



Mega-farms: Lessons from regional experiences and national experts

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**Agricultural
Transformation
Initiative**

Background

Major challenges in agriculture

- Low production
- Low yields
- Limited value addition
- Climatic/weather shocks

Potential benefits of mega-farms

- Increase production and productivity
- Promote irrigation
- Strengthen access to land and agricultural financing
- Increase agricultural exports

Methodology

Desk literature review

- Performance of large farms
- Effects of larger farms on surrounding smaller farms

Key Informant Interviews

- Objectives of the mega-farms
- Size of the mega-farms
- Source of land
- Types of crops or livestock
- Management and governance
- Interaction with smaller farms and surrounding communities

Literature review– Performance of large farms

Large farms faced many challenges

- Lack of off-takers
- Unpredictable government interventions in output markets
- Insufficient incentives for supporting large-scale production
- Higher cost of production compared to smallholder farmers
- Low managerial performance
- Poor transport infrastructure and extension services

Literature Review – Effects

Positive effects

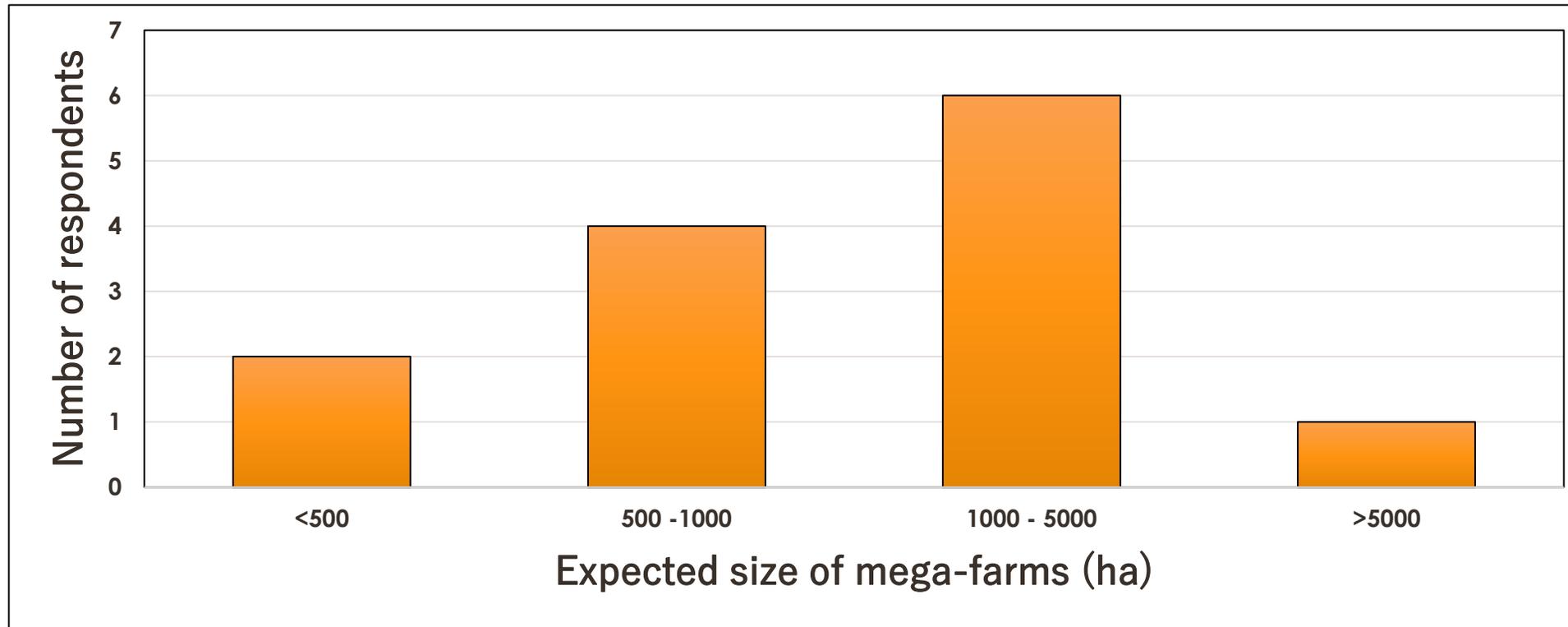
- Higher production and productivity
- Higher incomes for estate workers
- Adoption of new agricultural practices
- Increased intensity of improved seed and fertilizer use

