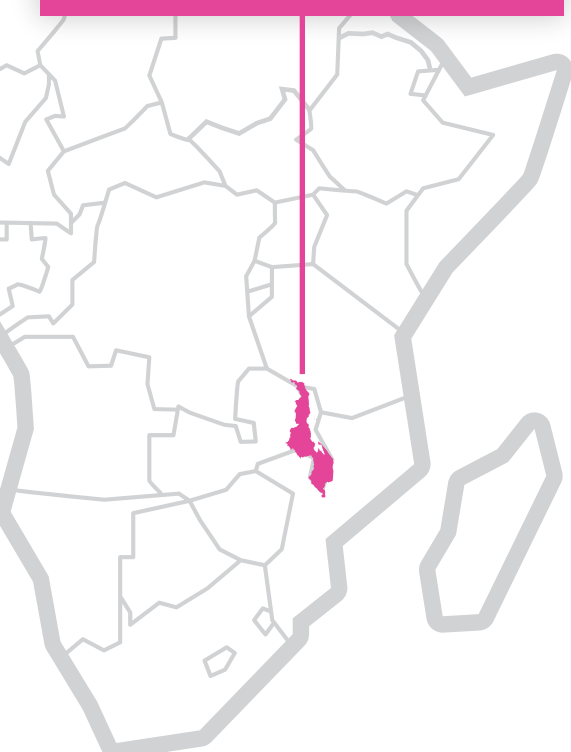


Agricultural Transformation Initiative (ATI)

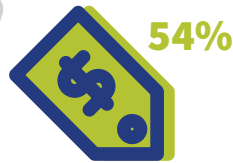
Preparing for a smoke-free future by facilitating globally competitive economies and farmers

FOUNDATION FOR A
SMOKE-FREE WORLD

DECLINING DEMAND FOR TOBACCO LEAF COULD HAVE DEVASTATING EFFECTS ON FARMER INCOMES IN MALAWI



Global cigarette sales have fallen by **7.6%** between 2012 and 2016
(Euromonitor International, 2018)



Farm-gate prices of tobacco in Malawi have fallen by **54%** between 2012 and 2016
(FAOSTAT, 2018)



Over the past decade, tobacco has represented **40.6-63.6%** of Malawi's total exports
(BACI, 2018)



Malawi's tobacco exports have fallen by **33%** in quantity between 2012 and 2016
(BACI, 2018)

MARKET-DRIVEN ECONOMIC DIVERSIFICATION MAY BE THE ONLY WAY TO MITIGATE THIS DECLINE



Identify
demand-driven growth opportunities



Invest
in inclusive business models and value chains



Enhance
productivity with science and technology



Unlock
constraints to growth with targeted policy reform



- Understand current tobacco-based business models.
- Seek existing and potential markets for alternative crops and livelihoods to replace declining tobacco income.
- In the long-term, identify and support structured agricultural value chains and adjacent industries to drive economic growth.

- “Grow the pie” by targeting high-value business models.
- Co-create business models that accrue value directly to smallholder farmers.
- Leverage innovative financing mechanisms to drive growth.
- Pilot “ring-fenced” agricultural investments to achieve scale and security.

- Create a Center of Excellence that merges 21st century agricultural innovation with the scaling power of the private sector.
- Identify game-changing inputs and technologies that can drive productivity increases and economic growth.
- Incentivize private sector investment with risk capital and technology transfer agreements.

- Identify business model and cross-cutting constraints to growth in agriculture, trade, investment, finance, and access to capital.
- Facilitate the policy reform process through existing processes and stakeholders.
- Form and facilitate a Doing Business task force to position Malawi as a lead reformer in SSA.

Our approach is to combine strategic partnerships and a robust research agenda to catalyze progress, empower local organizations, and create globally competitive, prosperous farmers



Paralleling economic growth comparable to African success stories



Seeking improvement in Doing Business Indicators/Investment climate



Rising and securing smallholder farmer incomes



Improving dietary diversity and food security



Reducing child stunting and other malnutrition