Farmer Organisations for Market Access[1]

Report on a Survey of Farmer Organisation Members and Non-Members

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Executive Summary

This paper reports the findings from a farmer survey conducted among members of farmer clubs supported by NASFAM, ADDs, Smallholder Coffee Farmers Trust (SCFT), and three NGOs (World Vision Malawi, CARE Malawi and Concern Universal). The study was conducted in 9 districts across the three regions and was conducted in the second half of 2003. The total sample comprised 631 households, with 431 FO members (266 NASFAM, 57 ADD clubs, 42 SCFT, 66 NGOs) and 200 non-members. Difficulties in achieving a random sample of non-members of clubs meant that the sample obtained cannot be considered representative of the population of non-members in sampled areas. Furthermore, while sampled areas may be representative of areas where FOs operate, they are not representative of rural areas in Malawi as a whole, as FOs tend to be located in less poor areas. For these two reasons care should be taken in drawing inferences regarding differences between members and non-members.

The survey found that FO members tend to have more productive assets (such as land and livestock), larger families, higher cropping incomes and more secure food supplies and livelihoods than sampled non-members. While some of these differences are likely to be attributable to the effects of FO membership, others suggest that joining an FO is more likely among less poor households (for example FO members tend to be from more established households with more land) Differences in these variables were also observed between localities. The major livelihood farming constraint reported by both members and non-members (but particularly by non-members) was difficulty in obtaining input credit. The major source of reported stress was food insecurity, but chronic and acute sickness and bereavement were also causes of significant stress for some households.

Supporting their more intensive cropping activities and higher crop incomes, FO members make more use of formal input suppliers, have better access to seasonal input credit, and make more use of formal sources of technical advice. These features are common across localities and across FOs with different external partners (NASFAM, ADDs, SCFT and NGOs), apart from differences in crop emphasis.

There is remarkable similarity across the different types of FO in terms of the main activities and services they are perceived to supply, and in assessment of their performance, contribution and leadership. Farmers join FOs to gain improved access to input credit and inputs, markets, and technical advice. In return they have to make time and financial contributions to the FO.

More FO members use technical advice, with more use of associations, NGOs and the Ministry of Agriculture (the Ministry of Agriculture being particularly important to ADD club members). There is very limited access to input credit unless farmers are club members and growing tobacco or coffee. Associations, and through them MRFC and MUSSCO, were virtually the only sources of input credit, and non-members were very restricted in access to credit and reported higher interest rates.

Most members and sampled non-members do not consider these to be a particular barrier to themselves or to new members joining FOs – although the sample of non-members does not include sufficient representation of poorer people. It is also noted that 5% of current members and 10% of current non-members indicated that they had previously been FO members and had left a club. The most common reasons for leaving an FO were personal reasons, poor FO leadership or services, and failure to repay a loan. A large number of respondents also reported that they knew of failed FOs in their areas, and non-repayment of credit was attributed to be the dominant cause of their failure in over 70% of these reports.

There is a generally positive and dynamic view of changes in FO activities and performance over the last few years, with net (but not universal) growth in membership, services and effectiveness. This is associated with a high degree of perceived satisfaction with regard to the quality of FO services – with over 80% of both members and non-members reporting them to be satisfactory (just under 50%) or very good (over 30%). The performance of FO leadership is also perceived as good – with 42% of members and 25% of non-members indicating that the local FO had no weaknesses, but nevertheless suggestions that leaders could improve their relationships with partner organisations, their adherence to the constitution, and would benefit from more training.

While the overall high degree of satisfaction with club services is commendable, it should be a matter of concern that only 55% of members consider themselves to know most or all of their FO rules and regulations, and 30% did not feel that they participated in decision making.

Three types of benefits from FOs are identified: direct benefits to members, direct benefits to non-members and indirect benefits to non-members. FO members recognize benefits from their FO membership in terms of better production, access to inputs, market access, livelihoods and food security and are generally in favour of expanding membership to spread these benefits more widely. Some members and non-members also note that non-members can gain direct benefits from an FO even without joining it – by getting access to markets and technical advice and in some case seed through members. Not considered in the survey but of potentially greater importance to poorer non-members are the indirect benefits to be gained from any stimulus to the economy from FO activities. These are very difficult to estimate, but it appears, from a variety of sources, that even where the relatively less poor are the direct beneficiaries of services that increase their farming income, this can provide almost equivalent proportionate increases to poorer people in the community, through the operation of labour and food markets.

Abbreviations, acronyms and glossary

DD	Agricultural Development Division, Ministry of Agriculture
ADMARC	Agricultural Development and Marketing Corporation
APRU	Agricultural Policy Research Unit, Bunda College, University of Malawi
APRU	Agricultural Policy Research Unit
ASSMAG	Association of Seed Marketing Action Groups
CISANET	Civil Society Agriculture
DFID	Department for International Development
FO	Farmer Organisation
FUM	Farmers Union of Malawi
IDEAA	Initiative for the Development of Equity in African Agriculture
MACs	Marketing Action Committees
MALEZA	Malawi Enterprise Zones Association of Malawi
MoA	Ministry of Agriculture
MRFC	Malawi Rural Finance Company
MUSSCO	Malawi Union of Savings and Cooperative
NASFAM	National Association of Smallholder Farmers of Malawi
NASPA	National Smallholder Seed Producers Association
NGO	Non Governmental Organisation
PAMA	Paprika Association of Malawi
SACA	Smallholder Agricultural Credit Authority
SCA	Smallholder Coffee Authority
SCFT	Smallholder Coffee Farmers Trust
VEZA	Village Enterprises Zone Association

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1 Introduction

This paper reports on the results from a survey of members and non-members of selected farmer organisations in Malawi. The survey was designed to contribute to the broader objectives of the study on 'Farmer Organisations for Market Access' which seeks, *inter alia*, to identify key characteristics determining Farmer Organisation's (FOs') performance and to consider how farmer organisations could better serve the needs of smallholder food crop producers in Malawi. The specific objectives of the farmer survey are to examine and learn from differences between members and non-members of a variety of different FOs as regards their personal characteristics, farming activities, and experience with and perceptions of farmer organisations.

Following this brief introduction, the paper describes the study's methodology, in terms of sampling methods, data collection and analysis, and then presents the principal findings as regards different FO members and non-members characteristics (education, gender, group memberships, commercial activities), experience with FO membership (reasons for joining and/or leaving FOs, terms of membership, services of different groups, evaluation of services and of groups), access to and evaluation of services (output marketing, input purchases, seasonal finance, technical information, market information), and perceptions of benefits from membership and of FO strengths and weaknesses. The paper concludes by drawing together the principal findings and discussing their implications for FO development in Malawi.

2 Methodology

2.1 Survey Objectives and hypotheses

Survey methodology was determined by (a) the objectives of the study and (b) resources available. As noted above the survey aimed to examine and learn from differences between members and non-members of a variety of different FOs as regards their personal characteristics, farming activities, and experience with and perceptions of farmer organisations. It also aimed to investigate farmer's experience with and perceptions of different FOs in Malawi, asking questions about membership criteria, FO services to members, the benefits of FO membership, and the effectiveness and management of FOs.

2.2 Sampling

Sample design for the study presented considerable challenges due to the need to achieve fairly widespread coverage of different types of FO (providing different types of service to members, with different types of external support) and sufficient sample sizes to examine differences between these FOs and between members and non-members. Sample design also needed to reflect the study's particular interest in examining the attributes and achievements of NASFAM clubs.

Given the time, staffing and financial resources available for the survey, it was decided to sample a total of 40 clubs, distributed between different types of FO and location as indicated in Table 2.1 below. Further information about the nature of services and types

of agriculture covered in the sample are given below in section 3. NASFAM areas were selected to include clubs working with all crops supported by NASFAM with the exception of rice (i.e. tobacco, soya, paprika, chillies, cotton, pigeon peas, beans, groundnuts and sorghum) and clubs working with different providers of seasonal finance (MRFC, MUSSCO, etc). The sample of NASFAM clubs also broadly reflected the balance of NASFAM membership between the northern, central and southern regions of the country (see annex 1).

