

## **Tropha Limited expands its purchases of chillies and paprika from smallholder farmers in Malawi**

*Tropha, one of the businesses in which AgDevCo Malawi Ltd has invested, is engaging with around 2,000 smallholder farmers, boosting their incomes by about \$200 per farmer.*

Tropha is significantly expanding its out grower chillies and paprika programme. The business has so far this season signed contracts with 1,899 smallholders. Based on Tropha's expected purchase volumes, the total income to the smallholders will be at least \$375,000, or on average around \$197 per farmer. The business also distributes both quality chilli and paprika seed, at low cost, to its contracted smallholders.

Tropha is an agricultural business based in the north of Malawi with interests in chillies, paprika, coffee and macadamias. Chillies and paprika are good smallholder crops because they are high value and relatively resistant to drought and disease. They can provide additional cash income to farmers who are also growing traditional crops like maize and cotton. Reliable access to export markets is, however, essential because both chillies and paprika are of significantly higher value in foreign markets.

In December 2013, AgDevCo provided a \$225,000 working capital loan to Tropha to buy, process and sell African Birdseye chillies. The investment enabled 785 smallholder farmers, who previously did not have access to a reliable market for their crops, to earn incremental cash incomes of around \$200. In March 2014, having received full repayment of the original loan, AgDevCo renewed the \$225,000 facility with Tropha.

This season, Tropha have engaged a chilli and paprika expert, to oversee its network of out growers, visiting all the farmers on a monthly basis to inspect the seedbeds and provide agronomic advice in the field. Tropha is focusing on expanding their out grower network and increasing their supply volumes. Amongst its currently contracted growers are one paprika association and two chilli co-operatives.

Tropha is currently in discussions with an international buyer of chillies regarding direct purchases and various community projects, which will further grow the market helping the out grower programme to expand across the country.



1) Out growers managing their chillies and paprika seed beds



2) Out growers in their chillies and paprika fields



3) An Out growers paprika crop, in its final stages