

2025

**ANNUAL REPORT FOR
SPRODETA AGRIBUSINESS**



**SPRODETA Agribusiness
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Summary of the report

To increase income levels by 65% of the targeted 3,000 right holders through provision of reliable markets for their farm produce by 31st December, 2025.

To facilitate completion of construction of the SPRODETA Business Centre and installation of machinery at Englogolweni by 31st December, 2025.

**Sales of commodities
(maize, soya beans, rice
and beans)**

**Training of farmers in
poultry production as
well as cooperative
leadership**

To increase employment rates among youths and women by 50% by 31st December, 2025.

**Other activities
conducted during 2025
fiscal year**

**summary of milestones
achieved**

**Registration of farmers
at Viwangalala**

Executive summary

SPRODETA Agribusiness Limited is a registered social enterprise established between 2020 and 2021 that operates mainly in Northern Malawi, working with smallholder farmers across Mzimba, Nkhata Bay, Rumphi, Karonga, and Chitipa districts to promote commercial agriculture, value addition, and market access. The company buys, processes, packages, and markets agricultural products including maize, rice, soybeans, groundnuts, and livestock products, supported by a warehouse in Lupaso, Mzuzu, and a flagship Agribusiness Processing Centre under construction in Enc'ongoleni. Guided by a mission to increase agricultural value, improve farmer incomes, strengthen rural economies, promote food security, and create employment for youth and women, SPRODETA Agribusiness addresses key challenges such as limited markets, low value addition, unemployment, and food insecurity, positioning itself as a growing and impactful agribusiness in Malawi.



Managing Director's Remarks

The year 2025 marked a significant period of consolidation and growth for SPRODETA Agribusiness Limited. Despite operating in a challenging economic and climatic environment, the company made steady progress in strengthening its operations, expanding partnerships, and advancing its mission of empowering smallholder farmers through value addition and market access. Notable achievements during the year included progress toward the completion of the Agribusiness Processing Centre, enhanced engagement with farmer groups, and improved internal systems to support sustainable growth.

As we move forward, our focus remains on operationalizing key investments, strengthening our market presence, and delivering both commercial value and social impact. I extend my sincere appreciation to our Board of Directors, staff, partners, farmers, and investors for their continued commitment and support. Together, we remain dedicated to building a resilient, inclusive, and competitive agribusiness that contributes meaningfully to rural livelihoods and Malawi's agricultural transformation.



Project Outcome 1: To increase income levels by 65% of the targeted 3,000 right holders through provision of reliable markets for their farm produce by 31st December, 2025.

Planned Activities	Progress During the Reporting Period	Reasons for non-fulfillment, if any
<p>Direct procurement of farm produce (maize, rice, and other value chains)</p> <p>Strengthening farmer market access through procurement initiatives</p>	<p>SPRODETA Agribusiness procured 20 MT of maize and 4.1 MT of rice from farmers across Mzimba, Chitipa, and Karonga districts.</p> <p>These purchases benefited approximately 600 maize and rice farmers by providing a reliable market during the year.</p>	<p>Procurement volumes were lower than anticipated due to budget shifts towards infrastructure development and operational challenges linked to inflation.</p>

Outcome Indicators

1. Increased income levels among the targeted 3,000 right holders by December 31, 2025.
2. Procurement of major value chains from targeted farmers.
3. Farmers have reliable and stable markets facilitated by SPRODETA Agribusiness.

How did these outputs contribute to the outcome indicators?

The procurement of maize and rice provided a reliable and stable market for approximately 600 farmers, contributing directly to increased household incomes. By offering assured markets, SPRODETA helped farmers reduce post-harvest losses, secure better prices, and improve financial stability. These outputs are aligned with the objective of increasing income levels and enhancing market access for rural farmers.

Project Outcome 2: To increase employment rates among youths and women by 50% by 31st December, 2025.

Planned Activities	Progress During the Reporting Period	Reasons for non-fulfillment, if any
<p>Establishment of a model farm for extension service as well as employment for youth and women</p>	<p>SPRODETA rented land at Katonthowolo Estate and established a model farm for groundnuts, soya beans, and beans</p> <p>Production achieved: 4 MT of soya beans, 2 MT of groundnuts, and 0.5 MT of beans</p> <p>The model farm created casual employment opportunities for youths and women and served as a learning site for farmers on good agricultural practices</p>	<p>Full-time employment opportunities were fewer than expected due to limited operational resources and reliance on seasonal labour cycles.</p>
<p>Establishment and operationalization of a hatchery facility</p> <p>Procurement and installation of incubators</p> <p>Youth and women engagement in poultry activities</p>	<p>SPRODETA procured, installed, and operationalized two incubators with capacities of 5,000 and 2,700 eggs at the Agribusiness Centre and hatchery.</p> <p>Staff were trained in incubation management and hatchery operations.</p> <p>Over 7,000 chicks were successfully hatched from 9,000 eggs procured during the year.</p>	<p>Prolonged power outages negatively affected hatchability rates, leading to lower chick production than anticipated.</p> <p>Limited power reliability also constrained consistent youth and women engagement in hatchery operations.</p>

Outcome Indicators

1. Increased employment among youth and women.
2. Operational hatchery and incubation system contributing to poultry sector growth.
3. Increased income among beneficiaries engaged in hatchery, model farm, and procurement-related activities.

