



Agricultural Transformation in Malawi: A Call to Action

Presented at the 18th Joint Sector Review Meeting BICC – Lilongwe

Theme: Accelerating Agriculture Transformation and Resilience Amidst COVID-19

December 9th, 2020

Both the NAP and NAIP Embody the Spirit of Agricultural Transformation

Goal of the NAP:

- “To *achieve sustainable agricultural transformation* that will result in significant growth of the agricultural sector,” (NAP, 2016)
- The NAIP is a “*Prioritised and Coordinated Agricultural Transformation Plan for Malawi*” for the period 2018 to 2023 (NAIP, 2018)

What Actions are Likely to Accelerate Agricultural Transformation and Resilience?

- i. Strong political will is critical to drive policy changes that will successfully drive the agricultural transformation agenda forward. For example:
 - a. harmonizing budgetary allocations with sectoral priorities, as espoused in the NAIP will require strong political will
 - b. Harmonizing ongoing reforms (e.g. the ongoing decentralisation of DAs) with NAIP priorities is critical but will require political will
- ii. Concerted leadership must be supported by a “coalition of the willing” with interests that can mobilize and sustain support across election cycles.

What Actions are Likely to Accelerate the Transformation and Resilience of the Agricultural Sector?

- iii. Invest in increased agricultural productivity and improved soil health
- iv. Enhanced policy coordination, collaboration and harnessing synergies, especially among policy champions in the sector, is critical
- v. Urgency to address known challenges with known solutions – e.g. the recommendations of Enabling the Business of Agriculture reports
- vi. Embrace evidence based policy analysis to promote public debate and consensus-building.
- vii. Streamline agricultural policies and laws to eliminate conflicts and contradictions

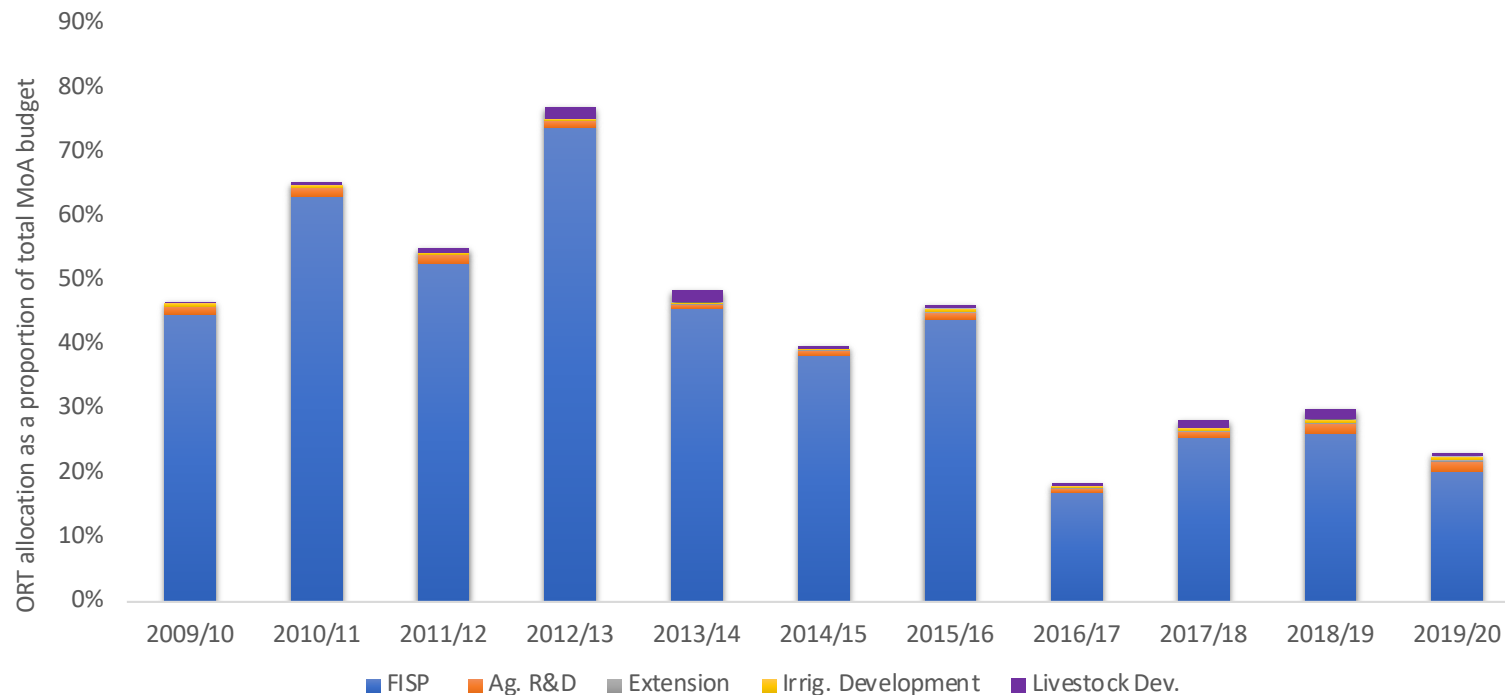
What Actions are Likely to Accelerate the Transformation and Resilience of the Agricultural Sector?

