

Are Medium-Scale Farms Driving Agricultural Transformation in Africa?

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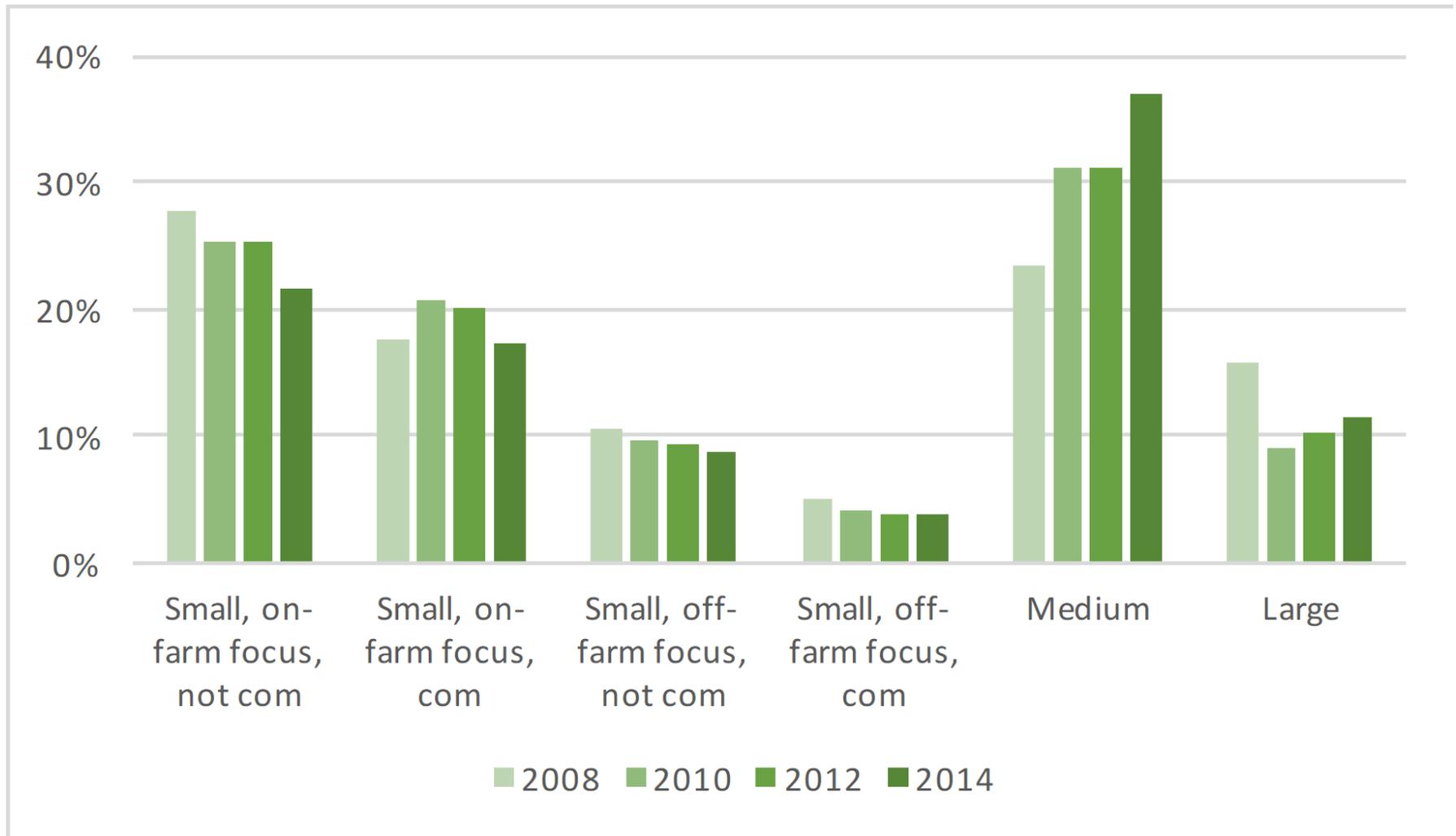
Work Stream 3 Study
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Medium-scale farms accounting for rising share of cultivated land, Tanzania



