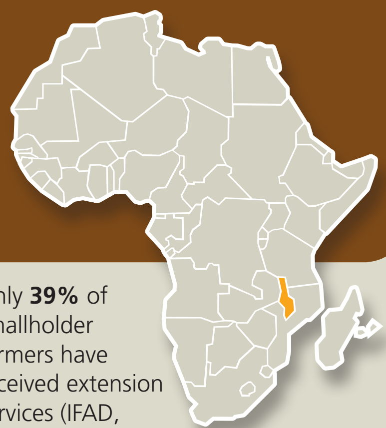
FANRPAN
Food, Agriculture & Natural Resources Policy Analysis Network

OXFAM

COUNTRY PROFILE MALAWI



Farmers account for **80%** of the population; **75%** of whom are smallholder women and youth.

26% of these farms are headed by women.

80% of smallholder farmers sell their produce through informal channels.

Only **39%** of smallholder farmers have received extension services (IFAD, Rural Development Report 2019).

AGRICULTURE IN MALAWI

Primary production agriculture provides employment to 85% of the population in Malawi. There are approximately 2 million farm families; with 26% of them headed by women.

Maize is the major staple food crop, accounting for 60% of all land devoted to crop production. Tobacco is the major export earner for Malawi, contributing over 65% of the country's foreign exchange earnings. (World Bank Data, 2017).

Despite being the producers of most of the food, smallholder farmers derive the least remuneration from agriculture and continue to face challenges that hinder them from earning sufficient profits from agriculture. Access to finance and credit is notably low, with less than 6% of smallholder farmers having accessed loan facilities from a bank in 2018.

Access to equitable and profitable markets remains a key challenge to smallholder farmers in Malawi, with 80% of farmers selling their produce through informal channels.

Oxfam in Southern Africa (Oxfam SAF) in partnership with the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN) implemented a project that focused on how smallholder agricultural producers, especially women and youth, in the four Oxfam focus countries - Malawi, Mozambique, Zambia and Zimbabwe, were interacting with markets.

MARKET CONSTRAINTS

The following were some of the market constraints deduced from the study.

1. **COVID-19 Related restrictions**

   The ongoing pandemic has exposed critical gaps in market systems all over the world. With travel and movement restrictions, smallholder farmers have experienced challenges in accessing farm inputs including seeds, fertilizer and extension services. This has drastically reduced their productivity and harvests. Their access to the existing markets has further been hindered, with social distancing measures reducing the number of clients at local markets. Only 20% of smallholder farmers reported visitinglarger community markets.

2. **Climate Change**

   Climate Change has reduced the productivity and profitability of smallholder farmers, exposing them to droughts, floods, pests and diseases. Without proper access to climate-resilient technologies that include improved seeds, fertilizer and climate smart practices, their harvests have been inadequate and of sub-standard quality. This has denied farmers a competing chance against cheap imports from other countries.

3. **ICT Access**

   ICT has been successfully adopted in some East African countries including Kenya, where farmers are able to access information about when, where and to whom to sell their produce.

   Market information, including prices of produce and weather patterns is readily available through the use of ICT. However, smallholder farmers in Malawi lack adequate access to ICT to enable them to take advantage of available information to make informed market decisions. Mobile phone and internet use has steadily increased in Malawi, with 13,8% of the population having access to the internet (World Bank Data, 2019). However, due to the prohibitive costs of smartphones and the internet, smallholder farmers have not embraced the use of ICT for agriculture.

   Furthermore, high illiteracy levels among the rural poor has also deterred the majority of smallholder farmers from using ICT.

OPPORTUNITIES AND RECOMMENDATIONS IN MALAWI

Promoting food security and nutrition in the midst of climate change, a pandemic and recurring epidemics, as well as pests and diseases requires more than improved agricultural productivity. Smallholder farmers in Malawi account for over 70% of food production. There is therefore an urgent need to ensure that they have access to markets. The following are some vital opportunities and recommendations derived from these studies aimed at improving access to markets and providing a better deal for smallholder farmers, especially women.

a) Improved access to ICT

Supporting the provision of services like a farmers' call centre and SMS platform to the smallholder farming communities should be classified as corporate social responsibility by the phone service providers through the establishment of toll-free numbers or charging concessionary or subsidised rates. Additionally, to increase the affordability and use of farmers' radios, the government should consider removing taxes on gadgets like wind-up radios and mobile phone handsets which are mostly used by farmers.

b) Improved value chains

There is a need for the government to develop or finalise institutional frameworks and the necessary structures for the development of upcoming and promising value chains. Examples include value chains for horticulture and legumes.

c) Farmer organisations

There is a need for local farmer associations to get more organised, enabling them to aggregate their produce to access and supply both local and international markets.

However, for most farmers to achieve this level of organisation, there is need for initial support from the government and civil society organisations in the form of capacity development and strengthening, and extension services.

d) Farmer participation in contract farming

The study noted that contract farming offers a better opportunity for smallholder farmers to participate in structured and organised markets. However due to low literacy levels among most of the farmers in Malawi, most end up committing themselves to untenable contractual arrangements. As a form of security extension services, standing in for government, should witness all contracts to safeguard the interests of farmers. This will promote the participation of the private sector in agriculture and increase the bargaining power of smallholder farmers.

e) Agricultural policies

The market access studies established that there is clear policy alignment between national, regional and continental policies, however, their implementation is lacking at community level.

Smallholder farmers continue to be excluded from agricultural markets and high value agricultural value chains such as horticulture due to inadequate capacity to produce large quantities of produce, as well as complying with trade protocols such as Sanitary and Phytosanitary (SPS) measures, despite the trade openness advocated under the AfCFTA.

ACCESS TO MARKETS CAMPAIGN

FANRPAN in partnership with Oxfam SAF and the Southern Africa People's Solidarity Network (SAPSN) are implementing a Markets Campaign to increase the awareness of the market access constraints faced by smallholder farmers, especially women and youth, and provide evidence-based solutions to create an enabling and fair environment for farmers to access profitable markets. The focus is on collective action at regional and national levels, building on ongoing work (programmatic) and campaigns in Southern Africa. For more details and on how to participate in this campaign, please visit the FANRPAN website: https://fanrpan.org/oxfam/.

About FANRPAN

The Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN) is an autonomous regional stakeholder driven policy research, analysis and implementation network that was formally established by Ministers of Agriculture from Eastern and Southern Africa in 1997. FANRPAN was borne out of the need for comprehensive policies and strategies required to resuscitate agriculture. FANRPAN is mandated to work in all African countries and currently has activities in 17 countries namely Angola, Benin, Botswana, Democratic Republic of Congo, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

141 Cresswell Road, Weavind Park 0184, Private Bag X2087, Silverton 014, Pretoria, South Africa
Telephone: +27 12 804 2966. Facsimile: +27 12 804 0600. Email: policy@fanrpan.org . Website: www.fanrpan.org

FANRPAN, Oxfam SAF and SAPSN would like to express their gratitude for the contributions of numerous stakeholders, without whom this project would not have been possible.