Negative effects

- Increased income inequality
- Reserving the production of profitable crops to the elite

Findings from KIIs– Size of MFs

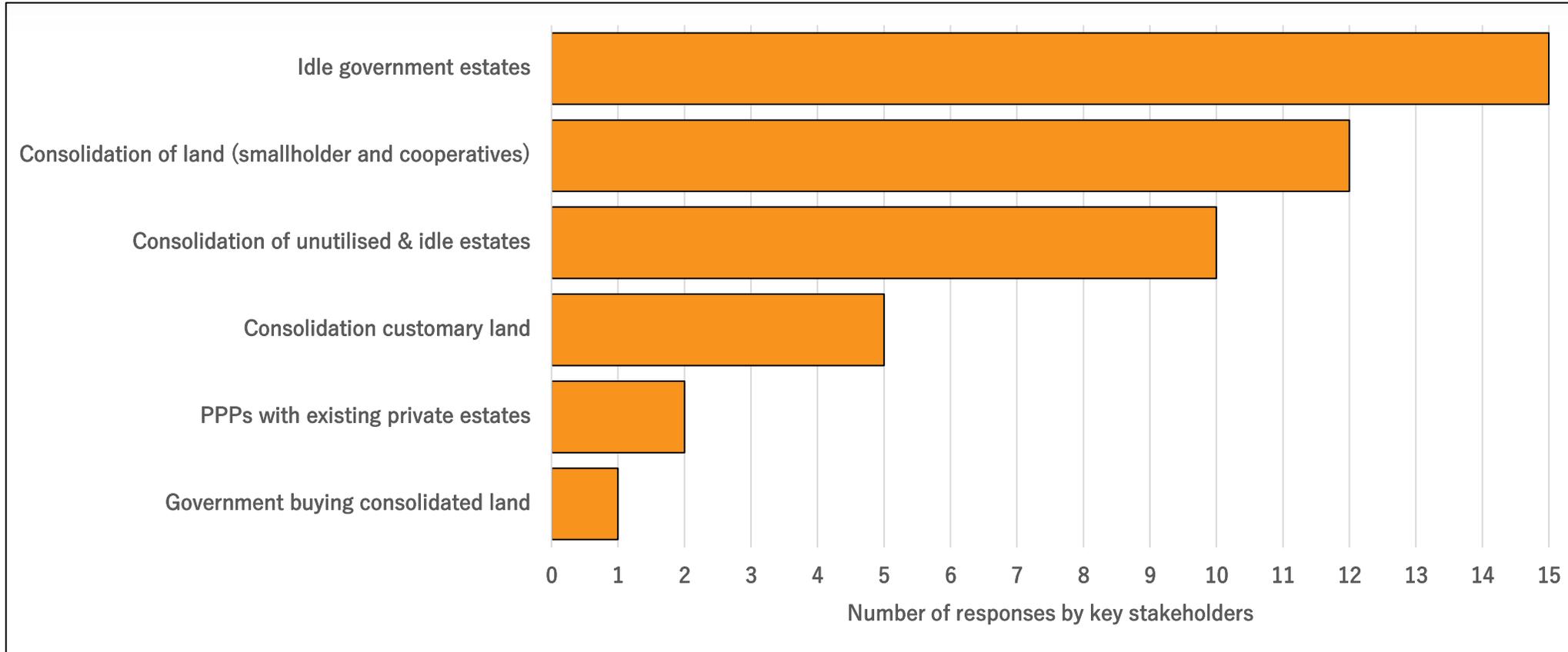
Figure 1: Expected size of mega-farms from key stakeholders in Malawi



