



Land Markets Policy Issues in Malawi

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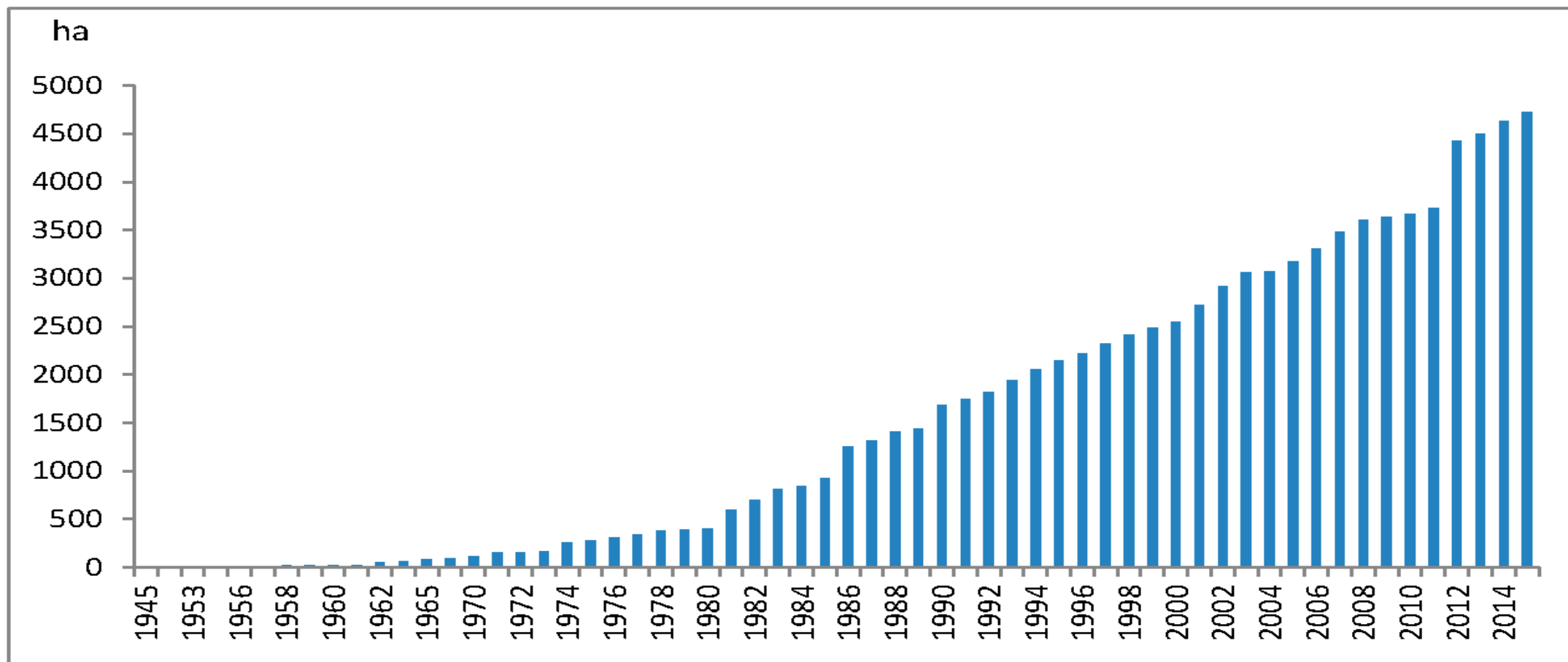
Small-Scale Farms (SSF) vs. Medium-Scale Farms (MSF) in sub-Saharan Africa



1. Number of MSF is growing rapidly
 - Number of SSF is growing slowly
2. Share of area under MSF is growing rapidly
 - Share of total area SSF is declining
3. Share of total marketed output under MSF growing rapidly
 - Share of total marketed output under SSF is declining