- viii. Make the policy environment more predictable for agribusiness
- ix. Make policy making processes more inclusive and transparent by bringing in key stakeholders such as farmers, private sector and civil society
- x. Enhance ability to anticipate and proactively respond to major emergencies (e.g. pest and disease outbreaks, COVID-19, etc.)
- xi. In a nutshell, stakeholders in the sector should be willing to come together, do what is right, and get their comparative advantages optimized for the good of the nation

Why are these Actions Imperative for Malawi?

[1] Subsidies Dominate the Agriculture Budget at the Expense of R&D&E

GoM ORT allocation to selected MoA programmes

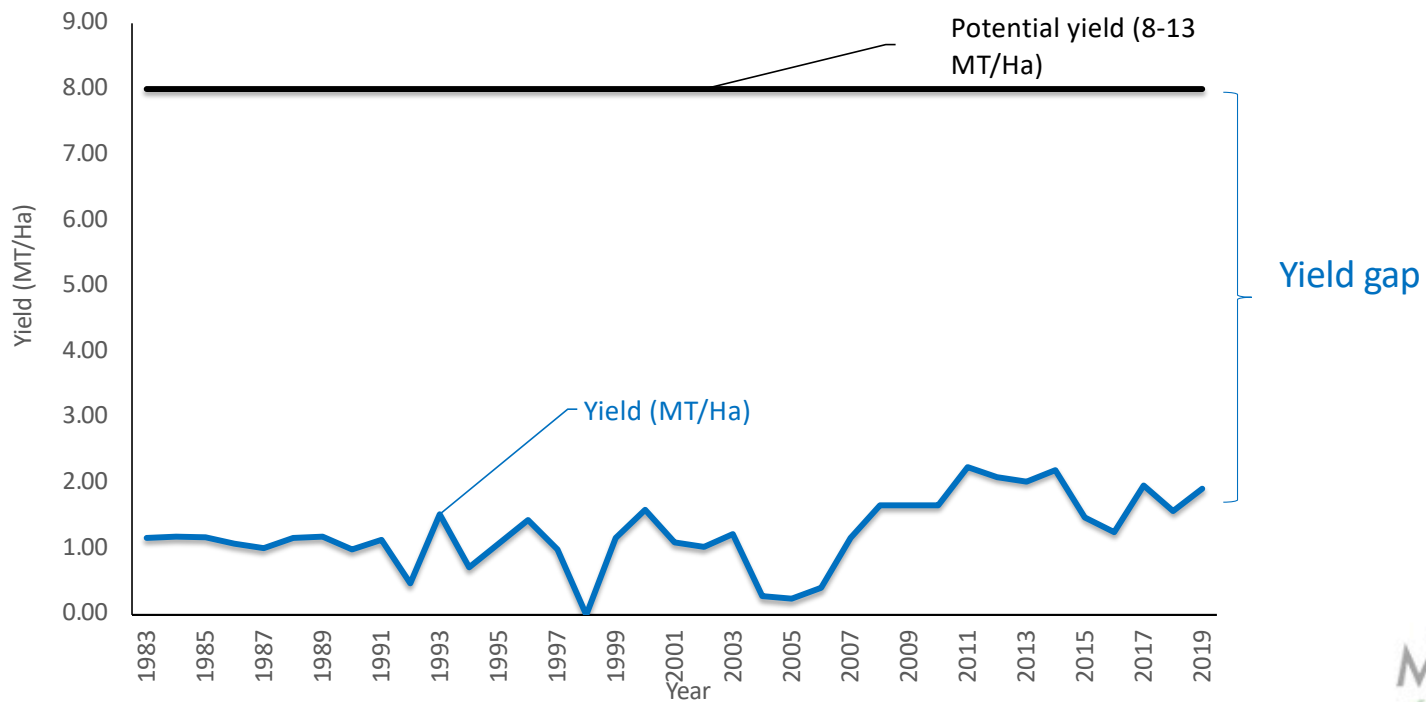


Source: GoM Budget Documents

Why are these Actions Imperative for Malawi?

[2] Smallholder Productivity is Much Lower Than the Potential

Maize yields at smallholder compared to potential

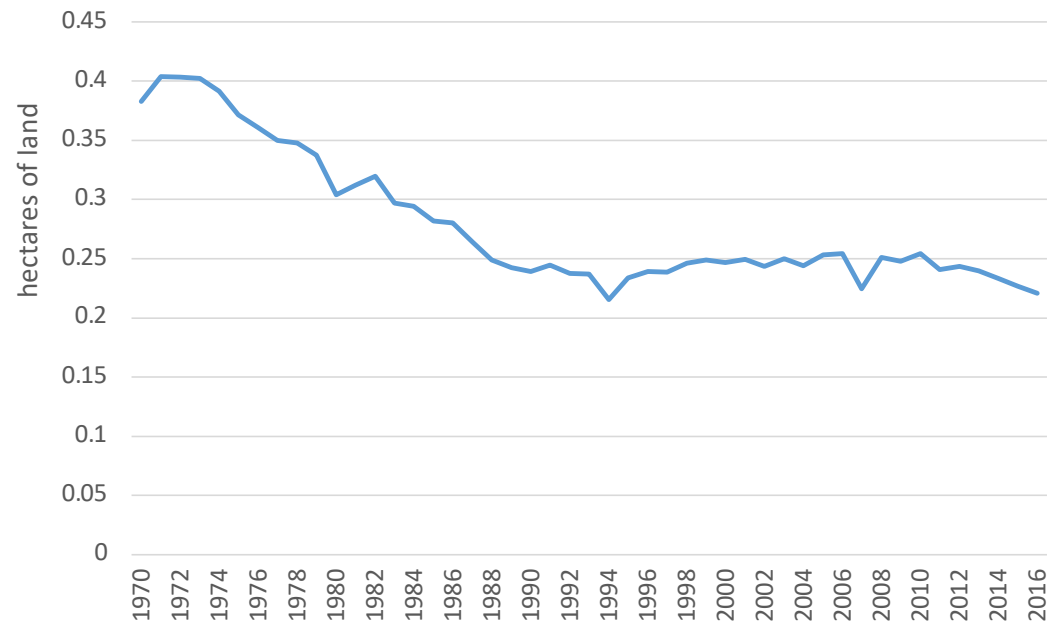


Source: MoA – APES Data

Why are these Actions Imperative for Malawi?

[3] Land is Becoming Increasingly Scarce

Arable land per person over time



Source: World Bank (2020)

Why are these Actions Imperative for Malawi?

