ACCESS TO AGRICULTURE MARKETS IN MALAWI: REDUCING POVERTY AMONG SMALLHOLDER FARMERS, ESPECIALLY WOMEN AND YOUTH.

INTRODUCTION

Africa’s agriculture has enormous potential, not only to feed itself and eliminate hunger and food insecurity, but also to be a major player in global food markets. This potential lies in its farmers - including smallholder farmers, land and water resources, and innovations in Information Communication and Technology. Agriculture is a key driver of economic transformation in Southern Africa and contributes to about 30% of the Southern African Development Community’s (SADC) Gross Domestic Product (GDP) (World Bank, 2020). Approximately 70% of the population depends on agriculture for food, income and employment. Smallholder farmers in Southern Africa produce over 70% of food yet make up the most vulnerable population to climate change, food insecurity and poverty (FAO 2020, The State of Food Security and Nutrition in the World). Despite their significant contribution to the economy, lack of access to profitable, value-added markets hinders the growth and economic stability of smallholder farmers, especially women and youth.

Apart from climate change and other challenges affecting smallholder farmers, the ongoing COVID-19 pandemic poses a major threat to not only the health of the nation, but also the agricultural productivity of smallholder farmers. The pandemic has exposed critical existing gaps in agricultural value chains and market systems, worsening poverty and food insecurity.

Women’s participation in agriculture has increased steadily over the years but continues to face hurdles due to African cultures, existing non-inclusive policies and literacy levels. Smallholder agriculture producers’ access to markets is dependent on several factors that require cross-sectoral and cross border collaborations to ensure easy and regulated flow of agricultural commodities. 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 in four Oxfam focus countries - Malawi, Mozambique, Zambia and Zimbabwe, were interacting with markets.

The study revealed that Women Smallholder Farmers (WSHFs) are the majority of agricultural producers but derive the least value from their produce. It also indicated that in marketing and sales, WSHFs are under-represented, playing limited roles that keep them from benefiting from the most profitable portions of the value chain. Access to finance and credit also limited the growth of WSHFs in the sector. The study also explored the use of ICT for Agriculture (ICT4A) in the focus countries and established that despite the prevalence of ICT, smallholder farmers still lacked adequate access and capacity to benefit from this growing sector.
There are approximately 2 million smallholder farming households who cultivate about 4.5 million hectares or 40% of land in Malawi (FAO. 2015. The economic lives of smallholder farmers).

Only 32% of agricultural landholders are women. Estates hold 13% of land, and smallholders own 69% (National Statistical Office. 2017. Malawi Demographic and Health Survey 2015-16).

The agricultural sector in Malawi currently accounts for about 42% of the GDP and 81% of export earnings.

In the Second Biennial Review (BR) report, Malawi met its Comprehensive Africa Agriculture Development Programme (CAADP) targets for budgetary allocations to agriculture and agriculture sector growth, committing at least 10% of its budget to agriculture and exceeded the annual agriculture sector growth rate of 6%.

However, Malawi still loses approximately 11 million USD per annum in agricultural output because of market access, post-harvest loss, use and ownership of land.

In 2015/16, the literacy rate amongst individuals aged 15 years and above was higher for men (81%) compared to women (66%) (National Statistical Office. 2017. Malawi Demographic and Health Survey 2015-16).
MARKET GAPS

Smallholder farmers in Malawi are faced with the following market access challenges:

1. **Physical access to markets**
   
   Distance to markets and lack of infrastructure e.g., roads, is a key concern for WSHFs in Malawi. This limits WSHFs to buy farm inputs like seeds and fertilizer, and to sell their crops, resulting in high transportation costs and high transaction costs, both to buyers and sellers. This leads to non-competitive and monopolistic markets.

2. **Gaps in ICT**
   
   Despite a steady rise in the adoption of ICT, the majority of smallholder farmers are still left out because of illiteracy and poverty.

3. **Underdeveloped and non-inclusive value chains**
   
   In terms of investments and outputs, tobacco and maize value chains are relatively developed in the country. However, evidence shows that horticultural crops have a high gross profit compared to other crops. Lessons could therefore be drawn from tobacco and maize; these value chains to develop the other value chains.
THE MARKETS CAMPAIGN INTERVENTION

In response to the challenges and opportunities presented above, 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.

RECOMMENDATIONS

Below are key recommendations to state and non-state actors to enable smallholder framers, especially women and youth, to access competitive markets and participate in key agricultural decisions.

1. **Improve access to ICT**

   There is a need to integrate radio and mobile phones in agriculture market information systems and to provide farmers with information related to agricultural production besides market prices. This can be realised through better coordination of market access initiatives involving smallholder farmers, government departments, NGOs, mobile network operators, and media houses.

   Additionally, there are other gadgets that are used as means of transferring messages to the farmers at more affordable cost, like wind-up radios. This brief is of the view that the Government of Malawi should consider removing taxes on such gadgets, which are mostly provided to farmers’ radio listening clubs by the government and NGOs to easily get information by radio.

2. **Strengthen farmer organisations**

   Local farmer associations need to be more organised to aggregate their produce and easily access local and international markets.

   There is a need for a strong partnership between the government and other key stakeholders, such as the Farmer Unions and Non-Governmental Organisations (NGOs), to ensure that annual crops’ gross margins and average farm gate prices are set and disseminated in time.

   There is also a need to develop women-friendly (gender sensitive) agriculture marketing initiatives that should take into consideration the proximity of the marketplace to the rural areas, revision of a pricing system for crops (e.g. maize) and horticultural produce that are mostly grown by women.

3. **Align national trade policies with regional trade policies**

   The regional and international agreements that Malawi signs need to be domesticated for them to be fully operational. To benefit from regional and international frameworks, the country needs to reform its institutions, including its policies, laws, regulations and development strategies.

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**Percentage of population using the internet in Malawi from 2000 to 2019 (Statista 2021)**

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**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.

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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

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