

# “Developing a typology of agricultural holdings for improved policy design: a **preliminary** case study of Malawi”

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Presentation to the WAW  
working group  
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# 1. Context

- French team interested in Malawian agricultural policy
- Objectives of the report
  - Contribute to discussions on the WAW International Framework
  - Raise interest of Malawian stakeholders on the need for a typology

⇒ Agricultural based country

⇒ Dual farm sector: estate vs. smallholders

Typology useful for improving policy design





# 1.1. Agricultural based country

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- 84% rural
- Staple: maize, Commercial crop: tobacco
- 30% population: food insecure, 10% chronic (seasonal)
- 94% of households: net food consumers
- 50% of population poor (2012)
- Densely populated: N 46hab/km<sup>2</sup> to S 144hab/km<sup>2</sup>
- Recurrent climatic shocks



## 1.3. The data: IHS3, 2009-2011

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- LSMS: Living Standards Measurement Study (World Bank)
- LSMS-ISA: Integrated Surveys on Agriculture, special module on agriculture
- 12 272 households
  - 10 158 farm holdings
- Many details on farm and off-farm activities, socio economic characteristics

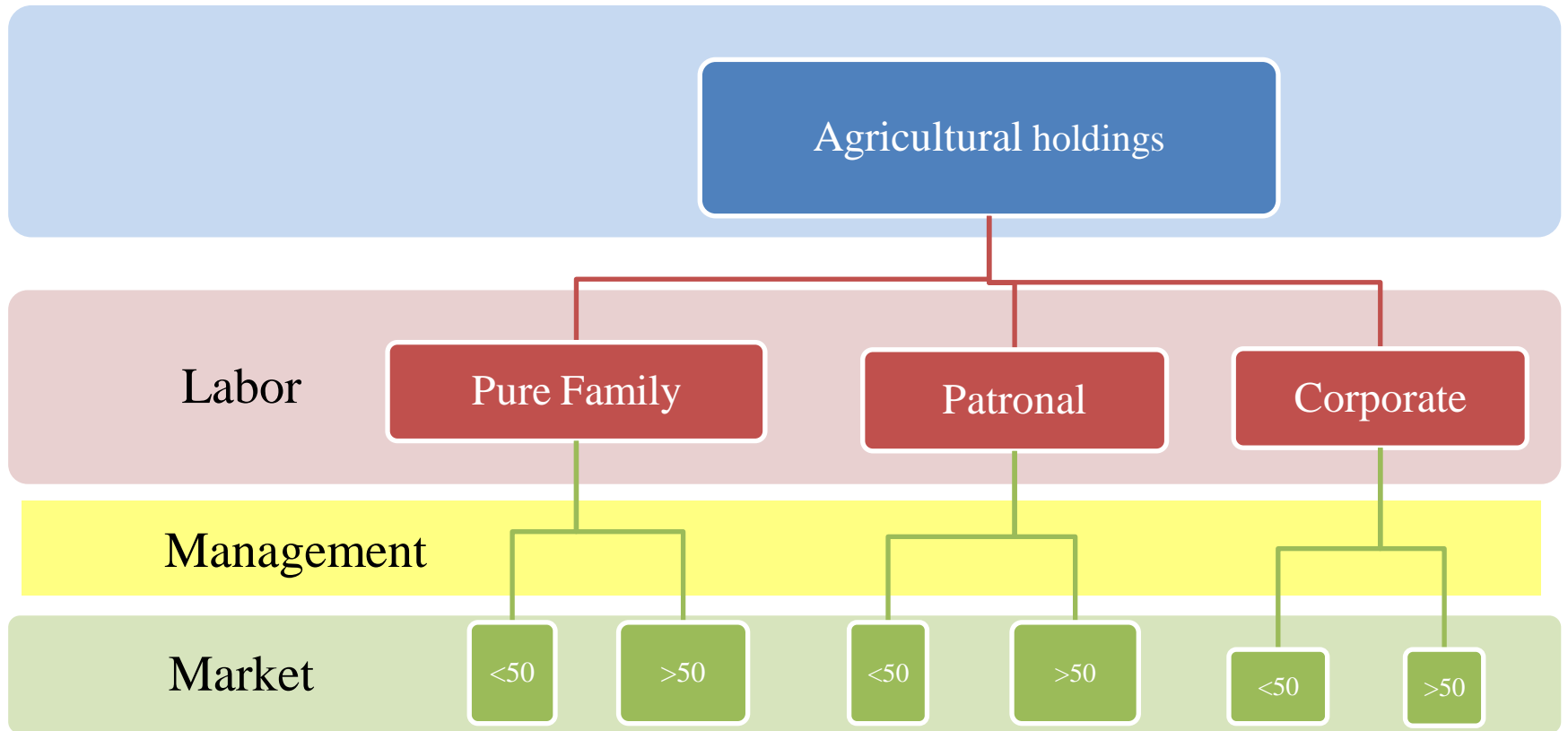


## 1.3. The data: main limitations

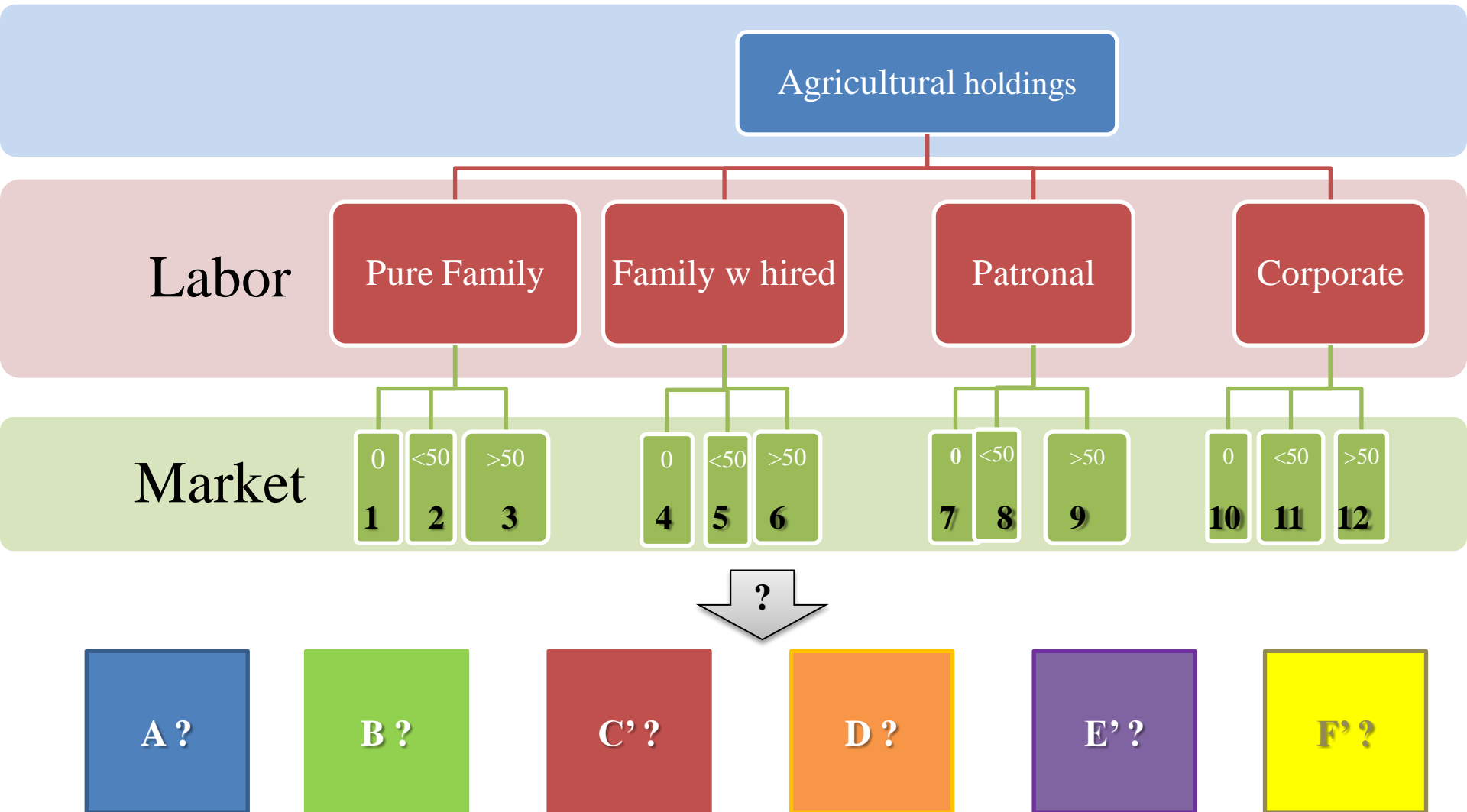
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- Not representative : no estates interviewed (est. 1% holdings and 27% land, most commercial crops)
- No direct question on the decision making process, legal status of holdings
- Concern on reliability of some data (share production sold, prices)

