



SMALL FAMILY FARMS COUNTRY FACTSHEET



THE CONTEXT OF AGRICULTURE AND THE ROLE OF SMALL FAMILY FARMS

Malawi is a small, agricultural based country, landlocked in the south-eastern part of Africa. The country's economy is almost single-sided driven by the agricultural sector that accounts for 28 percent to GDP, around 80 percent of the country's export and almost 65 percent of total employment. Main export crop is tobacco which amounts to more than half of the total export value, followed by raw sugar and tea.

Over the last decades, the share of total land area dedicated to agriculture has been in steady incline, till now leading to around 61 percent of Malawi's total land area used for crop cultivation or livestock pastures. Crop cultivation is strongly dominated by the production of maize and groundnuts that serve as the country's main staple foods. However, Malawi is heavily exposed to the risk of extreme weather events. As the country's agricultural sector is mainly rain-based, erratic rainfalls directly impact agricultural productivity, food security and GDP growth. Farmers account for 80 percent of the total population, among them around 75 percent are small family farms.

KEY CHARACTERISTICS OF SMALL FAMILY FARMS¹

General aspects

Smallholder households in Malawi consist on average of more than 4 household members with a mean land holding capacity of around 0.5 hectares. Livestock production in Malawi is primarily subsistent and accounts for a relatively minor source of income. Nonetheless, livestock populations are slightly increasing, yet not leading to more than 0.6 Tropical Livestock Unit (TLU) per small family farm on average. A remarkable share of almost one-third of Malawi's family farms are female headed, while the average level of education of a household head centres around 5 years, which is slightly higher than the average educational level for smallholders in Africa.² Yet, more than 59 percent of the smallholder farmers live below the national poverty line.

Economic situation and diversification

Small family farms in Malawi generate a gross annually income of about USD 1 840³ on average, with on-farm income indicated as their main source of economic activity. Crop production represents half of the total annually income, but on average only 13 percent of the overall agricultural output is sold by Malawian family farms, highlighting the subsistence-oriented nature of the countries' smallholders. Although almost one fifth of a smallholder's income stems from agricultural wage labour, the same remarkable income proportion is generated through non-agricultural wages or self-employment (19 percent), which may be an indication that smallholders in Malawi aim to diversify into non-farm related activities. Almost equal shares of family labour-days supplied on-farm as well as off-farm underline this assumption.

AT A GLANCE

- Malawi belongs to the **poorest countries worldwide**, with more than **70 percent** of the total population **living in extreme poverty** (below USD 1.9 a day 2011 PPP).
- Economic and structural reforms led to **economic growth** during the last decade. Yet, **weak economic diversification** exposes this trend inconstant and vulnerable to shocks.
- About **84 percent of the population is living in rural areas** facing **increasing poverty and inequality** rates, unlike to the country's urban areas where poverty rates slightly fell.

Source: World Bank, 2017.

¹ Unless indicated specifically, the data in this factsheet is taken from the LSMS survey 2011, analyzed by the SMALLS Team in FAO ESA. A detailed methodology description can be found online on the FAO Family Farming Knowledge Platform. The SMALLS Team would like to acknowledge the country office of Malawi for having provided valuable feedback.

² According to the Smallholder Farmers' Data portrait, the average share of female-headed households in Africa amounts to 18 percent, while the average education level reaches 4.1 years.

³ All monetary values in this factsheet are expressed in constant 2009 international dollar.