Table 2.1 Sample Design

Organisation	**Sampled**	**Location**
	Clubs	
NASFAM	25	South Mzimba, Kasungu, Mchinji, Balaka, Namwera
ADD's	6	Mzuzu, Kasungu and Machinga ADDs
NGOs (CARE, World Vision, Concern)	6	Dowa, Dedza, Lilongwe, Zomba
Mzuzu Coffee Trust	3	South Mzimba
TOTAL	40	

Within each area, clubs were picked randomly (using random numbers). For each club, a list of members was obtained from the club Chairperson and a sample of twelve members chosen randomly for interview. Out of the twelve, eight were male and four were female. If it was not possible to meet with a selected member, then a substitute was chosen randomly from the list. It was not possible to obtain a list of non-members from which to draw a random sample. The club chairpersons assisted in identifying non-members within each area and a total of six non-members were selected (four male and two female). This means that the sample of non-members was not random hence considerable care must be taken in drawing any general inferences from this sample.

Using this sampling procedure, a total of 631 households were sampled out of which 431 were FO members (266 NASFAM, 57 ADD clubs, 42 SCFT, 66 NGOs) and 200 were non-members.

2.3 Data collection

Data was collected between August and November 2003 using structured questionnaires. Different questionnaires were used to interview farmer club members and non-members. The questionnaires were identical for most of questions[2]. Interviewing was carried out by two teams each of 4 students from Bunda College who had been given specific training on the purpose and conduct of the survey. Each team was led and supervised by an experienced surveyor, and spent 4 to 5 days working with each club.

2.4 Data Analysis

Data entry was carried out in APRU with spot checks on data entry and checks for consistency and outliers. Analysis was conducted using SPSS to transform and recode data, produce frequency tables and other summary statistics, and to perform tests for

[2] The questionnaires are available on request from the authors

significant differences between members and non-members for some of the parameters and to look for other relationships in the data. Significance tests on continuous, ordinal and nominal variables were carried out using t-statistics, general linear model univariate analysis, ordinal regression and logistic regression.

3 Background information on sample areas and FOs

As explained in section 2.2 and table 2.1, the sample included different types of farm club in different areas. Types of farm club were distinguished primarily in terms of their supporting apex organisation (NASFAM, SCFT, ADDs, and NGOs). Further information about these organisations is provided in Kachule and Poole (2005).

NASFAM is a national farmer directed organisation that supports the formation and operation of farm clubs to improve their members' access to profitable farming opportunities. It provides business support in terms of technical and business training, organisational development systems, and links to input, credit and output marketing service providers. Clubs are normally focused on the production and marketing of particular crops (see annex 1 for list of crops grown in different areas and of different providers of input credit). The links through the clubs and NASFAM between input credit, input delivery and output marketing services together with club membership rules, benefits and peer pressure provide both credit repayment mechanisms and incentives to farmers. This is particularly strong for tobacco, where credit repayments are recovered by deduction from the proceeds of crop sales marketed through the tobacco auction floors.

The Smallholder Coffee Farmers' Trust (SCFT) is based in the Northern Region and provides farmers with technical, input, finance, processing, marketing and organizational services. Previously the Smallholder Coffee Authority, which became almost defunct, it has recently been radically reorganized and revitalized. Credit repayments are recovered by deduction from the proceeds of crop sales marketed through the SCFT.

The system of Agricultural Development Division (ADD) clubs has a long history in Malawi, as they were originally established in the late 1970s and 1980s around the production of hybrid maize and, in some areas, cotton and other cash crops such as oriental tobacco. Supported by the ADD (Ministry of Agriculture) extension system, they provided or facilitated input credit, input delivery and output marketing services through the Smallholder Agricultural Credit Authority (SACA) and ADMARC, who as sole crop buyer was able to deduct credit repayments from crop sales and pay them direct to SACA. The system unraveled in the early 1990s due to the effects of liberalization of produce marketing systems, declining performance of ADMARC, drought (and farmer repayment difficulties) and multi-party democracy. However with the liberalization of burley tobacco production to allow smallholder production, the ADD / SACA system evolved, with the formation of new clubs supported by ADDs, but now focusing on burley tobacco production, and the formation of the Malawi Rural Finance Company from SACA, using the same stop order system for credit recovery through the regulated auction floor system. MRFC also provides the majority of finance to NASFAM borrowers. Some clubs have also been assisted by Sasakawa Global 2000.

Farm clubs supported by three different NGOs (CARE Malawi, World Vision and Concern Universal) were included in the sample. These provide farmers with technical support, seeds and market outlets for the production of crops such as beans, soya beans and groundnuts.

4 Social Characteristics of Sampled Members and non-members

Table 4.1 summarises the major social characteristics of the sample. Gender ratios among respondents were determined by sampling method (see 2.2 above). Members of farmer organisations tend to have more dependents than sampled non-members and the respondents were significantly older than those for non-members. There were no significant differences between different types of farmer organisation on these variables. There was also very little difference in educational levels between FO members and non-members. Female respondents, however, tended to be less well educated than male respondents and had fewer dependents (on average about 1 less). Approximately 7% of respondents were unmarried females, among both members and non-members. These respondents tended to be older and less well educated than married female respondents.

Table 4.1 Social characteristics of Sampled Members and non-members

		FO Members					**Non-members**
		NASFAM	**ADD**	**SCFT**	**NGOs**	**All**	
Total sample		266	57	42	66	431	200
Respondents' Gender	Male	68%	58%	71%	62%	66%	60%
	Female	32%	42%	29%	38%	34%	40%
Number of Dependents	Median	6	6	6.5	6	6	5
	Mean	6.1	6.7	6.7	6.7	6.4	5.1***
Respondents' Age ***	Under 25 years	12%	12%	5%	3%	10%	26%
	25 to 40 years	43%	41%	33%	47%	42%	38%
	41 to 55 years	28%	35%	53%	33%	32%	26%
	Over 55 years	17%	11%	10%	15%	15%	11%
Respondents' highest education	None	21	11	10	17	18	18
	Adult literacy	3		2		2	1
	Primary level	63	68	74	76	67	68
	Secondary level	12	21	14	8	13	14
Household Land holding	Median (ha)	2.1	1.7	2.5	1.7	2.1	1.5
	Mean (ha)	2.6	2.3	3.2	2.2	2.6	2.1*

*** indicates difference between members and non-members significant at 99.9%

5 Livelihood Characteristics of Sampled Members and non-members

In this section we examine features of the livelihoods of sampled members and non-members, looking first at their main sources of food and cash, then their livestock assets, their cropping activities, access to markets information, and finally their perceptions of change and experience of stress in the last year.

5.1 Main sources of cash income and food

Respondents were asked about their household's main sources of cash and of food in 2002/3. Main sources of cash are shown in tables 5.1 and 5.2. Table 5.1 shows the proportion of households that indicated an activity was one of its top three cash earning activities. Activities are organised in order of declining incidence among all farmer organisation members. On average respondents identified two main sources of cash. Table 5.2 shows average scores by activity where an activity is awarded a score of 3 if it is ranked as the most important source of cash, 2 if ranked second, 1 if ranked third, and 0 if it is not ranked.