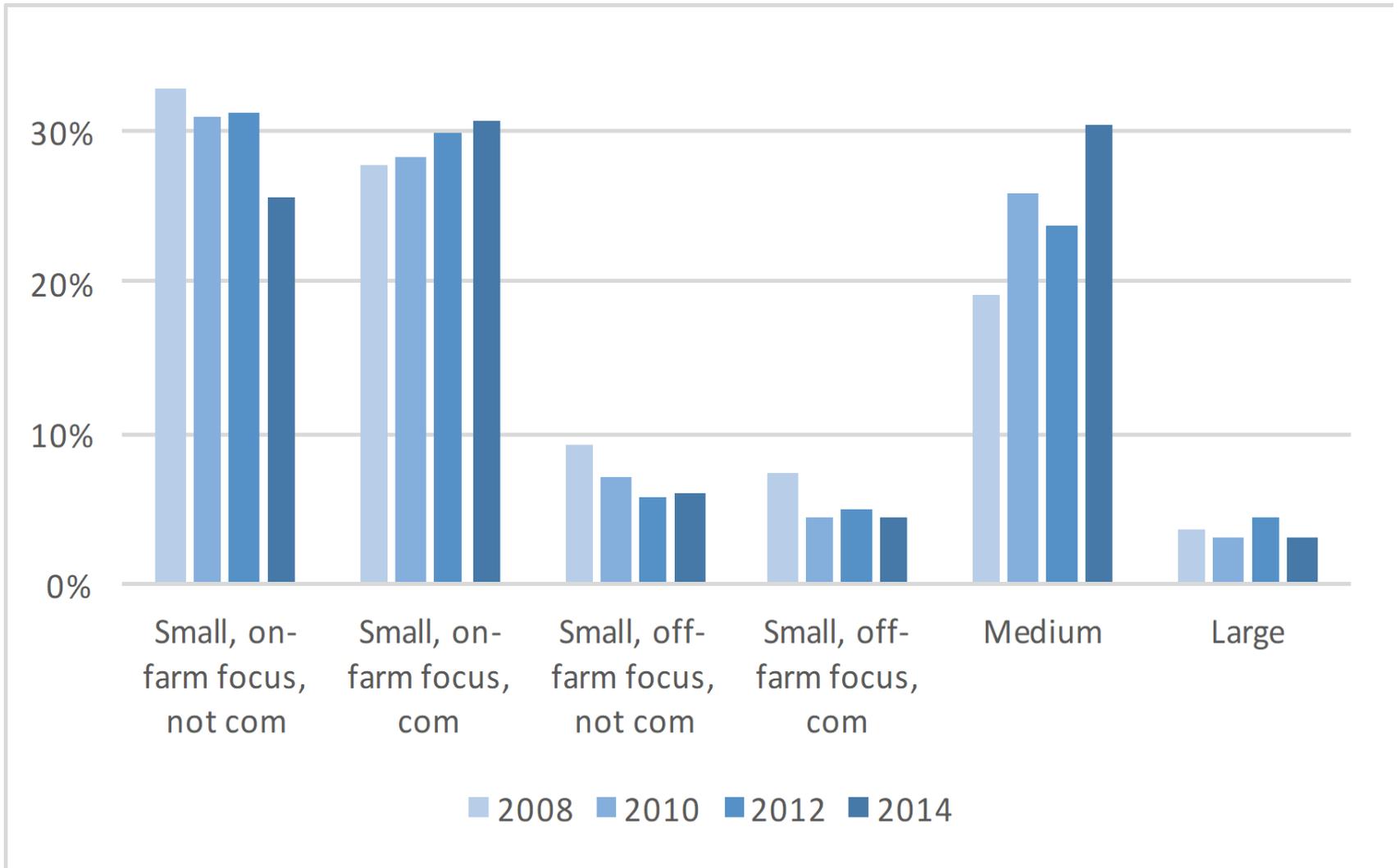
Changes in farm structure in Zimbabwe

	PRE 2000				POST 2000			
Category (ha)	No of farms	%	Land owned (ha)	%	No of farms	%	Land owned (ha)	%
0-5	613	3.1	2,369	0.0	376	0.2	1,373.60	0.0
5--10	278	1.4	2,078	0.0	8321	5.0	174,862.77	1.6
10--20	591	2.9	8,605	0.1	80340	48.5	2,517,254.90	23.7
20--100	6019	30.0	406,020	2.8	61960	37.4	3,906,140.41	36.8
Over 100	12567	62.6	14,263,069	97.1	14636	8.8	4,020,228.55	37.9
Total	20068	100.0	14,682,142	100.0	165633	100.0	10,619,860.22	100.0