How did these outputs contribute to the outcome indicators?

The establishment of the hatchery and the operationalization of two incubators created employment opportunities for youth and women through hatchery management, chick distribution, and support services. The model farm further provided seasonal employment, particularly for vulnerable groups. Although power outages affected output, the activities significantly contributed to increased income and skills development for women and youth.

Planned Activities	Progress During the Reporting Period	Reasons for non-fulfillment, if any
Direct procurement of farm produce (maize, rice, and other value chains) Strengthening farmer market access through procurement initiatives	SPRODETA Agribusiness procured 20 MT of maize and 4.1 MT of rice from farmers across Mzimba, Chitipa, and Karonga districts. These purchases benefited approximately 600 maize and rice farmers by providing a reliable market during the year.	Procurement volumes were lower than anticipated due to budget shifts towards infrastructure development and operational challenges linked to inflation.

Project Outcome 3: To facilitate completion of construction of the SPRODETA Business Centre and installation of machinery at Englogolweni by 31st December, 2025.

Planned Activities	Progress During the Reporting Period	Reasons for non-fulfillment, if any
Installation of maize milling machinery Construction of structures to house the milling plant	SPRODETA procured a maize milling machine with a 10 MT/day processing capacity. A shelter to house the milling machine at the Englogolweni Agribusiness Centre has been constructed.	The milling machine is not yet operational as the transformer and full electrical installation are still pending.

How did these outputs contribute to the outcome indicators?

The procurement of the 10 MT/day maize milling machine represents a major step toward establishing a fully functional processing centre. The completed shelter ensures secure and proper housing for the machinery. Once the transformer installation is finalized, the facility will significantly increase processing capacity and income-generation opportunities for farmers supplying maize to SPRODETA.

Outcome Indicators

1. Installation of fully operational maize milling machinery.
2. Completion of housing structures for agribusiness equipment.
3. Improved readiness of SPRODETA Business Centre to support processing operations.

GIVE BACK TO THE COMMUNITY

MOBILE OF SALES OF FOOD

As a way of giving back to the community, between January and March, SPRODETA Agribusiness conducted mobile sales of Maize, rice and beans to communities struck by hunger. These food items were sold at almost 20% cheaper compared to the prevailing market prices. From this exercise, over 30 tons of maize, 3 tons of rice and 2 tons of beans. The event was aimed at providing affordable food options to the local community, while also fostering positive relationships with the residents.



MOBILE OF SALES OF FOOD

On 27th January, 2025 SPRODETA Agribusiness staff donated food and noon food items to St. Maria Gorreti school for blind in Nkhatabay. Amongst others, the donated items were 600 kgs of maize, 20 kgs of beans, 20 kgs of rice, 50 packets of soya pieces, 1 carton of soap, and cooking oil. This was done after it was noticed that the institution which has 23 children with disability had no food and was on the verge of sending back the children to their homes even though school sessions were still in progress. The donated items were enough to sustain the students for three weeks.

TRAININGS, WORKSHOPS AND EXCHANGE VISITS ATTENDED

Trainings and workshops for the BDO in Lilongwe



SPRODETA Agribusiness actively and consistently participated in a series of Tillimodzi Coalition capacity-building and strategic planning activities during the reporting period. The Business Development Officer participated in a Disaster and Risk Management training focused on disaster preparedness, risk management, and response strategies essential for supporting vulnerable farming communities. The knowledge gained continues to inform the development of resilience strategies for farmers and cooperatives to promote sustainable agricultural activities and improved disaster recovery.

In addition, SPRODETA Agribusiness, represented by both the Business Development Officer and the Executive Director, took part in multiple coalition-led strategic planning workshops that contributed to the development of the Tillimodzi Coalition Strategic Plan. These engagements included facilitated planning sessions, presentation of the membership guide and code of conduct, power and influence analysis, hotspot mapping, and coordinated planning for engagement with District Risk Management Officers in Chikhwawa, Salima, and Karonga districts.