Table 5.1 Proportion of households citing an activity as one of its top three sources of cash income

	Members					Non
	NASFAM	ADD	SCFT	NGOs	All	Members
Tobacco prodn.	67%	65%	40%	44%	60%	36%
Groundnuts prodn.	37%	25%	2%	30%	31%	31%
Soyabeans prodn.	21%	18%	12%	12%	18%	19%
Maize prodn.	7%	32%	26%	33%	16%	12%
Ganyu prodn.	15%	14%	2%	9%	13%	26%
Dry beans prodn.	3%	5%	38%	11%	8%	9%
Vegetables prodn.	6%	18%	2%	6%	7%	10%
Coffee prodn.	0%	0%	62%	0%	6%	1%
Cotton prodn.	10%	0%	0%	0%	6%	4%
Cash for work	6%	5%	0%	6%	5%	9%
Non farm business	5%	7%	2%	6%	5%	4%
Sweet potatoes	3%	5%	5%	6%	4%	8%
Chillies prodn.	4%	0%	0%	0%	3%	0%
Cassava prodn.	3%	7%	0%	3%	3%	4%
Irish potatoes	2%	0%	5%	11%	3%	3%
Goats	2%	2%	0%	2%	2%	3%
Remittances	3%	4%	2%	0%	2%	4%
Paprika prodn.	0%	0%	5%	0%	1%	0%
Fruit prodn.	0%	0%	5%	0%	1%	1%
Rice prodn.	1%	0%	0%	2%	1%	1%
Millet prodn.	1%	2%	2%	0%	1%	1%
Chicken	1%	0%	0%	2%	1%	1%
Pigs	1%	2%	0%	0%	1%	1%
Cattle	1%	0%	0%	0%	1%	1%
Other	5%	7%	0%	11%	6%	8%

Points to note from these two tables are

- The greater importance of tobacco among FO members, and particularly NASFAM and ADD club members (although tobacco is still important to a number of non-members)
- The lack of differences observed as regards groundnuts and soyabean
- The low importance of maize among NASFAM members

- The higher importance of ganyu among non-members
- The high importance of coffee among SCFT members
- The generally low importance of remittances and livestock sales among all households

It is also notable that more female headed households tend to be more reliant on ganyu, and this tendency is stronger among non-members.

Table 5.2 Average (mean) activity scores on cash source importance in 2002/3
(3 if ranked first, if ranked second and 1 if ranked third)

	Members					Non
	NASFAM	**ADD**	**SCFT**	**NGOs**	**All**	**Members**
Tobacco	1.9	1.9	1.1	1.2	1.7	1.0***
Groundnuts	0.8	0.5	0	0.7	0.7	0.7
Soyabeans	0.4	0.3	0.2	0.3	0.4	0.4
Maize	0.1	0.8	0.4	0.7	0.3	0.2
Ganyu	0.3	0.3	0.1	0.2	0.3	0.6***
Coffee	0	0	1.6	0	0.2	0***

*** indicates member/ non-member differences significant at 99.9%

These findings can be compared with those from the TIP 2000-1 study (Levy and Barahona, 2001) , where approximately 60% of households reported incomes from crop production, 40% from small businesses, 18% from livestock sales, 15% from remittances, and 50% from *ganyu*[3]. Differences may be due to (a) questions in this study about the *main* sources of income; (b) likely bias in farmer organisation members towards households with greater reliance on farming activities, (c) a likely tendency in a study of farmer organisations for respondents to focus more on farm incomes in their answers and (d) a lower importance of ganyu income among less poor households[4]. Results on land holdings (discussed later) suggest that the poor are under represented among this study's sample of both FO members and non-members. This may be explained by some combination of (a) omission of areas with highest poverty incidence from the sample (as FOs are not well represented in these areas), (b) FO members tending to be less poor households than the population in the areas in which they live, and (c) some biased sampling among non-members.

Main sources of food are shown in tables 5.3 and 5.4. Table 5.3 shows the proportion of households that indicated an activity was one of its top three food providing activities. Activities are organised in order of declining incidence among all farmer organisation members. On average respondents identified two main sources of food. Table 5.4 shows average scores by activity where an activity is awarded a score or 3 if it is ranked as the most important source of cash, 2, if it is ranked second, 3 if it is ranked third, and 0 if it is not ranked.

[3] The TIP 2001-2 study (Levy and Barahona 2002) generated similar results.
[4] The NASFAM Impact study (NASFAM, 2004), for example, shows very low average incomes from ganyu.

Table 5.3 Proportion of households citing an activity as one of its top three sources of food

	Members					Non Members
	NASFAM	**ADD**	**SCFT**	**NGOs**	**All**	
Maize production	96%	96%	100%	97%	97%	92%
Food purchase	29%	16%	0%	12%	22%	30%
Sweet potatoes	16%	19%	24%	12%	17%	20%
Cassava production	13%	26%	48%	6%	17%	11%
Groundnuts prodn.	17%	11%	2%	15%	14%	13%
Dry beans prodn.	2%	11%	36%	9%	8%	5%
Ganyu	8%	4%	0%	5%	6%	9%
Food Distribution	8%	0%	2%	5%	6%	6%
Food for work	5%	9%	0%	0%	4%	4%
Soya beans prodn.	6%	2%	0%	5%	4%	4%
Vegetables prodn.	3%	11%	0%	2%	4%	3%
Rice prodn.	3%	0%	0%	6%	3%	2%
Sorghum prodn.	2%	5%	2%	2%	3%	1%
Paprika prodn.	1%	2%	0%	0%	1%	1%
Irish potatoes	0%	0%	2%	2%	0%	3%
Tobacco prodn.	0%	0%	0%	2%	0%	1%
Fruit prodn.	0%	0%	5%	0%	0%	1%
Millet prodn.	1%	0%	0%	0%	0%	1%
Gift	0%	2%	0%	0%	0%	0%
Loan	0%	0%	0%	0%	0%	1%
Other	0%	0%	0%	0%	0%	2%

Table 5.4 Average (mean) activity scores on food source importance in 2002/3
(3 if ranked first, if ranked second and 1 if ranked third)

	Members					Non Members
	NASFAM	**ADD**	**SCFT**	**NGOs**	**All**	
Maize	2.8	2.8	3	2.8	2.82	2.66
Food purchase	0.6	0.3	0	0.3	0.44	0.63*
Sweet potatoes	0.3	0.3	0.4	0.2	0.26	0.34
Cassava	0.3	0.6	0.8	0.1	0.32	0.20*
Groundnuts	0.3	0.2	0.1	0.2	0.23	0.19
Dry beans	0.1	0.2	0.7	0.2	0.14	0.08*
Ganyu	0.1	0.1	0	0.1	0.10	0.17*
Food Distribution	0.1	0	0	0.1	0.07	0.09
Food for work	0.1	0.1	0	0	0.07	0.06
Soya beans	0.1	0	0	0.1	0.07	0.06

* indicates member/ non-member differences significant at 0.05

Points of interest from these two tables include:

- The almost universal importance of maize production
- The importance of food purchases especially among non-members
- The importance of root crops (cassava and sweet potatoes) for food provision, but not as a source of cash (see tables 5.1 and 5.2 earlier)
- Greater importance of cassava among members (there is also variation between different areas) but very little difference between different farmer types as regards sweet potato importance
- Lesser importance of ganyu among FO members

5.2 Livestock ownership

Table 5.5 shows the proportion of households owning livestock and overall mean number of livestock owned (across all households). In addition a total livestock ownership score is computed using weights from Levy and Barahona (2001).

Table 5.5 Livestock ownership

		Members					Non Members
		NASFAM	ADD	SCFT	NGOs	All	
Chickens	% hholds	72	86	95	76	77	66
	Mean owned	8.9	10.3	13.6	9.0	9.6	6.2***
Goats	% hholds	42	28	55	59	44	30
	Mean owned	1.8	1.1	5.0	2.7	2.2	1.4**
Cattle	% hholds	20	10	37	12	19	11
	Mean owned	1.06	0.18	1.76	0.73	1.0	0.5
Total score[#]	Median	32	24	120	51	41	20
	Mean	158	57	270	136	152	79**

[#]Calculated from weights of 2 for Poultry, 10 for sheep and goats, 15 for pigs, and 100 for cattle (Levy and Barahona, 2001)

There are significant differences between members and non members for ownership of most livestock classes. There is also significant variation between different areas and, to a lesser extent, between male and female headed households, with male headed households owning more livestock.

The median total score for non-members estimated from this study (20) is similar to (but probably a little higher than) that found in the 1999/2000 Starter Pack Evaluation (Levy et al, 2000), where 42% of households had livestock scores below 10, and 65% had livestock scores below 30 (median and mean were not reported). The TIP 2000-1 Survey found a broadly similar distribution of scores (Levy and Barahona, 2001). However these two surveys were conducted prior to the 2002 crisis when many households were forced to sell livestock to buy food, so that equivalent estimates of mean livestock holdings now would probably be lower.