Changes in farm structure in Zimbabwe

Category (ha)	GROWTH (farms)	Growth (area)
0-5	-38.66	-42.02
5--10	2,893.17	8,313.87
10--20	13,493.91	29,151.93
20--100	929.41	862.06
Over 100	16.46	-71.81
Total	725.36	-27.67

Medium-scale farms accounting for rising share of agricultural production value, Tanzania



Share (%) of total value of national marketed crop output: Ghana

Survey year	Farm size category					All farms
	0-5 ha	5-10 ha	10-20 ha	20-100 ha	> 100 ha	
1992	74.8	12.5	6.8	5.1	0.7	100
1998	65.4	16.9	9.5	8.1	0.1	100
2006	59.5	15.5	10.4	10.2	4.5	100
2013	56.6	22.9	13.1	7.0	0.4	100

Source: Ghana Living Standards Surveys

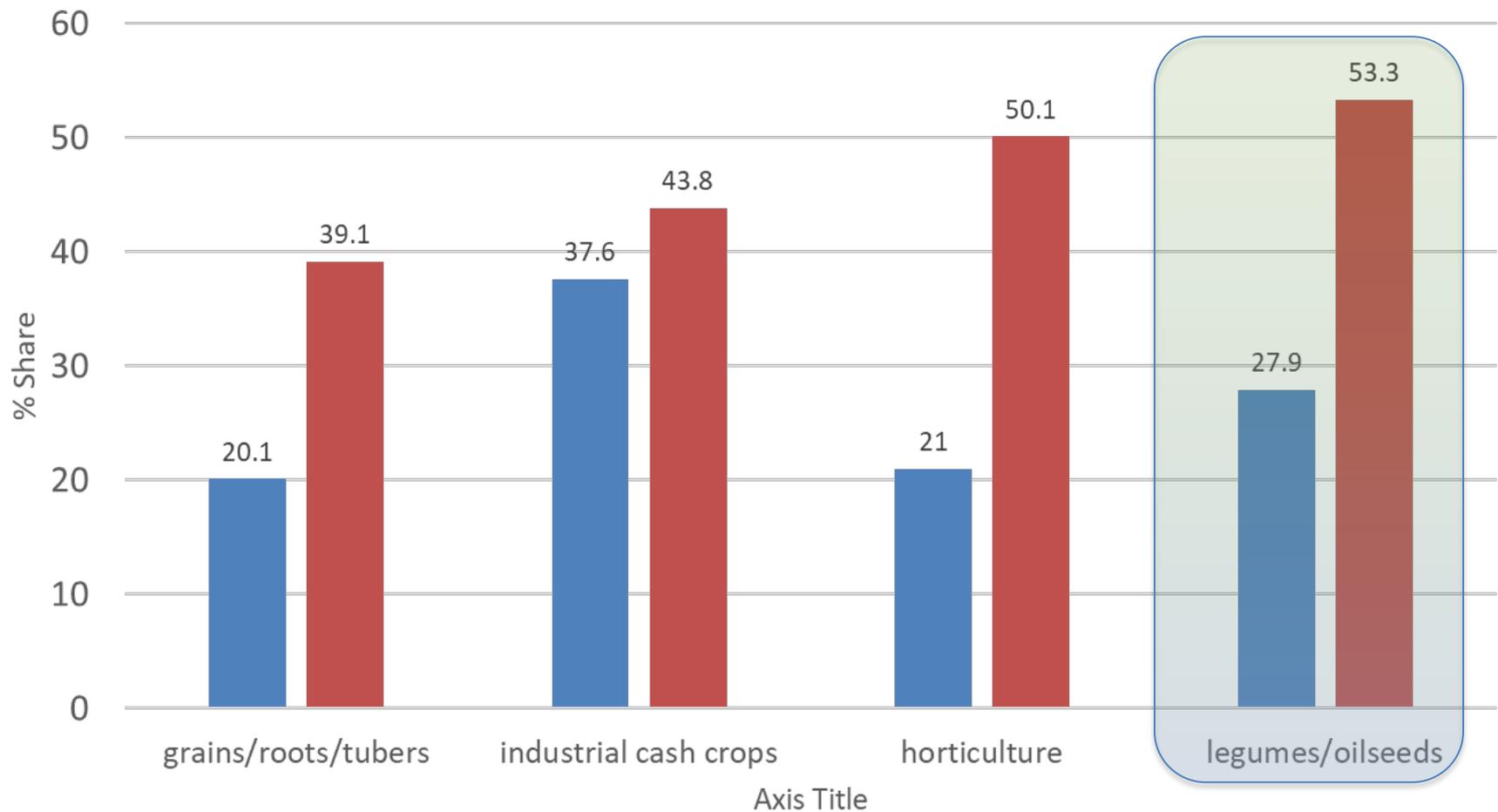
Share (%) of total value of national marketed crop output by medium-scale farms is growing: Ghana