[4] Irrigation Development Has Significantly Lagged Behind its Potential

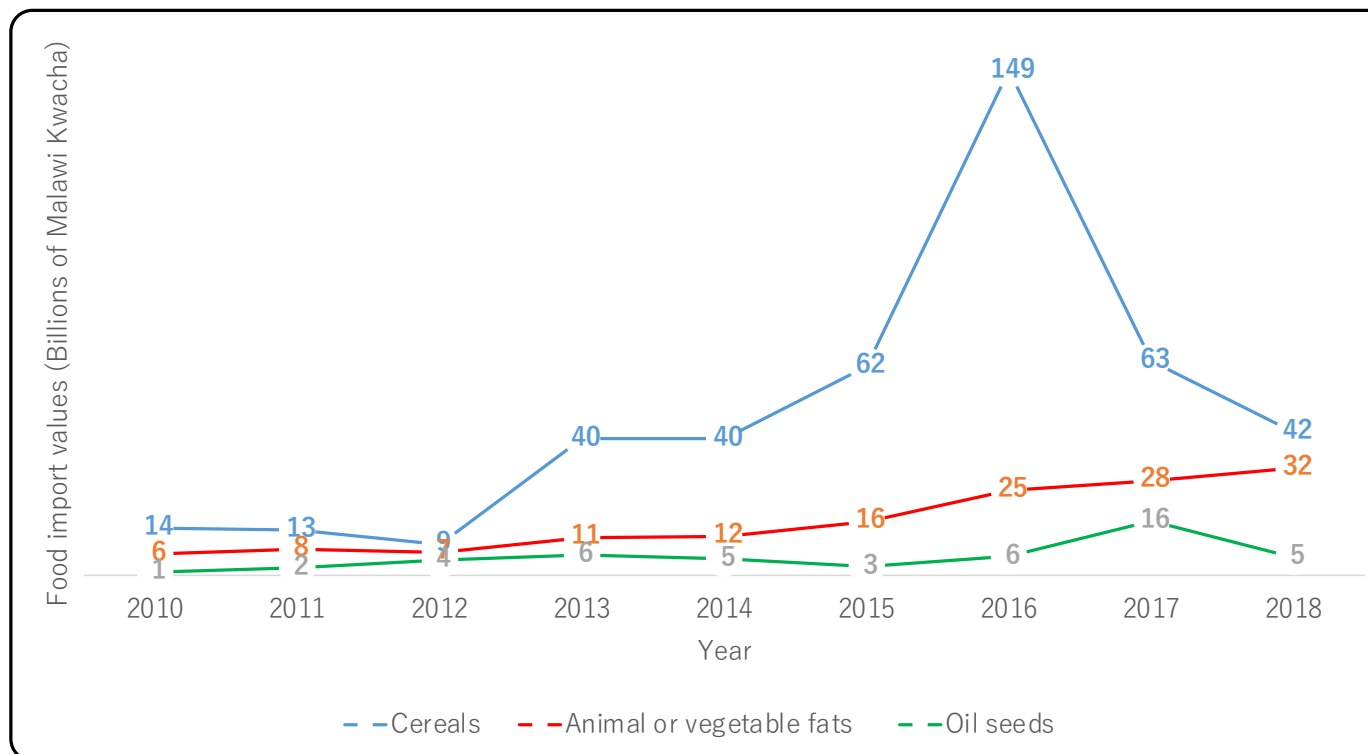
- Malawi's potential irrigable land is estimated at 408,000 ha (DoI, 2019)
- Only about a third of this (118,833 ha) is currently irrigated (DoI, 2019)
- And, about 52% of irrigated land is under smallholder farms, 48% under estates
- The Shire Valley Transformation Project is expected extend irrigated land by 42,000ha by 2030 – but more needs to be done



Why are these Actions Imperative for Malawi?