5.3 Crop sales revenue

Table 5.6 shows mean total (gross) crop revenues for 2003 reported at the time of interview (median revenues are 40 to 50% of mean revenues). Note that these are not net crop incomes as they do not allow for input costs. Differences between members and non-members are significant at P=0.01, and between male and female headed households at P=0.1. Differences between areas and interactions (for example between membership and type of farm club) are not significant.

Table 5.6 Total crop sale revenues (mean MK per household) in 2003

		NASFAM	ADD	Coffee Trust	NGOs	Total
Members	Male headed	27,674	33,723	38,050	24,201	28,941
	Female headed	7,925	NA	NA	NA	8,084
	Total	26,049	30,525	38,050	23,390	27,374
Non-members	Male headed	11,522	10,984	31,725	12,596	13,487
	Female headed	9,392	NA	NA	NA	8,601
	Total	11,296	10,984	31,725	12,001	13,127
Total	Male headed	23,255	26,143	36,372	21,180	24,633
	Female headed	8,414	10,420	NA	NA	8,227
	Total	21,934	24,636	36,372	20,393	23,406

NA indicates small sample

5.4 Cropping patterns

Table 5.7 shows mean cropping areas per household calculated by summing the areas reported by respondents for each crop, while Tables 5.8 and 5.9 show areas by crop. Differences between members and non-members, between different areas, and between male and female headed households are significant at P=0.001, P=0.02, and P=0.005 respectively. Median areas per household are on average 85% of the mean.

Mean cropped areas are considerably greater than those reported by the 2001-2 TIP Evaluation Survey (Levy and Barahona, 2002), where mean cultivated areas nationally were 2.1 acres or 1ha per household. The high estimated areas in this survey are probably due to (a) omission of areas with very high land pressure from the sample (as FOs are not well represented in these areas), (b) above average cultivated areas among FO members, and (c) some biased sampling among non-members. Cropped areas are however more consistent with findings from the NASFAM Impact Survey, which found an average holding size of just over 1.7ha for both members and non-members (NASFAM, 2004)[5].

[5] The NASFAM survey is likely to have similar sample bias to the survey reported here.

Table 5.7 Total cropped areas (mean ha per household) in 2003/4

		NASFAM	ADD	Coffee Trust	NGOs	Total
Members	Male headed	2.24	1.97	2.62	2.29	2.25
	Female headed	1.48	NA	NA	NA	1.38
	Total	2.17	1.87	2.62	2.24	2.19
Non-members	Male headed	1.75	1.26	2.07	1.38	1.64
	Female headed	1.49	NA	NA	NA	1.48
	Total	1.73	1.27	2.07	1.38	1.63
Total	Male headed	2.09	1.73	2.49	2.00	2.07
	Female headed	1.48	1.24	NA	NA	1.41
	Total	2.04	1.68	2.49	1.97	2.02

NA indicates small sample

The greater overall cropped areas of farmer organisation members are the result of significantly greater areas under tobacco (***)[6], under coffee (***, for Smallholder Farmer Coffee Trust members), under maize (**), and under groundnuts, chillies and vegetables (*). For tobacco, area per grower is about the same for FO members and non-members, but a higher proportion of FO members grow tobacco. FO members had significantly lower average cropped areas under sweet potatoes (*).

For cash crops in general and tobacco in particular, FO member/ non member differences are greater with NASFAM and ADD clubs than with SCFT clubs, but for maize, FO member/ non member differences are greater with NGOs and SCFT clubs than with NASFAM and ADD clubs. Relatively small root crop areas are noticeable.

[6] Here and subsequently *** indicates differences significant at P=0.001, ** significant at P=0.01 and * significant at P=.05.

Table 5.8 Cropped areas (mean ha per household) in 2003/4

	NASFAM	ADD	SCFT	NGO	Total
Tobacco					
Member	0.38	0.38	0.20	0.29	0.35
Non-member	0.19	0.13	0.27	0.19	0.19
Total	0.32	0.30	0.22	0.26	0.30
Cash crops (total less maize & root crops)					
Member	1.18	0.88	1.23	1.16	1.14
Non-member	0.79	0.42	1.09	0.62	0.73
Total	1.06	0.73	1.19	0.98	1.01
Maize					
Member	0.88	0.83	1.10	0.97	0.91
Non-member	0.78	0.68	0.88	0.69	0.76
Total	0.85	0.78	1.05	0.88	0.86
Cassava					
Member	0.08	0.09	0.24	0.04	0.09
Non-member	0.05	0.13	0.06	0.03	0.06
Total	0.07	0.11	0.20	0.04	0.08
Sweet potatoes					
Member	0.05	0.07	0.05	0.06	0.05
Non-member	0.11	0.05	0.04	0.03	0.08
Total	0.06	0.07	0.05	0.05	0.06

Table 5.9 Mean tobacco area (ha) per grower 2002/3

	NASFAM	ADD	SCFT	NGOs	Total
Member	0.57	0.56	0.57	0.64	0.58
Non member	0.52	0.48	0.71	0.51	0.53
Total	0.56	0.55	0.60	0.61	0.57

There is little reported change in cropped area per grower for tobacco, maize and cassava over the previous 2 seasons. Over this period the number of growers increased slightly for tobacco (by 14%) and cassava (by 20% from a low base of around 15% of respondents growing cassava). There are no clear differences between growers and non-growers.

5.5 Crop outputs

Table 5.9 presents information on reported sales revenues per household and per ha (note that these are gross of input costs). FO members' gross sales per household and per ha are significantly greater than non-members (*).

Table 5.10 Gross sales revenues (median) for 2003/4 by time of interview

	NASFAM	ADD	SCFT	NGO	Total
Gross crop sales per hh ('000MK) ALL CROPs					
Member	13.70	15.00	11.75	11.47	13.49
Non-member	4.77	2.25	7.00	7.20	5.00
Total	10.40	9.04	9.40	9.25	10.00
Gross crop sales per ha (MK/ha) ALL CROPs					
Member	7,341	12,972	6,149	6,053	7,223
Non-member	3,379	2,410	2,200	4,357	3,313
Total	6,404	5,764	4,693	5,867	6,160

Table 5.11 Median Crop Sales in kg/grower for 2003/4 by time of interview

	NASFAM	ADD	SCFT	NGO	All
Tobacco					
Member	378	400	460	300	350
Non-member	220	400	200	199	220
Total	350	400	405	300	334
Maize					
Member	350	600	300	750	500
Non-member	300	1190	675	100	300
Total	350	675	450	500	500
Gnuts					
Member	178	200	100	180	200
Non-member	190	70	50	350	165
Total	180	200	50	250	180
Soya					
Member	250	75	250	205	210
Non-member	150	38	50	135	150
Total	200	50	225	200	200

FO members' tobacco sales per grower are greater than non members (with P=0.1). For other crops the sample sizes are too small to draw significant conclusions.

5.6 Crop marketing

Table 5.12 shows reported principal marketing outlets for all enterprises. For tobacco, 80% or so of sales go to the auction floor for both FO members and non-members. Associations are important outlets for FO member cash crop sales, but non-members also sell through them. Local people, local markets and private traders take very substantial shares of maize transactions (though the scale of transactions varies). It is noticeable that ADMARC does not feature as a sale outlet for any crops. There are only small apparent differences in sales outlets between FO members and non-members. However FO members tend to be selling larger quantities of all crops and are transacting larger quantities with more formal partners.