Share of land under medium-scale growing in Malawi

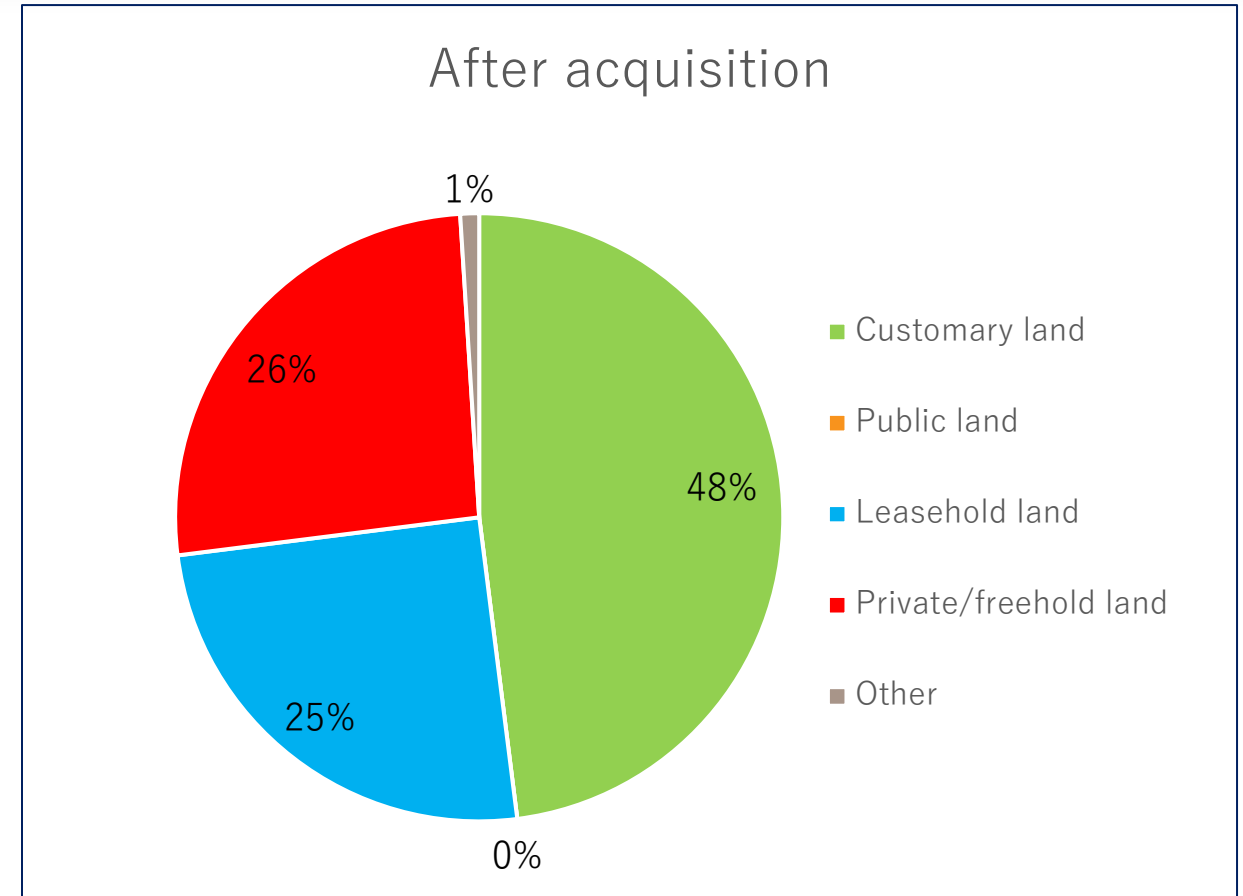
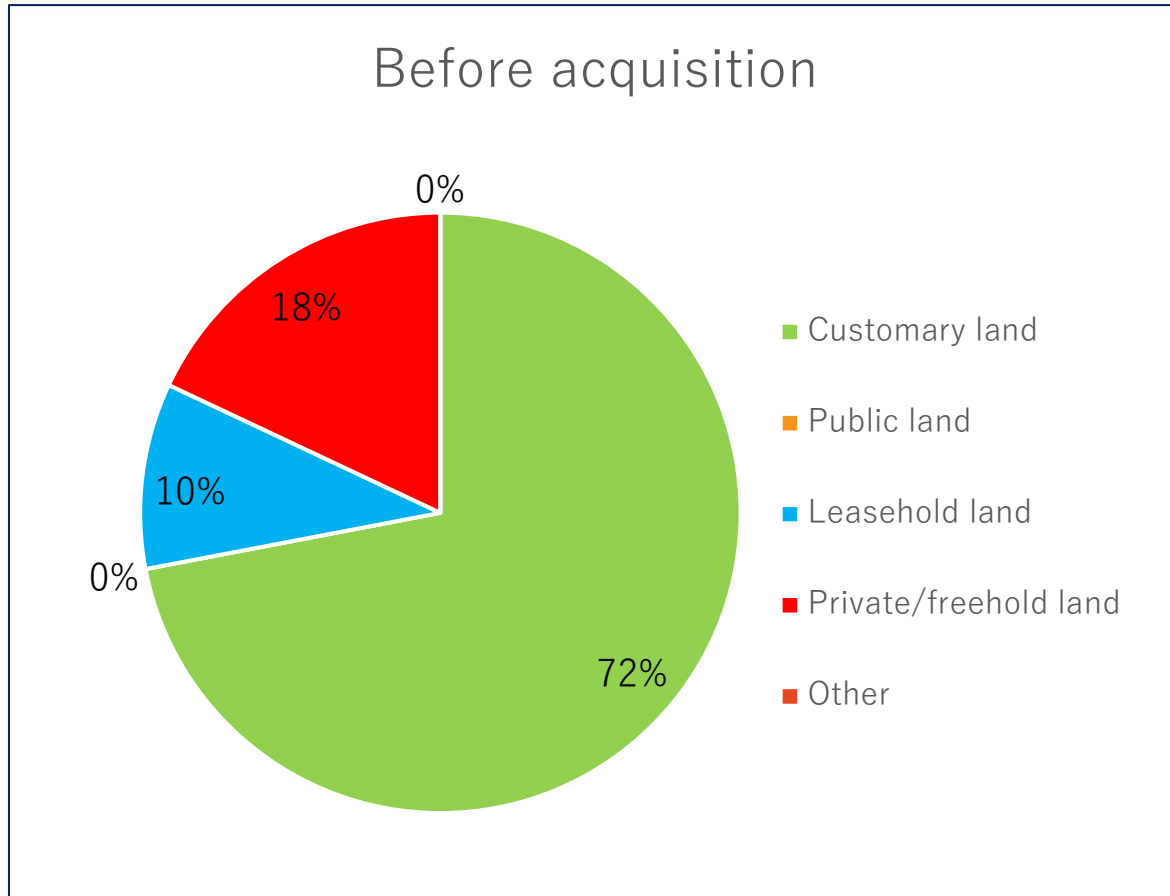
- Cumulative land acquisitions by medium-scale holdings among sampled farms in Mchinji, Kasungu and Lilongwe Districts, Malawi