Source: Key informant interviews

Findings from KIIs– Sources of land

Figure 2: Proposed sources of land for mega-farms by key stakeholders



Source: Key informant interviews

Findings from KIIs– Location of MFs

Considerations must be give based on:

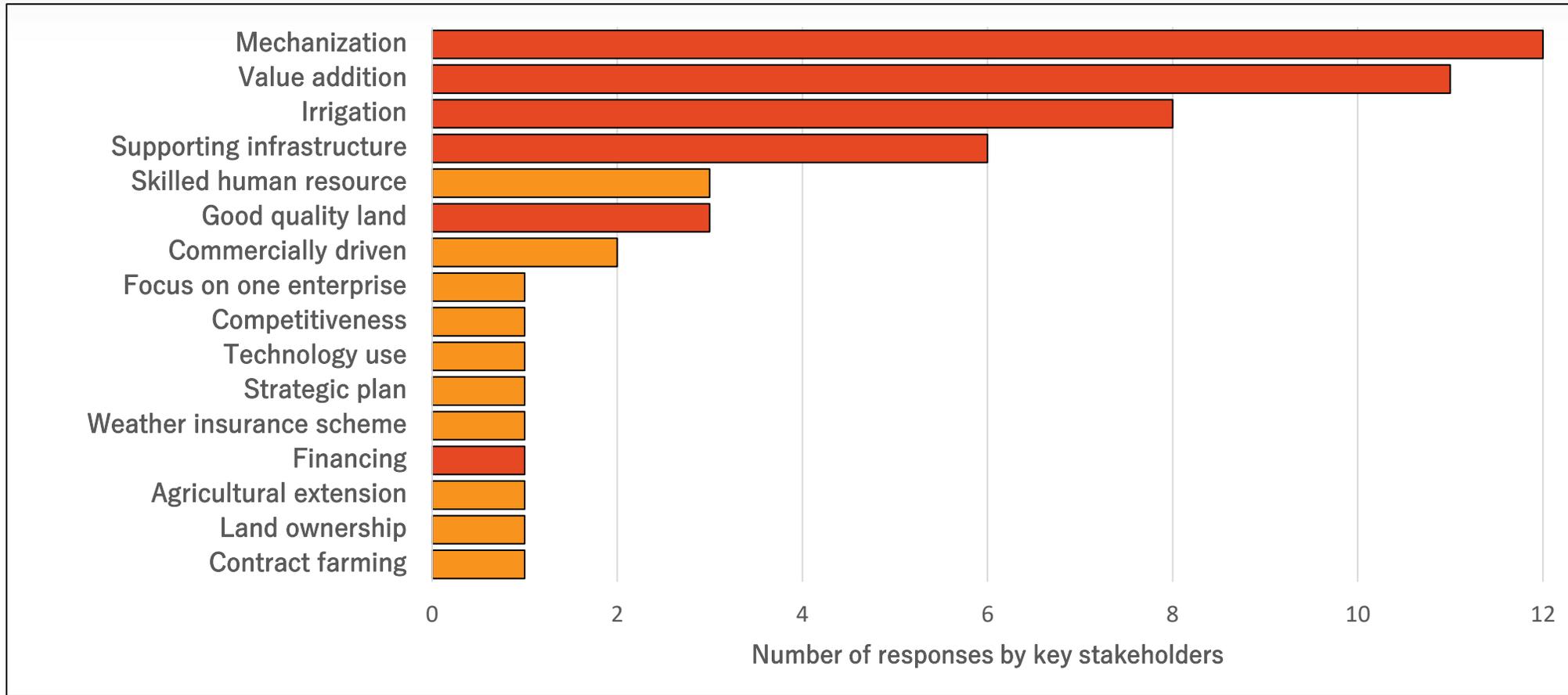
- The type of commodity
- Suitable climatic factors
- Availability of sources of water
- Land availability (without disputes)

Synergies with other development plans

- MMDT: development of four road corridors
- MW2063: secondary cities and industrialization
- World-Bank funded: rural electrification programme

