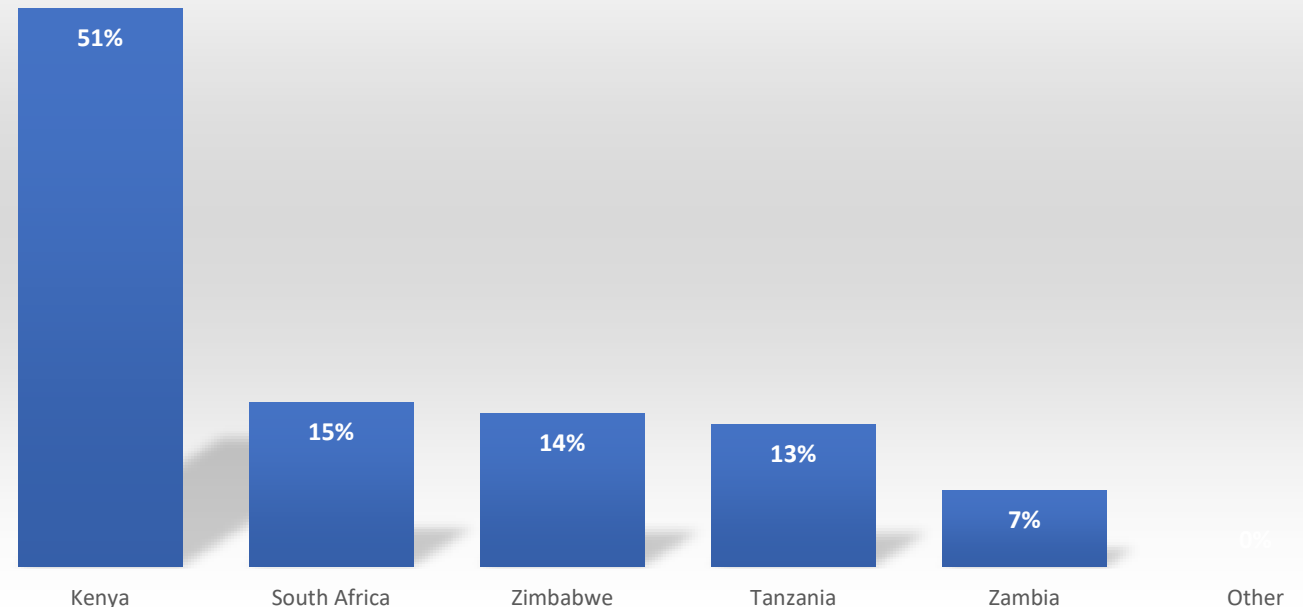
World production of
groundnuts

4%

Annual Global
consumption rising

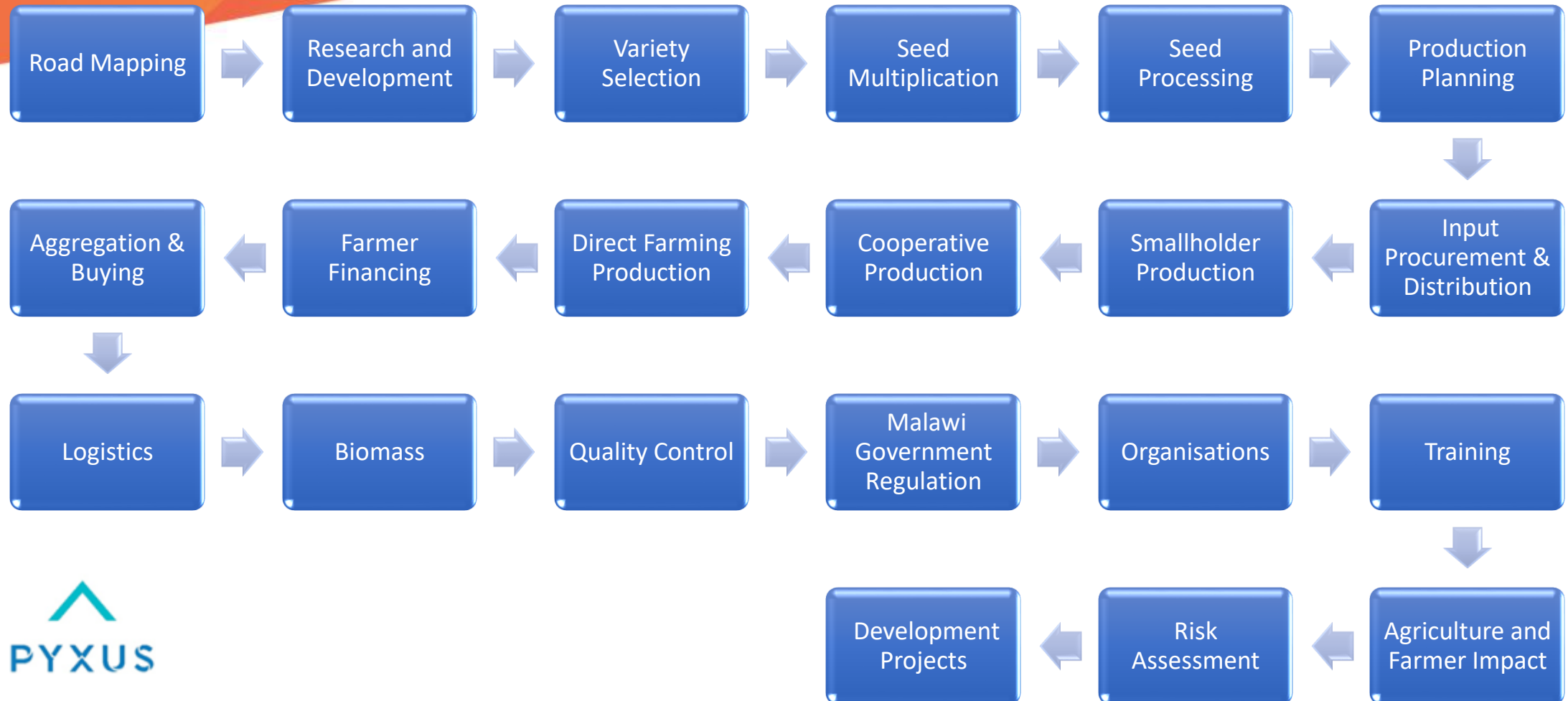
- ❖ Groundnuts are grown across most of Malawi.
- ❖ Largely produced by Smallholder farmers
- ❖ Low average yields of **1.0 MT/ha** vs Potential Yields of **3.0MT/ha**.
- ❖ With low levels of Aflatoxin, potential margins of **14%-21%** on regional exports (pre-cleaned, sorted & graded). Value added **30-40%** margins