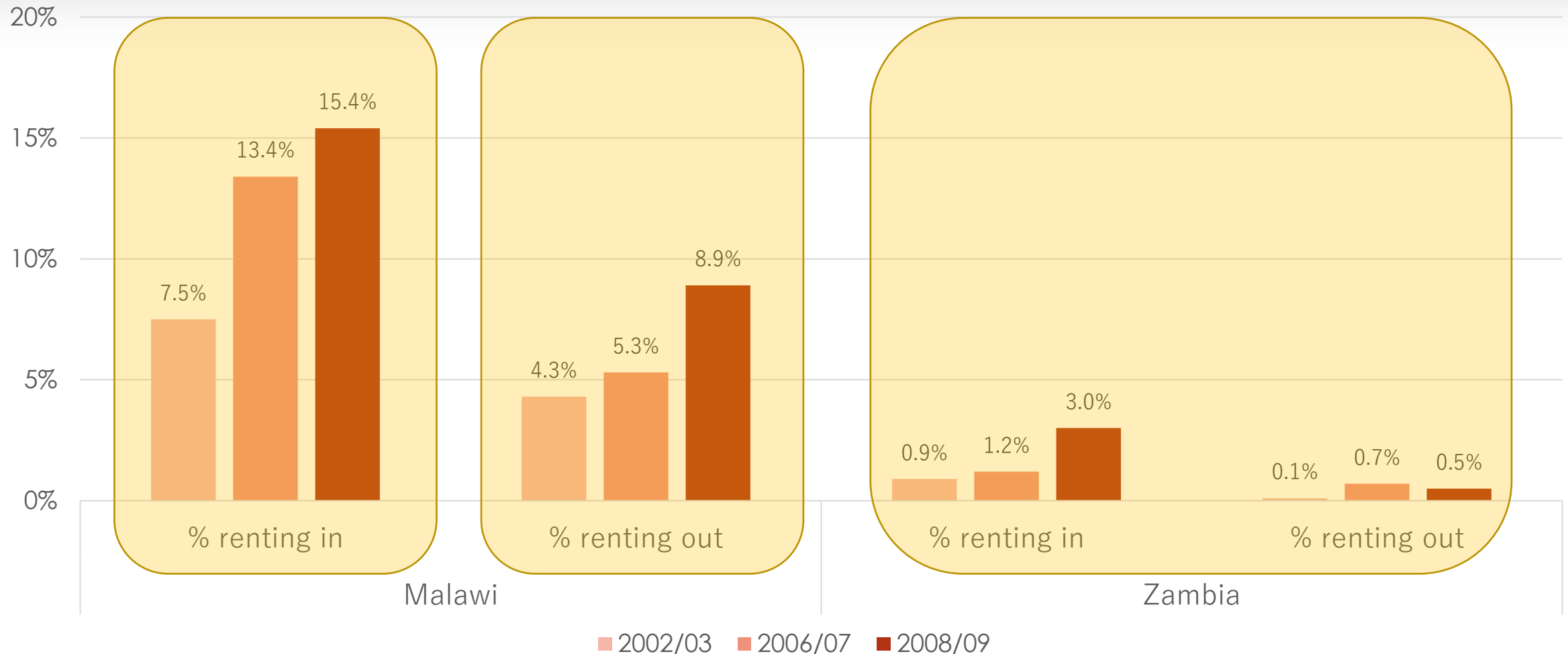
The importance of medium-scale farms as a source of dynamism and technical change is not a new concept in Malawi