Table 5.12 Principal crop sales outlets (% of enterprises)

		NASFAM	ADD	SCFT	NGO	All
Members	None/ NA	48	47	53	45	48
	Local people	9	12	9	8	9
	Local market	5	11	4	8	6
	Private trader	5	8	7	18	7
	Auction floor	14	17	7	11	13
	Association	15	2	17	5	12
Non-members	None/ NA	52	58	46	52	53
	Local market	7	9	15	13	8
	Local people	10	15	15	12	11
	Private trader	8	4	15	12	8
	Auction floor	9	8	10	9	9
	Association	10	1			7

Market access of FO members and non-members can also be examined in terms of distance to input and output markets and prices. On distances to markets, the data provides mixed information. Across all crops and for tobacco, simple means of distance to sales outlet per grower are similar across members and non-members. However if for tobacco this is weighted by sales quantity, then NASFAM members average (mean and median) distances to tobacco markets are considerably less than for non members. The same is not true for ADD members. This may suggest that in NASFAM areas non-members may be making smaller sales locally but have to travel longer distances to make larger sales. However there are only very small differences between tobacco prices reported by FO members and non members. The same is true for maize and soya prices but NASFAM members do appear to get better groundnut prices (25mk /kg as compared with 14MK/kg)

5.7 Input suppliers

Table 5.13 summarises main sources of inputs across all enterprises, and analysis by tobacco, maize, groundnut and soyabean inputs gives a similar picture – that FO members tend to (a) use more inputs and (b) access their inputs more from formal' sources such as private traders, associations, MRFC, ADMARC, etc (although access through associations, traders, and MRFC are often linked). It is noticeable here that in contrast to crop sales, ADMARC is a significant player. Distances to buy inputs are similar for FO members and non-members and average roughly 10km (except with SCFT, where average distances for members and non members are around 20km).

Table 5.13 Principal input sources (% of enterprises)

		NASFAM	ADD	SCFT	NGO	All
Members	None/ NA	14	11	16	11	13
	Prev. harvest	20	18	20	13	19
	Local people	13	14	8	8	12
	Local market	14	16	7	17	14
	ADMARC	6	6	6	6	6
	Private trader	3	8		4	4
	Association & MRFC	23	23	42	39	27
Non-members	None/ NA	17	12	7	21	16
	Prev. harvest	23	29	37	24	25
	Local people	22	21	15	17	21
	Local market	17	22	24	10	17
	ADMARC	5	4		6	4
	Private trader	3	5		6	4
	Association & MRFC	10	5	17	9	10

5.8 Input credit suppliers

Input credit is only reported for tobacco and maize, and associations (and through them MRFC and MUSSCO) are the major sources of input credit (accounting for 84% of input loans for tobacco. Non-members are therefore very restricted in sources of credit (only 3% report input credit for maize and 21% for tobacco, whereas 23% of FO members report input credit for maize and 52% for tobacco). The higher access to maize input credit among FO members (especially ADD clubs where 37% report access through associations/MRFC and SCFT clubs) is related to their ability to obtain credit for maize inputs as part of a tobacco (or coffee) loan. Although sample sizes are small, non-members also report higher interest rates than FO members (around 44% as compared with 20 to 30% for FO members' maize and tobacco loans).

5.9 Sources of technical information

Table 5.14 shows reported sources of technical advice across all crop enterprises (which is dominated by maize) and for tobacco. The general patterns of variation are similar: FO members use more technical advice, and they use associations, NGOs (for NGO clubs only) and (with the exception of tobacco advice for NASFAM members) use the Ministry of Agriculture more. Members of ADD clubs make particularly heavy use of Ministry of Agriculture staff. 'Local people' are a more important source of information for non-members. Private traders or input suppliers do not feature as an important source of technical information.

Table 4.14 Principal sources of technical advice (% of enterprises)

		NASFAM	ADD	SCFT	NGO	All
All crops						
Members	None/ NA	39	30	31	23	35
	Association	33	10	35	33	31
	Local people	6	6	2	3	5
	NGO				20	3
	Min. of Agric.	18	52	31	21	23
Non-members	None/ NA	58	54	51	65	58
	Association	13		10		9
	Local people	15	17	15	20	16
	NGO				1	0
	Min. of Agric.	12	27	24	13	15
Tobacco						
Members	None	9	3	7	17	9
	Association	54	6	27	24	42
	Local people	4	14	7		5
	Min. of Agric.	24	71	60	55	36
Non-members	None	24	20		50	26
	Association	20		20		14
	Local people	20	20	60	8	21
	Min. of Agric.	27	40	20	33	29

5.10 Livelihood perceptions

Respondents were asked two open questions about their livelihoods: 'what are the main opportunities for improving your livelihoods?' and 'what are the main difficulties faced in improving your livelihoods?'. Answers to the first question were almost all concerned with farming activities (a little over 5% of respondents gave business related answers). Answers to the second question again concentrated on farming related issues, but are of interest for the insights they give as regards people's perceptions of the main difficulties they face in farming (see table 5.15). It is very striking that livelihood improvement difficulties were predominantly concerned with input supplies and input finance (70% of FO members and 90% of non- members identified lack of inputs/ fertilisers, high input

prices, and lack of input credit or capital as their main difficulties). A further 15% of FO members were concerned about low output prices and lack of markets, but this was of less concern among non- members.

Table 5.15 Principal difficulties in improving livelihoods (% of respondents)

		NASFAM	ADD	SCFT	NGO	All
Members	Input/ credit access & prices	74	79	71	59	72
	Labour, sickness	3	5	2	6	4
	Land access	3	4	0	3	3
	Output market access, prices	14	7	24	23	15
	Food shortage	4	4	0	3	3
	Rainfall	1	0	0	0	0
	Other	1	0	0	0	0
	None	2	2	2	6	2
Non-members	Input/ credit access & prices	83	93	100	97	88
	Labour, sickness	3	3	0	3	3
	Land access	1	0	0	0	1
	Output market access, prices	2	3	0	0	2
	Food shortage	7	0	0	0	5
	Rainfall	0	0	0	0	0
	Other	0	0	0	0	0
	None	2	0	0	0	2

In response to a question about changes in livelihoods over the previous 5 years, 47% of FO member respondents reported an improvement, 30% reported no change, and 23% reported a deterioration. For non-members, livelihoods had improved for 33%, stayed the same for 43% and worsened for 24%. There was little difference between different types of club or areas. Only about 20% of respondents specified the causes for improvement or deterioration of their livelihoods, but most frequently cited reasons for livelihood improvement were improved access to inputs (predominantly among FO members) and having enough food. On the other hand the most frequently cited reason for livelihood deterioration was lack of fertiliser.

80% of households reported stress over the previous year (about 50% experienced food shortage, 20% severe or chronic sickness, and 8% bereavement).

6 Farmer Experiences and Perceptions on Farmer Organisations

6.1 Main FO activities and services

In response to a question about the main activities and services of FOs, sampled members and non-members gave fairly similar answers, and these answers also did not vary very much between different types of club (see table 6.1). Principal reported activities were provision of technical advice, promoting market access for farmers' produce, access to credit and provision of farm inputs. There was slightly greater emphasis on market access in NASFAM and SCFT areas, and on credit access in ADD and NGO areas (among both members and non-members).

Table 6.1 Member and Non-member Perceptions of FO's Main Services
(% of respondents, multiple response/respondent allowed)

	NASFAM	ADD	SCFT	NGO	ALL
Members					
Access to sales markets	59	23	62	23	49
Access to technical advice	63	81	60	68	66
Inputs procurement	25	30	33	36	28
Access to credit	26	42	33	47	32
Access to information	7	4	7	5	6
Business training	0	0	7	2	1
Other	2	0	0	0	2
Responses/hhold	1.8	1.8	2.0	1.8	1.8
Non-members					
Access to sales markets	43	21	31	13	34
Access to technical advice	42	38	38	31	40
Inputs procurement	22	21	23	41	25
Access to credit	27	34	15	25	27
Access to information	2	0	0	0	2
Other	2	0	0	16	4
Responses/hhold	1.4	1.1	1.1	1.3	1.3

Respondents' reports of principal crops serviced by FOs are shown in table 6.2. Differences between different types of club are largely as expected, given the interests and activities of NASFAM, the ADDs, SCFT and the three NGOs supporting the different clubs. Differences between member and non-member responses are that (a) non-members of ADD clubs place greater emphasis on tobacco activities and less activities on maize activities, and (b) non-members their lower perception of the range of crops that the clubs provide assistance with (as shown by the lower response per household).