Findings from KIIs– Other attributes of MFs

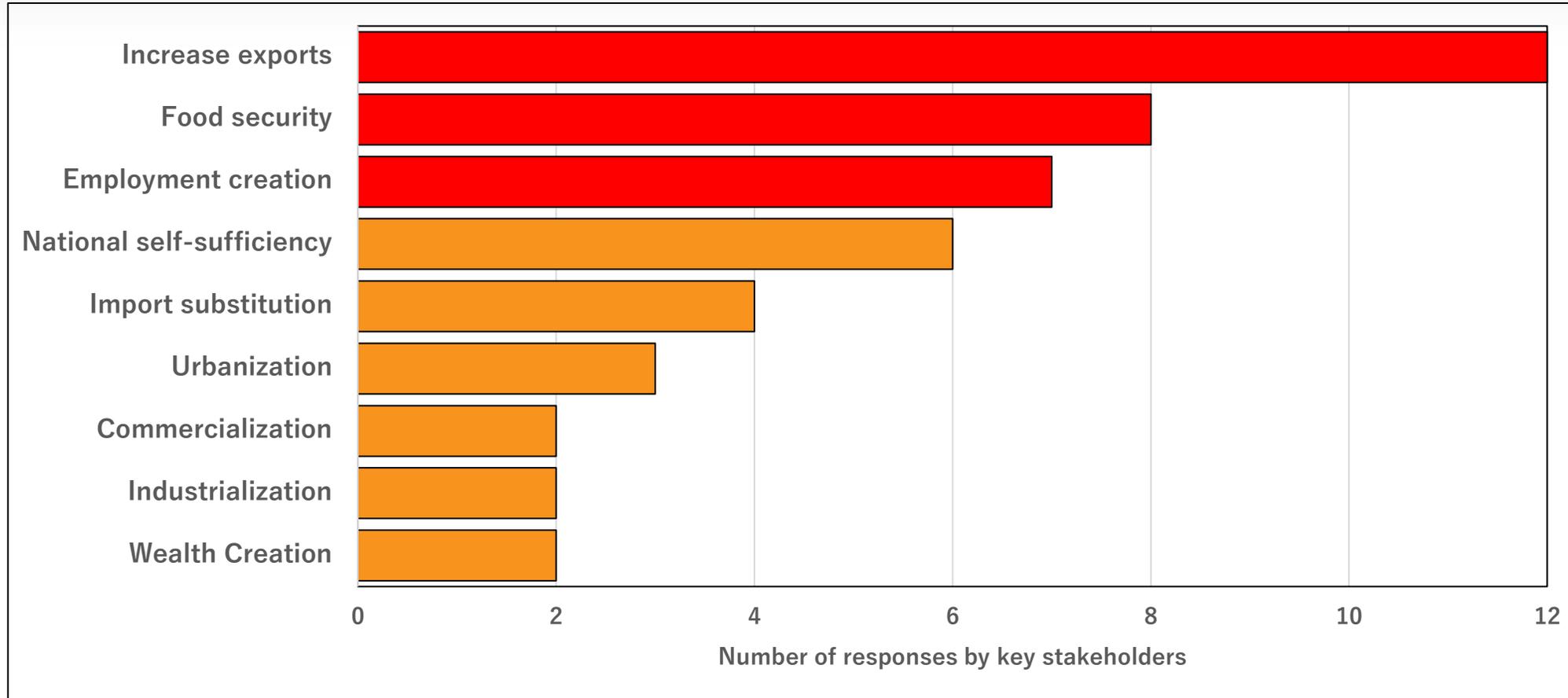
Figure 3: Other expected attributes of mega-farms from key stakeholders



