MALAWI

IFPRI

WORKING PAPER 48

SEPTEMBER 2026

Estate agriculture in Malawi and its economic interplay with the smallholder sector

A historical perspective

Todd Benson, Lara Cockx

CONTENTS

FIGURES

BOXES

EXECUTIVE SUMMARY

While smallholder farming remains at the center of agricultural transformation efforts in Malawi, there is renewed interest in the potential role of larger-scale farming in accelerating agricultural and rural development. Larger-scale farms —“estates”— have, however, been part of Malawi’s agricultural landscape for more than 140 years. Agriculture has long been described as bifurcated with a large, subsistence-oriented smallholder sector alongside a smaller estate sector that historically supplied most agricultural exports. This study reviews the evolution of estate agriculture and examines how estates and smallholders have interacted economically, drawing lessons for efforts to promote broad and sustainable agricultural and rural economic development centered around larger-scale farming.

Despite its importance to Malawi’s international trade, the performance of the estate sector has been mixed at best. When estates thrived, it was rarely because they were more productive or efficient than smallholders, but rather because the government instituted regulations or took other actions that hamstrung the productive potential of smallholders in some way.

Most leasehold estates were created in the 1980s, when quotas to sell burley tobacco were reserved for estates of at least twelve hectares, leaving a sector made up of a large mass of small leaseholds and a few genuinely large estates. Other than tenure status and scale, there have been few meaningful distinctions in how the small estates and smallholders operate. With the liberalization of smallholder agricultural marketing in the 1990s, the incentive to maintain these leases disappeared and most appear to have expired, though some of the older and larger estates retain valid leaseholds. The legal status of the lapsed leaseholds is also unclear. It is uncertain whether the land can be re-leased, remains with the former leaseholders, or reverts to customary tenure. This ambiguity, combined with longstanding concerns about idle estate land, is problematic in the context of increasing agricultural land pressure.

Estates have frequently partnered with smallholders. The visiting tenant system for tobacco production evolved into an outgrower scheme, and the Integrated Production System that now organizes most of Malawi's tobacco production has a similar architecture albeit with different actors. Other outgrower schemes emerged, at least in part, because of heavy government involvement. Those that endured did so largely because of the nature of the crops at the center. Tea and sugarcane must be processed rapidly using specialized, capital-intensive equipment to realize their economic value. Beyond such partnerships, evidence that estates generate benefits for the smallholders around them is thin. Historically many estates have been too poorly managed, and unprofitable to generate economic spillovers.

The historical record therefore provides limited support for assuming that large-scale farms in Malawi are inherently more productive or efficient than smallholders, or that their presence will automatically benefit surrounding smallholders. Partnerships between large farms and smallholders are mutually beneficial and commercially successful only in specific contexts and for specific products and where larger-scale farms do indirectly affect smallholder operations and technology adoption and input use in particular, the benefits have often been modest.

None of this argues against large farms in Malawi. Especially for crops suited to mechanized farming and those requiring irrigation, large-scale production may be more efficient. Estates and other large-scale agrifood enterprises are also better positioned than smallholders to engage in processing and to access higher-value markets. As resources are scarce, however, the question is not only whether larger-scale farming can contribute to the development of commercial agriculture, but whether its contribution justifies diverting resources away from smallholder-oriented and other programs.

INTRODUCTION

While smallholder farming remains at the center of agricultural transformation efforts in Malawi, the limited impact of smallholder-centered agricultural development strategies in the last decades has resulted in a renewed interest in the potential role of larger-scale farming in accelerating sustainable agricultural and rural economic development. Under Malawi 2063, the national development vision, large commercial farms were, for example, singled out in the vision as a powerful vehicle for modernizing and strengthening the commercialization of Malawian agriculture (GoM 2020).

Malawi, however, has a long history of larger-scale farming. These larger farms—"estates"—have been a significant component of agriculture for over 140 years. In consequence, the agriculture sector in Malawi has long been characterized as bifurcated, with a large, subsistence-oriented smallholder sector farming land held under customary tenure, while the smaller commercially oriented estate sector operates on land under freehold or leasehold and has historically supplied most of Malawi's agricultural exports.

This study presents a historical overview of the evolution of estate agriculture in Malawi, documenting its development through the colonial era and post-independence periods. It identifies economic interactions of estates and smallholders and assesses how the policy context for those interactions changed over time. In examining the economic interplay between estate agriculture and the smallholder sector in Malawi, the study also evaluates the extent to which the results of these interactions were beneficial or adverse for both estate owners and smallholders. The aim is to draw lessons from the historical record for designing programs centered around larger-scale farms that are more effective in fostering broad and sustainable rural economic development in Malawi.

Our review reveals that despite the importance of the agricultural estate sector to international trade and, consequently, the economic performance of Malawi, historically, these larger-scale farms have not achieved consistent economic success. More importantly, a consistent theme is that periods of satisfactory performance of the estate sector often were in part built on policies or practices that were unfair to or otherwise harmed smallholder producers. Both in the colonial era and since independence, estate owners have been among the political elite of Malawi and have been able to influence public investments and the design of laws and regulations in ways that work to their own benefit and, frequently, to the disadvantage of smallholders.

The mixed performance of estates affects the benefits that neighboring smallholders can derive from them, be it directly through partnerships such as outgrower arrangements and employment creation or indirectly through spillovers of knowledge and technologies, infrastructure development, or increased demand for goods and services. Many estates—particularly those that produce tobacco—are too undercapitalized, poorly managed, and unprofitable to provide neighboring smallholders with economic benefits. While available evidence suggests there are few negative spillovers from the establishment of estates near smallholders, it does not show positive economic spillovers from those estates to neighboring smallholders either. Some estate–smallholder partnerships through outgrower schemes have endured, primarily those where the crop at the center of the arrangement requires rapid, specialized, and capital-intensive processing. At the same time, the reach of these schemes has been narrow, and their success also to some extent appears to hinge on effective intermediary organizations supporting outgrower operations.

The paper proceeds as follows. We first describe the estate sector and trace its development across five periods from the 1880s to the present. We then examine the estate–smallholder partnerships that have arisen across tobacco, tea, sugar, and macadamia in more detail, before considering how estates affect neighboring smallholders even in the absence of any direct links between them. A final section concludes and draws out some implications for policy.

ESTATES IN MALAWI

The land tenure regime under which agricultural land is held by the farmer has been the principal criterion used to define the estate and smallholder sectors of Malawian agriculture. Estates operate on land that is held primarily under long-term leasehold terms. The earliest European-owned estates formed before British colonial rule started in 1891 were certified early in the colonial period to be held under freehold terms (McCracken 2012, 77). However, thereafter, rights to land for almost all new estates have been granted on a leasehold basis that requires annual payments to the government over potentially renewable lease periods, most commonly of 21 years but extending up to 99 years.[1] Such land is considered to be private, rather than public, land.

In contrast, smallholders produce crops on land that is held under customary tenure terms. Customary land is a category of public land. Local traditional authorities oversee the granting of use rights to arable land to households by virtue of their being members of the community. While customary rights to land are relatively secure, being protected by societal norms and expectations, no documentation has traditionally been associated with these rights. Consequently, land under customary tenure does not have transferable use or ownership rights that could be used as collateral to obtain credit, in contrast to land held under leasehold.[2] However, customary tenure systems are highly valued in rural communities since they play important safety net functions by supporting access to land for all community members and forming the foundation for local social solidarity (Chirwa, Kydd and Dorward 2006).

We provide a brief overview of the historical development of estates in Malawi below, with the main elements of the historical evolution of the estate sector summarized in Box 1 and an overview of the major crops produced on the estates in Box 2. The subsequent subsections examine the evolution of estates during distinct periods in much greater detail.