Survey year	Farm size category					All farms
	0-5 ha	5-10 ha	10-20 ha	20-100 ha	> 100 ha	
1992	74.8	12.5	6.8	5.1	0.7	100
1998	65.4	16.9	9.3	8.1	0.1	100
2006	59.5	15.5	10.4	10.2	4.5	100
2013	56.6	22.9	13.1	7.0	0.4	100

Annotations: A bracket under the 1992 row highlights the 0-5 ha, 5-10 ha, 10-20 ha, and 20-100 ha categories, with a red '75%' label below the 0-5 ha cell. Another bracket under the 2013 row highlights the 5-10 ha, 10-20 ha, and 20-100 ha categories, with a red '43%' label below the 10-20 ha cell.

Source: Ghana Living Standards Surveys

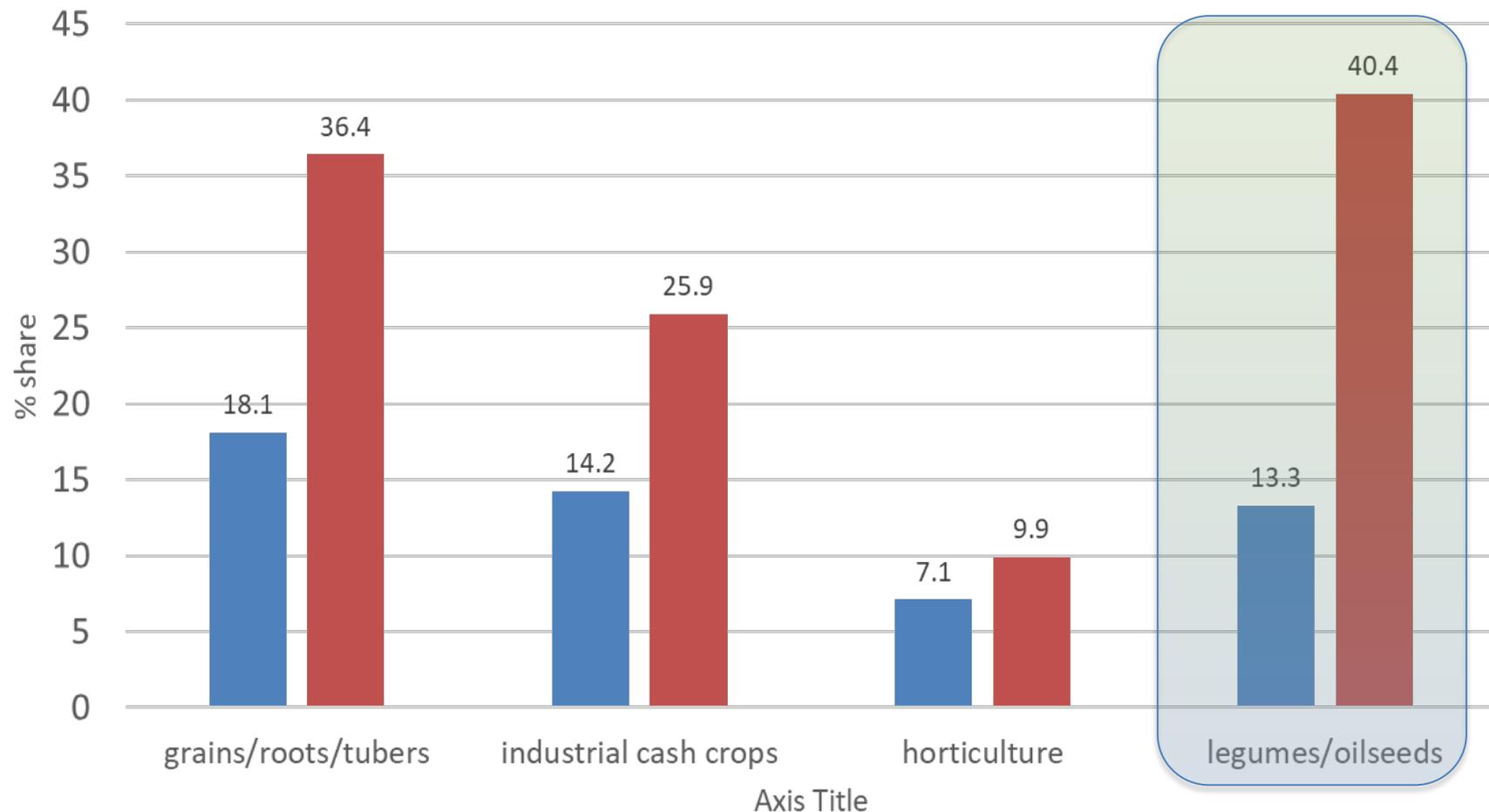
Medium-scale (5-100 ha) farms accounting for rising share of national value marketed crop output, Ghana