Source: Key informant interviews

Findings from KIIs– Objectives of MFs

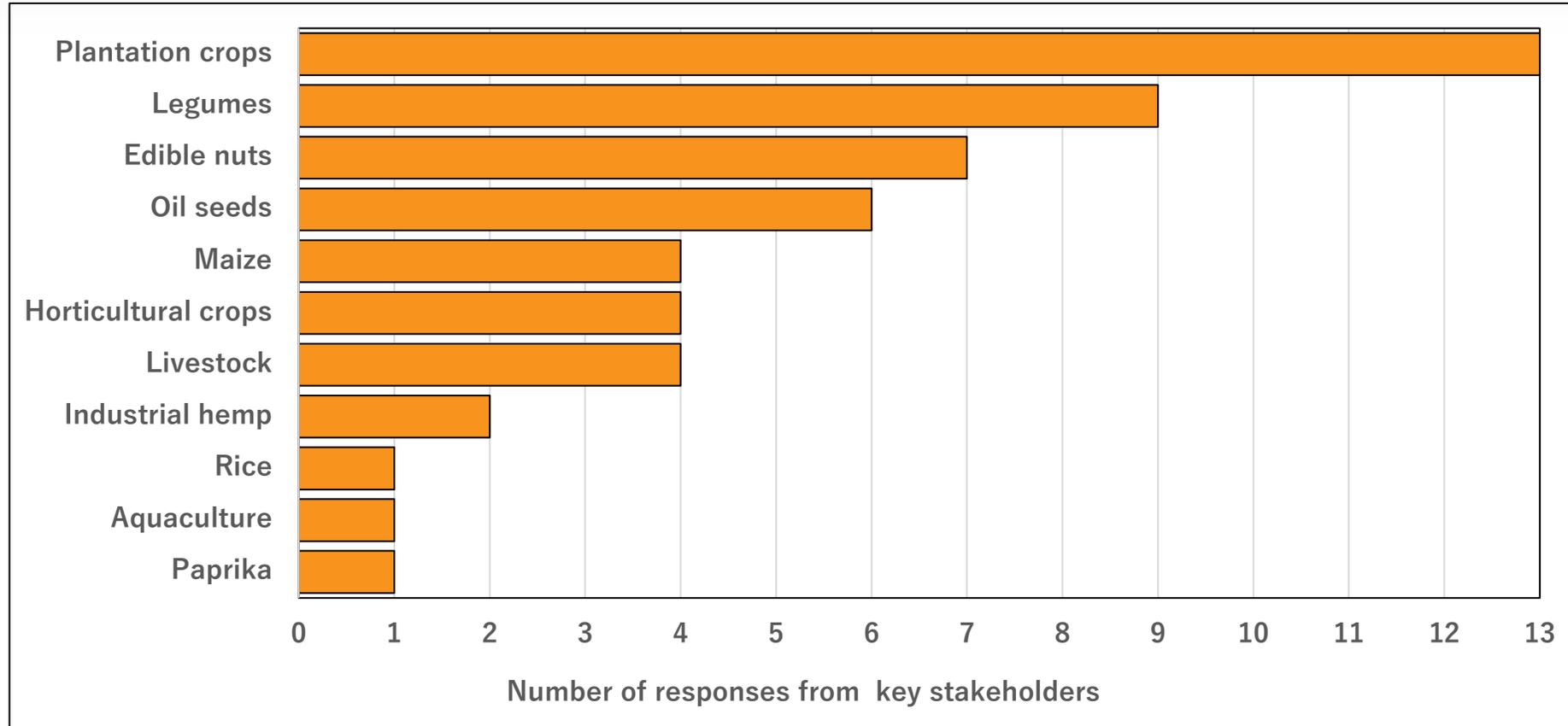
Figure 4: Proposed objectives of mega-farms by key stakeholders