The first estates were created by European settlers in the Shire Highlands starting around 1881, before colonial rule began. Almost all estates during the colonial period were operated by Europeans. In the early colonial period, the Shire Highlands remained the center of estate agriculture. However, much of the land of the large estates there remained underutilized due to the challenges in mobilizing labor. Tea plantations were created on freehold land alienated by Europeans in Mulanje and Thyolo districts in the southern Shire Highlands starting before 1900. In the 1930s, the center of commercial agriculture in Malawi shifted to the Central region as tobacco production quickly expanded on new European-owned leasehold estates created there that used a new method to mobilize labor—the “visiting tenant” sharecropping system.

---

[1] Land in Malawi is vested in perpetuity in the Republic of Malawi under the Land Act, 2016. This law also states that freehold land shall not be allocated or granted to any person (RoM 2016a). While no new freehold land grants will be made, the freehold tenure on parcels obtained historically in that way will continue to be respected.

[2] Under the Land Act, 2016, the customary estate category of private land was established alongside existing leasehold and freehold tenure categories. This category seeks to formalize and document customary land rights, guarantee tenure security, and, as collateral, boost credit availability to facilitate investment. Further laws concerning customary estates were laid out in the Customary Land Act, 2016 (RoM 2016b). However, the registration as private land under customary estate tenure involves fees for surveying, mapping, and titling, which may be unaffordable for many smallholders (Bae 2021). Moreover, it remains unclear whether agricultural finance providers are accepting customary estate certificates as collateral (Harawa and Chilonga 2025).

Box 1: Historical evolution of the estate sector in Malawi

1880s	European settlers obtained from Yao chiefs in the Shire Highlands rights to large land tracts. By the mid-1890s, over 325,000 hectares had been alienated.
1892 to 1894	The colonial government of the British Central Africa Protectorate, established in 1891, certified land claims for 59 European settlers as freehold landholdings.
Colonial period (to 1964)	About 150 additional European-owned leasehold estates were created early in the colonial period, averaging around 120 hectares. Tea production established on estates in Mulanje and Thyolo. In total, the number of estate owners fluctuated—399 in 1921, 290 in 1931, and 171 in 1945. By 1957, estates covered 320,000 hectares of freehold and 80,000 hectares of leasehold land. Tobacco became the dominant estate crop, with the center of production shifting from the Shire Highlands to the Central region in the 1930s.
1964 to late 1970s	Around 1970, the government of Malawi began providing support to the estate sector. Many political leaders and other elites obtained leaseholds on existing estates. Most tobacco estates came to be operated by Malawians. Two large sugar plantations were established in 1965 and 1976.
Late 1970s to mid-1980s	Between 1981 and 1983, many midsize tobacco estates (30–100 ha) were created primarily from customary land. The government facilitated local political leaders, civil servants, and professionals to develop their own estates. Estates expanded beyond the Shire Highlands and the core tobacco zone of the Central region.
Mid-1980s to early 1990s	Mainly in the late 1980s, up to 50,000 small estates (12–30 ha) were created primarily to enable their operators to obtain quotas to sell burley tobacco. These quotas were only issued to registered leasehold estates with a minimum of 12 hectares.
Early 1990s to 2000	A moratorium was set on estate creation in 1993. This lasted for several years as a land policy reform process got underway. Most restrictions on who could sell tobacco were lifted in the mid-1990s. Smallholders came to dominate burley tobacco production.
Since 2000	Leasehold land records were digitized in 2016. Estate land was estimated at 1.4 million hectares. Over 70% of leaseholds on record had expired. With the liberalization of tobacco marketing, most incentives for farming land under leasehold tenure are gone. By 2014/15, smallholders produced about 89% of the tobacco, up from 13% in 1999/2000. A third sugar plantation started operations in Salima district in 2017.

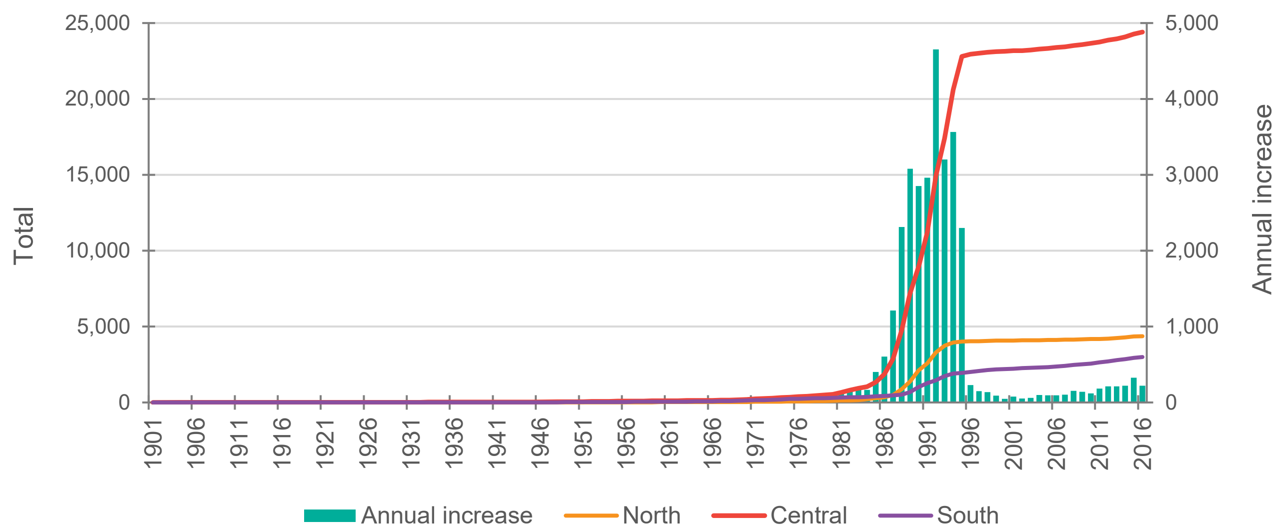
Source: Compiled by authors based primarily on Bolt and Green (2014), Pryor and Chipeta (1990), Mkandawire, Jaffee and Bertoli (1990), and Deininger and Xia (2017).

With independence in 1964, the government of independent Malawi under President Kamuzu Banda initially focused on developing smallholder agriculture. However, with poor smallholder sector performance, from about 1970, the government began providing increased support to estates. Initially, the beneficiaries of this policy shift were the political elites of the country, centered on and including Banda. These leaders obtained leaseholds on many of the existing large estates in the country. Initially, not many new estates were created. However, in the early 1980s, estate ownership expanded beyond the political elite to include local political functionaries, senior and mid-level civil servants, and middleclass professionals. This led to the creation of many mid-sized tobacco estates of between 30 and 100 hectares, primarily developed from land under customary tenure.

The principal driver in the expansion of the number of tobacco estates was a restriction on the sale of burley tobacco. Only registered estates that operated on a minimum of 12 hectares could obtain a quota to sell burley at the auction floors. Consequently, there was a strong incentive for smallholder farmers, particularly those with larger landholdings, to convert the customary land they farmed into estates. This boom in estate creation ended in the mid-1990s when smallholders were also allowed to produce burley. A moratorium was also placed on estate creation for several years to allow land policy reforms to get underway. Few new estates have been registered since the mid-1990s.

