



INNOVATION LAB FOR FOOD SECURITY POLICY New Alliance Policy Acceleration Support: Malawi Project (NAPAS:Malawi)

The National Agriculture Policy in Malawi: Farmers on the Move, from Subsistence to Commercialization

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From subsistence farming to commercial farming

Background

In 2015–16 the Ministry of Agriculture, Irrigation and Water Development (MoAIWD) developed the National Agriculture Policy (NAP) to define and guide the vision for transforming the agricultural sector in Malawi over the next five years. This was one of the three key enabling policies that needed to be put in place (under the New Alliance for Food Security and Nutrition that Malawi signed on to in December 2013) and it was achieved with great success with technical support of the USAID/Malawi-funded New Alliance Policy Acceleration Support (NAPAS: Malawi) Project.

The focus of the NAP is to transform the agriculture sector in Malawi by moving subsistence farmers into commercial farming. Since Malawi attained independence in 1964, agriculture has remained the mainstay of the country's economy, contributing about 30 percent of Gross Domestic Product (GDP) and generating over 80 percent of national export earnings. Seventy percent of the agricultural GDP

is estimated to come from smallholder farmers, who are primarily subsistence farmers. The sector employs 64.1 percent of the country's workforce and also contributes to national and household food and nutrition security.

Recognizing the importance of agriculture, the government has allocated more than 10 percent of its annual national budget to agriculture in the past decade. However, agricultural GDP growth has averaged 3.4 percent per year in the past decade (2006–16), instead of the CAADP recommended target of 6 percent per year, partly due to the lack of a coherent policy to guide the sector. Furthermore, agricultural growth in Malawi has been volatile over the years, suggesting structural weaknesses and a lack of resilience in the sector. The food crises induced by erratic rainfall in 1992, 1994, 2002, 2004, 2012, 2015 and 2016 demonstrate the vulnerability of the sector to weather-related shocks as shown in Figure 1 below.

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Figure 1. Annual Growth Rate of Agricultural Value Added in Malawi (1968 – 2016). Source: World Development Indicators (07/12/2017)

The National Agriculture Policy Development Process

The process of developing the NAP involved eleven nationwide consultations involving 842 men and women (22 percent women) at district and national levels. Over 50 focus group discussions were conducted in February and March of 2015 with: farmers and farmer organisations; government staff including subject matter specialists, members of parliament, councillors, traditional authorities and chiefs; Non-Governmental Organisations and civil society; the private sector; and the youth. The breakdown of the people consulted is shown in Figure2.

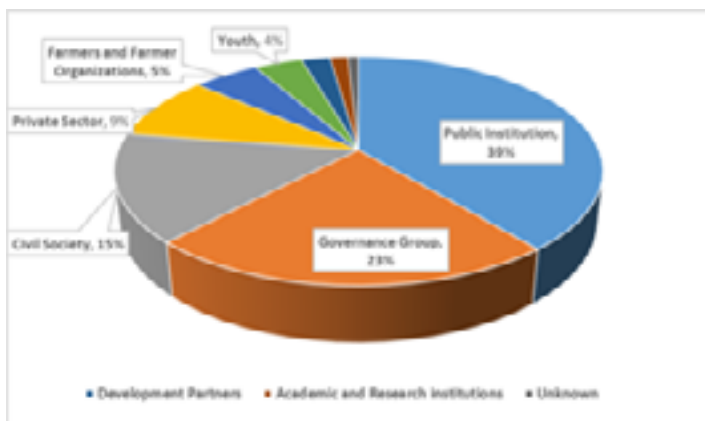


Figure 2. Percentages of Groups Consulted to Inform the Development of the National Agriculture Policy in Malawi

At national level, additional discussions were held with development partners (donors), academia, and research organizations. In addition, input to inform development of the NAP was solicited through national and local media outlets. This resulted in numerous organizations and individuals providing substantive independent contributions to the content of the NAP.

Content and Initial Impacts of the NAP

The NAP's goal is to achieve sustainable agricultural transformation that will result in significant growth of the agricultural sector, expanding incomes for farming households, improved food and nutrition security for all Malawians, and increased agricultural exports. Eight priority areas were identified and became the basis for development of the second generation National Agriculture Investment Plan (NAIP) for Malawi:

- 1) Sustainable Agricultural Production and Productivity
- 2) Sustainable Irrigation Development
- 3) Mechanisation of Agriculture
- 4) Agricultural Market Development, Agroprocessing and Value Addition
- 5) Food and Nutrition Security
- 6) Agricultural Risk Management
- 7) Empowerment of Youth, Women and Vulnerable Groups in Agriculture
- 8) Institutional Development, Coordination, and Capacity Strengthening.

