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# Five misconceptions distorting food policy in Malawi

## A joint NPC-IFPRI position paper

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Among countries not affected by conflict, Malawi has the lowest GDP per capita, and its economy has been shrinking for much of the past five years (Engel et al., 2026). Chronic hunger remains widespread: each year, millions of Malawians depend on emergency food distributions for survival.[1] 38 percent of children under the age of five are stunted, reflecting long-term nutritional deprivation (NSO, 2024).

To some extent, the country has been unlucky with external shocks. Since the COVID-19 pandemic in 2020, Malawi has endured a series of other shocks: global food and fertilizer price spikes triggered by the war in Ukraine (De Weerdt and Duchoslav, 2022), climate disasters such as cyclones and droughts (Anderson et al., 2023, Upton et al., 2024), and a sudden reduction in development assistance from the United States (Cockx et al., 2025). These shocks have undoubtedly strained an already fragile economy.

But shocks alone do not explain Malawi's persistent difficulties. Policy choices have stifled growth and amplified vulnerabilities. We believe that many of these choices are shaped by a set of persistent misconceptions, which distort decision-making and undermine progress.

This position paper seeks to identify and challenge those misconceptions. We focus only on misconceptions that are widespread, lead to seriously distorted policy choices, and are genuinely held by well-intentioned actors committed to inclusive development in Malawi. These actors are our primary audience, as those who do not share that underlying objective are unlikely to be swayed. Our list is selective rather than exhaustive, concentrating on misconceptions that we believe to be particularly pervasive and influential in the food systems policy space, and for which strong, evidence-based arguments exist.

We hope that this paper will serve both as a benchmark for identifying and questioning existing policies and legislation that rest on these flawed assumptions, and as a mirror against which future proposals can be assessed.

[1] Between October 2025 and March 2026 an estimated 4 million Malawians, or 22 percent of the population were experiencing high acute levels of food insecurity. Updated numbers are available at https://www.ipcinfo.org/ipc-country-analysis/en/?country=MWI

1

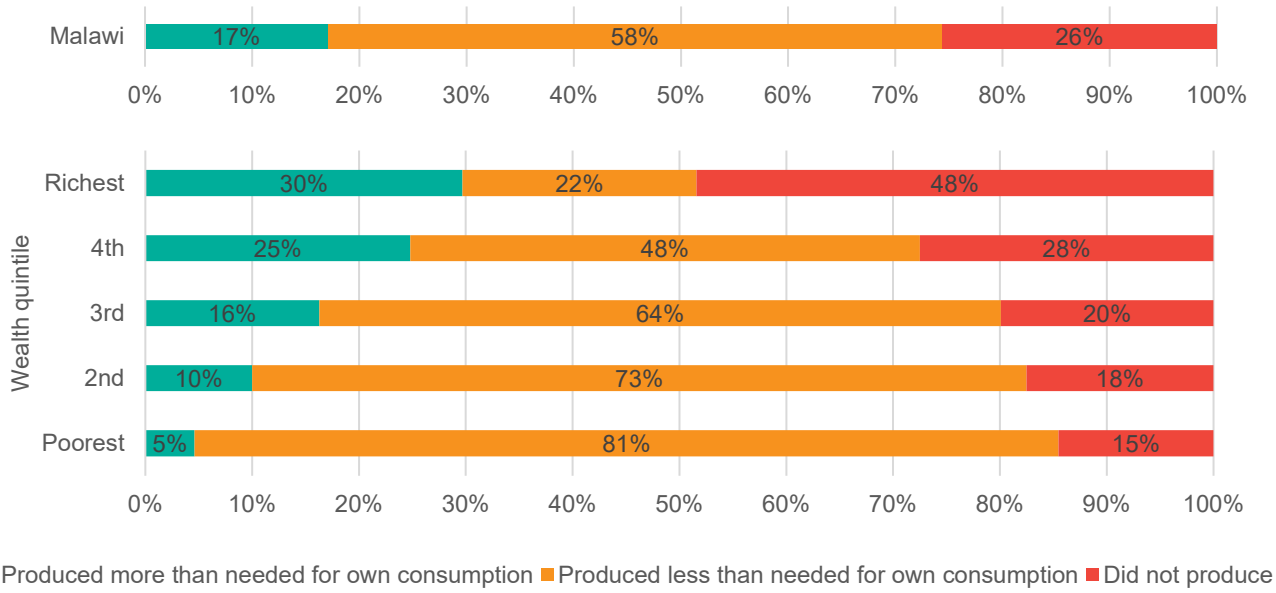
**MISCONCEPTION** | Most Malawians can grow maize to feed their households. Therefore, the best way to achieve food security is to empower people to grow their own maize, for example through subsidized inputs.