Figure 1 provides an overview of the evolution of the total number of and annual increase in registered leasehold agricultural estates, based on a 2016 review and digitization of 35,140 agricultural lease records held at the Ministry of Lands. A boom in agricultural estate registration in the Central region is seen between the late 1980s and mid-1990s. The total area registered under the leasehold agricultural estates digitized in 2016 amounts to 1.41 million hectares.[3] While different data sources confirm the same broad trends and patterns, there is considerable uncertainty over the size of the estate sector. Previous studies estimated the area under estates at 843,327 hectares in 1989 (Mkandawire, Jaffee and Bertoli 1990) and 1,148,000 hectares in 1993 (World Bank 1995).

Figure 1. Evolution in number of agricultural leasehold estates



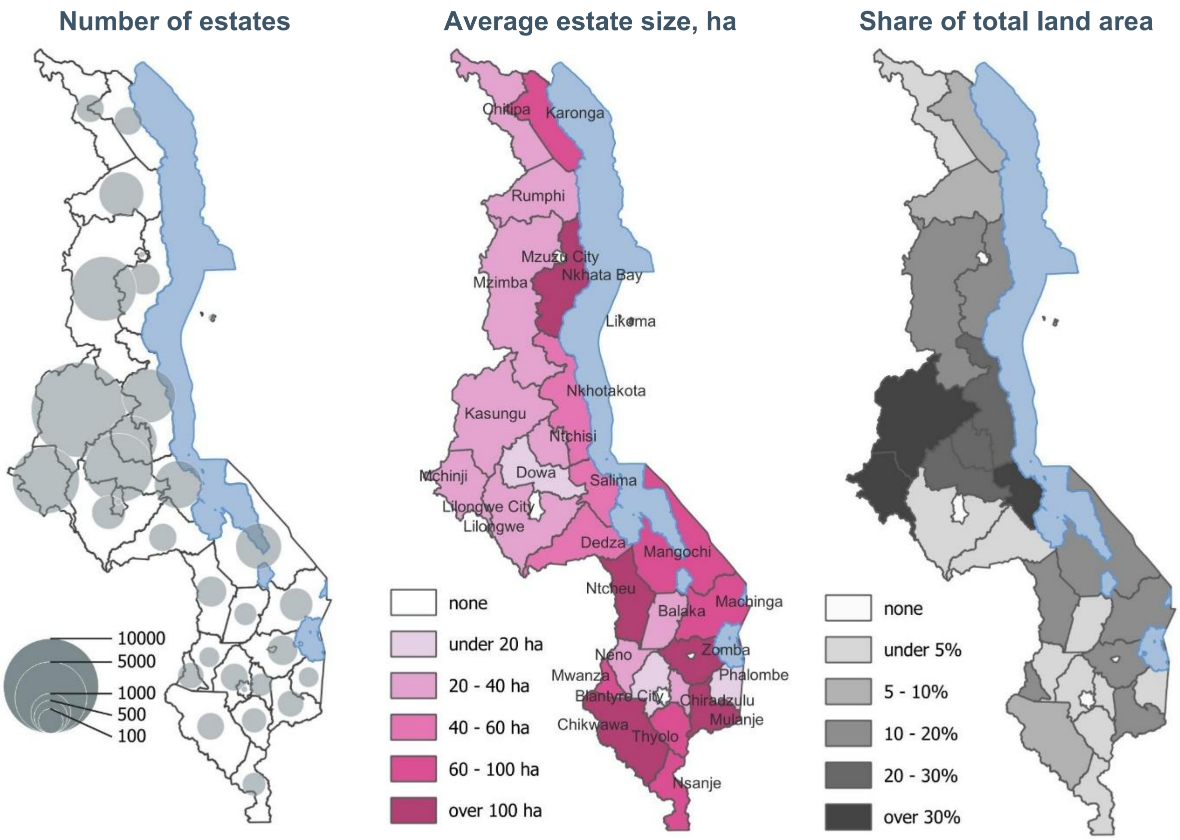
Source: Authors' compilation based on data on registered leasehold agricultural estates from the Ministry of Lands.
Note: Records without a starting date were excluded (9.6%).

The estate sector consists of a large mass of relatively small leaseholds, and a few genuinely large estates. The median area registered as an agricultural leasehold estate is only 15 hectares. Just 339 estates —the largest one percent, of which half predate 1983— hold 42 percent of all registered leasehold estate land. Notably, while according to the digitized information 91 percent of the dated leases had already expired in 2016, 46 percent of these largest estates with dated leases were still valid, and 147 will not yet have expired in 2026.

[3] Working from the same computerized records, Deininger and Xia (2017) report an identical number of leases and a marginally lower total area of 1.35 million hectares.

More than three-quarters (77 percent) of the digitized registered agricultural estates are in the Central region. The region also accounts for 64 percent of the registered area under estates. The estates there are, however, also the smallest, with an average area of only 35 hectares compared to 42 hectares nationally. Figure 2 shows the number, average size, and share of land under agricultural leasehold estates by district. Kasungu district is a clear outlier, leading on both the total number of registered estates and the share of total land area under leasehold estates. This district alone holds 27 percent of registered estates and 24 percent of the national area under estates. Here as well, the size of the estates is modest, with a median area of 15 hectares. The South's few estates are larger, with half covering an area greater than 18 hectares.

Figure 2. Leasehold agricultural estates by district



Source: Authors' compilation based on data on registered leasehold agricultural estates from the Ministry of Lands.

These records are neither of high quality nor comprehensive. They do not cover freehold estates, so exclude several dozen large tea estates in Thyolo and Mulanje. As of 2026, efforts are still underway to digitize additional lease records and verify and correct available information. Over 22 percent of the records digitized in 2016 lack data on lease duration, nearly 10 percent are not dated, and almost 4 percent have no information on the area covered by the lease. Moreover, Deininger and Xia (2017) document that 28 percent of agricultural estates have at least a fifth of their area registered to a second owner.

Box 2: Estate crops

Tobacco, produced using wage and *thangata* labor, became the principal Shire Highlands estate crop by 1915. From 1922, estates west of Lilongwe were established using the “visiting tenant” system, through which workers were provided with plots and inputs to farm tobacco, together with housing and consumption items, in return for a share of the tobacco sale proceeds. The system was later extended to support smallholder production on their own land. By 1932, the Central region produced half of national tobacco, which accounted for 86% of exports. Until liberalization in the mid-1990s, smallholders were restricted from producing and selling burley and flue-cured tobacco and required to sell permitted varieties to parastatals, particularly ADMARC from 1971, at prices below international levels. Smallholders responded strongly to opportunities to sell their tobacco to international buyers at the auction floors after liberalization or under Integrated Production System (IPS) grower contracts instituted since the early 2000s. The smallholder share of production reached 89% by 2014/15, leaving estates concentrated in more capital-intensive flue-cured tobacco.

Tea was first planted on areas expropriated by European settlers in Mulanje in the early 1890s and expanded to Thyolo soon after. Tea estates occupy about 17,000 hectares in Mulanje and 23,000 hectares in Thyolo (TAM 1991), with little growth beyond the tea production footprint established by about 1910. To encourage smallholder participation, the government established the Smallholder Tea Authority (1967) and the Malawi Tea Company (1974). Both failed commercially and were closed down in 2006. However, smallholder tea production has continued as part of outgrower arrangements with estates, most of which are now owned and operated by foreign corporations. Smallholder productivity is, however, low. While commercially quite successful, the presence of large tea estates in areas with significant land pressure and poor welfare conditions has been politically fraught with recurrent land conflicts.

