



Are mega-farms the potential pathway to achieving agricultural productivity and commercialization in Malawi?

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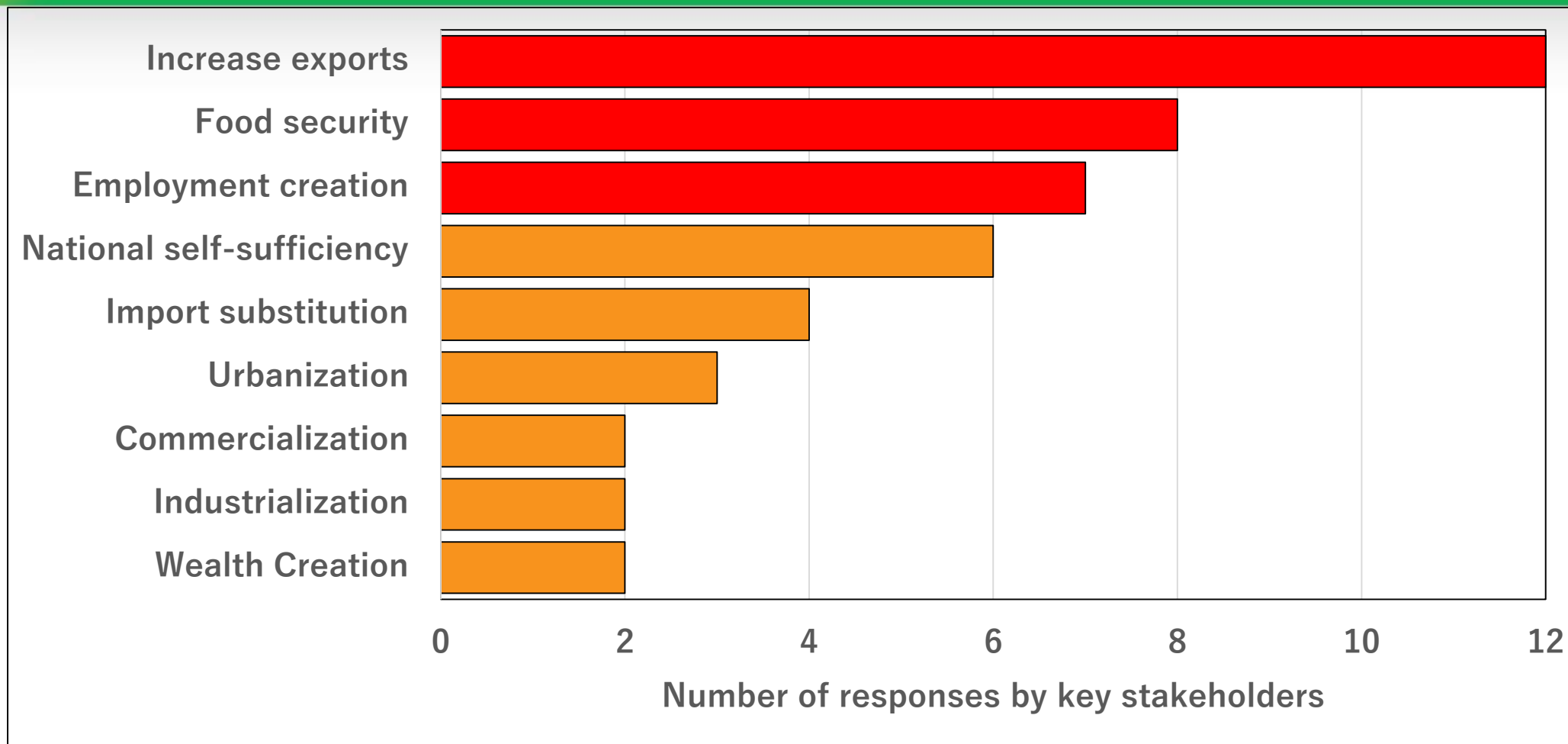
Agriculture Joint Sector Review Meeting

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Presentation outline

1. Objectives of mega-farms
2. Challenges mega-farms face
3. Potential benefits/ negative effects of mega-farms
4. Stakeholder views on the size of mega-farms/ sources of land
5. Proposed attributes of mega-farms
6. Types of crop and livestock
7. Governance and management
8. Conclusions
9. Policy suggestions

Proposed objectives of mega-farms by key stakeholders



Source: Key informant interviews

What challenges do mega-farms face?

- ☀️ Lack of off-takers
- ☀️ Unpredictable government interventions in output markets
- ☀️ Insufficient incentives for supporting large-scale production
- ☀️ Higher cost of production
- ☀️ Lower value of crop output per hectare compared to smallholder farmers
- ☀️ Variable managerial performance
- ☀️ Poor transport infrastructure
- ☀️ Limited value addition
- ☀️ Climatic/weather shocks

What are the potential benefits of mega-farms?

