



# Space, Markets and Employment in Agricultural Development

## Research Update

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### MALAWI

The first round of the survey, was conducted in June/July 2013 in two Traditional Authorities, Mduwa and Mlonyeni, in Mchinji district in central Malawi. Although the agricultural system in Malawi is dualistic, smallholder and estate sectors, the agricultural activities in the survey areas are dominated by smallholder farmers growing food and cash crops. Smallholder farmers have small land holdings of not more than 3ha which are usually fragmented into several plots under the customary land tenure system. In the first round of the survey, in each Traditional Authority, one village was selected and a list of households was conducted to guide in identification of primary (level 1) Enterprise Household Units (EHUs) involved in the commercial agricultural production. Eight primary EHUs were identified of various scales and crop types cultivated, e.g. cabbages (3), Irish potatoes (1), tomatoes (1) soya beans, groundnuts (1) and maize (1).



The study traced various forward and backward linkages of the smallholder farmers and followed significant links (following the money) up to level 3. This resulted in 90 interviews with farmers and other players in the market and social chains. The links followed capture input supply, employment levels, resource flows (remittances, credit, savings and investment), transport services, produce market and expenditure flows. Preliminary data analysis shows that smallholder agricultural development in the areas generate or supports non-farm employment within the local economy, even when these links are traced up to the third level. In addition, most inputs are sourced within the local economy and expenditures by smallholder farmers and their linked households are also spent within the local economy, thereby having non-farm employment effects the local economy.

However, the density of the network depends on the type of commodities. Emerging horticultural crops such as cabbages, tomatoes and Irish potatoes tend to have a denser network supporting several non-farm employment activities as the crops tend to be sold to several small scale buyers. However, the density of the network in traditional crops such as maize, soya bean and groundnuts — typically sold to large organised buyers — is rather limited and creates or supports less non-farm employment within the local economy. There are also a lot of spot markets for agricultural produce — in many cases selling to final consumer — making it difficult to follow the money as farmers do not know the buyers.

The next round of the survey will be conducted in September 2013 and will focus on estate farmers (large scale) in Mchinji districts to facilitate comparisons between smallholder farmers and large scale (estate) farmers.