Malawi's G/nuts Exports



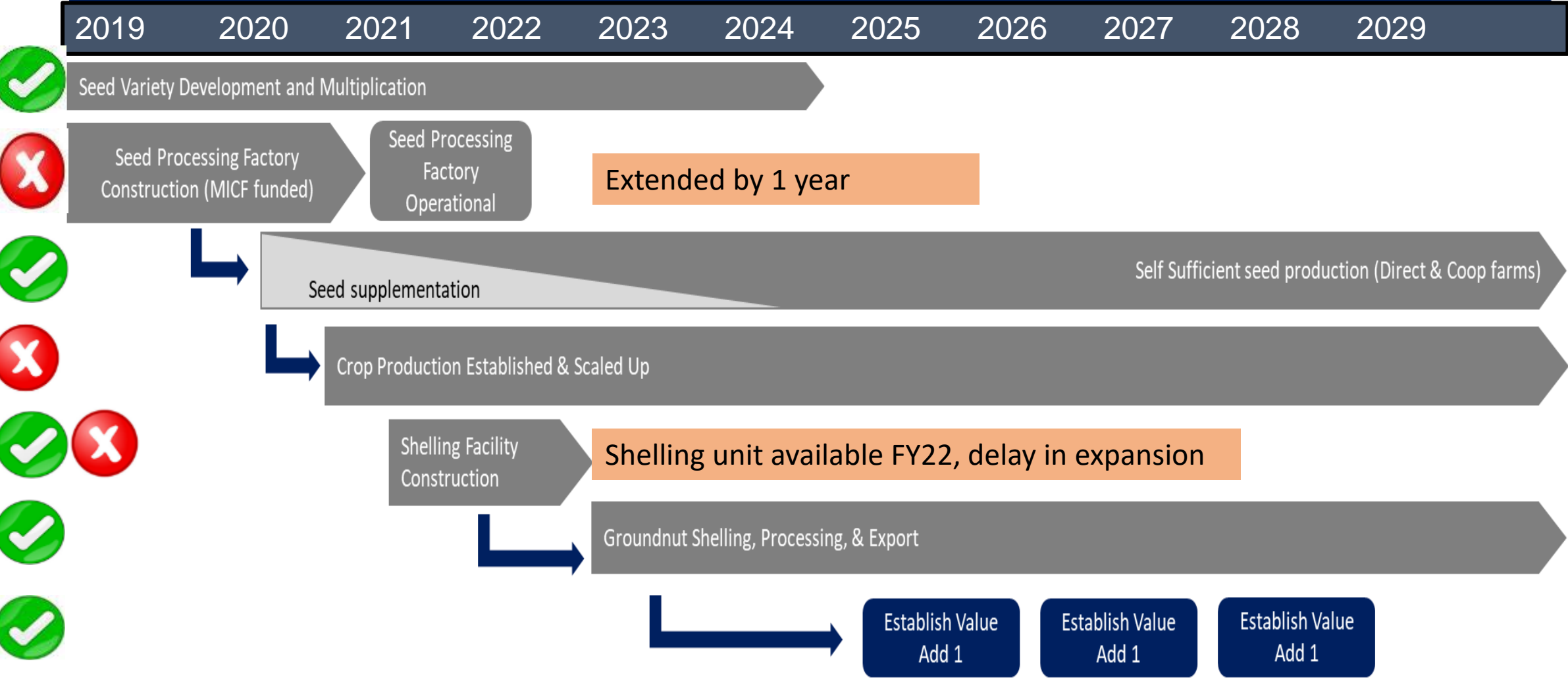
PAM STRATEGY DEVELOPMENT

IDENTIFIED THE FOLLOWING AREAS REQUIRING DEVELOPMENT OR TRANSFORMATION



Groundnut Original Road Map CY20 – CY29

ROADMAP



Market Fit Variety Selection and Development

For our **Value Added** proposition as well as market demand
The requirements are different from what is currently available