- ☀ Higher national food production
- ☀ Commercialization
- ☀ Promote use of modern inputs
- ☀ Increased yields
- ☀ Improved access to crop buyers, etc.
- ☀ Creation of employment
- ☀ Increased adoption of improved agricultural practices

What are the potential negative effects of mega-farms?

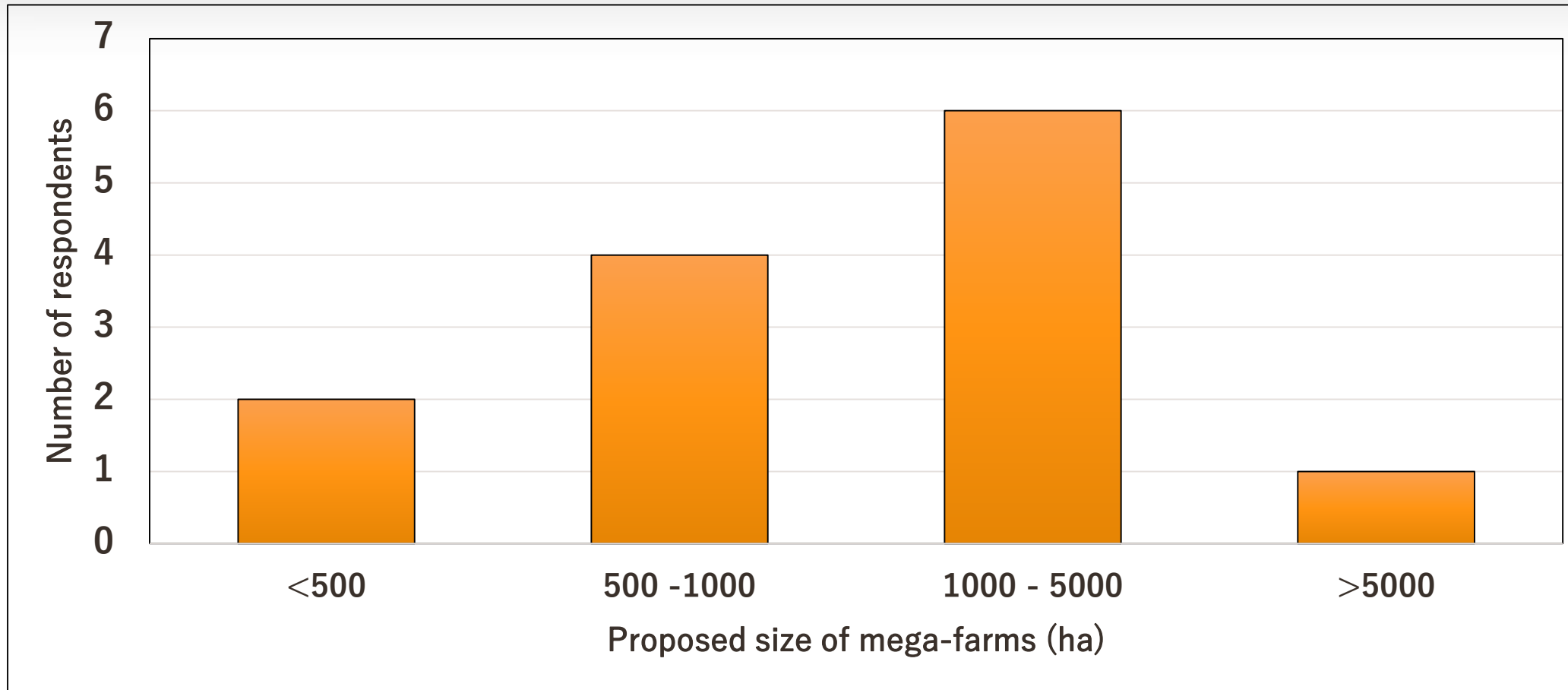
 **Deforestation**

 **Loss of biodiversity**

 **Threat to climate change**

- Release of green-house gas emissions
- Difficulty complying with Paris Agreements