Sugar. The international company, Lonrho, began irrigated sugarcane production at Nchalo in the Lower Shire Valley in 1965 on about 4,750 hectares under a 99-year leasehold. The company in 1976 established a second plantation on long-term leasehold land at Dwangwa on the lakeshore. From 1988, the government supported smallholder outgrower schemes around Dwangwa, combining irrigated and rainfed production. Both plantations were sold to the international sugar corporation, Illovo, in 1997, which subsequently also established outgrower schemes around Nchalo. A third irrigated plantation, Salima Sugar, began production in 2016 as a public-private partnership and became fully government-owned in 2023. All three plantations were established on land converted from customary tenure and have faced allegations of land grabbing.

Coffee, cotton, macadamia, and seed. Coffee dominated Shire Highlands estate production during the 1890s. A crash in international prices in 1900, however, rendered the crop unprofitable. Only a handful of estates in the Southern region continue to produce coffee, usually alongside other crops. Cotton briefly replaced coffee as the estate focus after 1900 but was displaced once smallholder production on the lakeshore and in the Lower Shire Valley proved financially superior. To diversify their mix of crops, tea estates began growing macadamia in the 1970s and production has spread northward. Groundnut — with a boom as early as the 1950s — and soybean, grown widely only from the 1980s, are commonly grown to diversify production on tobacco estates in the Central region. Finally, there are several seed companies that annually contract estates in the Central region to produce improved seed.

Early colonial era (1880s–1945)

It is important to understand the economic and political context in Malawi before British settlers began coming to the Shire Highlands in the 1870s. Agriculture was focused on assuring the subsistence needs of the household and community. While food surpluses were traded within the region (Chanock 1977), there was virtually no production specifically for commercial exchange. In the mid-1800s, the principal trade commodities from the area that was to become Malawi were enslaved people and ivory. Regional exchange of ironware and salt also occurred. Beyond flows of food from areas of surplus production to deficit areas, there is some evidence of small-scale trade in tobacco—likely introduced into the southern African region by the Portuguese in the 16th century—and some homespun cotton (Juwayeyi 2020).

However, because of intensification in the slave trade in the western Indian Ocean, the mid-1800s was a politically unsettled period. Several Yao groups, originally from northern Mozambique, asserted their control over much of southern Malawi and the lakeshore. Doing so enabled them to expand their trade in enslaved people, increasing their wealth and power and enabling them to continue to expand the areas that they could dominate. In parallel, Ngoni groups, who had been forced to migrate out of South Africa from about 1820, caused considerable unrest as they moved through the region, raiding local communities. Several eventually settled in Malawi, displacing the former rulers of those areas. Given the risks of raids by the Yao and the Ngoni, many farming households in southern Malawi in the mid-1800s left their land and retreated to refuges in mountainous or swampy areas.

In 1876, the Blantyre mission was established by Church of Scotland missionaries. Alongside evangelism, the mission pursued economic activities, sometimes in collaboration with independent firms. Even in the earliest days, a chief aim of the European settlers in Malawi was to establish a commercial economy.

European settlers, missionaries, and companies first alienated land for commercial agricultural purposes in the early 1880s. John Buchanan, a lay missionary who worked at both the Blantyre mission and the newly established mission in Zomba from 1876, obtained a parcel of land near Zomba from the local Yao chief after leaving the mission around 1881. This was the first acquisition of land in the Shire Highlands by European settlers for establishing private estates. Thereafter, other settlers obtained large tracts of land there. By the mid-1890s, over 325,000 hectares in the Shire Highlands had been alienated to about 25 Europeans (McCracken 2012, 78). The land grants they received made up almost half of all land in the Shire Highlands, an area covering primarily what today are the districts of Blantyre, Chiradzulu, Thyolo, Mulanje, and Zomba.

White (1987, 78–81) suggests three principal reasons why the Europeans could obtain this land so easily from the Yao chiefs of the area. First, swindling and deception were elements in many of the transactions. The price paid for the land often amounted to less than a penny an acre—McCracken notes a transaction covering about 25,000 hectares of land for which the price paid was GBP 50 in goods (2012, 78). It was also documented that in some cases a chief understood the transaction to concern a small plot of land on which, for example, to build a house or store, while the documentation drawn up by the settler noted hundreds or thousands of hectares (Pachai 1973). Second, the 1880s remained a period of continuing local disputes between Yao chiefs (Vaughan 1982). The political relationships with the settlers and, more importantly, the British government were valuable within these conflicts. Making grants of land on easy terms was a means for the chief to quickly secure potential allies. Finally, as noted above, intensified raiding in the Shire Highlands in the mid-1800s led many communities to abandon residences near their fields. Continuing Ngoni raids further contributed to the general insecurity. Consequently, in the 1880s, much of the Shire Highlands' arable land was likely uncultivated and without residents who could challenge its allocation to European settlers by the Yao chief who had established his authority in the area.

The United Kingdom took control of what was to become Malawi in 1891, with the declaration of the British Central Africa Protectorate. (In 1907, it was renamed the Nyasaland Protectorate.[4]) Soon after the start of British colonial rule, Johnston, the first Commissioner of the Protectorate, accepted and legitimized the land grants that the settlers had earlier received from Yao chiefs. Between 1892 and early 1894, he issued 59 Certificates of Claim for the land grants. These stated that the land described in the certificate was legally held under freehold terms. All but one of the certificates were granted to Europeans who had obtained land from local chiefs in the period from 1881 to 1891 (Pachai 1973). Some of these certificates remain the basis on which estate land is held today on freehold terms. The government did not, however, permit any further permanent alienation of land [5] and restricted the subdivision and sale of portions of the certified estates (White 1987, 82).

By supporting European settlers' claims to large landholdings in the Shire Highlands at the outset of its rule, the colonial government kept open the agricultural development model centered on European-owned estates using the labor of Africans displaced from that land. This model was emerging in Southern Rhodesia (Zimbabwe), parts of Northern Rhodesia (Zambia), in the highlands of Kenya, and Kivu province in Congo, while an alternative model—commercial African smallholder production, with foreign firms managing the processing and trade of the produce—was developing for the production of cocoa, cotton, and groundnut in several West African colonies and selected farming systems in Eastern African colonies (Curtin, et al. 1978, 503).

The first European estates established in the Shire Highlands initially focused on coffee production. Tea plantations were also established in agroecologically suited areas in Mulanje district and then in Thyolo district starting in the early 1890s. When coffee prices on the international market crashed in 1900 due to a flood of new supplies from Brazilian producers, the estates in the Shire Highlands turned to other crops and, for several years, cotton in particular. However, smallholders along the lakeshore and in the Lower Shire Valley could produce cotton more profitably than estates. Tobacco therefore soon replaced cotton to become the principal crop produced on estates in the Southern region. In 1915, European-owned estates grew 94 percent of all tobacco and 89 percent of all cotton produced in the colony. However, this was the historical high point of the share of total export production that came from European estates (McCracken 2012).

The central challenge for the agricultural development model based on production from large European-owned estates was mobilizing labor (Bolt and Green 2014). Much of the land the European settlers obtained remained idle as they could not mobilize sufficient labor (or capital) to bring it into production. This prompted the development of several mechanisms to mobilize African labor for estate production.

[4] In this report, we use Malawi to refer to both colonial Nyasaland and independent Malawi.

[5] In the 20 years after the colonial government recognized the land grants obtained from local chiefs as freehold holdings, European settlers obtained an additional 55,000 hectares of land under freehold terms (McCracken 2012, 79). These transactions appear to be the sole exceptions to the use of leasehold as the basis for establishing estates after 1894.