- 3 years of testing before a variety is released
- 5 years + for scale up
- Breeding selection for the following traits
 - Shorter season 110-120 days (climate smart resilience)
 - Spanish Type
 - High Oleic Oil (Heart Healthy and longer shelf life)
 - Rossete Resistant
 - Higher Shelling out turn

Moved from 25 varieties to 300 to over 1,000 varieties from around the world under testing



PAM PARTNERS 2019-21



SEED MULTIPLICATION COOPERATIVE DEVELOPMENT MATCHING GRANT



IRRIGATION

Proper irrigation to ensure full potential in both yield and quality.

*200 ha of farmers' land
under Pivot irrigation*



MECHANISATION

Lifting and windrowing will be mechanized to ensure timely operations that reduce post-harvest losses & aflatoxin contamination

Tractors, Diggers, Combine Harvesters,

Commercial Agriculture and Irrigation Development



13 Farms

2,930 ha Arable

1 R&D Farm

3 Leased

436 ha Installed Pivot irrigation

2,129 ha Forestry

10 Owned

200 ha Installed sprinkler irrigation



Groundnuts	FY23	FY24	FY25	FY26	FY27
Hectares	990	1,031	1,031	1,051	1,051
Seed MT	852	1,106	2,193	2,549	2,613



Soya	FY23	FY24	FY25	FY26	FY27
Hectares	250	250	275	275	300

Irrigation and Water Development 24 Pivot 5 dams





Irrigation and Water Development 24 Pivot 5 dams



Mechanization Planters –Lifters- Combines-Cleaners-Hay Balers



How can we?

Some challenges impacting commercial agriculture viability

LAND

- Encroachment and time to resolve issues
- Illegal Mining and no one can resolve it
- The **New land act** (Non consultation with large agriculture)
 - Conversion from free hold to lease hold without compensation
 - Zoning change from agriculture to loose 50%
 - Cancellation of leases without compensation if not developed in two years

IMMIGRATION AND MONETARY ISSUES

- TEPS work permits take for ever and near impossible
- Requirement to convert 30% of forex disrupts working capital
- Skills lack

LAWS AND CONSULTATION

- **Control of Goods** (Seed should be excluded)
- **Special Crops Act** (Groundnuts omitted)
- **Tobacco Act** (Alternative crops for smallholders)

ESCOM

- Electrical installation to irrigation sites costs and non deductible
- MD charges for irrigation that you only use 4 months of the year.
- Agricultural Diesel removal of levies (road fund etc,..)

TAX

- Lower regional corporate tax rate for commercial agriculture companies
- Transparent and efficient Repayment and/or offset of VAT
- Transparency of the process for the setup and renewal of tax incentives and waivers to re-capitalise and encourage long-term capital development
- VAT for start-ups 5 year window consideration sometimes vs 7 years to grow Macadamias



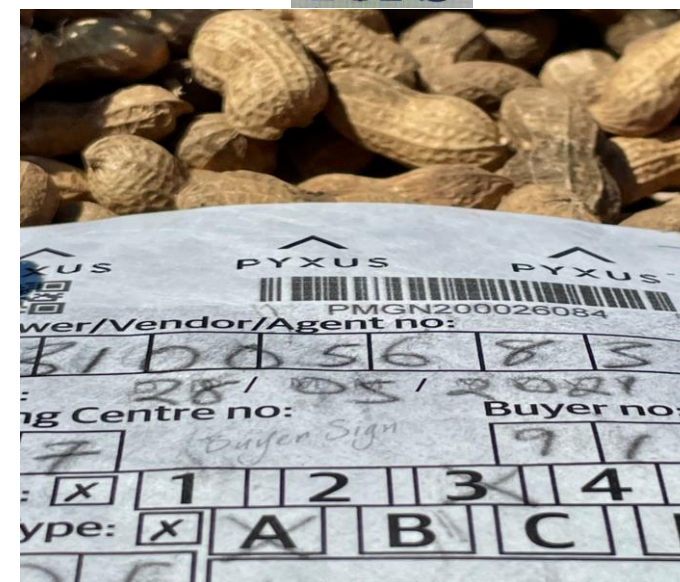
PAM STRATEGY DEVELOPMENT

IDENTIFIED THE FOLLOWING AREAS REQUIRING DEVELOPMENT OR TRANSFORMATION

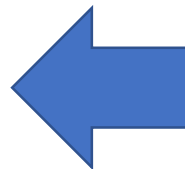
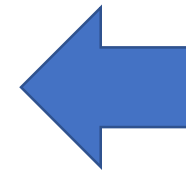
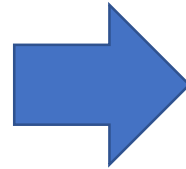
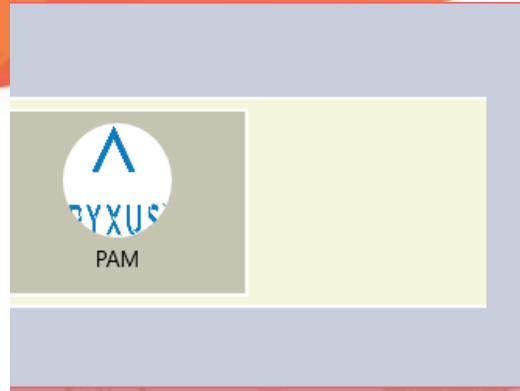
Targeting 50K Smallholder groundnut farmers