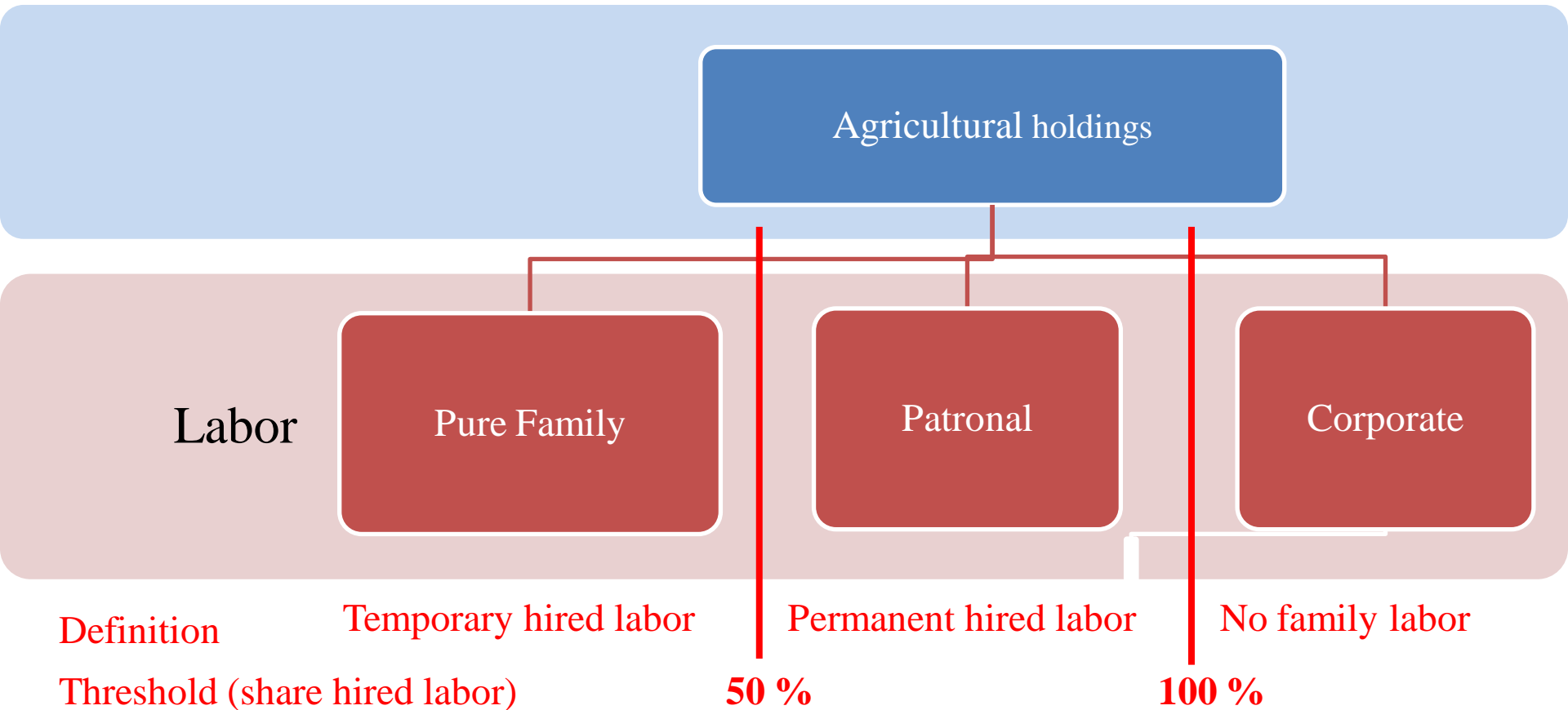
## 2. Methodology: International Framework



## 2. Methodology: Malawi



## 2.1. The labor entry: WAW







## 2.1. The labor entry

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### Data

3 types of labor, in day, by season (rainy / dry)



- Household labor (members living in the household)
- Hired labor
- Free and exchange labor



## 2.1. The labor entry

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- Test: permanent labor ?
  - *>130 days hired*  
only 26 observations (0,3 % sample)
- « Ganyu »
  - ie daily informal job
  - Most common practice for hired labor in agriculture