Specific policy statements and strategies in each of the priority areas are available: [National Agriculture Policy Report](#). Also see the [IFPRI blog](#) which highlights the uniqueness of the policy document relative to the past, as this is the first National Agriculture Policy for Malawi that truly reflects the thinking of what stakeholders want to see happen in the agriculture sector. Due to the extensive consultative process in its development, many stakeholders are already rallying behind the NAP and speaking positively of its potential to transform the agriculture sector of Malawi. See for example, the [World Bank's commentary](#).

Indications of Initial Outcomes and Potential Impact from Development of the National Agriculture Policy

The Ministry of Agriculture developed its Agriculture Sector Performance Report for 2016/17 (ASPR 2016–17) to be a baseline for reporting progress on each of the NAP priorities and NAIP programmes. More than 500 million US dollars is already being spent or geared to be spent on implementing the NAP as shown in the table below. The total amount of donor funds disbursed in the 2016–17 period for the agriculture sector was US\$ 198 million (Agriculture Sector Performance Report for 2016–17).

Table: Some of the projects and budgets supporting implementation of the NAP

Project Name	Project Amount	NAP priorities being addressed by project
World Bank Agriculture Commercialization Project	US \$ 95 million	Activities under the proposed project will also contribute to National Agriculture Policy outcomes—increased agricultural production, productivity, diversification, (NAP priority area 1) and marketed surplus (NAP priority area 4); increased use of irrigation and mechanization (NAP priority areas 2 and 3); increased agro processing and value addition (NAP priority area 4); increased access by producers and consumers to well functioning markets (NAP priority area 4); and increased engagement by women, youth, and vulnerable groups in agricultural policy, processes, and programs (NAP priority area 7)... the Project contributes to the higher level objectives of poverty reduction and improved resilience of production (NAP priority area 6) (Project PAD, Report No: PAD2264 page 13). ... Component 1 will finance: (a) organization and capacity building of Producer Organizations (POs) (NAP priority area 8). (PAD page 14). ... In line with the National Nutrition Plan, the Project supports interventions contributing to nutrition, such as diversified crop and livestock production (including irrigated production); the identification, validation, and dissemination of nutrient dense crop and livestock technologies; increased attention to storing and processing foods to retain their nutritional quality; and promoting awareness of nutrition issues at the household level. (NAP priority area 5) PAD page 22 ... the design of AGCOM reflects priorities of the National Agriculture Policy (PAD page 23).
EU/FAO/GIZ Kulima Project	Euro 111 million (US \$131 m)	The three components of the project are: (1) increase in agricultural productivity and diversification through mainly upscaling climate-smart agriculture technologies (NAP priority area 1); (2) agriculture value chain and business development (NAP priority area 4); (3) support to improved governance in the agriculture sector. ... Improved access to finance, also to support irrigation in value chain approach (NAP priority area 2), and targeted technical assistance in the form of capacity building and business advice will be used to implement the 2nd component (NAP priority area 8). Smallholder farmers who wish to move towards farming as a business will be integrated into value chains (NAP priority area 4). Cooperatives and agricultural enterprises will be enabled to contribute to growth in the sector (NAP priority area 8), whereas support to value addition will increase off-farm employment opportunities for youth, women and other vulnerable groups (NAP priority area 7) (Page 2 of Annex 1 of the Action Document for Kulima). ...KULIMA will promote climate resilient agronomic practices and soil fertility management among smallholder farmers ...KULIMA will support mobilization of funds and cooperation with the European Investment Bank (EIB) to develop mechanisms mitigating the risks for the banks providing loans to agricultural projects (NAP priority area 6). (Page 6 of Annex 1 of the Action Document for Kulima).
USAID Agriculture Diversification Project	~ US\$ 47 million	Addressing NAP priority areas 1, 2, 4, 5 and 8
USAID Malawi Improved Seed Systems and Technologies	US\$ 21 million	Addressing NAP priority area 1
USAID Strengthening Agriculture and Nutrition Extension (SANE) Project	US\$ 15 million	Addressing NAP priority areas 1 and 8
MoAIWD 2017/18 Budget	MK 151,634 million (US\$ 207 m)	MK 151,634 million (US\$ 207 m)
Total investment	US\$ 543 million	

Note: The table shows only a subset of the development partner projects in the sector. The ASPR 2016/17 shows a full list of the development partner projects in the sector.