Exchange visit at Katundu maize milling company in Zambia

In 2025, SPRODETA Agribusiness team went to Katundu maize milling company limited in Lundazi, Zambia for an exchange visit. The maize objective of the visit was to learn from the company which has an identical milling plant with the one which SPRODETA Agribusiness has procured. Amongst others was to learn the basic design and other requirement for the shelter which is being constructed at the Agribusiness centre where the plant will be installed. From this visit, SPRODETA Agribusiness staff learnt on basic operation and management requirement for the plant from Katundu maize milling company which has been operational for over three years now.



General operations at the model farm



During this year, SPRODETA Agribusiness established a model farm aimed at enhancing the effectiveness of its extension services. The farm cultivates maize, groundnuts, beans, and soybeans, serving as a demonstration site for best practices to improve productivity.

Between January and March, more than 80 women and youth were hired to assist with planting, weeding, and harvesting activities. Through this, the farm has created employment opportunities for both youth and women, offering temporary positions for day-to-day operations. In addition, one youthful manager has been hired to run this model farm.

Poultry Value Chain promotion in four cooperatives



In this year, SPRODETA Agribusiness also implemented a chicken value addition project in partnership with Commercial Agriculture for Smallholders and Agribusiness (CASA). Through this project, SPRODETA Agribusiness partnered with 2700 farmers in Chipeleka, Manyamula, Kayolo and Viwangalala cooperatives who were engaged into dual purpose chicken production. These farmers were supported with 12 chicks aged 8 weeks each with an average commitment fee of 2800 per chick.

In addition to inputs support, the farmers were also trained in good poultry husbandry practice, leadership and group dynamic, cooperative methodology, business management as well as contract farming through which they drafted sample contracts.

VISIT BY CASA TEAM

In 2025, SPRODETA Agribusiness hosted a monitoring visit by the CASA team, led by the Regional Team Leader, to farmers participating in the poultry value addition project in Kayolo and Chipeleka communities of Mzimba District. The visit aimed to monitor project progress, assess achievements made by the farmers, identify challenges in poultry production, and review future production plans. The team also reviewed other SPRODETA Agribusiness initiatives and its growth plans, including visits to the agribusiness center, warehouse, and shop. At field level, two beneficiary farmers, Gertrude Nyirenda and Ethel Harawa, were visited and commended for their progress and expansion plans, and were provided with guidance on integrating poultry farming with other agricultural value chains to enhance sustainability and income diversification.



PROCUREMENT AND INSTALLATION OF TWO INCUBATORS AT THE AGRIBUSINESS CENTRE



With funding from CASA, SPRODETA Agribusiness successfully procured and installed two incubators, the other one with a capacity of 3,600 and the second one with a capacity of 2700 eggs at its Agribusiness Centre. The staff were trained on how to operate the incubator effectively. By now, over 150 chicks have been hatched and 2700 chicken eggs are in the incubators for hatching. The installation of the incubator will enable SPRODETA Agribusiness to maintain a stable supply of high-quality chicks, which will be supplied to the farmers' cooperatives involved in the chicken value addition project at Chipeleka and Kayolo.

Some chicks will be kept by SPRODETA Agribusiness to be laying eggs for both sale as well as use as a parent stock for producing chicks for sale as well as distribution to the farmers.



Main challenges experienced in the year 2025

CHALLENGES	EFFECTS	RECOMMENDATIONS
Scarcity of foreign exchange: Which affected the procurement of items sourced outside Malawi.	<p>Delays in acquiring essential equipment and materials.</p> <p>Some procurements were postponed to later periods.</p>	<p>Strengthen early planning and engage suppliers with flexible payment arrangements.</p> <p>Explore regional procurement options where possible.</p>
High inflation: Which led to significant budget adjustments and required trade-offs based on opportunity costs.	<p>Some planned items were not procured due to increased prices.</p> <p>Reduction in activity scope to remain within budget limits</p>	<p>Revise budgets periodically to reflect market conditions.</p> <p>Prioritize critical procurements and seek additional financing where feasible.</p>
Erratic rainfall pattern: Which reduced model farm yields by over 50%.	<p>Lower-than-expected production of groundnuts, beans, and soya beans.</p> <p>Reduced availability of learning demonstrations for farmers.</p>	<p>Promote climate-smart agriculture and early land preparation.</p> <p>Invest in irrigation options where viable.</p> <p>Strengthen farmer training on drought-resilient agronomic practices.</p>

FINANCIAL SECTION





2026 STRATEGIC AREA OF FOCUS



Main core team



Allen Kumwenda
Executive Director



Matthews Malumbo
Mkandawire
Business Development
Officer



Chancy Manda
Finance and
Administration Officer



Confidence Nkhata
Project Officer -
Operations



Mary Kumwenda
Project Officer - Data
management



Stella Nyirongo
Procurement & Logistic
Officer



Kondwani Kumwenda
Production Technician