Targeting women and youth farmers

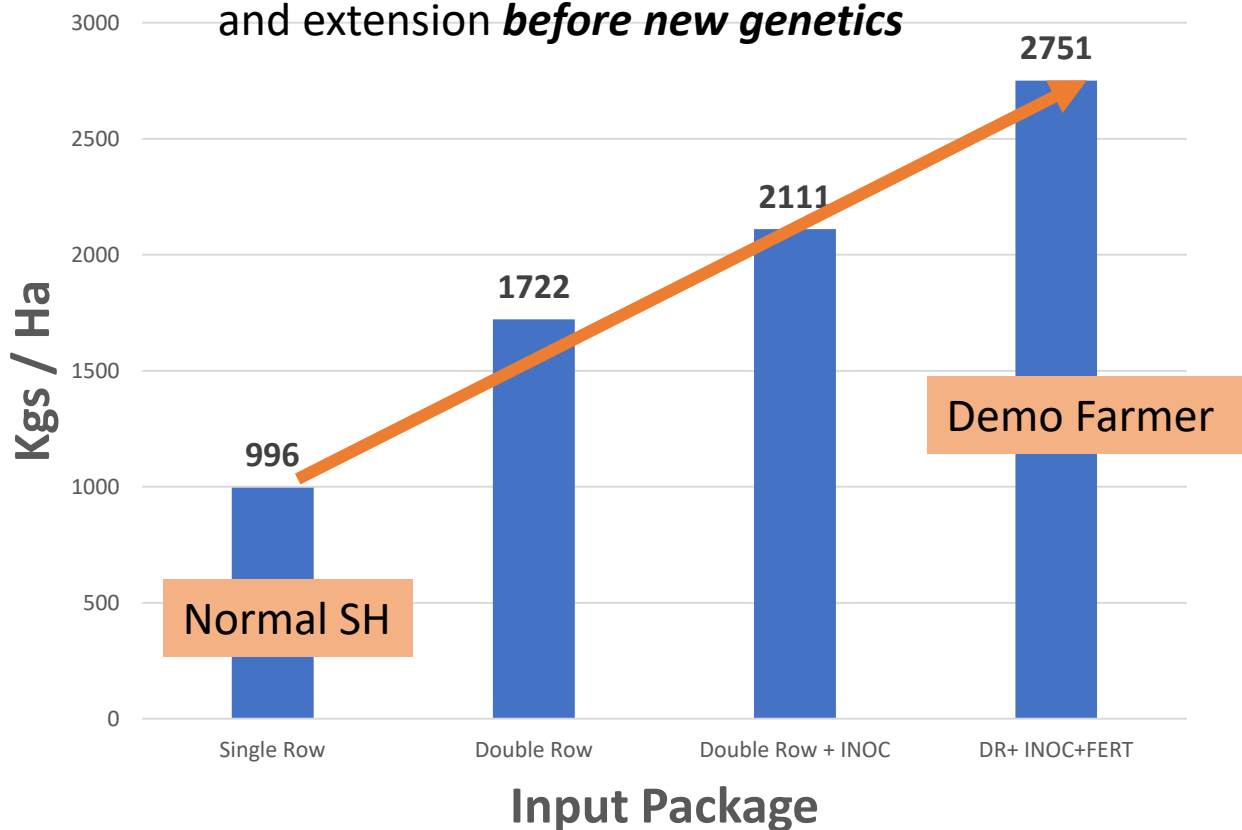


Farmer Payment through new IFAS



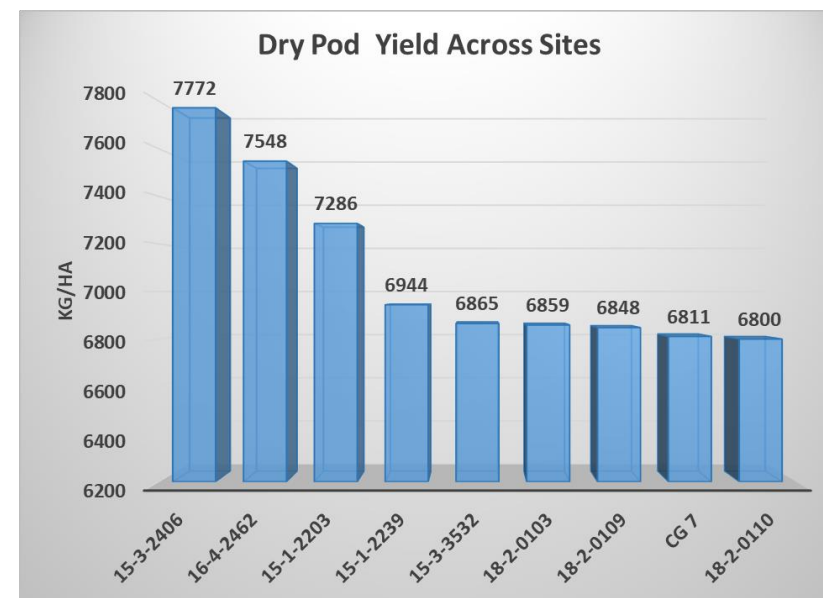
SMART FARM TRIALS RESULTS

2.5X yield increase through inputs
and extension *before new genetics*