In 1894, the government established an annual hut tax that in most cases had to be paid in cash (White 1987, 85). The tax served the dual purpose of raising revenues for the colonial administration and creating incentives to work for wages on European estates. Its effectiveness as a means of mobilizing estate labor was, however, limited. Around the same time, the British defeated the Yao chiefs, enabling the population of the Shire Highlands to return to and cultivate the fields they had abandoned in seeking refuge from Yao raids. Developing food markets, particularly around Blantyre and on the estates themselves, also provided smallholders with opportunities to earn the cash needed to pay the tax through selling some of their produce. Moreover, wage employment was available outside the estates in urban centers and as load carriers. Consequently, most households could meet their hut tax obligations through other means than supplying estate labor.

Faced with difficulties in obtaining labor locally, in the mid-1890s, European estates also recruited laborers from the Northern region, where markets were less developed. This too proved ineffective. Workers typically only made themselves available after they had completed their own farming, when estates had the lowest need for their labor. At the same time, wage labor migration from the Northern region to Northern Rhodesia, Southern Rhodesia, and South Africa began, and Shire Highlands estates could not offer wages competitive with those offered to Malawians seeking work elsewhere in southern Africa.

The most successful means of securing labor was through the *thangata* system of labor rent. European estate owners allowed African households to settle or remain on estate land and engage primarily in subsistence farming, in exchange for supplying some labor for estate operations, typically two months per year. Through this arrangement, the household would also pay their annual hut tax, receiving a certificate from the estate (White 1987, 90). In practice, dishonest practices arose in the monitoring of labor contributions and the issuance of the hut tax certificate. Moreover, the African households had little security, particularly with regard to whether their children could remain on the estate when they came of age. Opposition to the unjust implementation of thangata on European estates in the area was one of the main triggers for the 1915 uprising led by John Chilembwe against estate owners in Chiradzulu. Over the colonial period, repeated efforts were made to reform thangata obligations between workers and estates so that they better reflected the operations of a free labor market, particularly by allowing rents to be paid in cash or produce rather than solely with labor. These reforms were not wholly successful (White 1987).

Mobilizing sufficient additional labor from neighboring communities during critical periods of the growing season continued to prove challenging for the estates, as the estates competed with the own farming labor requirements of households in those communities. Workers from households native to the area could readily leave an estate to farm on the remaining customary land in the area or go work on another estate.

Starting around 1900, however, growing flows of Lomwe migrants from Mozambique—where they faced higher taxes and labor requirements under Portuguese rule, as well as famine in 1900—provided estates with a more reliable source of both *thangata* and wage labor (W. Chirwa 1994). While initially most settled on customary land, from about 1912, the colonial government encouraged their settlement on estates instead. Estate owners welcomed the migrants, whom they regarded as more reliable than workers from local populations (White 1987, 87; W. Chirwa 1994). A colonial report noted, “they [the Lomwe migrants] were industrious as temporary resident workers on the estates and were preferred in this capacity to the indigenous native who [was] liable to allow himself to be too much distracted by his home and family ties” (quoted in W. Chirwa (1994, 540)). Moreover, for migrants without customary rights to any land locally, access to estate land for subsistence farming made settlement on estates attractive while enabling the estate to better capture their labor (White 1987, 87). Non-Lomwe households with customary land rights found it more profitable to increase their own crop production—selling their produce in part to Lomwe immigrants on the estates. A report on the 1926 census stated that without the Lomwe migrants, most estates in the Shire Highlands would have had to close (W. Chirwa 1994, 541).

For about thirty years, European estates were concentrated in the Shire Highlands. In 1922, however, two estate owners expanded into the Central region, obtaining leaseholds on land just west of Lilongwe. Relative to the Shire Highlands estates, the tobacco estates in the Central region were considerably less expansive—between 1920 and 1941, 24,300 hectares of land was put under leasehold there, much less than the estate area in the Shire Highlands at the time (Mkandawire, Jaffee and Bertoli 1990). Yet, these estates had more reliable access to labor and developed a more successful system for mobilizing it. Rather than relying on *thangata* or wage labor, estate owners introduced the visiting tenant system of tobacco production (McCracken 1982a). Tenants were allocated plots of generally up to one hectare, along with tobacco seedlings and other inputs on credit. The tenants produced tobacco under the supervision of the estate owner, typically using the labor of all working members of their household. They also received basic housing and consumption items for their households. The tobacco was sold by the estate owner. The tenants would receive their share of the sale proceeds after a deduction was made by the estate owner of the costs of all inputs and consumption items provided them during the season.

This sharecropping arrangement proved considerably more successful than thangata, as it required less supervision and coercion. Conceptually, members of a farming household have strong incentives to work efficiently, whereas hired workers require supervision. Making use of household labor that is supervised by the household head to farm as under tenant sharecropping terms generally results in more efficient production than relying on wage labor, as it avoids costs related to recruitment, supervision, and ensuring the commitment of hired workers (Binswanger and Rosenzweig 1986).

The visiting tenant system of tobacco production quickly expanded and evolved in the Central region in the 1920s and 1930s. While initially the workers were neighboring smallholders working on estate land, as many smallholders became familiar with tobacco production, the system was soon extended to support them to produce tobacco on their own customary landholdings, with inputs being provided and crop marketing still being managed by the estate owner. To continue to produce tobacco on their own estate land, estate owners increasingly recruited workers from more densely populated areas of the Southern region as seasonal tenants (Prowse and Grassin 2020, USDL 2024). By 1932, half of Malawi's tobacco—which by then made up 86 percent of the colony's exports—was produced in Lilongwe and Dowa districts in the Central region using this labor mobilization system (White 1987).

Despite the successful establishment of an estate agricultural sector centered on tobacco and, to a more localized extent, tea, success for any individual estate operator was not assured. The European-owned estates faced persistent shortages of labor and capital, as well as high transportation costs to international markets, and many failed (Green 2007). Early settlers in particular often lacked the necessary technical understanding, management skills, or capital to engage in commercial farming successfully. Some established estates in the hope of obtaining quick returns (Kydd and Christiansen 1982, White 1987). The global depression beginning in 1929 intensified these difficulties, resulting in many European estates closing as they were unable to profitably produce crops for the international market. Estate land under tobacco fell by almost 75 percent (Green 2007), and the number of estates in the country declined over this period. Colonial records listed 399 settler farmers in 1921, 290 in 1931, and 171 in 1945 (Bolt and Green 2014).

At the same time, being able to rely on their household labor and with their growing use of improved production practices, Malawian smallholders were also quickly able to compete effectively with estates in the production of both tobacco and cotton (Pike and Rimmington 1965, Prowse 2013). The colonial government, however, structured agricultural markets to the disadvantage of smallholders. Until 1910, cotton prices paid to smallholder producers were reduced to encourage them to work on cotton estates (McCracken 1982b). In 1926, the Native Tobacco Board was established "to organize and encourage the production and orderly marketing of dark-fired tobacco by Africans" (Kettlewell 1965). However, the Board's establishment as a monopoly buyer of smallholder tobacco also meant that smallholders were not permitted to produce and sell the types of tobacco that the European estates found profitable. Throughout the colonial period, smallholders were prohibited from selling burley and flue-cured tobacco. The Native Tobacco Board supported the interests of the European estate owners in curbing smallholder tobacco production, which was undermining their profitability—three of the executive members of the Board were estate owners (Prowse 2013).