The World Bank's Agriculture Commercialization Project, the EU/FAO/GIZ Kulima Project, the African Development Bank's Youth Entrepreneurship and Irrigation Project and the USAID's Agriculture Diversification Project were all guided by the NAP in their development. Others such as the SANE project are re-designing their implementation based on the NAP guidance. The Ministry of Agriculture also designed their 2016–17 budget based on the NAP and was allocated slightly above 150 million kwacha from Ministry of Finance, which is about 12 percent of the national budget.

The NAP aims to double agriculture production/productivity, among other ten objectives. This is an ambitious but achievable target for the policy, and it will require substantial increases in agricultural investments, particularly in agricultural extension, irrigation, development of effective farmer organizations, and continued provision of access to necessary high-quality inputs (in a more balanced manner than was previously done with over-emphasis on the Farm Input Subsidy Program). This is already happening as the MoAIWD has realized the importance of investing in irrigation as well rather than putting all its resources into the FISP, as indicated in the national budget allocations of 2017–18 fiscal year. To attain the goal of the NAP, the MoAIWD must demonstrate effective leadership and undertake necessary institutional reforms for effective implementation of the NAP. The necessity of effective implementation of the policy has been highlighted by several prominent stakeholders, including the US Ambassador to Malawi, Mrs. Virginia Palmer and the Chief Executive Officer of Farmers Union of Malawi, Mr. Prince Kapondamgaga (*The Nation*, Dec 1, 2016).

High Political Will for the National Agriculture Policy

The NAP has received the highest political commitment from His Excellency, the State President, Professor Peter Arthur Mutharika, who launched the Policy in November 2017 to an audience of more than 1,000 stakeholders. The President also signed the preface page of the document, indicating strong political commitment to implementation of the NAP.

Implementation and Monitoring of the National Agriculture Policy

The Ministry of Agriculture, Irrigation and Water Development will lead the implementation of the NAP. However, implementation will involve a wide range of stakeholders including other Government Ministries, Departments and Agencies, Development Partners (donors), the private sector, farmers and farmer organizations, civil society (Non-Governmental Organisations), academia and researchers, consumers and the public in general. The implementation plan of the

Policy, detailed in Annex 1 of the policy document, spells out specific roles for different actors in the sector. In addition, the policy document has a monitoring and evaluation framework detailed in Annex 2 of the Policy document, which will track progress and achievements over time. Some of the objectives to be monitored are:

- (i) Consistently attain an agriculture gross domestic product growth rate of at least 6 percent per year.
- (ii) Double the contribution of legume and oilseed crops to overall agricultural production and to Malawi's agricultural exports, particularly in processed form.
- (iii) Increase yields of major crops by 100 percent.
- (iv) Increase sustainably the production and consumption of livestock, aquaculture and capture fisheries by 50 percent.
- (v) Increase by 60 percent the number of new agricultural technologies under development and being demonstrated to farmers.
- (vi) Increase women's and youth's access to, ownership of, and control of productive agricultural assets by 50 percent.

The Ministry of Agriculture, Irrigation and Water Development is also in the final stages of completing a National Agricultural Investment Plan (the NAIP) in line with the CAADP framework and Malabo declaration. The NAIP has been developed to be the implementation plan for the National Agriculture Policy.

Conclusion

The National Agriculture Policy (NAP) of Malawi defines the vision for transformation of the agricultural sector over the next five years and provides a clear guide for achieving this vision. Already there are initial outcomes arising from development of the policy, for instance several new projects that were designed either during the same period of policy formulation or just after the launch of the NAP have incorporated elements of the priority areas of the NAP. In addition, the Government of Malawi through its national budgeting process has used the NAP priority areas and associated strategies to formulate work plans and activities for investment and interventions in the agriculture sector. The National Agricultural Investment Plan was developed specifically to be the implementation plan for the NAP. It is important to highlight that the impact of the policy will likely be much larger than what can currently be seen taking place, as it will likely influence future investment decisions in agriculture as well as subsector policy reforms in the next few years. If the NAP is to be truly transformative as envisioned, a major focus on implementation will be needed as already highlighted by several stakeholders. As such, future efforts in the agriculture sector of Malawi should rally behind the NAP and ensure effective implementation in a well-coordinated manner.