Source: Ghana Living Standards Surveys

■ 1992 ■ 2013

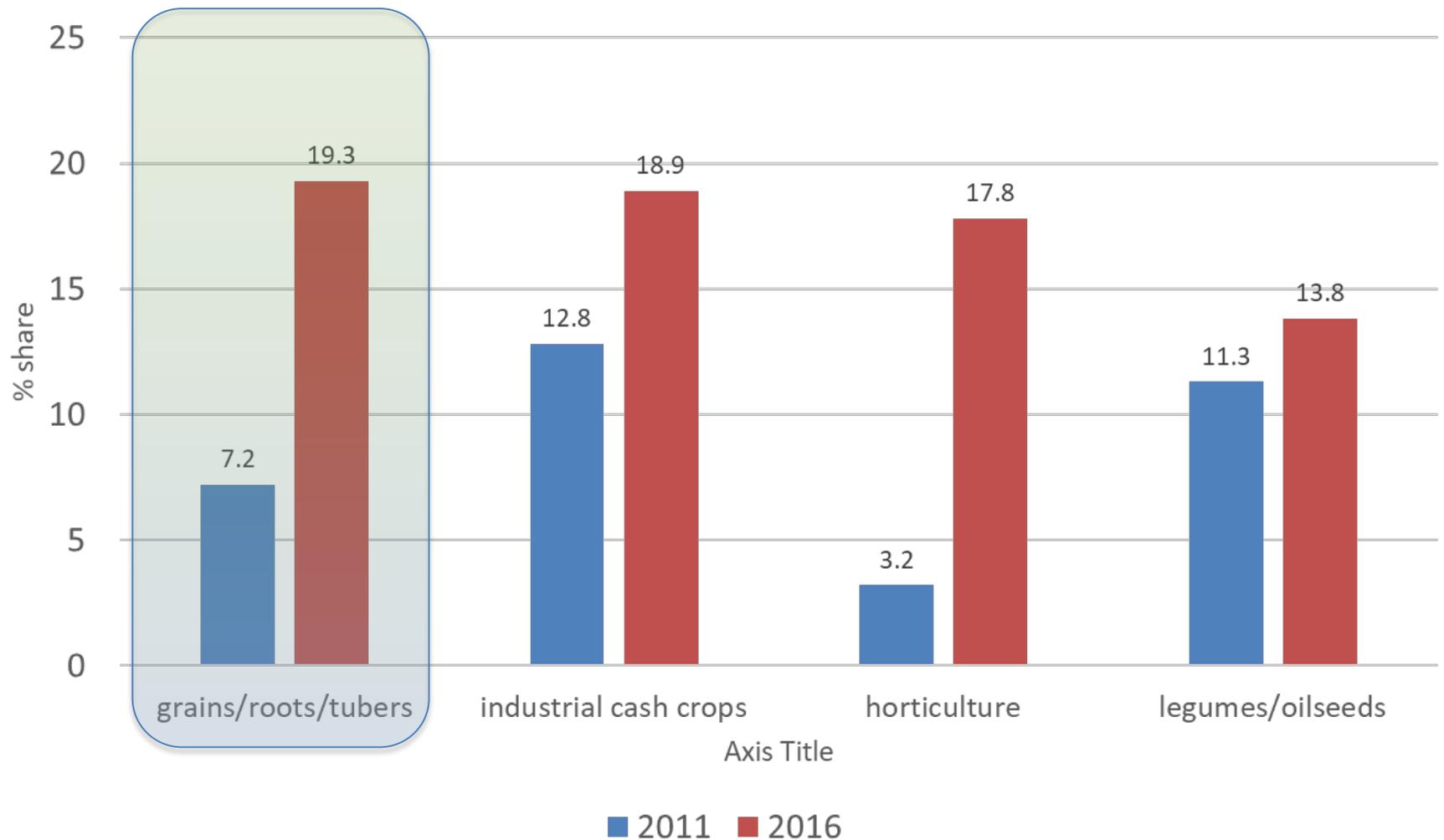
Medium-scale (5-100 ha) share of national value marketed crop output, Tanzania