**CORRECTION** | Even in years with good rains and subsidized fertilizer only 17 percent of farmers produce enough maize to feed their households. And each year between two million and five million Malawians require food assistance, typically free maize.

Food security requires stable access to sufficient, nutritious foods that meet all dietary needs, not just maize. In Malawi, policy efforts have largely focused on ensuring calorific sufficiency by subsidizing fertilizer for smallholders to grow maize. Yet, even in years with good rains and subsidized fertilizer, most smallholder farmers in Malawi do not produce enough maize to be self-sufficient. Figure 1, based on household-level data from the fifth round (2019/20) of the Integrated Household Survey (IHS5), shows that while 75 percent of households grow maize, only 17 percent produce enough to meet their current consumption levels. This pattern is strongly correlated with wealth. Poorer households are more likely to grow maize but less likely to achieve self-sufficiency. Among the poorest quintile, 85 percent grow maize, yet only 5 percent produce enough for their own consumption. In contrast, among the wealthiest quintile, just 52 percent grow maize, but most of these households grow enough to be self-sufficient.

Over the past 10 years, on average 18 percent of Malawi's population have relied on food handouts for several months before the harvest. It is unlikely that Malawi's food security goals, whether limited to fulfilling energy requirements or expanded to include stable access to nutritious foods, will be met by subsidizing smallholders to produce maize for home consumption. More generally, policies and investments premised on the assumption that most Malawian farmers are subsistence producers rest on a mischaracterization of rural livelihoods and can lead to seriously distorted policy choices.

## Figure 1: Household self-sufficiency in maize production in 2019/20




**Source:** Benson et al. (2024). Own calculations using data from the fifth (2019/20) round of the Malawi Integrated Household Survey.
**Notes:** Self-sufficiency threshold set at 2.8 kg per person per week, which is the average per capita maize consumption reported by IHS5 sample households. Observations: 11,434 households.

2

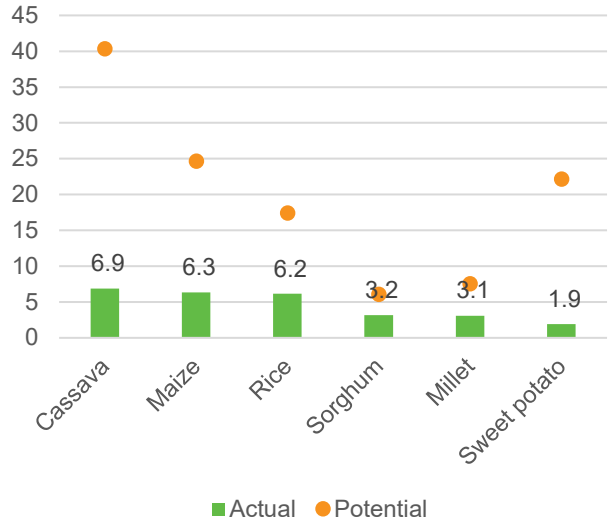
**MISCONCEPTION** | People's choice to grow and eat maize is a matter of mindset. If households were more willing to eat other staple foods, hunger would disappear.

**CORRECTION** | Economic imperatives drive low-income, land-constrained Malawians to prioritize maize. Only by addressing these underlying economic incentives can policy effectively reduce maize dominance.

Maize dominates Malawi's fields and plates. Advocates of greater crop and diet variety tend to appeal to a mindset change to achieve diversification away from maize. Such calls overlook a much more important driver of maize dominance in the food system: economic incentives. To see this, note first that many Malawians are unable to fulfill basic energy requirements in their diets, so they will prioritize calories in food choices. Now consider the economic realities faced by a typical Malawian household, with low income and small landholdings.