- ☀️ As early as in 1970, the Malawi Government introduced the *Achikumbes* program
- ☀️ The *Achikumbes* practiced intensive farming achieving higher yields compared to those obtaining in typical smallholder units
- ☀️ Mkandawire (1982)··· “concentrate efforts on those farmers who have in the past responded well to extension advice and had adopted modern farming practices and who in themselves would act as catalysts. Such farmers were active participants in farmers’ clubs and attended seminars and courses to learn new or improved technologies and techniques. The *Achikumbes* participated in the markets, generated capital required for farm investments and for hiring labor and were also able to secure loans.”

1. Emergent farmers are acquiring customary land and converting it to leasehold and private freehold land



2. Land rental markets growing in Malawi

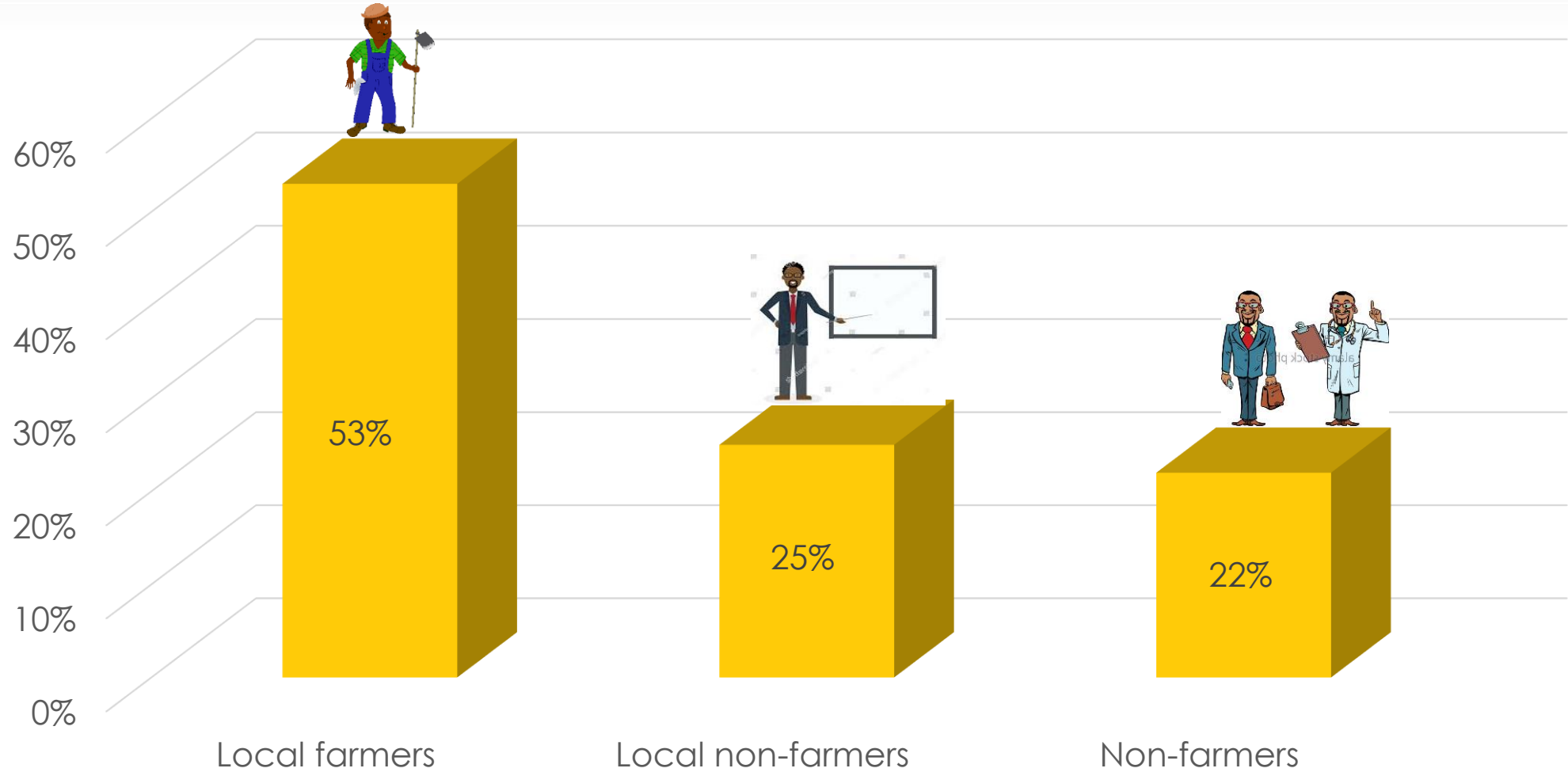


3. Characteristics of the tenants and landlords in Malawi

- ☀ Within customary tenure system, many tenants tend to be wealthy
 - Much wealthier than their “landlord” counterparts– in terms of assets, savings, off-farm income, educational attainment
- ☀ Many “landlords” are making distress land rentals to meet immediate cash needs
- ☀ It is generally believed that land rental markets provide greater equity in access to land than land sales markets