Table 6.2 Principal crops serviced by FOs
(% of responses, multiple response/respondent allowed)

	NASFAM	ADD	SCFT	NGO	ALL
Members					
Tobacco	37	28	10	4	27
Maize	17	41	17	31	23
Groundnuts	22	3	1	26	18
Soya beans	8	3	3	5	6
Coffee	0	0	55	0	6
Cotton	8	0	0	0	5
Dry beans	0	3	12	14	4
Cassava	1	7	1	7	3
Chillies	4	0	0	0	2
Vegetables	0	15	0	0	2
Sweet potatoes	0	1	0	5	1
Rice	0	0	0	4	1
Other crops	1	0	2	4	1
Responses/hhld	2.5	2.6	3.0	3.4	2.7
Non-members					
Tobacco	40	49	16	0	33
Maize	18	31	21	37	23
Groundnuts	12	2	0	24	12
Soya beans	8	4	0	5	6
Coffee	0	0	63	0	3
Cotton	8	0	0	2	5
Dry beans	0	0	0	10	2
Cassava	1	7	0	2	2
Chillies	6	0	0	0	4
Vegetables	0	4	0	0	1
Sweet potatoes	1	0	0	3	1
Rice	0	0	0	0	0
Responses/hhld	1.9	1.6	1.5	1.8	1.8

6.2 Reasons for joining FOs

The major stated reasons for FO members joining their FO, and non-members' stated perceptions of why members join FOs are to access to markets, technical advice (including farming methods) and input credit (see table 6.3). There is some variation between FO members and non-members and between different types of FO in the relative importance of these – input credit access is cited a little more often by non-members and in areas with ADD and NGO clubs whereas combined market access and technical advice are more commonly cited in areas with NASFAM and SCFT clubs.

Table 6.3 Members' Reasons for Joining FOs and Non-member Perceptions of Members' Reasons for Joining FOs
(% of respondents)

	NASFAM	ADD	SCFT	NGO	ALL
Members					
Access to markets & technical advice	45	28	62	31	43
Access to input credit	30	39	19	42	32
To learn farming methods	25	34	19	27	25
Non-members					
Access to markets and technical advice	39	25	45	4	32
Access to input credit	38	50	27	69	43
To learn farming methods	23	25	27	27	24

Similar themes arose in answer to a question about other services respondents would like from FOs (see table 6.4) with better access to inputs and technical advice and also in concluding 'other comments' made by respondents (with 40% of these comments calling for FOs to provide credit, and 20% calling for better markets)..

Table 6.4 Other services respondents would like from FOs
(% of responses)

	NASFAM	ADD	SCFT	NGO	ALL
Members					
More farm inputs (esp. fertiliser)	41	33	35	32	38
Support other crops	22	19	12	16	20
Technical advice	17	30	28	13	19
Better credit terms	4	4	7	12	6
Better market access / prices	3	6	7	13	6
Other	3	1	2	4	3
None	11	6	9	9	10
Non-members					
More farm inputs (esp. fertiliser)	52	35	46	44	47
Support other crops	5	9	8	0	5
Technical advice	26	35	23	19	26
Better credit terms	2	0	0	13	3
Better market access / prices	5	6	0	0	4
Other	5	6	0	22	7
None	7	9	23	3	8

6.3 Membership requirements

Table 6.5 shows reported requirements for membership. These do not vary much between different types of club, nor do sampled non-members' perceptions differ much from members', with emphasis on the need for financial and time contributions with commitment to club activities.

Table 6.5 Reported Requirements for FO Membership
(% of responses, multiple response/respondent allowed)

	NASFAM	ADD	SCFT	NGO	ALL
Members					
Membership fees	45	37	45	43	43
Attend to meetings	24	19	15	23	23
Active participation in club activities	11	10	6	11	11
Be a coffee farmer	0	0	17	0	1
Other	20	34	17	24	22
Non-members					
Membership fees	49	44	54	61	49
Attend to meetings	22	22	15	30	22
Active participation in club activities	11	20	23	4	12
Be a coffee farmer	0	0	8	0	0
Other	19	15	0	4	16

Respondents were asked any of these requirements prevent people from joining FOs (see table 6.6), and also if there were rules that would either prevent some people from joining or would be likely to lead them to lose their membership (see table 6.7).

Table 6.6 Membership requirements which are most difficult to meet
(% respondents)

	NASFAM	ADD	SCFT	NGO	ALL
Members					
None	80	82	74	82	80
Doesn't know	0	3	0	0	0
Membership fees & monetary contributions	16	3	19	13	14
Other	5	12	7	5	6
Non-members					
None	55	48	31	43	50
Doesn't know	15	32	38	30	22
Membership fees & monetary contributions	26	13	23	23	23
Other	4	6	8	3	5

Table 6.7 Problems leading to membership disqualification or people not joining
(% respondents)

	NASFAM	ADD	SCFT	NGO	ALL
Members					
None	46	40	43	29	42
Don't' Know	2	0	0	0	1
Absence from meetings	11	5	14	30	14
Failure to pay membership fee	11	11	17	14	12
Failure to repay credit	11	19	7	9	12
Not listening to others' advice	6	9	5	5	6
Not taking part in club activities	2	4	7	5	3
Selling produce to private traders	6	5	5	2	5
Other	5	7	2	8	5
Non-members					
None	51	24	31	25	42
Don't' Know	17	31	31	41	24
Absence from meetings	3	3	0	13	5
Failure to pay membership fee	8	14	23	6	10
Failure to repay credit	11	3	8	9	10
Not listening to others' advice	8	14	8	0	8
Not taking part in club activities	0	3	0	3	1
Selling produce to private traders	1	0	0	0	1
Other	1	7	0	3	2

These tables do not suggest any particularly strong perceptions of barriers preventing people from joining or remaining in FOs (although as noted earlier the sample is not representative of the range of poor non-members found in Malawi) but the financial commitments (for membership fees, other contributions and credit repayments) are dominant among the difficulties that are reported.

In an attempt to determine influences on people joining FOs, binary logistic regression was used to look for variables that might be predictors of membership. The estimated models performed poorly (in terms of R^2 and classification prediction), with household cultivated area being the only variable to consistently entering the model[7]. Similar analysis of non-members regarding perceived difficulties in joining FOs also yielded disappointingly inconclusive results.

6.4 Farmer organization performance

Respondents were asked for their opinion on the quality of services provided by the different FOs, and for views on the performance of FOP leadership and how it might be improved. As shown in table 6.8, most ranked FO services well, as satisfactory and very

[7] Across the whole sample cultivated area per household, and respondent's age and education were the only significant variables to enter the model., all positively correlated with FO membership ($R^2 = 0.132$). The model is very poor in classifying or predicting non-members – this may be related to the small and probably biased sample of non-members in the sample, as discussed earlier.

good. This was the case for both FO members and non-members. One would therefore deduce that despite other problems that people may experience or perceive with some FOs, the general impression is that people have a positive attitude towards them.

Table 6.8 Quality of Services
(% respondents)

	NASFAM	ADD	SCFT	NGO	Total
MEMBERS					
Very poor (1)	8	5	1	1	6
Poor (2)	13	11	22	4	12
Satisfactory (3)	47	50	51	42	47
Good / very good (4)	32	34	26	53	35
Mean score	3.0	3.1	3.0	3.5	3.1
NON MEMBERS					
Very poor (1)	4	0	0	0	3
Poor (2)	10	7	7	9	9
Satisfactory (3)	47	39	43	41	45
Good / very good (4)	39	55	50	50	43
Mean score	3.2	3.5	3.4	3.4	3.3

Perceptions were also generally positive about the performance of FO leadership, with over 80% of FO members rating FO leadership performance as satisfactory or very good. While a little under 20% of non-members did not know about FO leaders' performance, of those expressing an opinion again around 90% rated their performance as satisfactory or very good These ratings did not differ much between the different types of FO.

Despite these positive ratings, about 75% of FO members put forward suggestions for strengthening FO leadership performance. The most common of these were to maintain good relationships with partner organizations (24% of all FO members, but only 10% of ADD club members), to follow the constitution (17% of all FO members, but 40% of NGO club members) and to train the leaders (11% of all FO members, but 20% of ADD club members and only 2% of SCFT club members).

In response to an open question about FO weaknesses, 40% indicated that there were no significant weaknesses, and 14% had no opinion. No burning or dominant issues were highlighted by the remaining respondents.