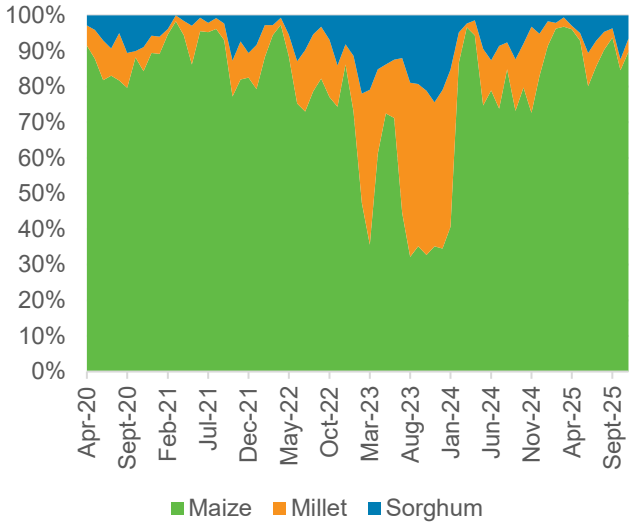
Figure 2 shows that our farmer can obtain most calories per hectare from growing cassava or maize (though even then, calorie needs are barely satisfied given average landholdings). While cassava has a slightly superior energy yield, its short shelf life puts it at a disadvantage, making maize the logical staple of choice. If farmers could be lifted to achieve potential yields, cassava would deliver far more calories per hectare, but its shelf-life limitations would remain a problem. What if our farmer buys staple foods instead of growing them? Figure 3 shows the share of markets across the country in which each crop was the cheapest source of energy at a given time. Maize was the cheapest source of calories in 79 percent of cases. Cassava, rice, or sweet potato were never the cheapest. Growing or purchasing maize currently offers our low-income, land-constrained farmer the most (conveniently consumed) calories per hectare and per kwacha.

**Figure 2: Energy yield, million kcal/ha**




**Source:** Cockx et al. (2026).

**Figure 3: Source of cheapest energy**




**Source:** Cockx et al. (2026)

Reducing Malawi's dependence on maize requires shifting economic incentives that favor it. Without changes to the food system that alter these underlying economic realities, attempts to change mindsets are unlikely to work. This means refocusing agricultural research and extension toward viable alternatives, removing the maize-bias embedded in input subsidy and food security policies, and creating more predictable markets that encourage investment in more profitable value chains.

3

**MISCONCEPTION** | Because most Malawians farm, making sure they farm more productively is the best investment to reduce rural poverty and food insecurity.

**CORRECTION** | Farming traditional crops at higher productivity will produce meaningfully higher income streams only for a minority of farmers with larger landholdings.

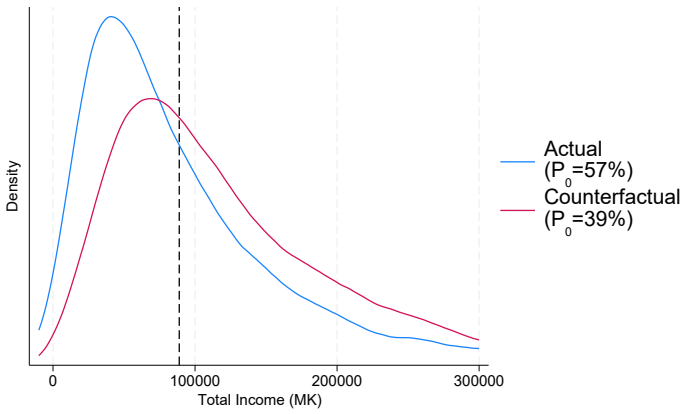
Many development policies and interventions in Malawi focus on raising the productivity of smallholder farmers. But even if this goal were achieved to its fullest extent, the economic gains for many farming households would remain modest. Imagine that, overnight, all Malawian farmers reached the agronomic productivity frontier. Agriculturally, this would be a remarkable achievement. Economically, however, the result is sobering.

Figure 4 illustrates why. The blue line shows the current distribution of smallholder incomes. The red line shows a hypothetical distribution, assuming much higher yields at the productivity frontier (assuming farmers maintain their current crop mix and counting only direct income effects). The dashed vertical line marks Malawi's national poverty line.