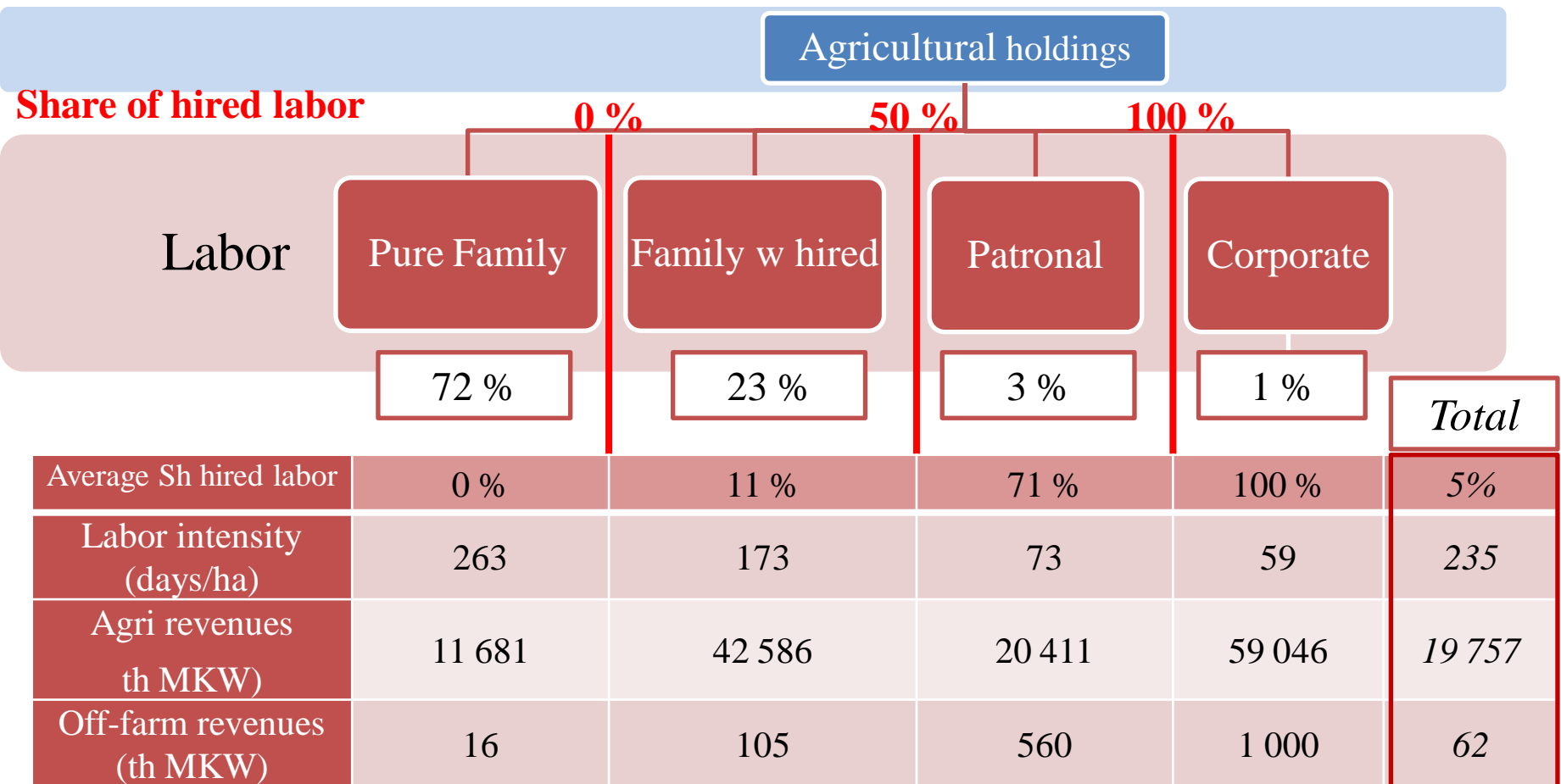
# 2.1. The labor entry

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- Threshold

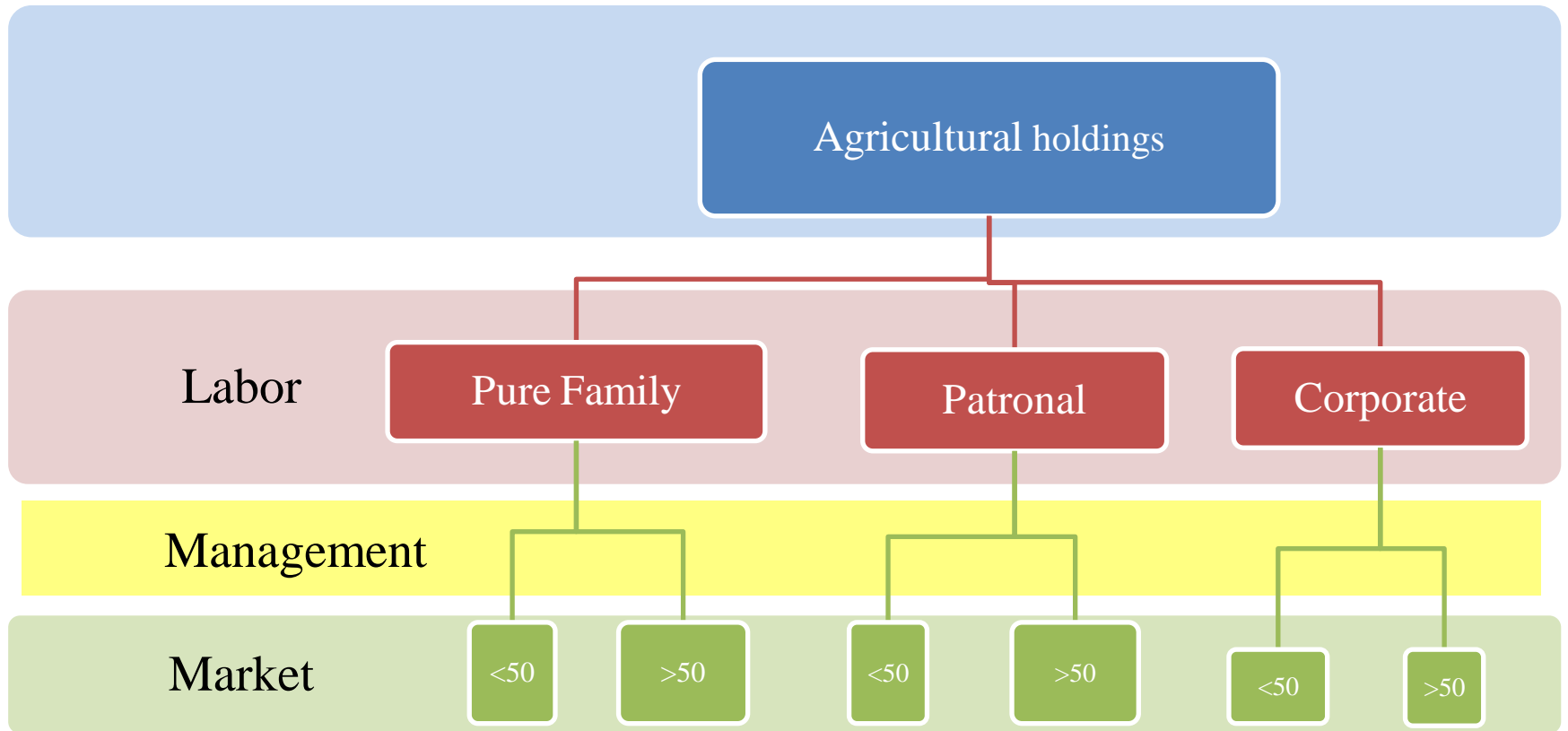


## 2.1. The labor entry



=> Ordered by increasing revenues

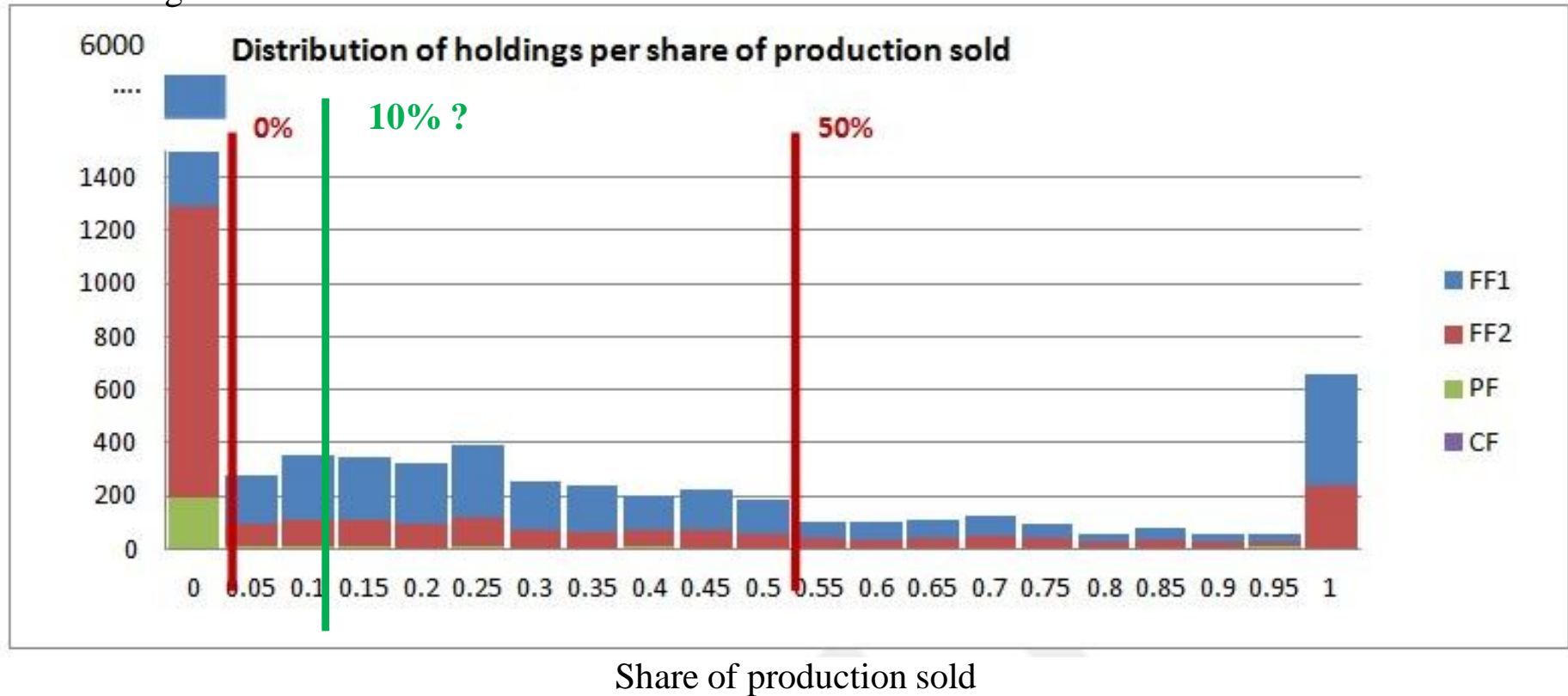
## 2.2. Marketing threshold: WAW



# The marketing threshold

- Threshold

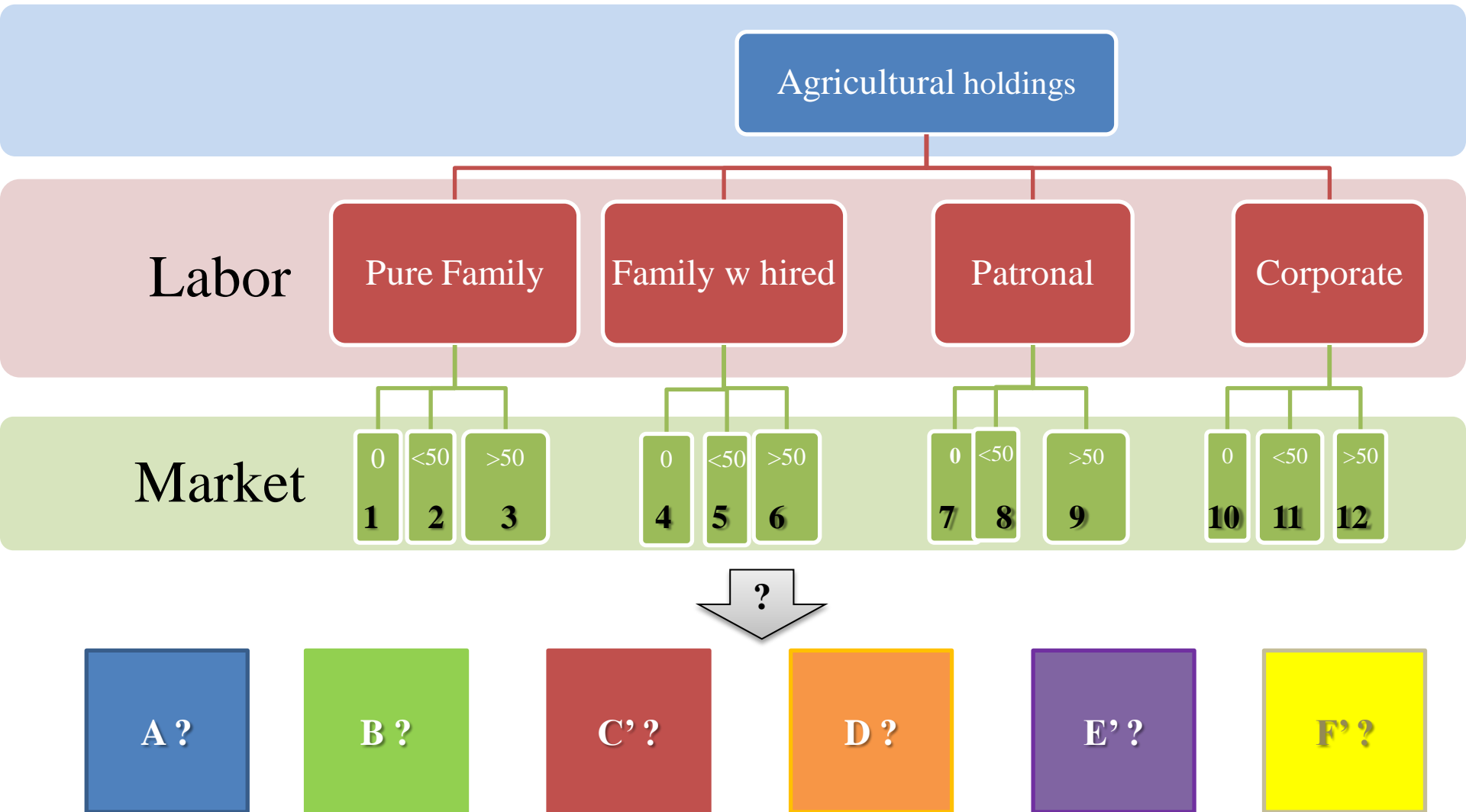
Nb holdings



## 2. Methodology: Malawi

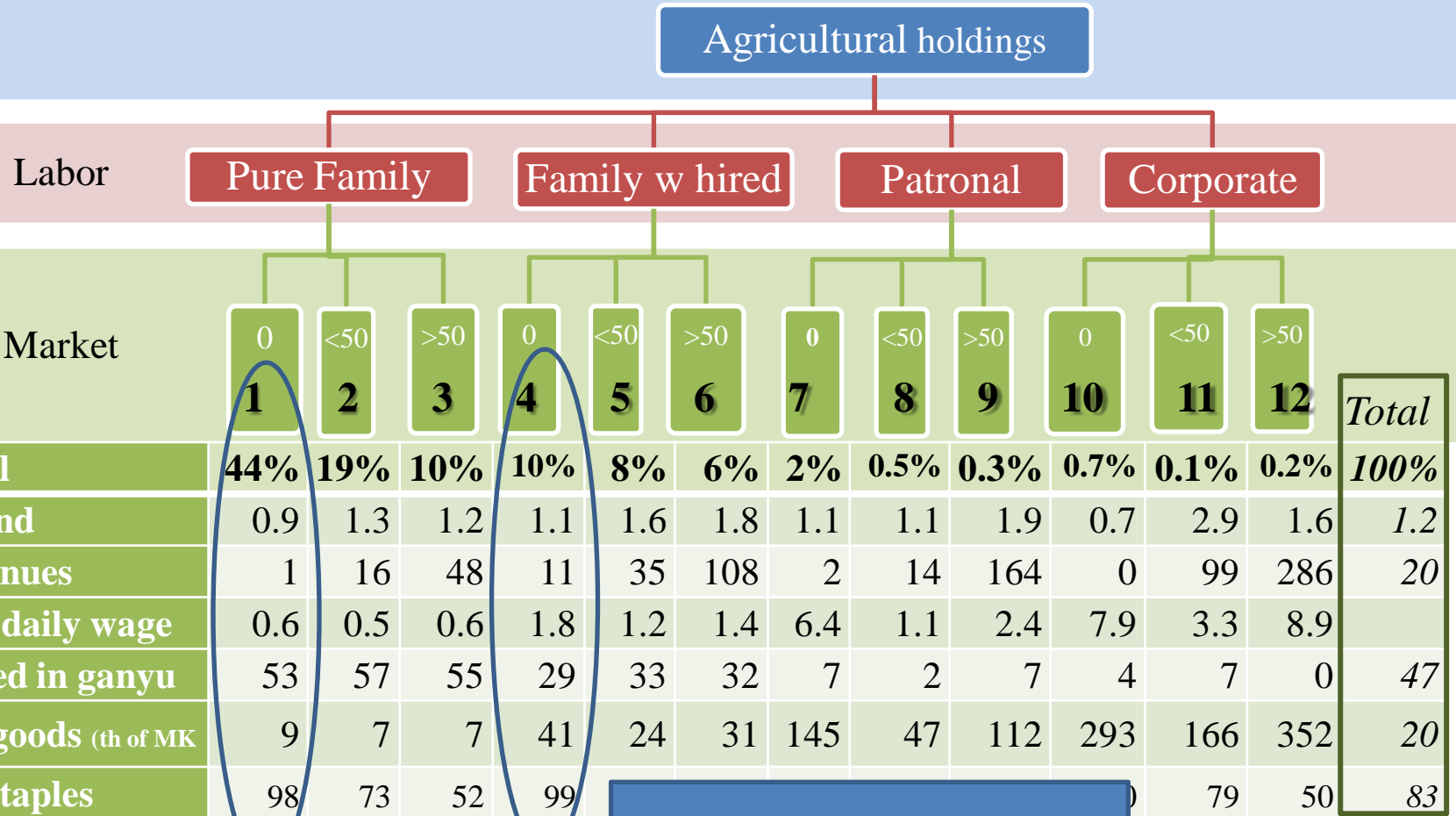
Agricultural holdings													
Labor													
Pure Family			Family w hired			Patronal			Corporate				
Market													
	0	<50	>50	0	<50	>50	0	<50	>50	0	<50	>50	Total
	1	2	3	4	5	6	7	8	9	10	11	12	
<b>% of total</b>	<b>44%</b>	<b>19%</b>	<b>10%</b>	<b>10%</b>	<b>8%</b>	<b>6%</b>	<b>2%</b>	<b>0.5%</b>	<b>0.3%</b>	<b>0.7%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>100%</b>
<b>Size of land</b>	0.9	1.3	1.2	1.1	1.6	1.8	1.1	1.1	1.9	0.7	2.9	1.6	1.2
<b>Agri revenues</b>	1	16	48	11	35	108	2	14	164	0	99	286	20
<b>Off farm daily wage</b>	0.6	0.5	0.6	1.8	1.2	1.4	6.4	1.1	2.4	7.9	3.3	8.9	
<b>% engaged in ganyu</b>	53	57	55	29	33	32	7	2	7	4	7	0	47
<b>Durable goods (th of MK)</b>	9	7	7	41	24	31	145	47	112	293	166	352	20
<b>% Only staples</b>	98	73	52	99	75	47	99	92	71	100	79	50	83