Source: Key informant interviews

Findings from KIIs– Crops and livestock

Figure 5: Expected types of crops and livestock from key stakeholders



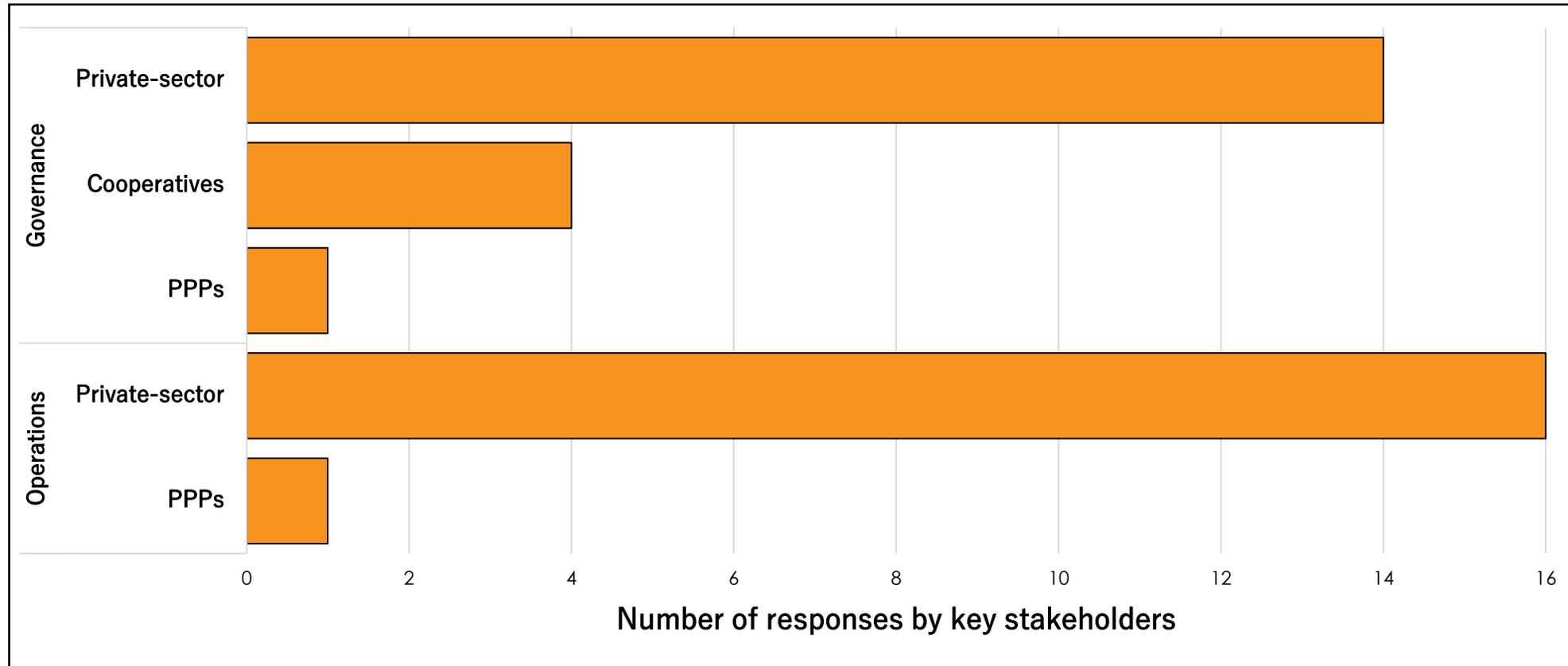
Note:

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

Source: Key informant interviews

Findings from KIIs– Operations and Governance

Figure 6: Proposed operations and governance structure by key stakeholders



Source: Key informant interviews

Findings from KIIs–MFs and communities

In-grower and out-grower schemes

Contract farming arrangements

- Access to quality input
- Processing of produce
- Market for output
- Extension services
- Production technologies

Conclusion and policy recommendations

Mega farms should be private-sector led

- Operations and governance

Incorporate mega-farms in policy

- Incorporate in National Agriculture Policy (currently under review)

Policy issues that address issues that limit performance

- Promoting good agricultural production practices
- Tailored extension services
- Conducive marketing and trade policies
- Supporting infrastructure (electricity, roads, telecommunications, etc.)

Conclusion and policy recommendations

Policies for meaningful interaction with farmers/communities

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

Government to make available idle land

Other considerations

- Think beyond employment for locals
- Clarity on expectations to the communities

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