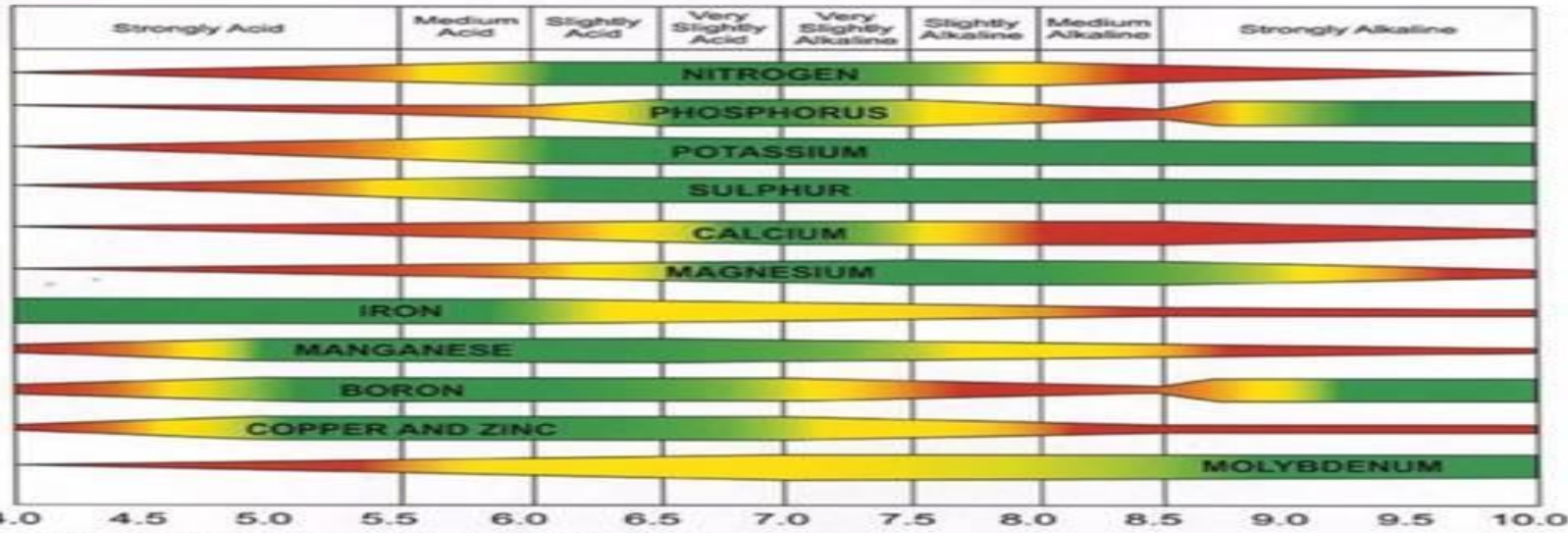
With the yield improvement farmers have a potential additional **\$1.2K** income per Ha assisting them meet the minimum living wage, Improve nutrition and fix nitrogen in the soils improving soil health