# 3. The 6 preliminary types



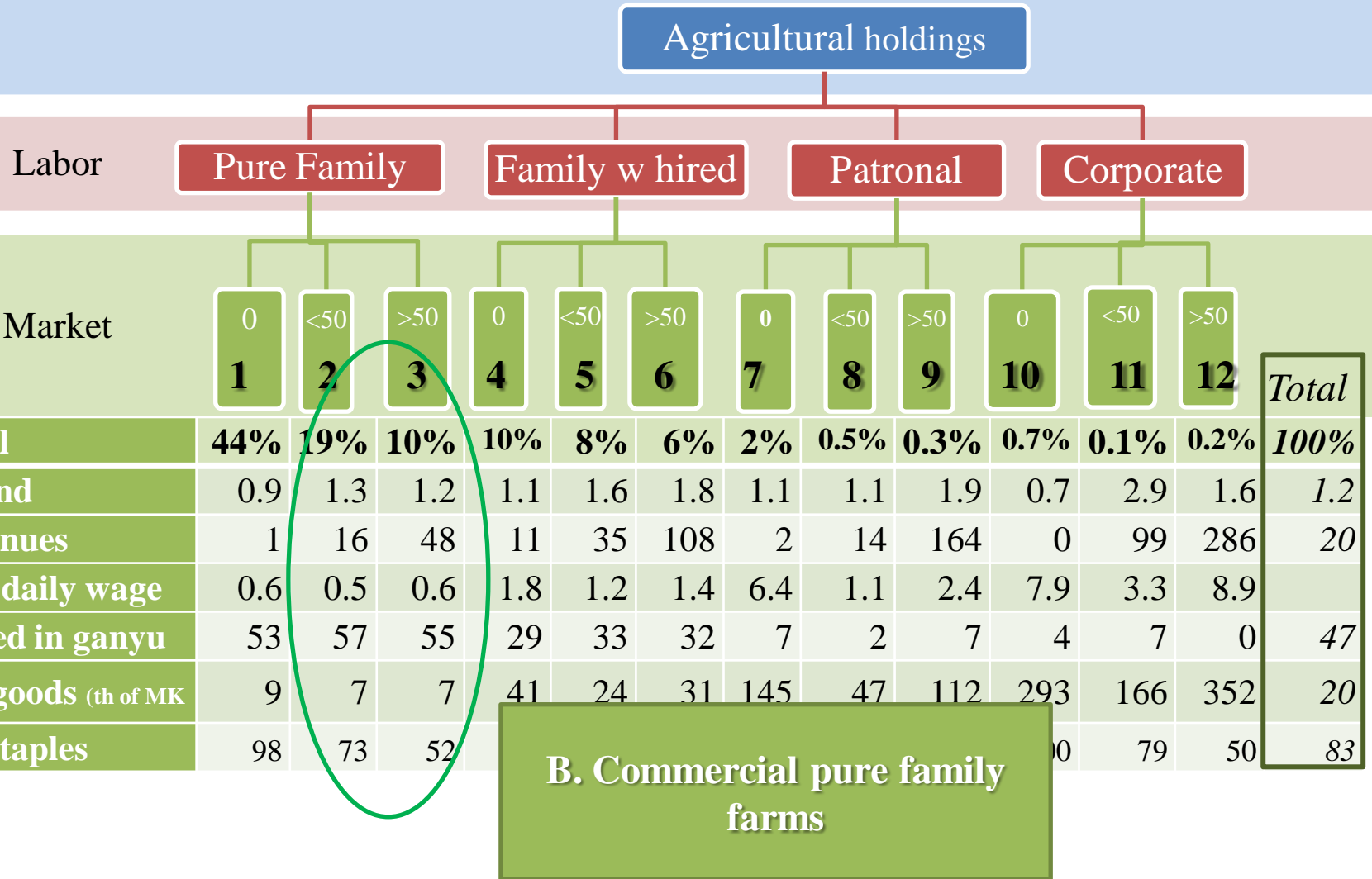


# 3. The 6 preliminary types

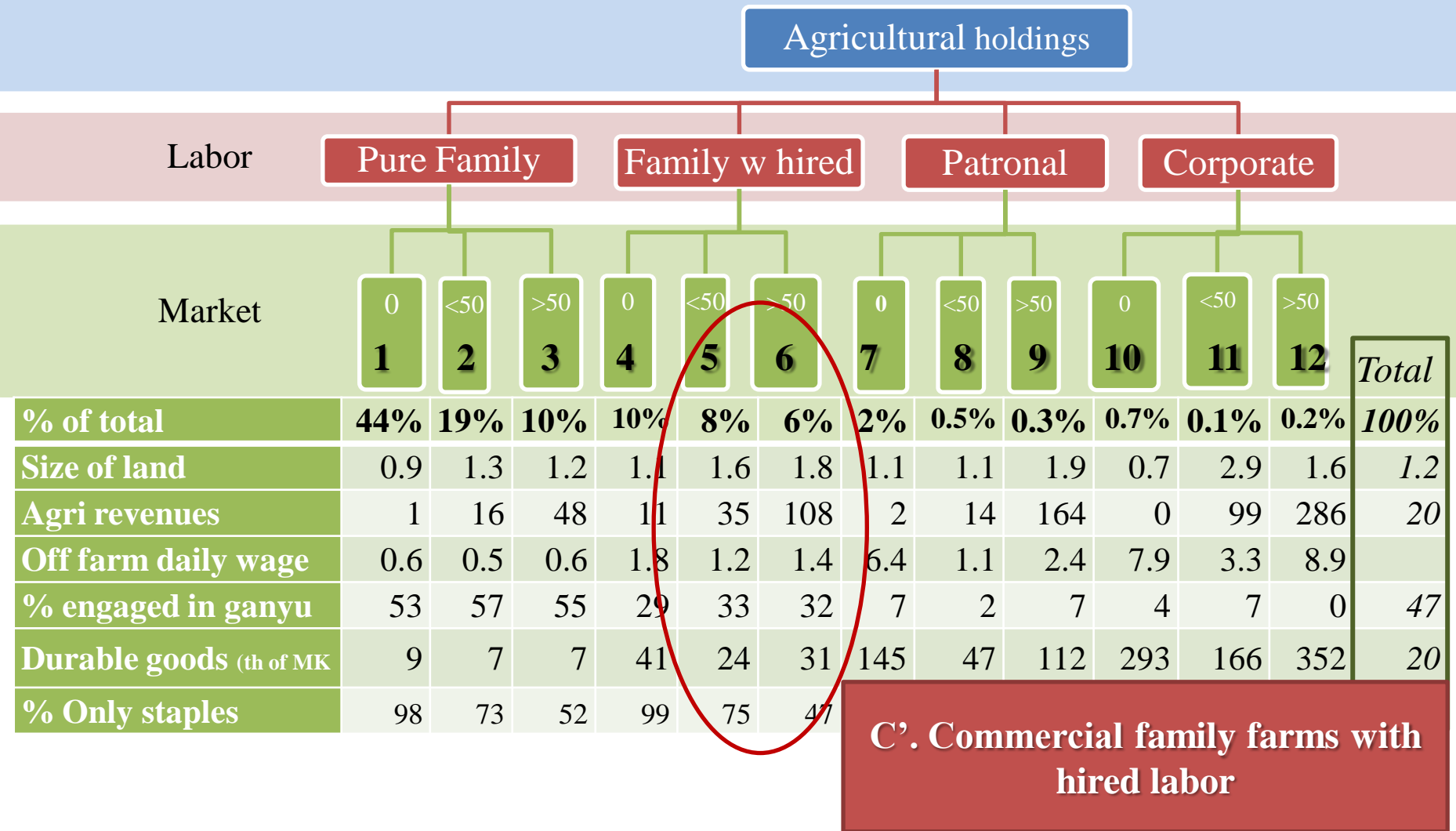


**A. Autarkic family farms**

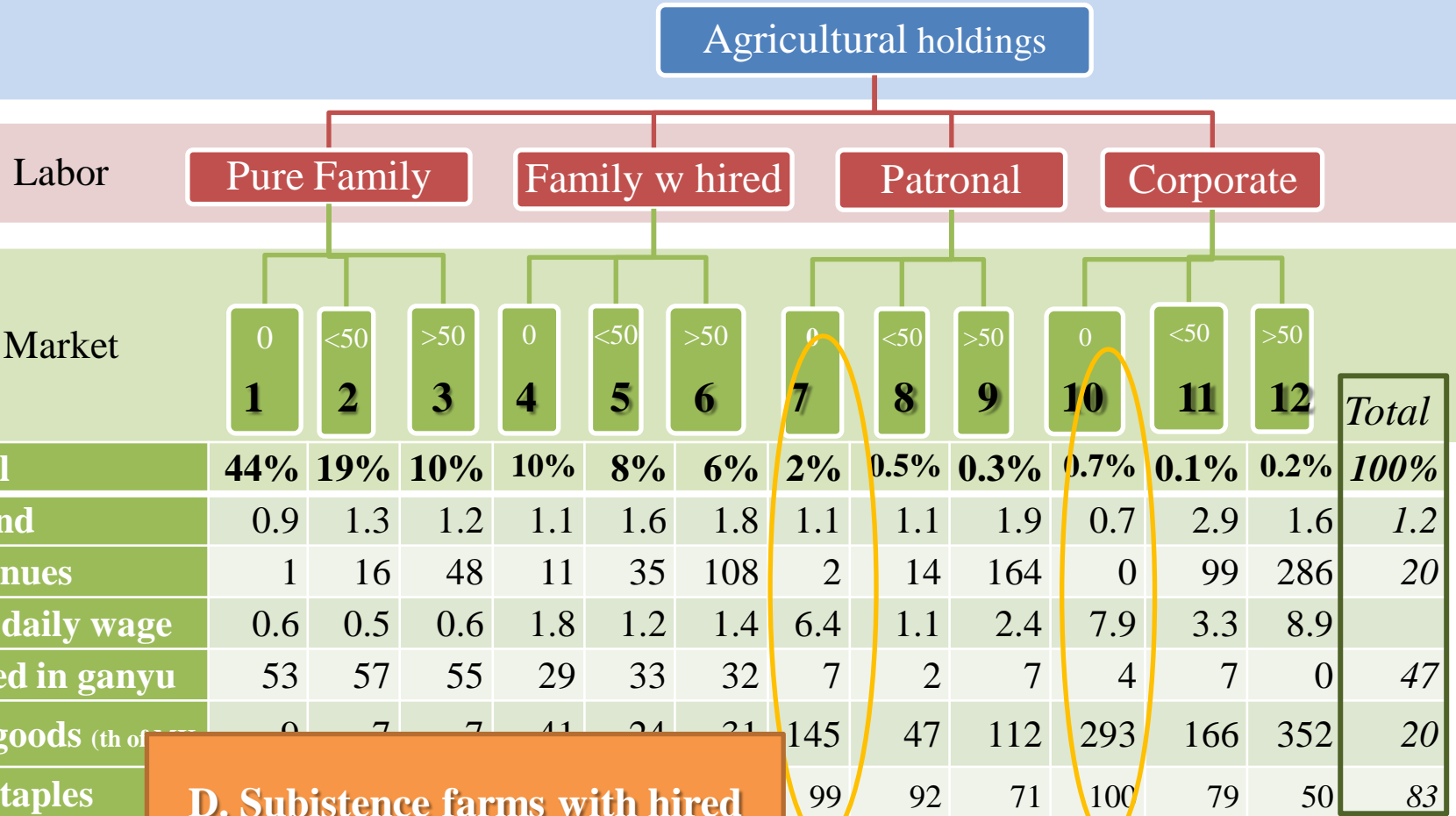