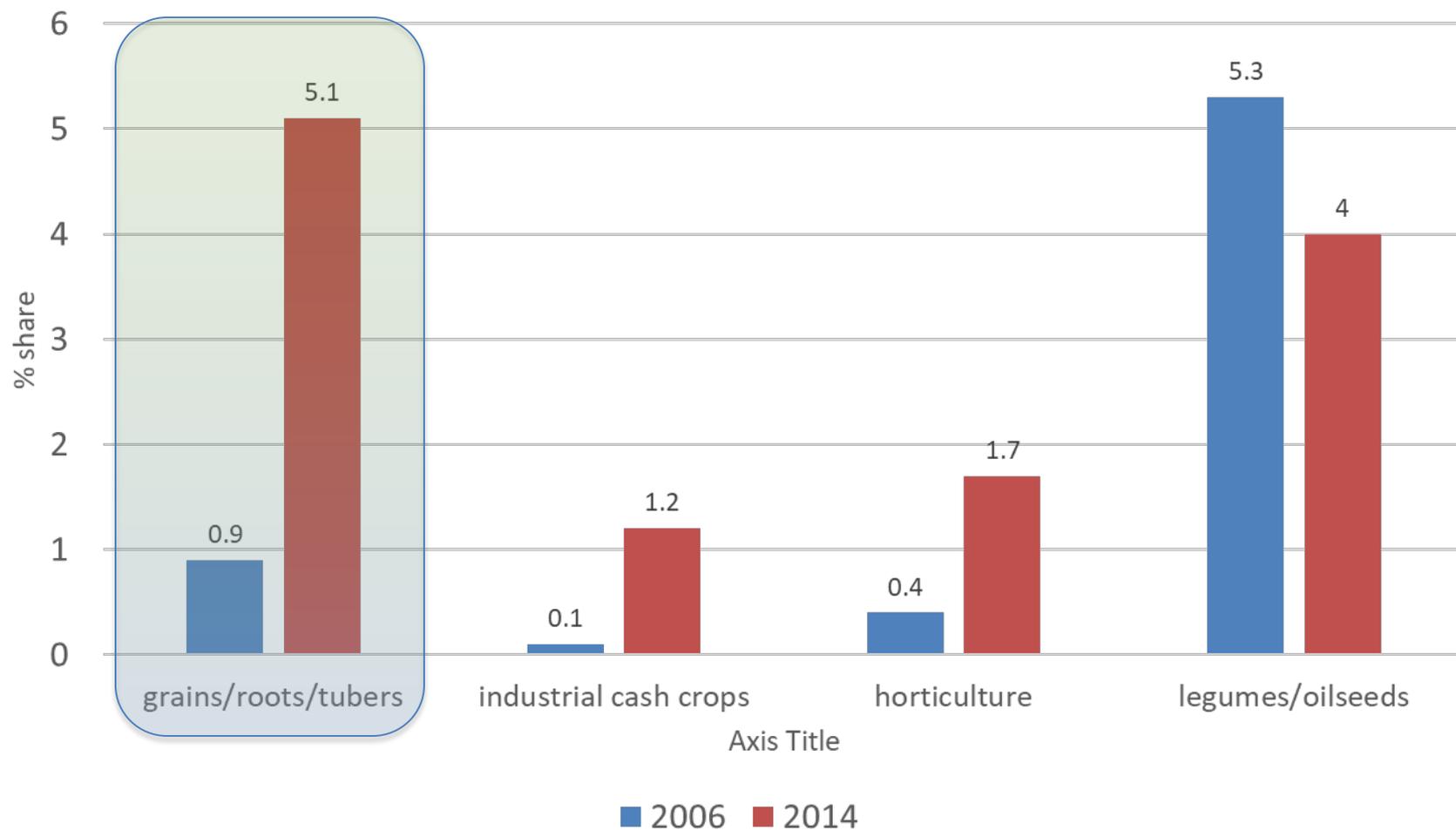
Source: Tanzania NPS/LSMS Surveys

■ 2008 ■ 2014