6.5 Participation in farmer organization leadership and decision making

Sampled FO members were asked if they held any leadership positions (for example committee membership or office) in their FO, and if they participated in decision making. The percentage of male and female respondents holding leadership positions and indicating that they participate in decision making is indicated in table 6.8. This indicates high levels of participation in decision making, with male participation generally higher than female (particularly in SCFT clubs). Similar differentials are found but with lower proportions of engagement in leadership. Almost all respondents reported that leaders are chosen in elections involving all members, who observe and understand the process.

Another indication of participation in FO activities may be knowledge of FO rules and regulations. Over 60% of FO members judged themselves to have a good knowledge or know most of the rules while less than 40% considered themselves to have only some knowledge of the rules or not know them at all. Among non-members 90% considered themselves to have only some knowledge of the rules or not to know them at all Over 80% of members considered the rules to have very few or only some minor weaknesses and only 5% considered them to have serious weaknesses.

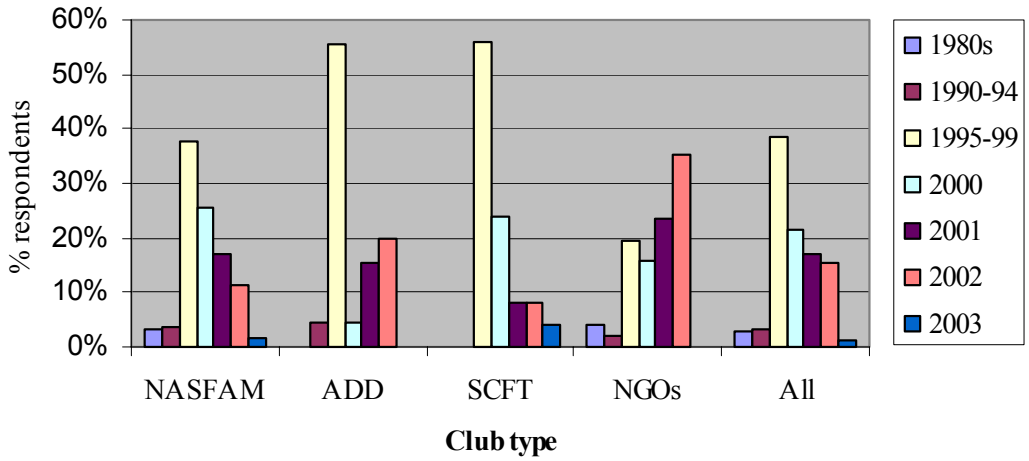
Table 6.8 % Respondents holding leadership positions or participating in decision making

	NASFAM	ADD	SCFT	NGO	All
In decision making					
Males	80	79	87	90	82
Females	57	63	42	88	62
In leadership					
Male	34	33	47	46	37
Female	29	54	25	24	32

6.6 Changes in farmer organizations

Figure 6.1 shows the different types of club by their year of establishment. Most ADD clubs were established in the late 1990s after the liberalisation of burley tobacco. This was also a stimulus for NASFAM club formation (some of which may have been built on former ADD clubs), but new NASFAM clubs have been formed at a more even rate. NGO clubs, however, tend to have been formed more recently.

Figure 6.1 Year of FO formation



Respondents were asked to outline changes in membership, activities, effectiveness, constitution, partners, and problems over the last four years (or since the FO was established, if within 4 years). These present a generally positive and dynamic picture. Membership was reckoned to have increased for about 50% of clubs, to have remained the same for about 30%, and to have fallen for 20%. Activities had increased for 40%, stayed the same for 55%, and fallen for only 4%. These broad patterns were common the different types of club. With regard to effectiveness, more than 60% of respondents reckoned their clubs had improved their effectiveness (although for the SCFT this was true for a little under 50%) and only 12% thought that their cub had become less effective (although nearly 30% of SCFT members thought that their clubs had become less effective). There had been very few constitutional changes. Around 25% of club members thought that their clubs partnerships had been strengthened (but 36% of SCFT club members and 48% of NGO club members thought this). Fery few respondents thought that partnerships had been weakened. 68% of FO members observed improvements in their FO (85% of ADD club members). 70% of FO member respondents indicated that problems had diminished or stayed the same, while 30% indicated a variety of problems having increased – for example some SCFT club members complained of low coffee prices and others of lack of fertiliser.

6.7 Member and non-member benefits from farmer organizations

Previous sections have suggested a generally favourable view of FOs among club members sampled, and indeed among non-members interviewed. This reflected a broad consensus among members that their clubs were working to deliver them benefits, and they saw these benefits in both their farming activities and in their livelihoods. Table 6.9 presents responses to an open question about the effects of FO membership on farming and livelihoods. Perceptions seem to be fairly similar across members of different types

of clubs, and also between members and non-members with benefits recognized in terms of production, marketing, general well being and food security.

Table 6.9 Perceptions of FO membership effects on members' farming & livelihoods
(% respondents, multiple responses per household)

	NASFAM	ADD	SCFT	NGO	ALL
Members					
Production increased	30	46	12	33	31
Livelihood improved	21	11	17	18	19
Marketing made easy	22	5	19	6	17
Have access to farm inputs	13	23	19	26	17
Members have access to enough food	14	21	7	18	15
Has learnt new farming methods	6	11	7	23	9
Members have access to credit money	0	0	0	8	1
No effect	13	4	10	0	9
No opinion	1	4	7	5	3
Non-members					
Production increased	21	34	38	16	23
Livelihood improved	13	17	8	3	12
Marketing made easy	21	7	15	3	16
Have access to farm inputs	16	21	31	19	18
Members have access to enough food	10	28	15	16	14
Has learnt new farming methods	3	14	8	6	6
Members have access to credit money	0	0	0	3	1
No effect	13	7	0	9	11
No opinion	3	7	0	6	4

The generally favourable perception of FOs was also evident in a general desire among both members and non-members that FOs should expand their membership. (75% of members and nearly 90% of non-members thought that FOs should expand their membership 'to enable other people to benefit' and 'to increase participation' while a little under 10% of current members thought that the 'membership is already large').

Around 30% of members and non-members also recognized that non-members gain direct benefits from FOs, primarily by being able to sell their produce through members, but also by getting advice (and, to a small extent, seeds) from members.

We also expect non-members (and particularly poorer households more reliant on ganyu wage income) to gain indirectly from successful FOs through increased wage opportunities and wage levels if increasing FOs membership and benefits to members (a) raise demand for hired on-farm labour, (b) raise members' incomes and hence demand for non-farm services and local products and (c) reduce maize prices as a result of increased foreign exchange earnings and increased local maize production. These multiplier effects are difficult to estimate and will depend upon a wide range of micro-economic, macro-economic and trade parameters.

Reardon (1998) and Delgado *et al.* (1998) estimate multipliers of between 1.5 and 2.0 from increases in smallholder agricultural income in Africa where a multiplier of 1.5 indicates that MK1.00 of extra income from production of agricultural tradables stimulates further income growth of MK0.5. These estimates are subject to error due to implicit assumptions in the estimation methods that the supply of non-tradables is elastic (leading to an overestimate of the multiplier), and due to failure to allow for (a) the dynamic effects of savings and investment (leading to an underestimate of the multiplier) and (b) wider equilibrium effects in the macro-economy. Allowing for the effects of supply inelasticity in production of non-tradables may reduce estimates of multipliers by around 10% in Asia and by 30% in Africa (Haggblade *et al.*, 1991), to give revised estimates of 1.1 to 1.4.

However more sophisticated partial and general equilibrium models can yield higher estimates of the returns to poor households from increased farm incomes for the less poor – though these cannot be expressed simply as multipliers. Using a partial equilibrium 'Informal Rural Economy' model reported in Dorward (2003) it is estimated that fertiliser subsidies which are used by less poor smallholders in maize and tobacco production in Malawi may raise the real incomes of poorer households (with very small land holdings) by a greater proportionate (although not absolute) amount, so that a 5% increase in income for direct subsidy beneficiaries may yield an extra 10% in income for poor households not actually using subsidized inputs (or an extra MK1.00 of income for a direct subsidy beneficiary – with double the average income - delivering an extra MK1.00 of income for poor households not using the inputs). Dorward et al (2004) use a CGE (computable general equilibrium) model to investigate the impacts of increased tobacco prices on different types of household in Malawi. They estimate a similar distribution of benefits, although with lower returns to poorer households. Thus with 2.5% and 5% increases in tobacco prices, a 1% increase in income for less poor farming households may yield an extra 0.8% in income for poor land-scarce or landless rural households. These results may be considered analogous to multipliers of 1.4 to 2. It should be noted that linkage benefits are dependent on significant numbers of FO members in a community gaining increases in incomes, and will be lower where numbers of FO members are small and in areas without FOs. Unfortunately many of the poor in Malawi are not found in areas where FOs are strongest.