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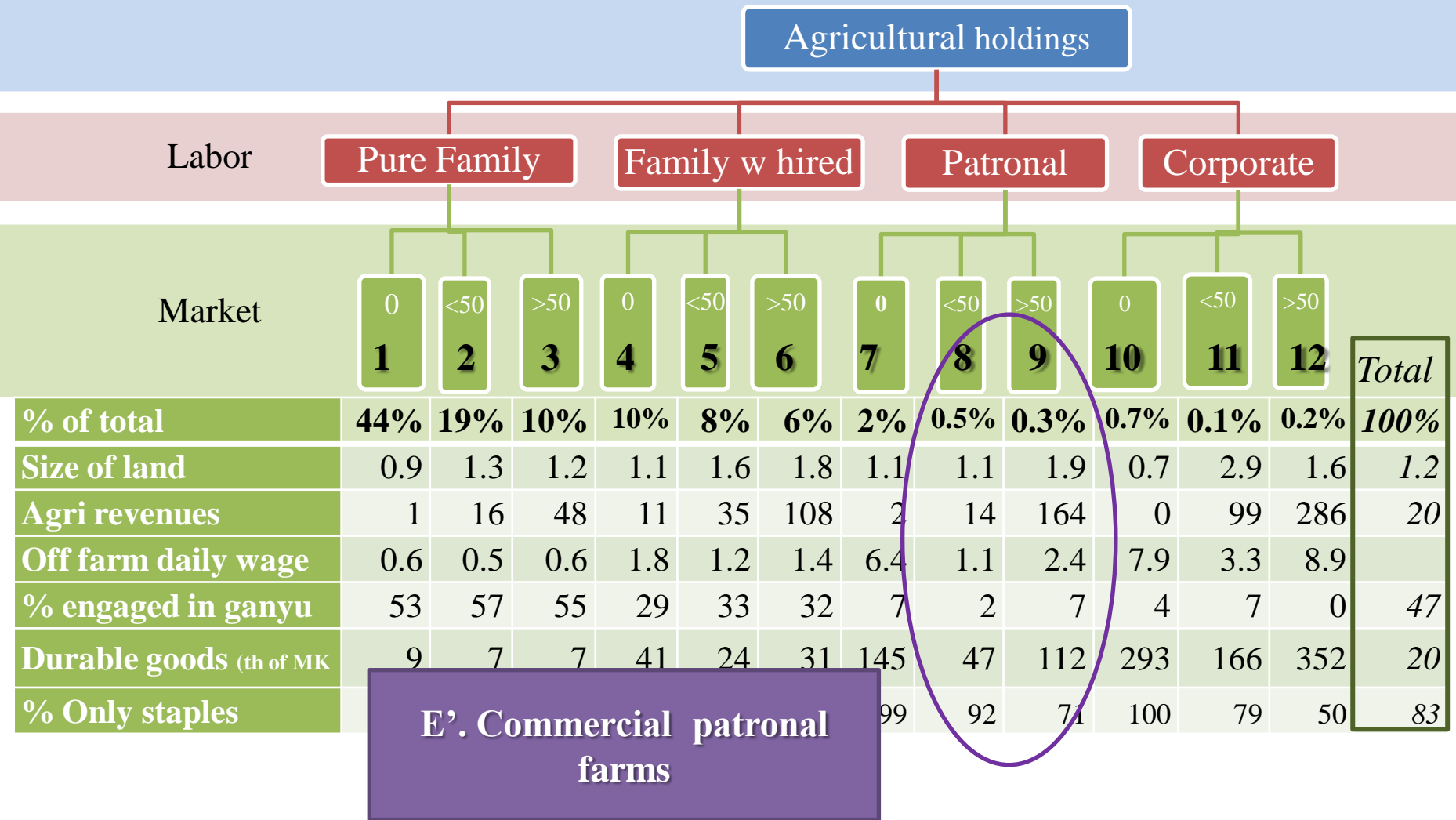


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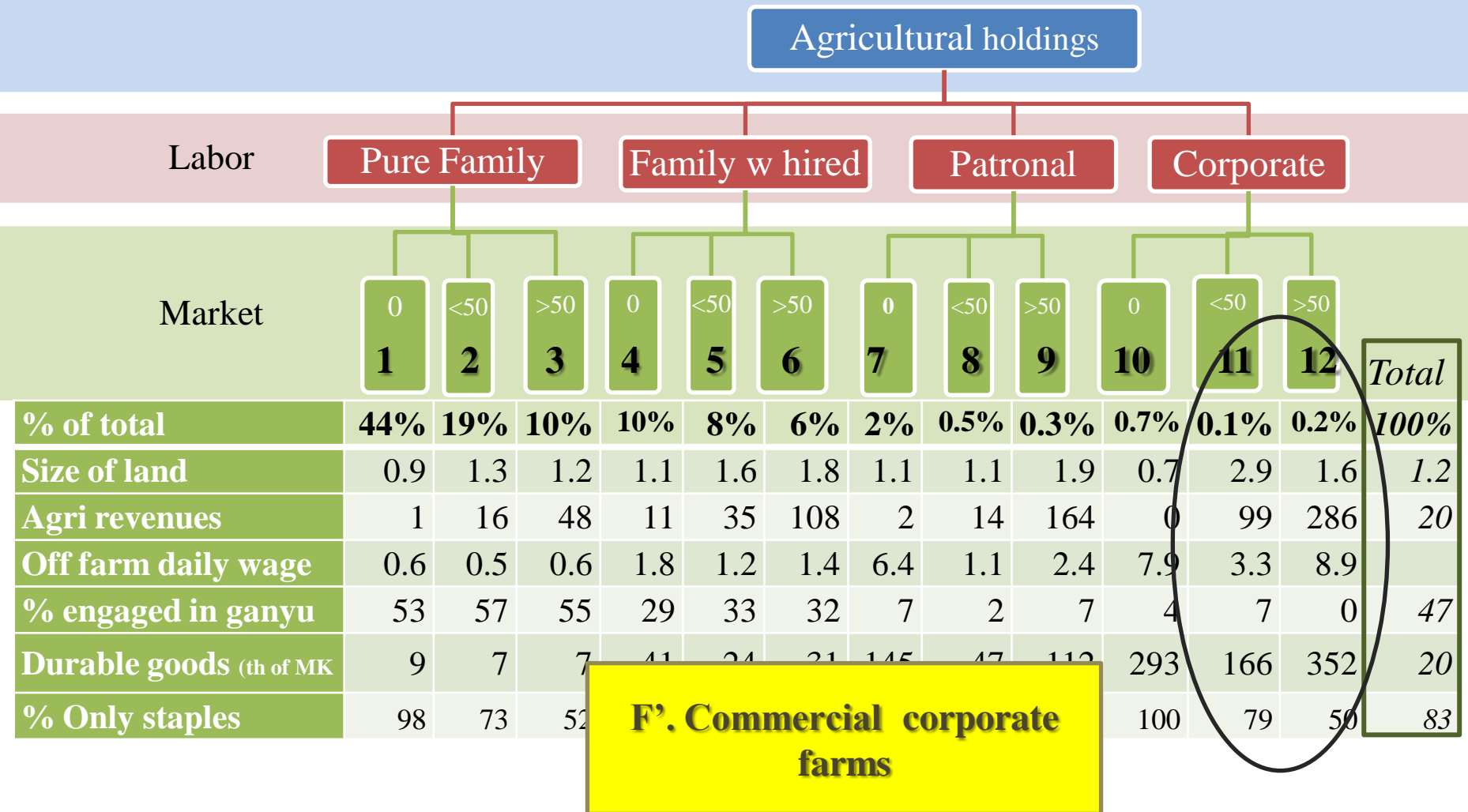