The colonial government, however, also showed considerable ambivalence towards the European estates as the principal driver of commercial agricultural development in Malawi. Archival records from quite early in the colonial period show that administrators quickly became skeptical of the technical abilities and economic prospects of the European estates (McCracken 1982b). Green (2007, 121) argues that both the European estates and the colonial government were too small and too weak to take any consistent actions that would enable the estates to be commercially successful or to act as a strong brake on smallholder agricultural development to the advantage of the estates, as some historians have asserted. The estate owners were among the political elite in colonial Malawi, so their interests were taken into consideration. Nonetheless, they were too few in number, and their production potential was dwarfed by that of the smallholder sector. The colonial government recognized this. "The government's response to a weak estate sector was support for the smallholder sector, rather than the other way around" (Green 2007, 128). The policies of the colonial government were not consistently supportive of European estates or designed to put smallholder farmers at a disadvantage. Rather, agricultural policies changed as social and economic conditions changed. More broadly, government policies were less central to agricultural development paths in the colonial period than were changes in domestic and international economic conditions and how the local factors of agricultural production—particularly labor—were owned and organized (Bolt and Green 2014).

Late colonial era (1945–1964)

From about 1930, the production arrangements in commercial agriculture in Malawi were relatively fixed through to independence in 1964 (Kydd and Christiansen 1982). However, as was seen with most colonial powers globally, after World War II, there was increased recognition of the need to prepare the colony for independence. There was a significant increase in public investments and development programs to develop smallholder farming. These efforts were accelerated after a serious famine in the Southern region in 1949 that highlighted the food insecurity challenges inherent to Malawi's agrifood system (Vaughan 1987). In the years preceding the famine, smallholders had been increasing their production of tobacco, as production regulations were weak at the time. In response to the famine, maize prices for producers were increased, while the Native Tobacco Board tightened its control of smallholder tobacco production. Until 1957, the government set the prices paid to smallholders for their tobacco at levels significantly below international prices. The colonial government used the resulting revenues to finance agricultural and rural development programs (McCracken 2012, 249).

This included significant investments in agricultural research and extension. Most research stations that remain central to Malawi's agricultural research today were established in the late 1940s and early 1950s. Smallholder extension services were also expanded, focusing primarily on soil erosion control and increasing and diversifying production (Knorr, Gerster-Bentaya and Hoffmann 1987). With regard to the marketing of smallholder crops, in 1956, a number of commodity-specific marketing boards, including that for tobacco, were amalgamated into the Agricultural Production and Marketing Board. This agency had monopoly powers in order to control prices and minimize any market-related risks to its operations (Kettlewell 1965, 247–249).

Over this period, a national soil conservation program was rolled out. This legally required farmers to plant on ridged rows along the contour and utilize anti-erosion technologies including storm drains and bund embankments, while arable land on steep slopes and stream banks was to be left uncultivated (Kettlewell 1965). These measures disrupted traditional practices and were often enforced coercively, making opposition to soil conservation an important source of rural resistance to colonial rule in the post-World War II period (Mulwafu 2010).

A Master Farmers' Scheme was also implemented to develop a cadre of 'progressive,' commercially oriented, larger-scale (minimum of 4 ha) smallholder farmers who were meant to serve as local role models (Kalinga 1993). The scheme involved targeted extension efforts and some financial support for the participants. However, by 1959, nationally only 745 registered master farmers were operating 3,400 hectares (Pike and Rimmington 1965). The limited profitability of commercial food crop production, particularly in remote areas, perceptions of the political alignment of the master farmers with the colonial government, and exacerbation of existing socioeconomic differentiation within rural communities contributed to the unsuccessful scheme winding down in the early 1960s (Kalinga 1993).

To provide the colonial government with guidance on ensuring Africans had access to sufficient land and preventing estate land from being left idle, several high-level commissions examined these issues from early in the colonial period, but with little resulting change (Phiri 2010). Greater progress followed the 1946 Abrahams Commission, which, similar to the earlier commissions, acknowledged the legitimacy of African grievances around land pressures caused by the European estates and encouraged the government to purchase from willing owners uncultivated estate land and land used by estate tenants to redistribute it to those tenants or other smallholders (Kettlewell 1965). As the Abrahams Commission report suggested a pathway that would help resolve some of the land use challenges within the colony in the lead-up to independence, its findings were strongly endorsed and pursued by colonial Governor Colby when he assumed office in 1948.

Although organizing the purchase program took some years, by 1960, over 200,000 hectares had been bought (Kettlewell 1965). The government acquired a further 100,000 hectares in 1962 and 1963 (McCracken 2012). These purchases continued after independence in 1964 with financial assistance to the government of Malawi from the British government. As a result, by 1972, only two percent of Malawi's land was owned by non-Africans under freehold terms, compared with 3.4 percent in the 1890s (Pachai 1973, 691–692).[6]

During consultations on implementing the Abrahams Commission's recommendations, European estate owners made their opposition clear. They also sought to frustrate the acquisition of their land by the government by exploiting the changes to land-market regulations made to enable the government to purchase the estate land, including by selling land to other estate owners (White 1987, 202–216). However, these actions slowed, but did not halt, the acquisition of estate land for redistribution. The European estate owners in Malawi also supported the Federation of Rhodesia and Nyasaland, established in 1953 and dissolved in 1963, a position that ultimately proved misplaced and short-sighted (Kettlewell 1965, 253). Although nominally a colonial institution, its legislative and administrative power rested with white Rhodesian politicians. While European estate owners in Malawi derived some benefit from it (McCracken 2012, 281), the Federation was politically unworkable. It proved increasingly so as public support for an independent Malawi increased in the late 1950s.

Period of estate promotion post-independence (1964–early 1980s)

At independence in 1964, Malawi had a small number of very large registered estates (Deininger and Xia 2017). Although subject to considerable uncertainty, freehold and leasehold land in 1964 was estimated at 167,800 and 72,000 hectares respectively (Mkandawire, Jaffee and Bertoli 1990). In the years immediately after independence, the agricultural policies of the government generally reflected continuity with those of the late colonial period (Chanock 1977). The smallholder focus of the agricultural development efforts of the government was maintained. However, Malawi's agricultural sector showed poor performance through the 1960s. So, in the 1970s, the government increasingly prioritized Malawian-owned estates in its agricultural development strategies and public investments (Vail 1983).

Initially, these efforts focused on large—often formerly European-owned—estates of 100 hectares or more in size. In some cases, customary land was converted into leasehold to create some of these large estates. From about 1968 to 1973, most of the estates were operated by the political elite of Malawi. President Kamuzu Banda was chief among them through the Press Farming arm of Press Corporation, which he controlled, and through General Farming, a joint venture of Press Corporation and ADMARC, the parastatal smallholder agricultural marketing board formed in 1971 out of the colonial Agricultural Production and Marketing Board (Kydd 1984). At the same time, Southern Rhodesia's unilateral declaration of independence in 1965 resulted in many international tobacco buyers turning to Malawi as an alternative source, particularly of flue-cured tobacco. Rhodesia was excluded from international tobacco markets until shortly before the establishment of independent Zimbabwe in 1980. These broad market developments benefited the expansion of Malawian-run estates. Estate output grew at 17 percent per year between 1967 and 1979, while the smallholder sector grew by an average of only 3 percent per year (Owens 1997).

The financing of the operation of these estates and the expansion of the estate sector was not based on direct government investment or intervention (Pryor and Chipeta 1990). Rather, the political leadership's control over ADMARC and the country's two commercial banks enabled ready access to commercial credit for the estate operators. As detailed by Kydd and Christiansen (1982), ADMARC

[6] The figure of 3.4 percent reflects expropriated land primarily in the Shire Highlands of over 325,000 hectares. It does not include a land grant of about 1.1 million hectares obtained by the British South Africa Company in northern Malawi in the lead up to colonial rule (Pachai 1973, 683). This land was never exploited by BSAC and eventually reverted to colonial government control as public land.

