

# Farmers and loans, Story Workshop leads the way

**Falesi Boidi, aged 30 years is one of the successful female farmers in her area of Lirangwe in the traditional authority of Chigaru in Blantyre.**

She forced herself into commercial farming after she got a loan from one of the financial institutions in the country three years ago.

To date she is the bread winner in a family of six (3 daughters and 3 sons) in her village after successfully paying back her loan.

However, Boidi said all was not well in the repaying of the loan. She recalls one time when the financial institution from where she got her loan, threatened her that failure to repay could lead to her property being grabbed.

She did not mince words when she said, "I had to work hard in the field so that after harvesting that first year I was able to repay the loan I took from them."

Boidi is not the only one in a country like Malawi where over 80 percent of the population depend on agriculture and the acquisition of loans.

In a radio debate conducted by the Story Workshop in Blantyre recently it was learnt that several farmers in the country have succeeded in their farming activities after getting the loans from different financial institutions.

However, they argue that the high interest rates the loans attract act as a burden to several farmers.

Balati Chipatala, a farmer in Lilongwe and Lackson Kaduwa of Chiradzulu are some of the farmers who, after getting the loans, failed to pay back because of high interest rates their loans accumulated.

In the programme titled 'Would you lend money to the



**Redge Masupayi, Rural Development Programme Officer & Louise Keyworth of the Story Workshop at Makoka Research Station, Zomha**

rural poor?', they bemoaned the high interest rates, saying that such rates coupled with high prices on farm inputs commodities affect agriculture and its productivity.

"We are asking the Malawi government together with the financial institutions to look into these problems and try to reduce these rates," the farmer said.

However, representatives of several financial institutions at the debate disagreed with the farmers, saying that inflation and interest rates cannot affect the productivity of agricultural activities.

Robert Mbeza, Director of SACCO in the Malawi Union of Savings and Credit Cooperatives (MUSCCO) said all loans given to farmers attract interest because it is the interest that is used for the operations of the institutions.

"Malawians have a tendency of wanting things for free which is not true with financial loans, because we are here to operate. We therefore depend on the interest for any operational costs," said Mbeza.

Executive Director of the

Enterprise Development and Training Agency (EDETA) Emmanuel Mlaka and a Mr Mhango of the Malawi Rural Finance Company (MRFC) concurred with Mbeza saying that farmers should learn to pay back loans they get so that the mutual understanding between the two is fostered.

"Not only farmers but all of us should learn to understand the need to pay back the loans no matter what so that we live together and help each other," said Mlaka and Mhango.

# Story Workshop reaffirms commitment in addressing agricultural issues

STORY Workshop has reaffirmed its commitment in providing a forum for dialogue on controversial issues as a means of addressing problems stifling the agricultural sector in the country.

Story Workshop Rural Development Programme Officer Redge Masupayi made the remarks on Monday in Blantyre during a radio debate on accessibility of credit facilities to people living in rural areas.

Masupayi said the debate, which is the sixth in the series of Story Workshop radio debates, will be aired on MBC Radio One on March 10 at 11o' clock am.

Said Masupayi, "The need for more access to credit is in line

with national aims of ensuring that the credit system benefits a wider spectrum of smallholder farmers. These farmers are in need of such facilities."

The Story Workshop advocates policy changes that support food security, environmental and rural development. Its activities which are media based include radio soap opera, a farmers radio magazine, rural development and policy advocacy.

The activities are implemented through radio programmes such as *Zimachitika*, *Mwana Alirenji* and monthly radio debates.

Story Workshop's radio debates are supported by the

European Commission's Food Security and Food Aid Programme through the Ministry of Agriculture and Irrigation.

The debates, among other things, discuss issues ranging from rural farmers development and micro-finance lending institutions to loan repayment.

Story Workshop Managing Director Marvin Hanke maintains that it is imperative that farmers and policy planners get involved in these debates to avoid acquiring wrong information from other people who would misinterpret.

Participants tabled views on how to instil credit repayment discipline among

smallholder farmers and on ways of reducing bias when giving out credits to farmers.

Commissions Officer for Story Workshop Gondwe disclosed that findings from development research by Story Workshop indicates that most farm inputs loan programmes are put in place without any civic education to beneficiaries.