Even under these optimistic assumptions, the higher-productivity scenario still results in a 39 percent poverty rate. How can yields rise yet poverty remain so pervasive? The answer is straightforward: most farmers cultivate plots that are too small to translate higher yields into meaningful absolute income gains. Only a minority with larger landholdings would experience transformative increases.

For most smallholders, agronomic excellence in traditional crops is therefore not a pathway out of poverty. Many would need to shift to higher value crops or livestock, and many will ultimately need to diversify into off-farm activities or exit primary agriculture altogether. This is why investments outside primary crop production are so critical.

### Figure 4: direct income effects of higher yields




**Source:** Adapted from Benson and De Weerdt (2023)

Off-farm opportunities do exist within Malawi's wider agri-food system. The agri-food system, as a whole, contributes $5.6 billion (48.1%) to Malawi's GDP (Diao et al., 2025). Of this, primary agriculture accounts for $3.4 billion and employs 4.7 million workers, while the off-farm segments (transport, trade, food processing, input supply and the like) contribute $2.2 billion with only 1 million workers. Off-farm workers are thus roughly 2.5 times more productive and, therefore, earn higher incomes.

The implication for policy is clear: while improving farm productivity remains important, expanding opportunities beyond the farm is essential for broad-based wealth creation in Malawi.

4

**MISCONCEPTION** | Markets are not to be trusted, so the government should have – and use at will – wide-ranging discretionary powers to intervene through price regulation, the imposition of import or export bans, and other regulatory measures.

**CORRECTION** | Unpredictable government interventions, even if well-intended create uncertainty, discourage investment and lead smallholder farmers to focus on subsistence farming instead of growing crops to sell in volatile markets. Limiting government interventions to transparent, rule-based mechanisms would help build trust, encourage market participation, and foster a more resilient food system.

Malawi's legislation grants individual ministers broad authority to intervene in agricultural markets. Under the Control of Goods Act, the minister responsible for trade may restrict the imports or exports of goods, while the minister responsible for agriculture may decide who can obtain a license for domestic trade in crops, set minimum and maximum prices, define export procedures, and take almost any action deemed desirable for the purposes of regulation (under the Agriculture General Purposes Act) or to promote the development of a specific crop (under the Special Crops Act).

The law does not describe the conditions under which ministerial powers should be exercised, nor does it provide safeguards against them or compensation mechanisms for individuals adversely affected by their exercise. This opens the door for legislative texts to be applied – and policy decisions to be made – in an arbitrary manner. As explained in Duchoslav et al. (2022), even if policy decisions are consistent, the mere legal possibility of arbitrariness undermines the confidence of farmers, traders, and processors in how predictably agricultural markets operate in Malawi, which in turn restricts production, trade, and investment.

Weak transparency is compounded by insufficient capacity to implement policies and enforce the laws – a sentiment that is expressed by stakeholders throughout the agricultural sector. If laws are written to state one thing, but the lack of government capacity results in a different outcome, there is little farmers and traders can do to properly predict what actions government will take. Combined with an opaque decision-making process, this is a recipe for confusion and volatility.

A good example of how such capacity constraints adversely affect the application of agricultural laws is the setting of minimum farmgate prices, which are routinely ignored not only by traders but also by farmers who would rather sell their produce cheaply than not at all (Baulch and Jolex, 2021).

The lack of government capacity and the consequent inability to enforce the law can normalize inconsistent application of rules and regulations, which in turn facilitates preferential treatment that stems from political motivations or corrupt business practices.

Instead of unpredictable and often unenforceable market interventions, there is a need for a clear decision-making and accountability structure as to when and how government will act. The conditions and context within which action will be taken should be specific and binding to make policy predictable. As a guiding principle, government should play a facilitative role in agricultural value chains, rather than one of a principal actor and implementer. For example, rather than mandating minimum farmgate prices which it is unable to enforce, government could rebalance information asymmetries between farmers and traders by disseminating information on prevailing market prices by means of radio and other agricultural extension services.

5

**MISCONCEPTION** | Fixing the kwacha-to-dollar exchange rate below its market-clearing level keeps food prices low in Malawi.