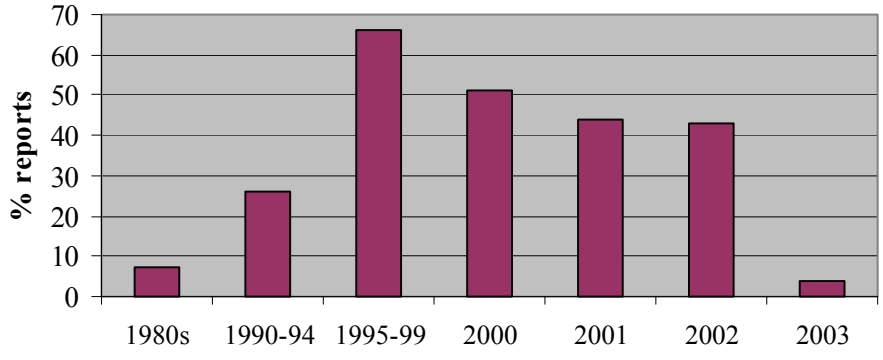
7 Disbanded farmer organisations

Respondents were asked if there were any FOs which had previously existed in the area but had subsequently ceased to operate. Table 7.1 shows the distribution of time over which these were disbanded[8]. Lower numbers of reported FO failures per year in the 90s may be due to difficulties with recall. The majority of disbanded FOs, (just over 50%) reported had focussed on maize growing, with a further 17% seen as functioning to provide access to inputs. Of all reported club failures, 74% were attributed to failure to repay credit (another indication of the large numbers of these FOs facilitating credit

[8] It should be noted that some double counting will be included in these figures as the same disbanded FOs will be reported by more than one respondent in an area (240 respondents reported a disbanded FO in their area.

delivery to their members), with 10% due to member disagreements, 4% to poor service provision by the club, 3% due to the change of party system and to withdrawal of partners, and 2 % due to club leaders misusing funds. These causes are of course difficult to disentangle.

Figure 7.1 Reports of disbanded FOs by year of disbanding



8 Farmers leaving Farmer Organisations

Roughly 5% of current FO members and 10% of non-members indicated that they had previously belonged to and now withdrawn from still active FOs in the area. There does not appear to be any pattern in the timing of their departure. The primary reasons cited for leaving are set out in table 8.1 – with 'personal reasons', poor services and weak leadership the main reasons cited.

Figure 8.1 % Respondents by year of leaving FO

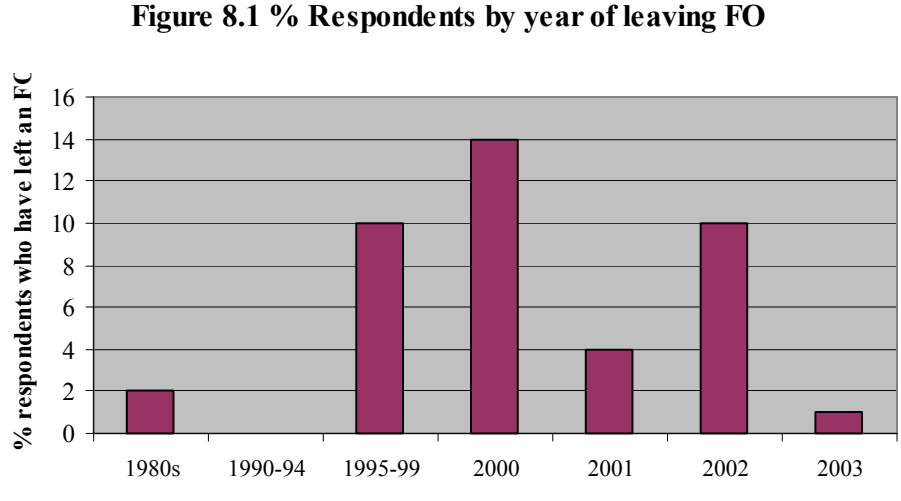


Table 8.1 Reasons for leaving FOs
(% of 42 respondents)

Personal reasons	29%
No /poor services	26%
Weak / poor leadership	21%
Failed to pay back loan	10%
Low crop prices	5%
Partners withdrew	5%
Other	5%

9 Conclusions

This report has presented the detailed findings of a survey of FO members served by different partner and support organizations in different parts of the country, and provided some comparison with non-members in the same localities, although the sample of non-members cannot be taken as representative of non-members in Malawi as a whole or in the localities studied.

FO members tend to have more productive assets (such as land and livestock), larger families, higher cropping incomes and more secure food supplies and livelihoods than sampled non-members. Differences in these variables were also observed between localities. The major livelihood farming constraint reported by both members and non-members (but particularly by non-members) was difficulty in obtaining input credit. The major source of reported stress was food insecurity, but chronic and acute sickness and bereavement were also causes of significant stress for some households.

Supporting their more intensive cropping activities and higher crop incomes, FO members make more use of formal input suppliers, have better access to seasonal input credit, and make more use of formal sources of technical advice. These features are common across localities and across FOs with different external partners (NASFAM, ADDs, SCFT and NGOs) apart from differences in crop emphasis.

There is remarkable similarity across the different types of FO in terms of the main activities and services they are perceived to supply, and in assessment of their performance, contribution and leadership. Farmers join FOs to gain improved access to input credit and inputs, markets, and technical advice. In return they have to make time and financial contributions to the FO. Most members and sampled non-members do not consider these to be a particular barrier to themselves or to new members joining FOs – but as noted earlier the sample of non-members does not include sufficient representation of poorer people. It is also noted that 5% of current members and 10% of current non-members indicated that they had previously been FO members and had left a club. The most common reasons for leaving an FO were personal reasons, poor FO leadership or services, and failure to repay a loan. A large number of respondents also reported that they knew of failed FOs in their areas, and non-repayment of credit was attributed to be the dominant cause of their failure in over 70% of these reports.

Three types of benefits from FOs are identified: direct benefits to members, direct benefits to non-members and indirect benefits to non-members. FO members recognize benefits from their FO membership in terms of better production, access to inputs, market access, livelihoods and food security and are generally in favour of expanding membership to spread these benefits more widely. Some members and non-members also note that non-members can gain direct benefits from an FO even without joining it – by getting access to markets and technical advice and in some case seed trough members. Not considered in the survey but of potentially greater importance to poorer non-members are the indirect benefits to be gained from any stimuls to the economy from FO activities. These are very difficult to estimate, but it appears, from a variety of sources, that even where the relatively less poor are the direct beneficiaries of services that increase their farming income, this can provide almost equivalent proportionate increases to poorer people in the community, through the operation of labour and food markets.

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Annex 1: Sample design for NASFAM Market Area Committees (MACs) and Clubs

AMC	Region	Total		Sample		Crops									Credit from		
		MACs	clubs	MACs	Clubs	Tobacco	Cotton	Soya	Paprika	Chillies	P Peas	Beans	Gnuts	Sorghum	MRFC	MUSSCO	NB
South Mzimba	N	26	342	2	5	Y		Y	Y			Y			Y	Y	
Kasungu	C	60	765	2	6	Y		Y	Y				Y		Y		Y
Mchinji	C	49	808	2	6			Y					Y				
Balaka Cotton	S	28	190	1	3	Y	Y							Y			
Balaka Chillies	S	5	35	1	1					Y							
Namwera	S	38	252	2	4	Y			Y		Y				Y		
TOTAL		206	2392	10	25												
North		21%	25%		20%												
Centre		44%	50%		48%												
South		35%	25%		32%												
National		100%	100%		100%												