**D. Subsistence farms with hired labor (urban patronal)**

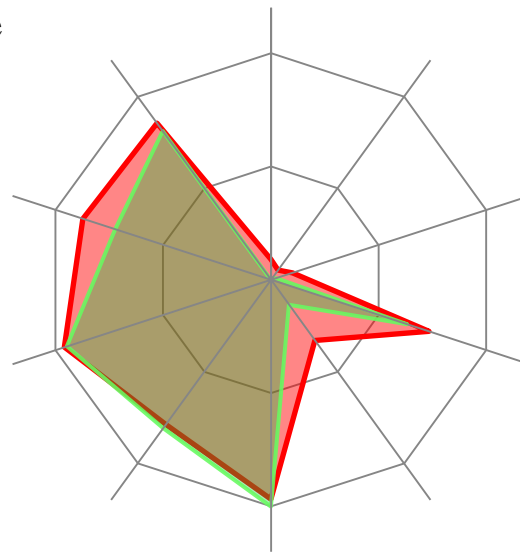
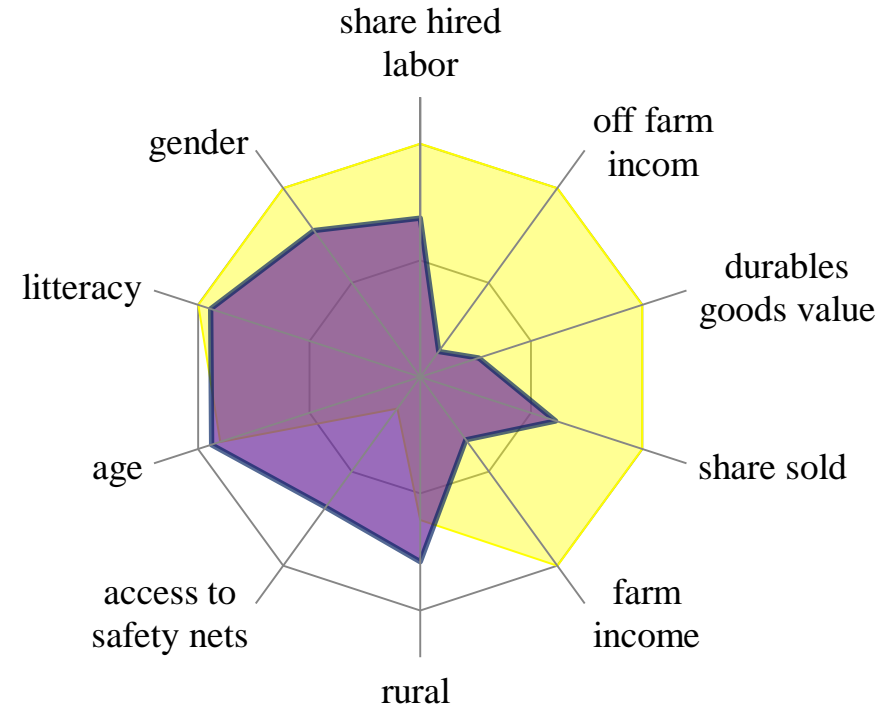
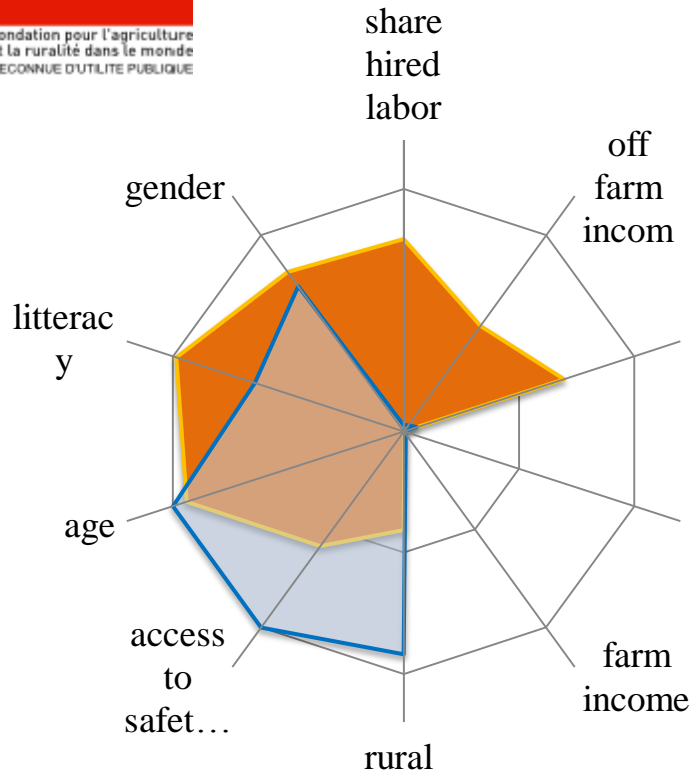
### 3. The 6 preliminary types