Productivity and technology

Limited access to agricultural technology exacerbates smallholder productivity in Malawi. Only 1.5 percent of a small family farmland is irrigated on average, resulting in a strong dependence on rain-fed agriculture for their livelihoods and a high vulnerability to weather extremes. An even fewer share of smallholders is motorized equipped (0.4 percent). Despite this weakness in technical components, labour productivity in Malawi is high compared to other African smallholders, with only 0.2 person days supplied on-farm but a poor average value of crop production of USD 321 per year. The governmental Farm Input Subsidy Program (FISP) that aims to improve food self-sufficiency by distributing input vouchers to smallholders, has notably enhanced the access for inputs and fertilizers; 76 percent of smallholders have access to fertilizer. Moreover, the provision of extension services or other knowledgeable sources (39 percent) and the distribution of improved seeds (57 percent) is remarkable high compared to the rest of smallholders in Africa.⁴

Constraints

Malawian family farms spend almost half of their value of crop production on inputs. In addition, only a minor share is sold on the markets, meaning that only little remains to be spent on other goods or services. Moreover, among those goods that are sold, trade happens mainly through informal, local marketing channels offering only low prices. In addition, the average distance of smallholders from the road amounts to 23 km, which creates another burden to reach lucrative markets or other sales channels. A strikingly low share of small family farmer have access to credit (6 percent). Apart from infrastructural limitation high population pressure and land fragmentation remains a key obstacle for small scale farmers to escape poverty, one reason why the majority remains self-subsistent.

SMALL FAMILY FARMS IN MALAWI		SMALL FARMS	OTHER FARMS
Farm aspects	Average farm size (ha)	0.5	1.4
	% of smallholders on total farmers	74.6	25.4
	% female headed households	26.8	18.1
Income and poverty	Household income (const. 2009 Int.\$)	1 840	2 191
	% of income from crop production	53	65
	% of income from on-farm income	58	71
	% of income from agricultural wage labour	19	10
	% of income from non-agricultural wages and self-employment	19	16
	% of income from public and private transfers	4	2
	Smallholder poverty rate (national poverty line)	59	47
Labour	Family labour-days supplied on farm over a day period (person days)	0.21	0.29
	Family labour-days supplied off-farm over a day period (person days)	0.18	0.15
Production	Value of crop production (const. 2009 Int. \$)	321	943
	Value of food production per ha (const. 2009 Int. \$)	559	353
	Value of crop production per working day (const. 2009 Int. \$)	7.0	12.6
Capital and inputs	Livestock (TLU; pastoral households only)	0.6	1.5
	% of households using motorized equipment	0.4	2.4
	% of households using fertilizer	76.1	48.1
	Fertilizer per hectare (kg)	169	125
	Seed per hectare (kg)	15	10
	Irrigation (% of land)	1.5	2.7
Markets	% of households selling crops through informal channels*	100	100
	% of households selling crops in the local markets* <small>* 28 percent of households reported this information</small>	84	73
Innovation and technology	% of households using improved seeds	57	71
	% of households recipient of extension services	39	48
Constraints	% of agricultural production sold	13	31
	% of expenditure for inputs on value of production	45	39
	% of credit beneficiary households	6	9
	Credit (const. 2009 Int. \$)	185	377
	Distance of household from road (km)	23	28

Source: FAO. 2018. Smallholders data portrait (available at www.fao.org/family-farming/data-sources/dataportrait/farm-size/en).

REFERENCES

- FAO. 2017. *Assessing the policy environment for cash crops in Malawi: What could hinder the achievement of the National Export Strategy objectives?* Rome.
- FAO. 2015. *The economic lives of smallholder farmers: An analysis based on household data from nine countries.* Rome.
- National Statistical Office. 2017. *Malawi Demographic and Health Survey 2015-16.* Zomba, Malawi.

⁴ According to the Smallholder Farmers' Data portrait, the average share of smallholders receiving extension service amounts to 21 percent, while the 24 percent of the family farms use improved seeds.

SMALLHOLDER FARMERS' DATA PORTRAIT

The Smallholder Farmers' Data portrait is a comprehensive, systematic and standardized data set on the profile of smallholder farmers across the world. It can generate an image on how small family farmers in both emerging and developing countries live their lives. It is about putting in numbers, the constraints they face, and the choices they make so that policies can be informed by evidence to meet the challenge of agricultural development. Currently, the data portrait provides information for nineteen countries.

For more information about SMALL FAMILY FARMS

Please visit: www.fao.org/family-farming/themes/small-family-farmers

Or write to: Laura Schenck – Laura.Schenck@fao.org