Stakeholder views on the size of mega-farms



Source: Key informant interviews

Stakeholder views on sources of land

Government estates

- Unutilized or idle estates

Consolidation of land

- Smallholder and cooperatives
- Customary land

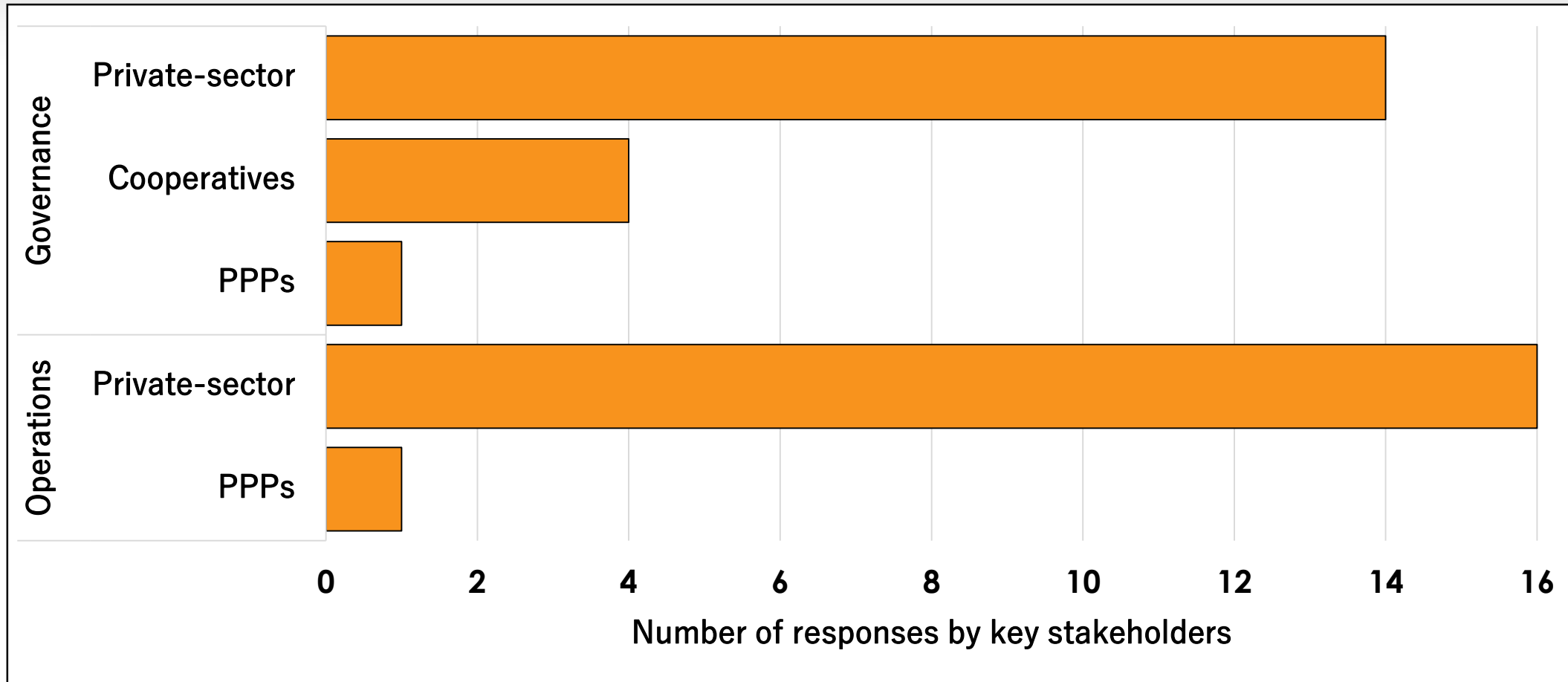
What attributes are likely to make mega-farms successful?

- 🌅 **Mechanization**
- 🌅 **Value addition**
- 🌅 **Irrigation**
- 🌅 **Supporting infrastructure (electricity, roads, telecoms, etc.)**
- 🌅 **Access to financing**
- 🌅 **Based on crop-suitability mapping**
- 🌅 **Access to markets**

What are the types of crops and livestock?

- 🌅 **Plantation crops (sugarcane, tea, coffee)**
- 🌅 **Legumes (peas, beans)**
- 🌅 **Edible nuts (macadamia)**
- 🌅 **Oil seeds (sunflower, soya, groundnuts)**
- 🌅 **Horticultural crops (onions, ginger, garlic)**
- 🌅 **Industrial hemp**
- 🌅 **Livestock (dairy, beef, goat)**

What should be the governance and operations structure?



Source: Key informant interviews

How should mega-farms interact with surrounding smaller farms and communities?

- ☀️ **Contract farming arrangements**
- ☀️ **Access to quality inputs**
- ☀️ **Market for output**
- ☀️ **Extension services**
- ☀️ **Transfer of production technologies**

Conclusions

- 🌅 **There are potential benefits of mega-farms**
- 🌅 **Challenges to mega-farms should be addressed**
- 🌅 **Mega-farms should be appropriately designed**
 - Mechanized
 - Private sector led
 - Engaged in value addition
 - Commercially viable

Policy suggestions

Pilot new mega-farms

- To establish proof of concept
- Work out performance issues

Mega-farms should be private-sector led

- Operations and governance

Interventions to support existing mega-farms

- Promoting good agricultural production practices
- Tailored extension services
- Conducive marketing and trade policies
- Supporting infrastructure

Policy suggestions

Policies for meaningful interaction with farmers/communities

- Contract farming arrangements
- Employment opportunities for locals
- Input and output markets

Government to make available idle land of mega-farms

- Lease agreements with clear performance criteria
- Lease based on financial feasibility analysis

Other considerations

- Think beyond employment for locals
- Clarity on expectations to the communities
- Do not neglect emerging medium-scale farms

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