### 3. The 6 preliminary types



# 3.1. Socio economic characteristics



■ D. Urban Subsistence farms with hired labor

■ A. Autarkic family farms

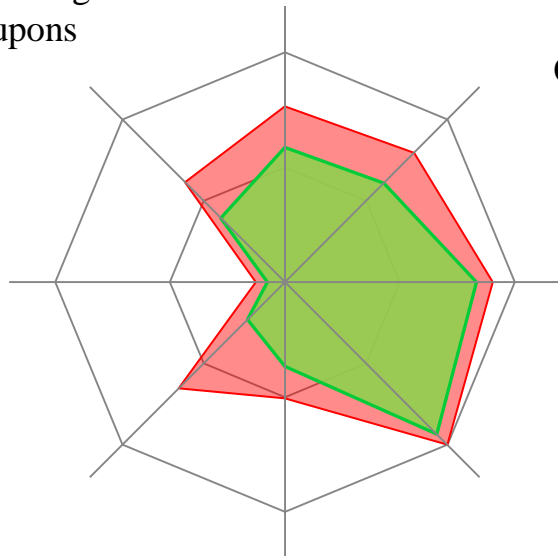
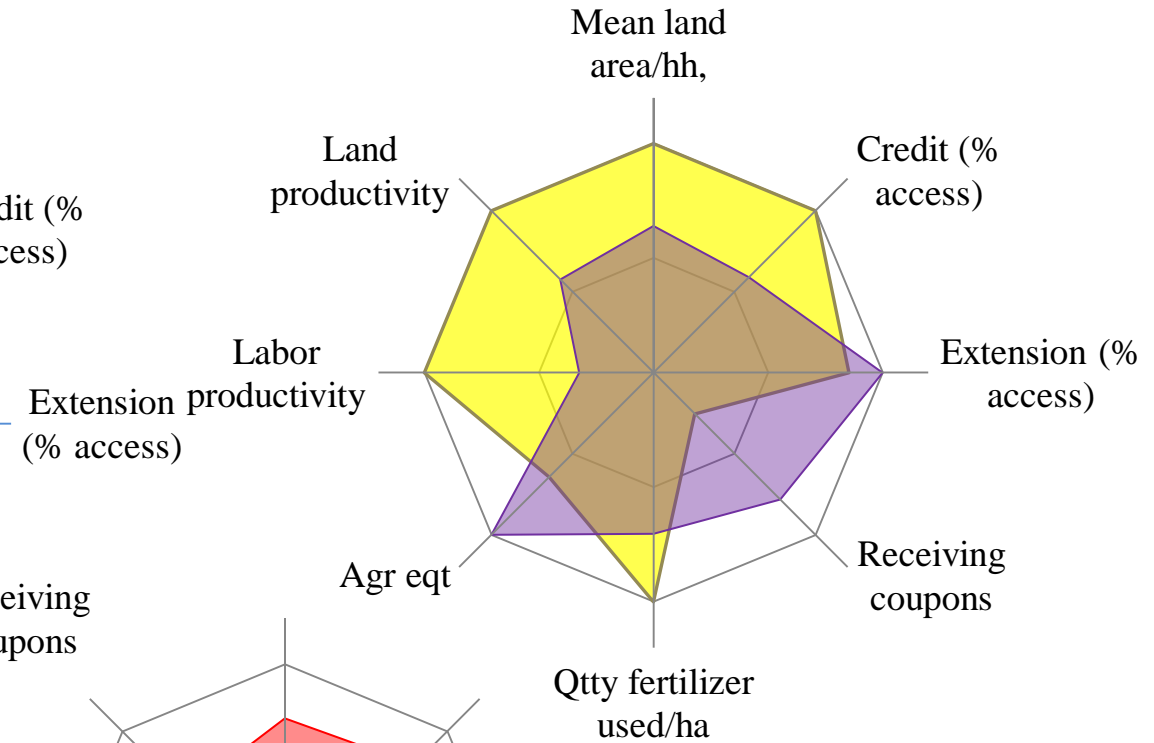
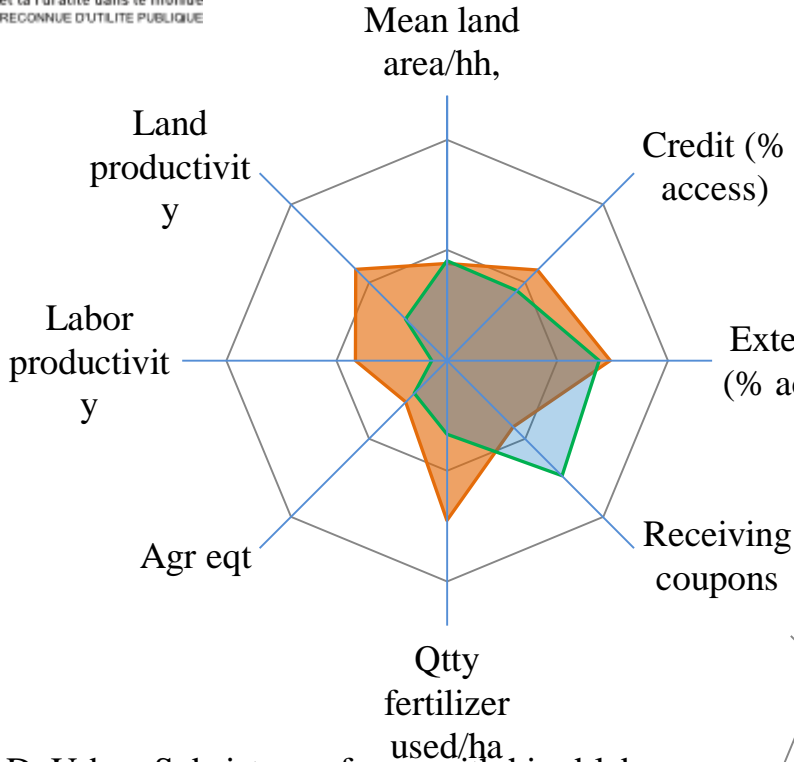
■ C'. Commercial family farm with hired labor

■ B. Commercial pure family farm

■ F'. Commercial corporate farms

■ E'. Commercial patronal farms

# 3.2. Agriculture



- D. Urban Subsistence farms with hired labor
- A. Autarkic family farms
- C'. Commercial family farm with hired labor
- B. Commercial pure family farm

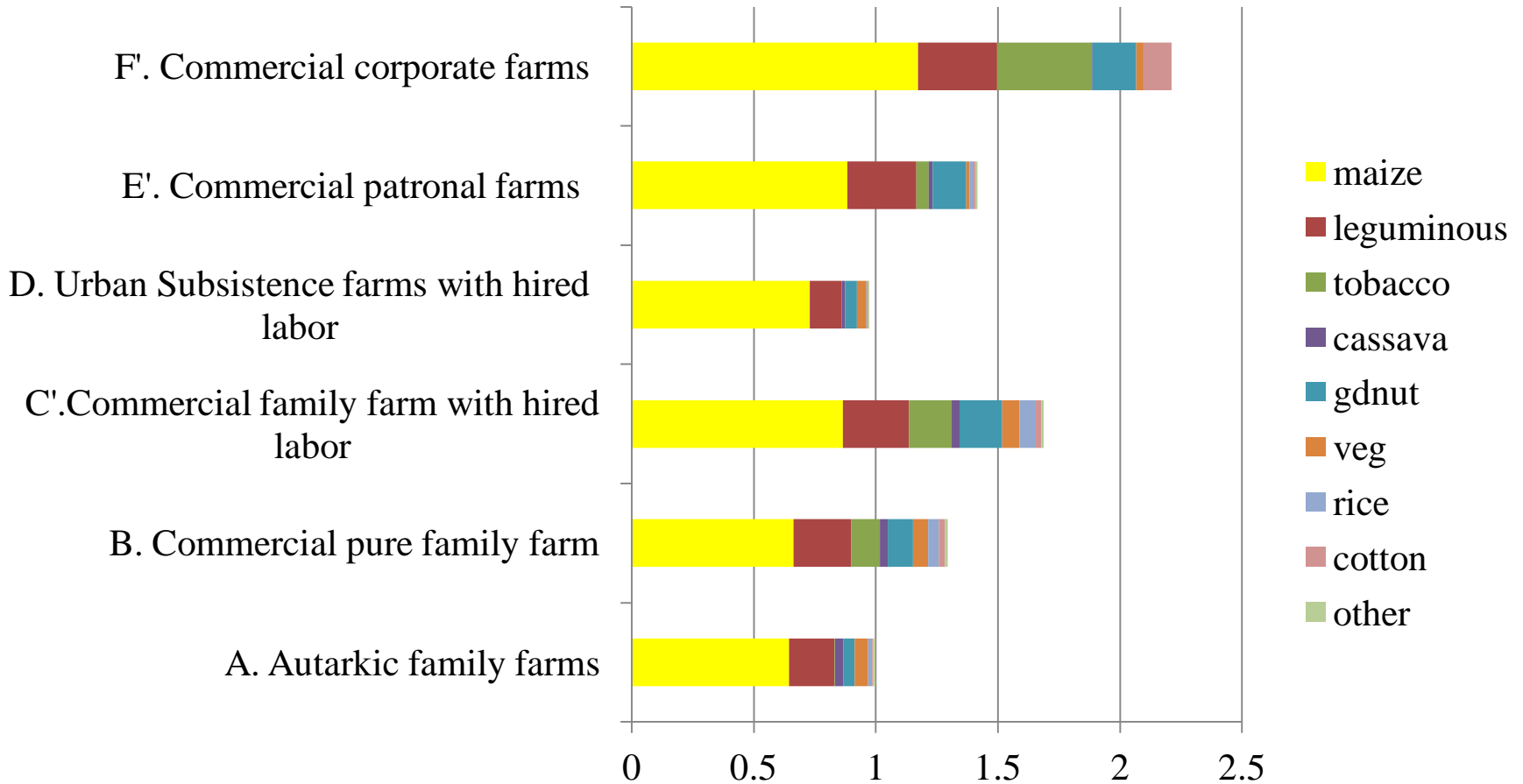
- F'. Commercial corporate farms
- E'. Commercial patronal farms





# 3.3. Cropping patterns

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## 4. Concluding remarks: WAW framework

- 1) Labor criteria strong determinant
  - 0% hired labor
  - Malawian case: corporate  $\neq$  patronal?
- 2) Marketing criteria discriminating but threshold ?
  - 50% was not kept
  - 10% ?
- 3) Off farm income determinant: critical K asset
- 4) Land qty/hh member and quality ?



## 4. Concluding remarks: Next steps

6 types **very** preliminary, need to be deepened:

- IHS3:
  - Labor (weight child, men, women, and analyze rainy season separately)
  - Land (quantity/quality)
  - Rural/urban (link with off farm income, off farm activity of HH head)
- Additionnal data
  - Livelihood zones
  - Poverty
- Stakeholder consultations
- Field studies (test robustness & complement –corporate/estate)



# Thank you for your attention

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