

Malawi begins production of “Long Life Fridge Free” margarine



A new margarine product will have a huge impact on Malawi’s import bill and is deemed to be the ideal product to reach rural communities as it needs no refrigeration.

On March 7, 2017, Malawi witnessed the opening of its first margarine and baking fat processing plant at Kanengo, Lilongwe, to produce sunspread, a long-life fridge-free margarine.

The plant is one of the fruits of UNDP’s Malawi Innovation Challenge Fund (MICF), funded by UK’s Department for International Development

(DfID), which provides matching-grants for innovative and inclusive business projects of private sector companies operating in Malawi.

Malawi has long been a net importer of margarine and baking fats. With the majority of the country’s population living in rural areas where access to electricity is limited, it has been difficult for most Malawians to keep highly perishable margarine products.

This new manufacturing facility and first for-Malawi, long-life, non refrigerated margarine product will not only impact rural communities significantly but also Malawi’s import bill.

The plant, which will require 14,000 metric tons of sunflower seed every year, has expanded market access for over 10,000 rural smallholder farmers, further improving their livelihoods. For example, in 2016, a first group of 3,250 farmers supplied



2,500 metric tons of sunflower seed to the plant at an average price of MK 220 per kg compared to MK125 per kg in other markets, in 2017 farmers were expected to supply over 8,000 metric tons of sunflower to the factory.



Sunseed Oil Managing Director, Wassim Kassam, said: "Over 10,000 smallholder farmers form an integral part of our supply chain and we will have created 100 new jobs at the production facility by the end of the project in 2017.



The 10,000 smallholder farmers will supply over 40% of the required raw materials to the factory."

The Sunseed project falls under MICF’s agriculture challenge window that was set up to encourage the production of new products, services and business models to increase the supply of processed and semi-processed agricultural commodities manufactured in Malawi.

Moreover, a further 180 jobs are being created at Technical Support Centers that provide extension services to smallholder farmers.

Komani Gondwe, one of the farmers from Kasungu district who sold his sunflower produce to the plant last year, said that the plant had encouraged him to increase his sunflower production from four hectares last year to 11 hectares this year. He adds

that the first proceeds from his sunflower sales to the plant have enabled him not only to pay university fees for his two children but also meet his other livelihood needs.

The Sunseed project falls under MICF’s agriculture challenge window that was set up to encourage the production of new products, services and business models to increase the supply of processed and semi-

processed agricultural commodities manufactured in Malawi to help both substitute some of the imported products on the Malawi market and to increase exports.

UNDP Deputy Resident Representative for programmes, Claire Medina said: “The design of the MICF has been guided by the principles of the National Export Strategy (NES) which provide a

clear roadmap for diversifying Malawi’s economy; a shift from an importing/ consuming nation towards an exporting/ producing nation.”

The MICF is currently supporting several investment projects aimed at stimulating private sector development and improving economic growth to ensure increased incomes and employment opportunities for



Project Building Blocks

10,000 Sunflower farmers organised into groups and group leaders identified



10,000 Sunflower farmers receive training on sunflower production and improved high oil content seed



Construction of HACCP (Hazard Analysis and Critical Control Points) certified factory and set up of 60 collection centres



1,800 MT of Margarine produced and introduced to the domestic market, and some margarine exported within the region



10,000 farmers receive increased incomes of more than 40% from sunflower seed sales from 2014 farm gate price



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