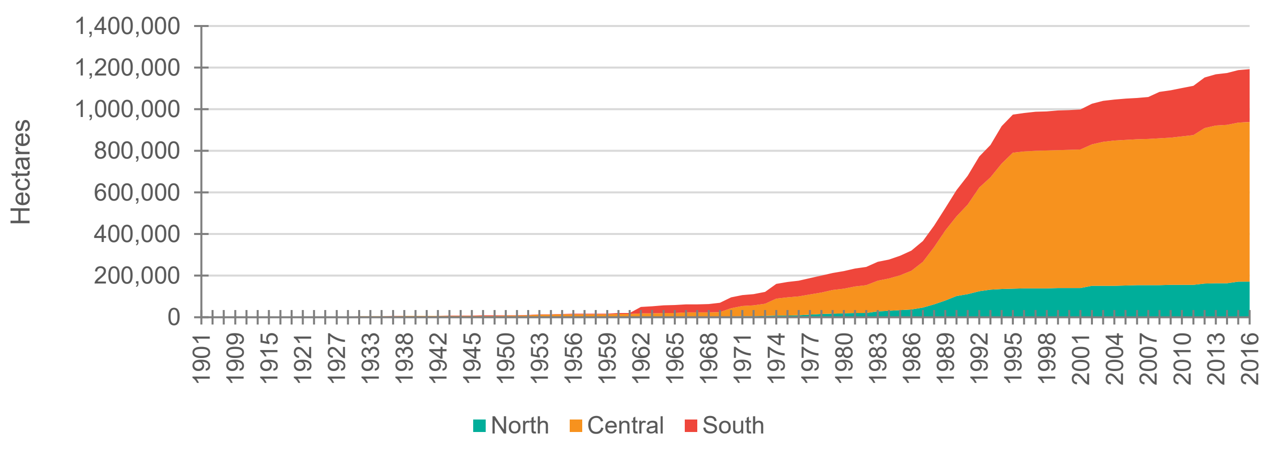
purchased tobacco—and, to a lesser extent, groundnuts and cotton—from smallholders at prices far below those ADMARC received in markets where prices were determined by international market conditions. While part of the resulting surpluses were used to subsidize staple food prices for wage workers on estates and in urban centers, the bulk were used by ADMARC to build a portfolio of estates that it owned solely or in partnership and to gain control of Malawi's two commercial banks. The control of the banks in turn permitted increased financial resources to be channeled to the estate sector. Agriculture's share of lending by these commercial banks rose from 13 percent over the period 1965 to 1972 to 53 percent in 1980.

The implicit taxation of smallholders through the low prices they received from ADMARC was also an important factor in the supply of labor to the estate sector. Although wages on the estates were low, they offered better returns than smallholder production of crops for sale to ADMARC. At the same time, Banda also blocked labor migration to other countries in southern Africa, which resulted in a channeling onto estates of considerable numbers of workers who otherwise might have sought employment outside of Malawi (Vail 1983, Hirschmann 1990).

From 1973, Banda expanded estate farming by encouraging other politicians, local political leaders, military officers, and senior civil servants to develop tobacco estates (Kydd 1984). These estates, generally between 30 and 100 hectares in area, were created primarily by converting uncultivated arable land in their home areas into leasehold (Kydd and Christiansen 1982). Figure 3 shows a marked increase in the area registered as leasehold agricultural estates in the following decade, especially in the Central region, which accounted for 62 percent of the newly registered estates in terms of area.

Starting in 1974, the commercial banks, controlled through ADMARC by the country's political elite, provided these new estate owners with ready access to financing. To handle day-to-day operations, many of the largest, best capitalized estates employed experienced expatriate managers, most of whom had managed tobacco estates in Rhodesia. Too few Malawians had the experience needed to profitably operate the new estates using production techniques that would allow the estate owners to meet their credit repayment obligations. As a result, many of the new estates defaulted on their loans, resulting in the banks taking over estate operations or in production on the estates being abandoned altogether. By 1978, production on 10 percent of the area under tobacco estates had been shut down by the banks (Kydd 1984, 325).

Figure 3. Evolution of area under agricultural leasehold estates by region



Source: Authors' compilation based on data on registered leasehold agricultural estates from the Ministry of Lands.
Note: Records with no usable start year or missing area (13%) are excluded.

The failure of these new estates compounded the losses that smallholders bore under the estate promotion strategy of the Banda government. In addition to the direct adverse effects of the low prices ADMARC paid, they also lost any potential indirect benefits from the financing of neighboring estates when those estates failed (Pryor and Chipeta 1990).

While the discussion in this section has focused on developments during the 15 to 20 years after independence concerning estates engaged in tobacco production, early in the post-independence period, the government invested quite substantially in supporting a system to enable smallholders to produce tea alongside the long-established tea estates in Thyolo and Mulanje districts. Throughout the colonial era, all tea was produced on these estates. In 1967, the government established the Smallholder Tea Authority to develop and promote tea production by smallholders in the two districts. The Authority also created the Malawi Tea Company in 1974 to purchase and process smallholder tea leaves independently. However, while these state-run efforts continued for over 30 years, they ultimately did not prove commercially sustainable. Both state-owned agencies failed as commercial businesses and were closed down in 2006 (Cameron and Mkomba 2014). Smallholder tea production nonetheless continued through outgrower arrangements with the estates, as discussed below.

It was also during this period that the Nchalo and Dwangwa sugarcane plantations and sugar refineries were developed and brought into operation—Nchalo immediately after independence and Dwangwa in 1976. Lonrho, a British-based multinational corporation with a significant presence across southern Africa at the time, worked first with the colonial government and then the independent government of Malawi to establish the plantation. Lonrho received from the Malawian government a 99-year leasehold on 4,750 hectares of land that could be irrigated from the Shire River, with the possibility of expanding the plantation to adjoining land later (Amer and MacGregor Hutcheson 1967).[7] The Nchalo plantation would eventually cover 11,000 hectares of irrigated estate land. Lonrho quickly developed the land to bring it into production, built the sugar refinery, and began producing sugar in 1965. At the same time, Lonrho created a wholly-owned subsidiary, the Sugar Company of Malawi (SUCOMA), to operate the plantation.

After launching the SUCOMA sugar plantation at Nchalo, Lonrho continued working with the government of Malawi to establish a second sugarcane plantation in the Dwangwa river delta in northern Nkhotakota district. The government again facilitated the granting of a long-term leasehold to Lonrho on a large block of public land that had been under customary tenure. The plantation of around 6,000 hectares first began production in about 1976, operating as the Dwangwa Sugar Corporation (DWASCO), which was wholly owned by Lonrho.