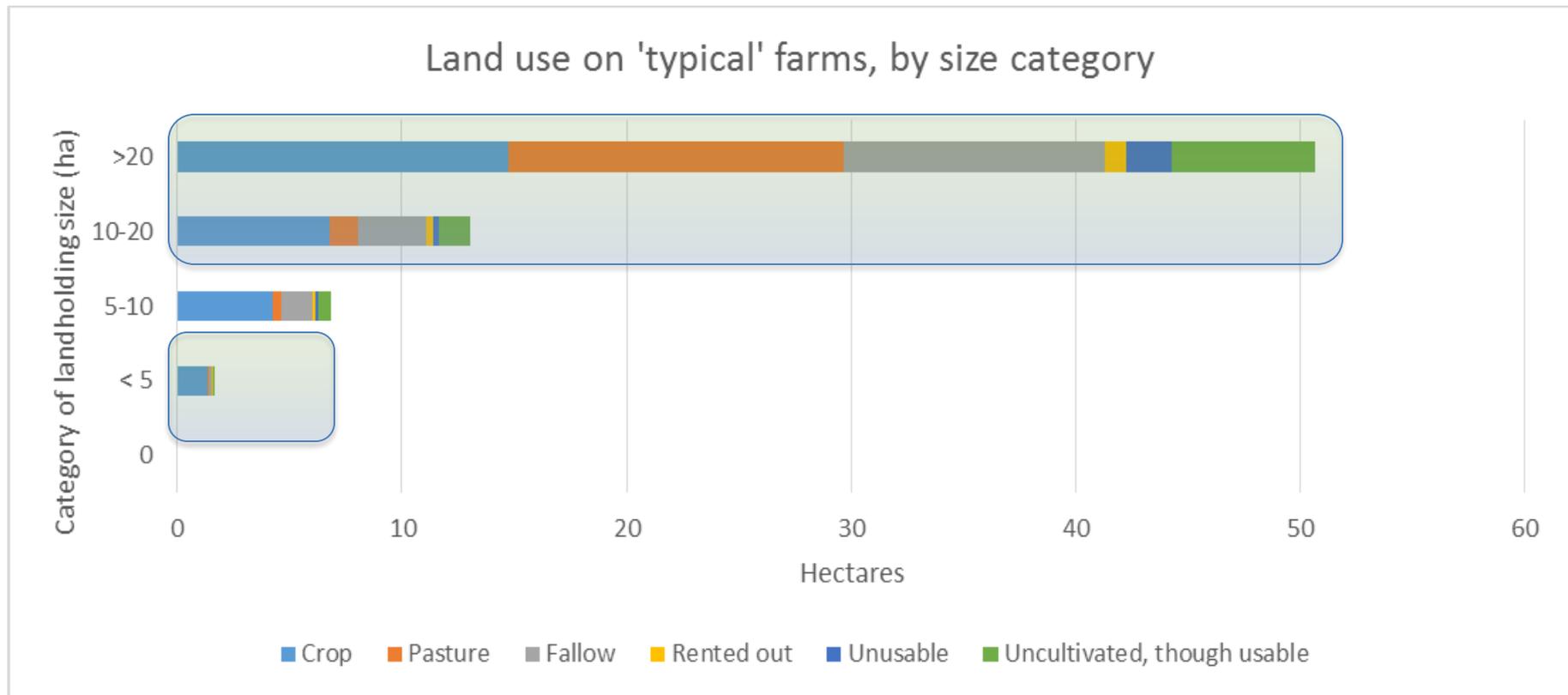
Medium-scale (5-100 ha) share of national value marketed crop output, Nigeria