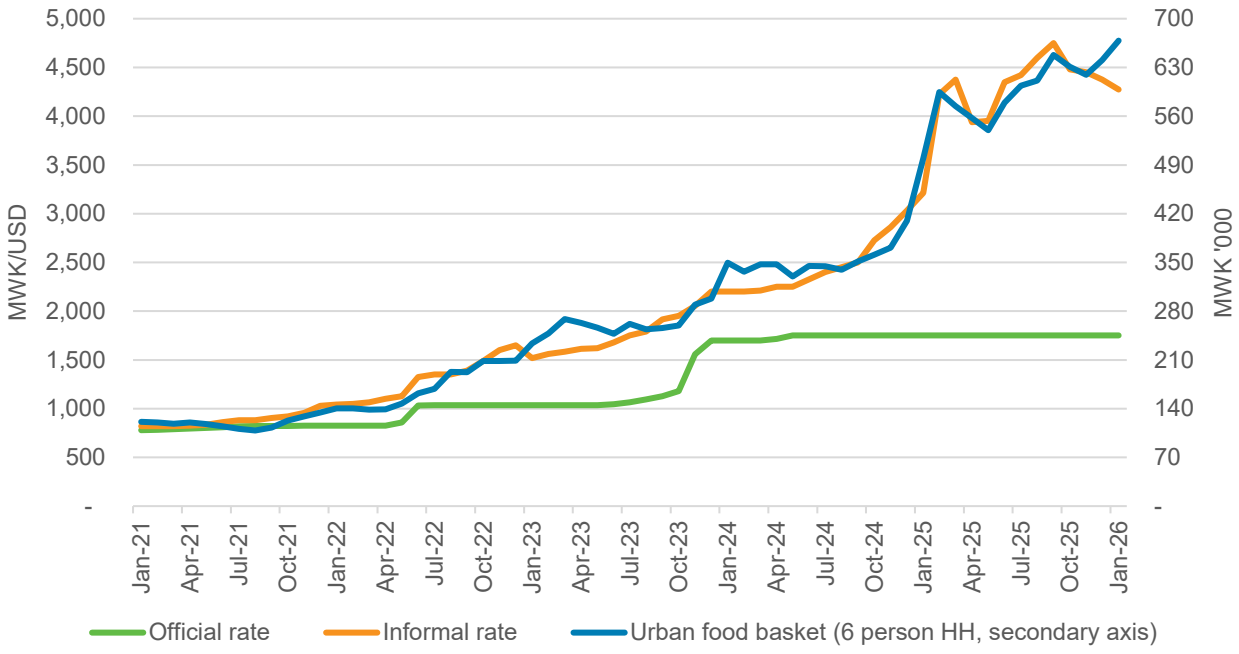
**CORRECTION** | At the time of writing the official exchange rate has become largely irrelevant to the real economy. Food prices now track the parallel market rate, not the official one. Meanwhile, the current exchange regime restricts access to foreign currency and pushes exports into informality, causing serious economic harm without delivering price stability.

Figure 5 shows that fixing the official kwacha-to-dollar exchange rate at an artificially low level no longer holds down food prices in Malawi. Urban food basket prices closely track the parallel rate, while the official rate shows no meaningful relation to consumer prices. This makes it difficult to argue that maintaining an artificially low official rate provides any meaningful price stability.

At the same time, the exchange rate regime imposes heavy costs on the wider economy. By restricting access to foreign currency, it effectively shifts much of Malawi's trade and payment system into informality. Formal exporters are undercut by informal competitors able to transact at much more favorable market exchange rates. Malawians traveling abroad face severe limits on the use of their bank cards. Firms struggle to obtain or use foreign exchange, making it difficult to import intermediate goods, machinery, and spare parts. Foreign investors are deterred by fears that most of the foreign exchange they bring in will be forcibly converted to Malawi kwacha.

Moving to a market-clearing exchange rate is not a silver bullet, but it is an essential element of a broader reform package that must also include sound fiscal and monetary policies and a regulatory environment that builds trust. Crucially, the transition must be toward a genuinely flexible and transparent exchange rate regime – one that is credible, rules-based, backed by adequate reserves, and maintained consistently over time. Without such transition, Malawi will continue to bear the economic costs of dual exchange markets without any of the intended price-stabilizing benefits.

## Figure 4: Food prices follow the informal exchange rate




**Source:** Changaya et al. (2026).

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