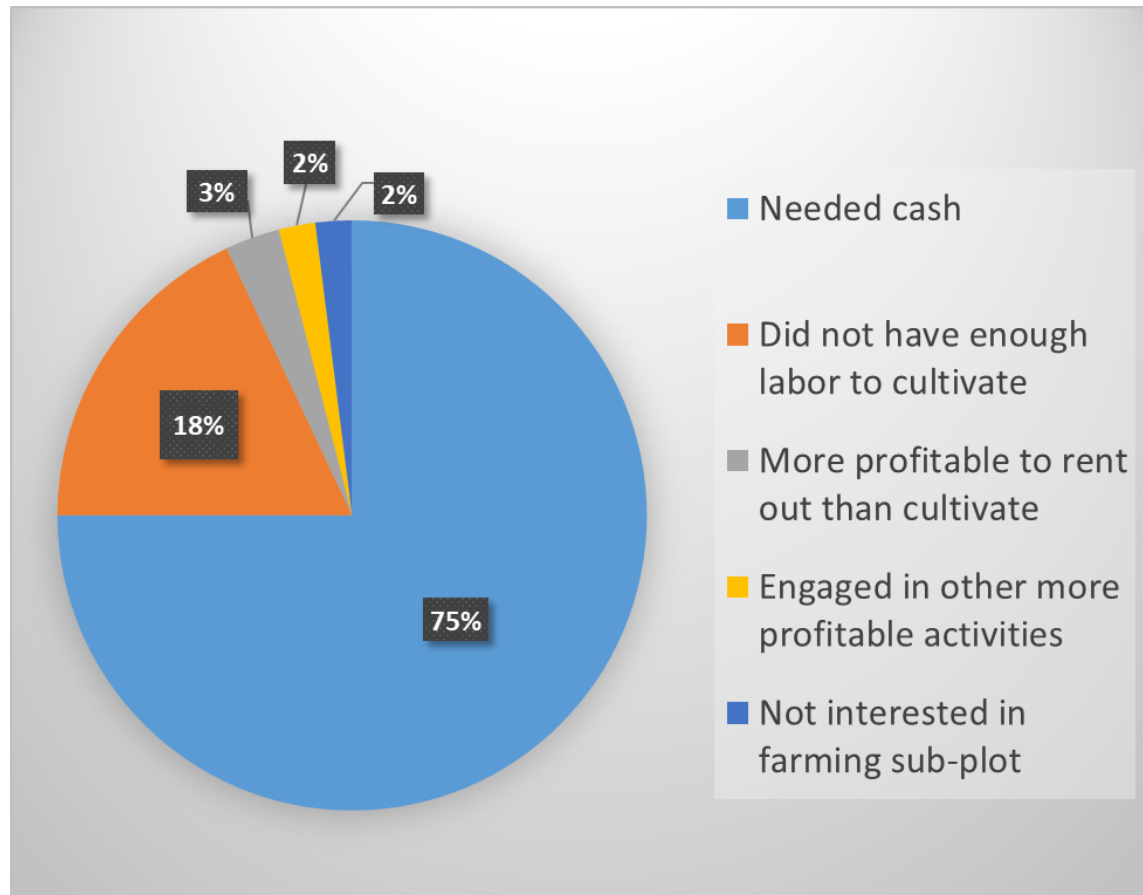


4. Tenant Types

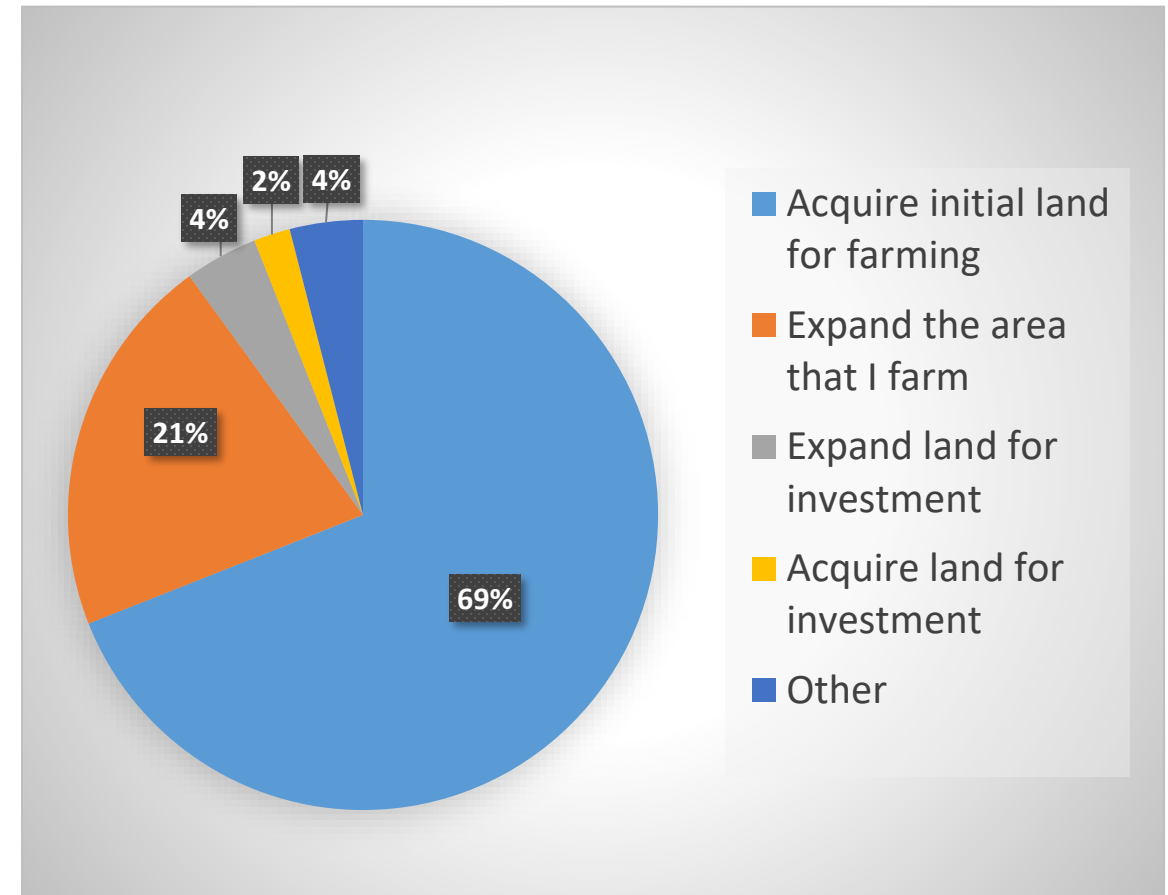


5. Main reason for engaging in rental market

Landlords

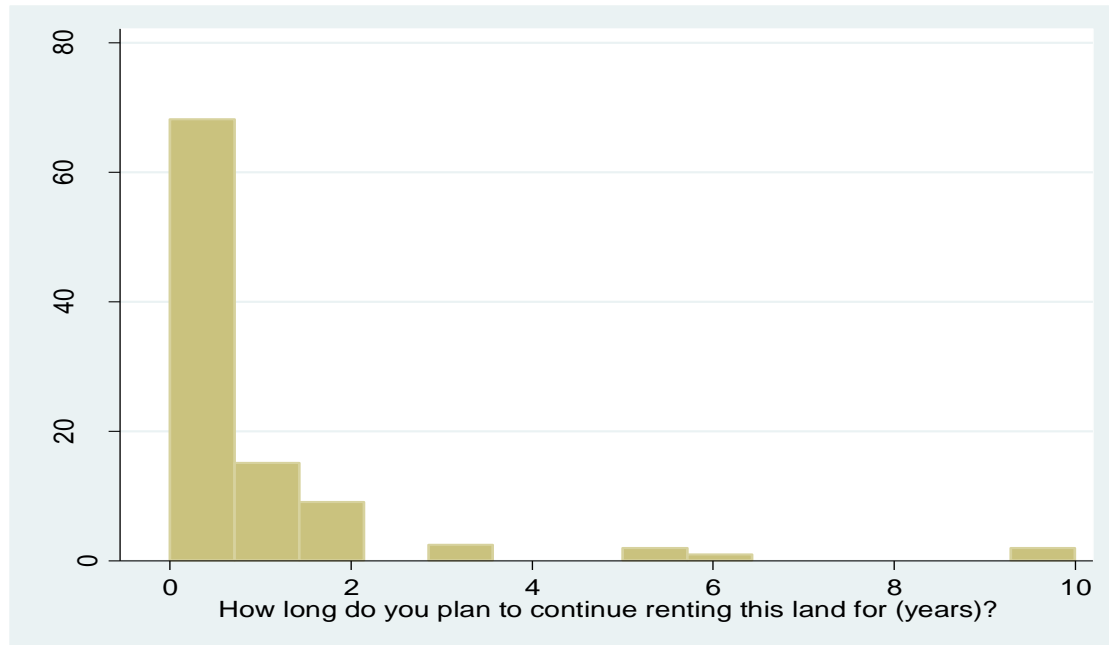


Tenants

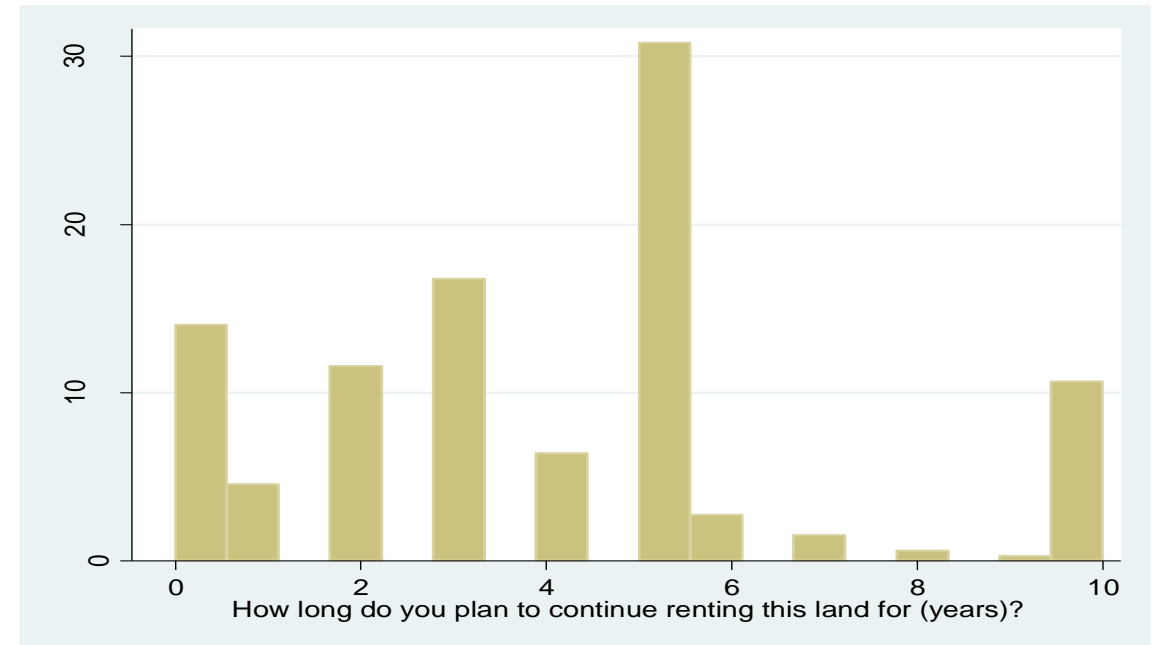


6. Number of years in the future you plan to continue this arrangement?

Landlords



Tenants



	Response by tenant	Response by landlord
Number of years that you plan to continue in this arrangement (mean)	4.70	1.14
Number of years that you plan to continue in this arrangement (median)	4	0
Plan to eventually buy(sell) this rented-in(out) plot	63%	4%

7. Potential issues for discussion



- ☀️ How can we make land rental markets more vibrant and efficient?
 - Facilitating land access to more productive farmers
- ☀️ The issue of the idle estate farms
- ☀️ Provision for multi-year lease arrangements?
 - Official recognition of 2–10-year lease arrangements in customary lands could have several important benefits:
 1. Encourages the transfer of land to individuals willing to make long-term investments in land, providing adequate time to recoup these investments
 2. Provides annual income to landlords (many of whom are poor)
 3. Allows landlords security of leasing land for multiple years without threat of losing it



8. Potential consequences of 'do nothing' strategy





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