Medium-scale (5-100 ha) share of national value marketed crop output, Rwanda



Land allocation by farm size category, Tanzania, 2014



Source: Agricultural Sample Census, 2014

Typology of MS farmers



Category 1: Formerly small-scale farmers who successfully expanded their operations –

- Now typically operate 5-20 ha
- About 5-40%% of total MS farms



Category 2: Rural people who were primarily in non-farm jobs, then invested in farming

- Much more likely to be related to rural power structures – chiefs, state govt, religious leaders
- Now typically operating 5-20 ha
- About 25%-40% of MS farms



Category 3: People formerly/currently reside in urban areas

- Formerly or currently salaried jobs, public sector
- Many retirees in this category
- Typically operating 20-50 ha
- Often “telephone farmers”
- 40%-65% of total MS farms

Summary:

1. Important changes in the **distribution** of farm sizes
 - Decline in share of farmland under 5 hectare farms
 - Rising share of farmland under 5-100 hectare farms
 - Not happening everywhere! Mainly in areas with potential for expansion of farmland, not in areas already facing acute land scarcity (e.g., Rwanda, Uganda, Kenya)
2. Rising vibrancy of **land sales markets**, based on willingness to pay criteria – usually with the support of national governments
3. **Rising inequality** of farmland distribution
4. **Rising land prices** driven by relatively wealthy people seeking to acquire land
 - not just for farming (speculation, housing/properties too)
 - Rise of new towns converting formerly remote land into valued property, raising demand for land

Consequences of changing farm size distributions

1. Some positive synergies with nearby smallholder hh's:
 - Rising use of **mechanization** rental markets
 - Pulling in **commodity traders** and **input distributors**
2. Some negative impacts on nearby smallholders:
 - Greater **inequality** of farmland distribution
 - Some **displacement**
 - Rising land **prices** → straining youth access to land
3. MS farms are driving **crop area expansion in some countries**, but not in land constrained areas

Next Steps

- Synthesis report and policy brief planned for March 2019:
 - Tentative title: *Are Medium-Scale Farms Driving Agricultural Transformation in Africa? or “Are Medium-Scale Farms Driving Agricultural Transformation or Hastening Smallholders Exit from Farming, or Both?”*
- Possible presentation at:
 - World Bank, April 2019
 - African Development Bank headquarters, April 2019
 - AAEE meetings, Abuja, September 2019
- Publication: Forthcoming in *Agricultural Economics*, November 2019

Thank You