EVALUATION OF NEWLY INTRODUCED COMMERCIAL VARIETIES



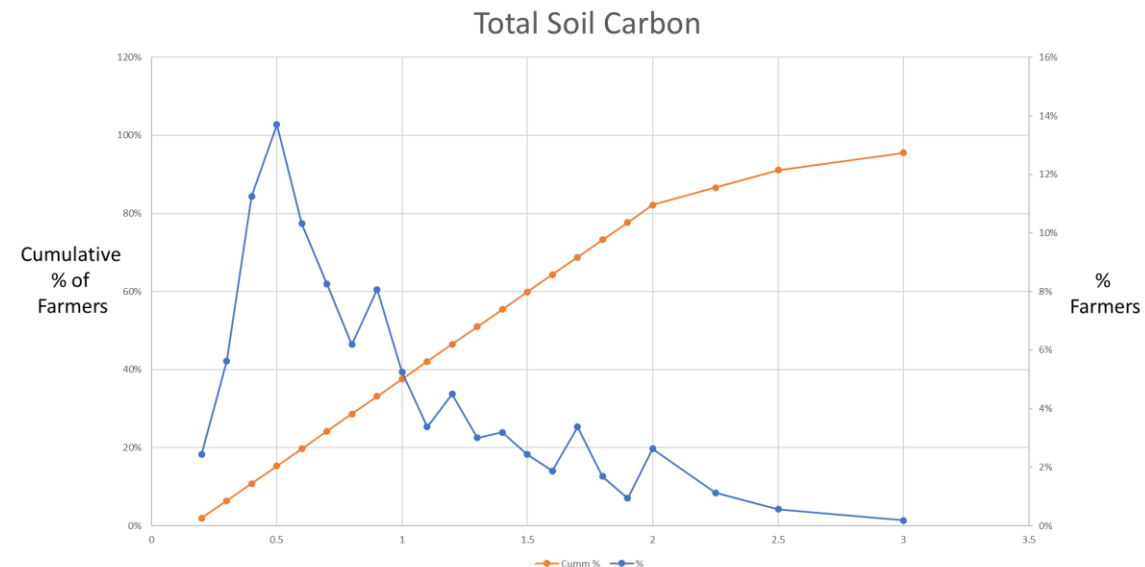
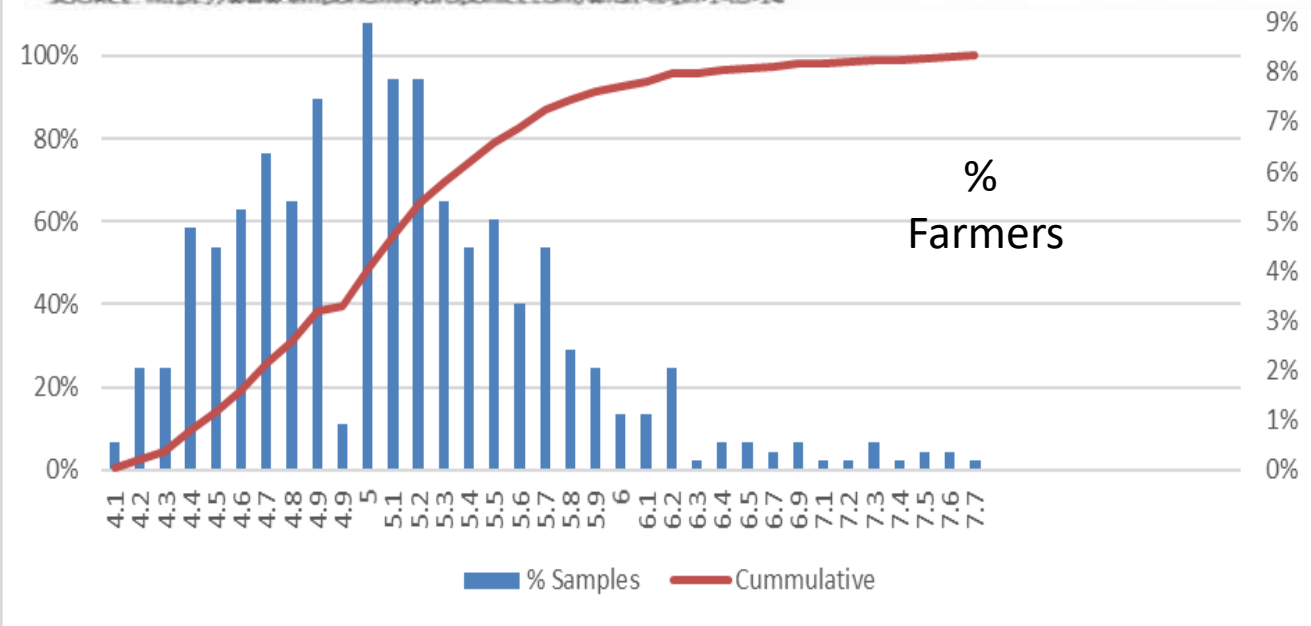
A Quick Soil Science Class

How soil pH affects availability of plant nutrients.