[5] Food Imports Continue to Dominate the Import Bill Despite Implementing a Large Inputs Subsidy Programme

Main agricultural import commodities for Malawi

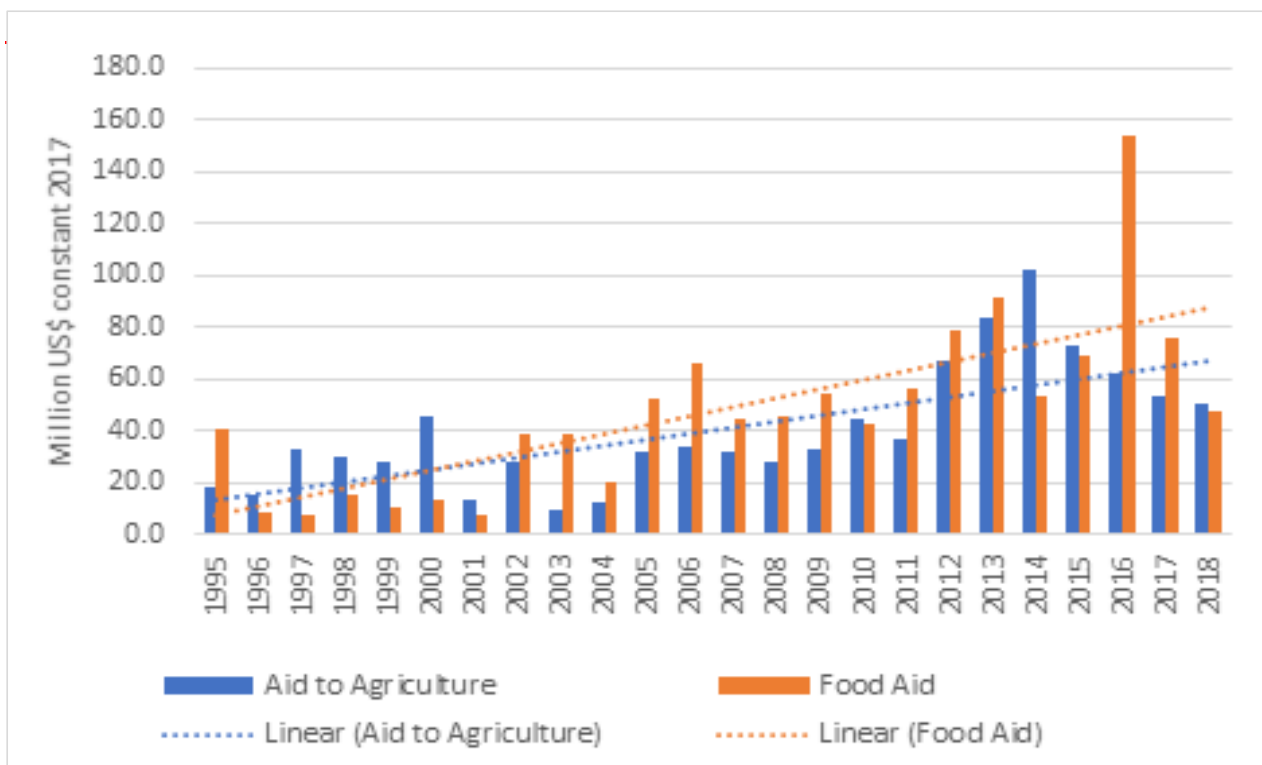


NSO External Trade

Why are these Actions Imperative for Malawi?