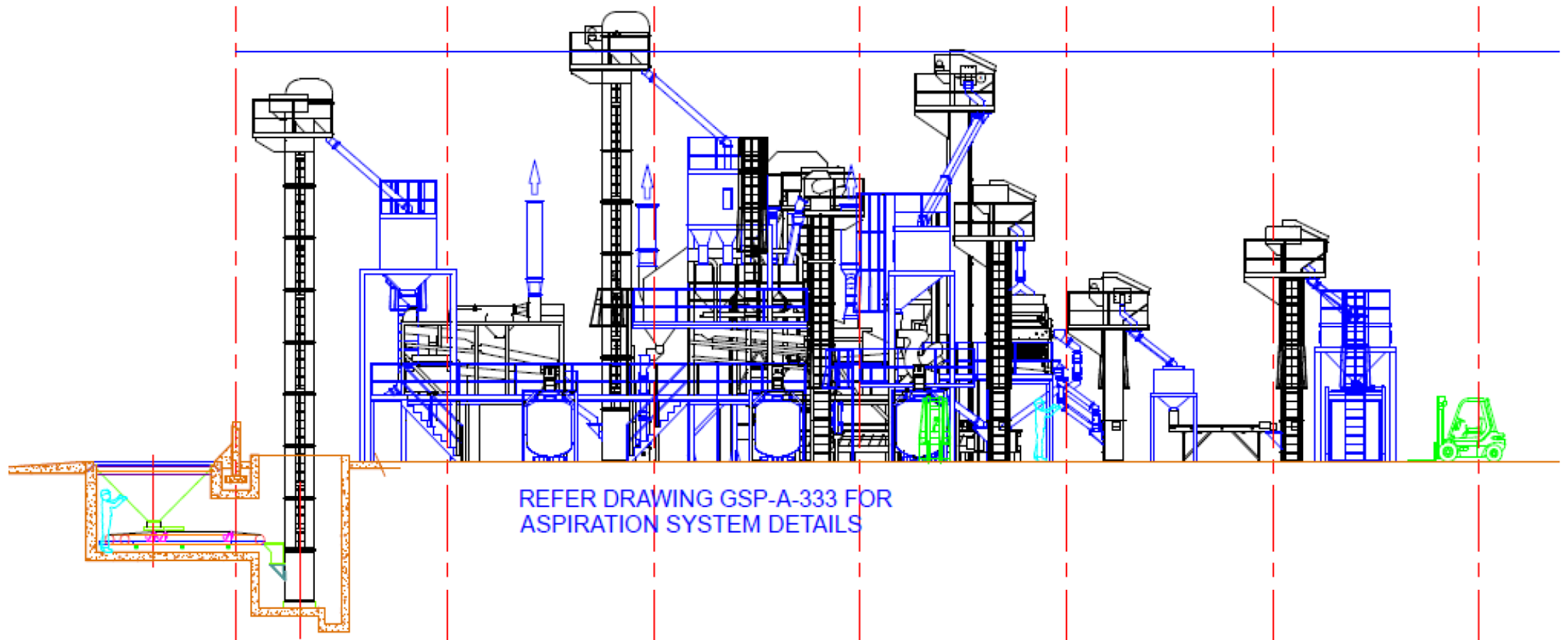


PH and Organic Matter are of huge concern

Programs to reverse this are urgently required



Value Addition





Groundnut Factory Update





LMC LINE INSTALLATION PROGRESS



PEANUT FORMS



In Shell



Red Skin



Blanched



Splits



Blanched Splits

PEANUTS

PEANUT OIL

PEANUT FLOUR

HULL AND FIBER

PEANUT MEAL

SEED

PEANUT OIL

Golden offers three types of top-quality peanut oils with a wide array of benefits. These non-GMO peanut oils are a great option for any oil. Golden has a product that meets your needs.



REFINED PEANUT OIL

Highly refined peanut oil is considered a larger-volume according to the FDA because all of the proteins have been removed through careful processing conditions including refining, bleaching and deodorizing steps. Golden's refined peanut oil is perfect for high-heat cooking and frying due to its high smoke point and long life.

[CONTINUE](#)



ROASTED AROMATIC PEANUT OIL

Golden Premium aromatic peanut oil is a roasted peanut oil, which maintains its strong roasted peanut flavor and aroma. The oil is removed through a mechanical pressing process to maintain the rich flavor profile. The oil is perfect as a gourmet cooking oil and in products cooking to enhance peanut flavor. Dry high-oil peanuts are used, resulting in a more stable fatty acid profile than with traditional peanuts.

[CONTINUE](#)



PEANUT EXTRACT

Made from dark roasted high-oil peanuts, Golden's peanut extract is 100 percent peanut oil with an intense roasted peanut flavor. Peanut extract imparts a bold roasted peanut flavor to products at very low usage rates. Its clean label also makes it an ideal choice for product developers.

[CONTINUE](#)

PEANUT FLOUR

Golden's specially defatted peanut flours are made from U.S. grown high-oil peanuts, which are roasted and pressed in an all-metal flour mill. These easy-to-use dry powder ingredients are high in plant-based protein, very stable and provide wonderful roasted flavor on processing facility.

12% FAT PEANUT FLOUR (50% PROTEIN)



Light



Medium



Dark

28% FAT PEANUT FLOUR (40% PROTEIN)



Light



Dark

ORGANIC PEANUT FLOUR



12% Fat light



28% Fat medium

HULL AND FIBER

Primarily used in animal feed, biomass and as industrial absorbents, peanut hulls are an excellent source of cellulose and crude fiber.



AGFORM 100 GRANULES

AgForm 100 Granules are non-spherical, odorless fiber particles with no additives or binders. AgForm 100 Granules are available in several particle sizes and ranges.

[CONTINUE](#)



GROUND HULLS

Finely ground and made up of fibrous material, Golden's ground peanut hulls are light to dark brown in color and have no detectable odor.

[CONTINUE](#)



PELLETED PEANUT HULLS

Golden's pelleted peanut hulls are 5/16-inch in diameter and one inch in length. They contain no additives or binders and have excellent flow characteristics.

[CONTINUE](#)



WHOLE HULLS

Typically used in bedding materials for livestock and small animals, Golden's whole hulls consist of odorless, fibrous materials, which are light to dark brown in color.

How can We ?

Some challenges impacting Value Addition and Marketing

Sanitary of Phyto Sanitary Issues

- Aflatoxin Testing and Certification and Cost
- MBS certification recognition
- SPS protocols and the engagement of exporting companies through the NPPO needs to be vastly improved to support access to new regional / international markets

Malawi Reputation

- Price penalties due to historical performance

Foreign Exchange Policy

- Parallel rate hurting business
- Overvalued kwacha making exports uncompetitive – need plan to devalue predictably and incrementally

Informal Traders

IMMIGRATION and MONETARY ISSUES

- TEPS work permits take for ever and near impossible
- Skills lack

LAWS AND CONSULTATION

- **Control of Goods** (seed should be excluded)
- **Special Crops Act** (Groundnuts omitted)

The National Export Strategy (NES) and transport policies need to address transport capacity and costs to enable Malawi to grow in export markets