[6] Dependence on Food Aid is Rising

Total Overseas Development Assistance to agriculture versus Food Aid

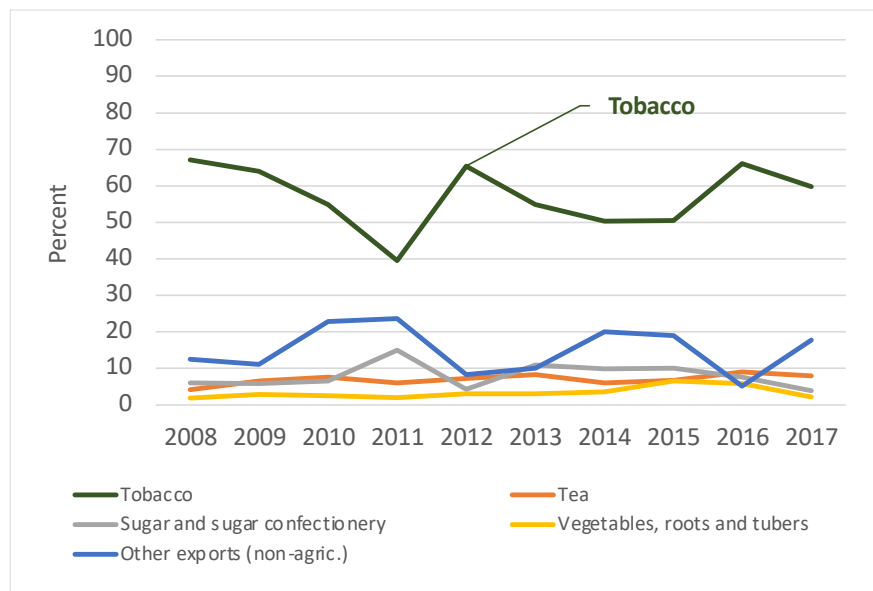


OECD (2020)

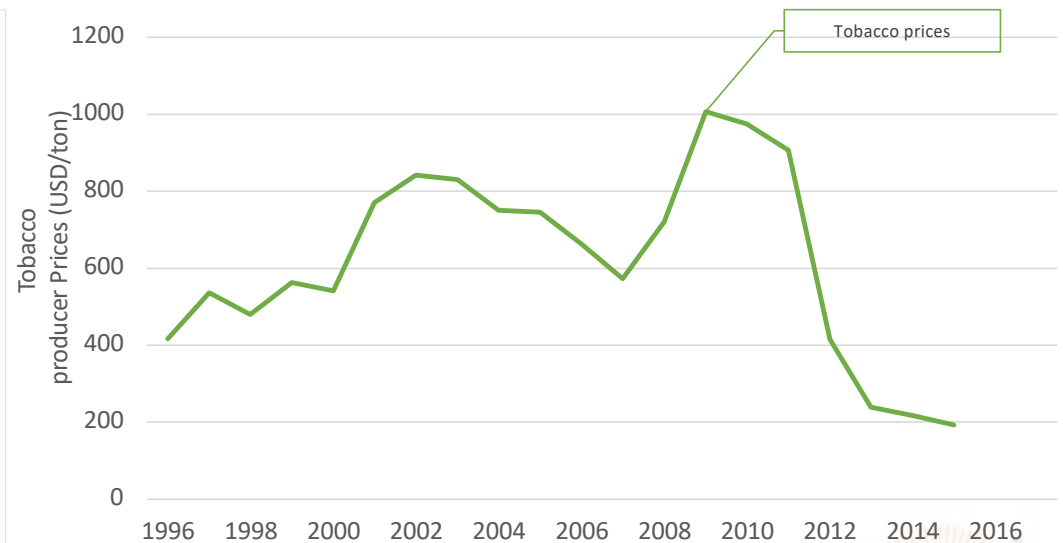
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[7] Tobacco Prices and Revenues Are Falling Steadily

Main exports for Malawi (% of total exports) and tobacco producer prices



Source: trademap.org



Source: UN Comtrade (2020)

Why are these Actions Imperative for Malawi?

[8] Marketing Rigidities Continue to Disincentive Agricultural Investments

Controls in agricultural pricing and marketing prevent farmers from getting profitable returns on investment.



Photo credit: massip.ifpri.info

Why are these Actions Imperative for Malawi?

[9] The Country Remains Vulnerable to Weather Related and Other Emerging Shocks

- In 2019 parts of Malawi experienced flooding and dry spells due to cyclone IDAI (MVAC, 2019)
- This triggered food insecurity for around 1,062 million people
- In 2020, COVID-19 somewhat affected every node of the agro-food value chain
- A worsening of the disease, or a protracted or expanded governmental effort to contain the virus would have significantly diminished the supplies of food and farm inputs

Conclusions

- It is possible to transform the agriculture sector if we can all agree to join forces and pull in the same direction
- We can take advantage of the existing impetus to change things and start the journey now
- Some of the necessary policy changes can be informed by the already available evidence, for others new evidence will be needed
- This journey will have to be led by government and supported by everyone in the sector
- These changes can only start if we commit to take the first step now



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