Smallholder Withholding tax threshold

5 Year Milestones Target and Suggestions

01 | Groundnuts
1,000,000 MT

02 | Soya
1,000,000MT

03 | Beans
500,000 MT

04 | 15% dilution
of wheat with
Cassava and
S/ Potato

05 | Potato
Production
XXXMT

06 | Soil Health
ban burning
residues
OM and PH
Subsidy on
Lime

Policy Milestones and Suggestions Specifically for Groundnuts

01 | Set a 5 yr Target
Production of
1,000,000 MT

02 | Quality Price
Differentiation
A B C

03 | Groundnut
Council

Quality
Standards
and
assurance

04 | Negotiate
Tariff Rates
China and others

05 | Semi
Structured
Markets

06 |

07 | Export
regulation
predictability

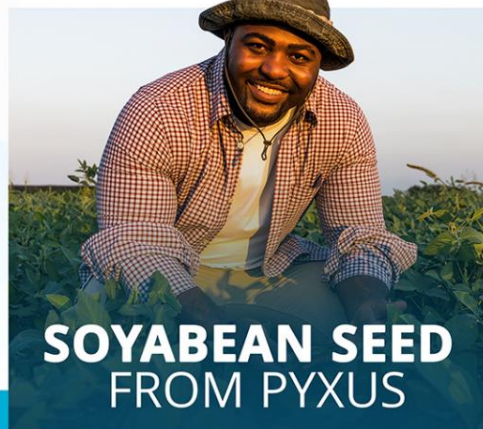
08 | Add legumes
into AIP

09 | Mega Farms



We believe that everything we do
Is to transform people lives
So that together we can
Grow a better World

MBEU YOLOLA PA GROUND



SOYABEAN SEED FROM PYXUS

AVAILABLE VARIETIES

Tikolore Chitedze 4 Makwacha

PACK SIZES

1kg 2kgs 5kgs 10kgs 40kgs

PRICE

MK 1,650/kg MK 2,000/kg MK 2,500/kg
CERTIFIED SEED BASIC SEED PRE-BASIC SEED

MODE OF PAYMENT:
Cash on Collection • Bank Transfer • Airtel Money

SEED PRODUCED IN THE
2020/21 GROWING SEASON

ALL SEED CERTIFIED BY THE
SEED SERVICES UNIT (SSU)

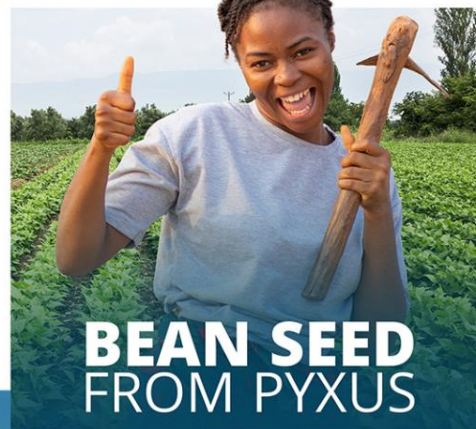
FOR MORE INFO, CONTACT:

01 710 056 • 01 711 675
salesmw@pyxus.com
Pyxus Agriculture Limited,
Plot 29/285 Kanengo,
Lilongwe, Malawi



Scan for
directions
to Pyxus

MBEU YOLOLA PA GROUND



BEAN SEED FROM PYXUS

AVAILABLE VARIETIES

NUA 59 NUA 45 NUA 35

PACK SIZES

1kg 2kgs 5kgs 10kgs 40kgs

PRICE

MK 1,650/kg MK 2,000/kg MK 2,500/kg
CERTIFIED SEED BASIC SEED PRE-BASIC SEED

MODE OF PAYMENT:
Cash on Collection • Bank Transfer • Airtel Money

SEED PRODUCED IN THE
2020/21 GROWING SEASON

ALL SEED CERTIFIED BY THE
SEED SERVICES UNIT (SSU)

FOR MORE INFO, CONTACT:

01 710 056 • 01 711 675
salesmw@pyxus.com
Pyxus Agriculture Limited,
Plot 29/285 Kanengo,
Lilongwe, Malawi



Scan for
directions
to Pyxus

MBEU YOLOLA PA GROUND



GROUNDNUT SEED FROM PYXUS

AVAILABLE VARIETIES

CG9 CG11

PACK SIZES

1kg 2kgs 5kgs 10kgs 40kgs

PRICE

MK 1,850/kg MK 2,250/kg MK 2,800/kg
CERTIFIED SEED BASIC SEED PRE-BASIC SEED

MODE OF PAYMENT:
Cash on Collection • Bank Transfer • Airtel Money

SEED PRODUCED IN THE
2020/21 GROWING SEASON

ALL SEED CERTIFIED BY THE
SEED SERVICES UNIT (SSU)

FOR MORE INFO, CONTACT:

01 710 056 • 01 711 675
salesmw@pyxus.com
Pyxus Agriculture Limited,
Plot 29/285 Kanengo,
Lilongwe, Malawi



Scan for
directions
to Pyxus

Zikomo Kwambiri !!!!!

**“We believe that everything we do
Is to transform people lives
So that together we can
Grow a better World”**