Period of structural adjustment and economic liberalization (early 1980s–2000)

In 1979 and 1980, the Malawian economy declined for a combination of reasons—variability in international tobacco prices leading to foreign exchange shortages; rising import prices; overspending, including on the development of the new capital in Lilongwe; civil conflict in Mozambique increasing transport costs for Malawi's exports; and drought in 1979/80 (Hirschmann 1990). President Banda turned to the World Bank and the International Monetary Fund for macroeconomic assistance. To provide support, these lenders required that the government carry out a set of structural adjustments. In agriculture, the aim was to remove any economic incentives that worked against smallholders. Reforms

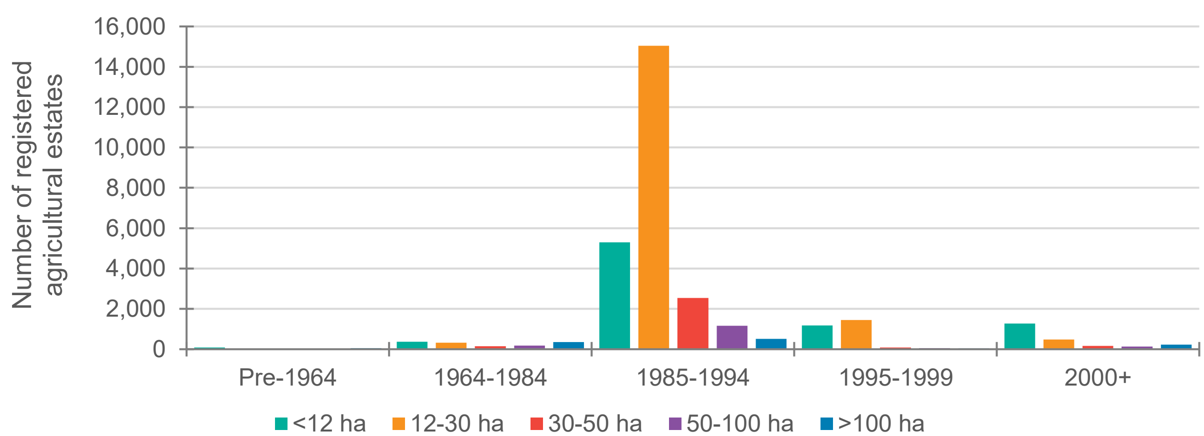
[7] This land was held under customary tenure, so was public land over which the President of the Republic had ultimate authority.

concentrated on increasing prices offered by ADMARC to encourage smallholder production of tobacco, groundnuts and cotton (Harrigan 2003).

The advantages of estate production of tobacco under Banda, however, continued to be based on only allowing registered estates to produce and sell flue-cured and burley tobacco on the auction floors. Following excess production of burley tobacco in the 1982/83 season, quotas on tobacco sales were introduced (Mkandawire, Jaffee and Bertoli 1990). Registered estates received annual quotas of the amount of leaf they were permitted to sell. Smallholders could not legally produce burley and flue-cured tobacco, they could produce only selected lower-value air-cured, sun-cured, or fire-cured tobacco varieties for sale to ADMARC. Consequently, many would produce burley tobacco on their land and sell to estates with quotas that the estate owners were unable to fulfill from their own production (Jaffee 2003). Although illegal, in this way, smallholders could obtain better returns than if they only produced other forms of tobacco. Even with the expansion in tobacco production on Malawian-owned estates, there remained significant demand for improved access to more remunerative tobacco markets, in particular, the auction floors.

Possibly in recognition that the elite-centered growth model was failing, the government accommodated and encouraged the expansion of tobacco production on much smaller estates. Following increases in the real prices for burley tobacco, it is estimated that some 30,000 estates between 10 and 30 hectares in size were created by smallholders converting customary landholdings into 21-year leaseholds so that the owner could obtain a sale quota for burley tobacco (Bosworth, Steele and Mapemba 1997, Deininger, Xia and Holden 2019). Smallholders with landholdings of above 12 hectares, the minimum leasehold required to obtain a tobacco sales quota, simply registered their long-cultivated customary land under leasehold conditions. Smaller landholders partnered with family members or neighbors to create a joint holding of sufficient size. Mkandawire et al. (1990) estimated that at the end of 1989, estates occupied an area of 843,327 hectares, representing an increase of about half a million hectares over the course of ten years. The authors also noted that between 1987 and 1989, over 40 percent of newly registered leasehold land was due to smallholder farmers registering their customary land. The resulting enormous expansion of the estate sector, concentrated in estates smaller than 30 hectares during this period, is also clearly reflected in the digitized leasehold records (Figure 4).

Figure 4. Newly registered leasehold agricultural estates by size and period



Source: Authors' compilation based on data on registered leasehold agricultural estates from the Ministry of Lands.
Note: Records with no usable start year or missing area (13%) are excluded.

In contrast to the previous round of estate expansion in the 1970s, this expansion of small estates in the 1980s involved little formal lending as commercial banks had reduced their agricultural lending, drawing lessons from the losses they suffered in lending to the new estates in the late 1970s. Rather, the estates were established and obtained the inputs needed to produce burley tobacco using savings (Mkandawire, Jaffee and Bertoli 1990). The many new small estates also primarily relied on household labor, supplemented in some cases by contracting visiting tenants. Mkandawire et al. (1990) concluded that it had become difficult to draw any meaningful distinctions between production on leasehold estates and smallholder production. They also observed that it was owners of the smallest estates who most intensively cultivated their land and were the least likely to have any idle land, mirroring land use intensity patterns observed in smallholder farming.

From 1988, the government also worked to foster smallholder outgrowers of sugarcane to supply the Dwangwa refinery, an initiative discussed in more detail below. Lonrho sold the Nchalo and Dwangwa plantations to the international sugar producer, Illovo, in 1997. Illovo continues to operate them.

Banda lost power in 1994 following democratic elections. The economic privileges that estate holders received were viewed as incompatible with democratic norms (Collier and Beukes 2023), so a lengthy land policy reform process was started that eventually led to the adoption of a new Land Act in 2016. Moreover, the sharp increase in the number of estates in the 1970s and 1980s had caused disruption in Malawi's tobacco sector and concerns about its future. Consequently, a moratorium was established in 1993 on the issuing of leases on agricultural land.

Reforms related to the structural adjustment program continued with the change in government. In 1994, the government allowed clubs of smallholders to obtain tobacco sales quotas, with the physical sales being handled by registered intermediate buyers. There was a rapid and large response to this change in policy that provided smallholders with the opportunity to sell tobacco to international buyers at the auction floors—200,000 smallholders had taken up tobacco cultivation by 1996 (Jaffee 2003). Many estates found it difficult to remain in business with the lower tobacco prices at the auction floors that resulted from the increased smallholder production and the challenges in finding sufficient labor when most of the rural workforce preferred to produce tobacco on their own land. The smallest estates, which relied primarily on household labor, could most easily mobilize the labor they required. However, these small estates generally had insufficient capital to obtain the inputs and other services required for efficient production of quality leaf, somewhat undermining the international reputation for the quality of Malawi's tobacco (Dorward and Kydd 2004). Jaffee (2003) estimated that 40 to 50 percent of tobacco estates operating in the early 1990s had stopped producing tobacco by the early 2000s.

Recent developments (2000 to the present)

Following the removal of restrictions on smallholder burley production in the mid-1990s, smallholders quickly demonstrated that they could compete effectively with estates and captured a large share of the burley tobacco market in Malawi. Annual crop production estimates for 1999/2000 showed that smallholders were then only responsible for 13 percent of total tobacco production. However, smallholders came to dominate the production of burley tobacco and produced 89 percent of the tobacco produced nationally by 2014/15 (Benson 2021, 43). Only with flue-cured tobacco production, which is relatively capital-intensive given the need to construct flue barns, are estates, particularly larger estates, maintaining a competitive edge over smallholders.

In the early 2000s, Malawi's tobacco sub-sector was undergoing a difficult transition. As smallholder production of burley tobacco expanded, many estates could no longer compete profitably, undermining the estate-centered production system. Chirwa, Kydd, and Dorward (2006) attributed the sector's difficulties to the breakdown of three forms of coordination that Malawi's weak markets require: vertical coordination along the supply chain, particularly through the provision of sufficient financing; horizontal coordination to control side-selling, enforce contracts under which inputs are advanced against later payment from the harvest, and strengthen farmer organizations; and complementary coordination through which farmers can access related services, including inputs, credit, output marketing, and, possibly, insurance. This complementary coordination function is more controversial than the others, as historically in Malawi this function was primarily provided by the colonial marketing boards and then by ADMARC, often to the detriment of smallholders.

Earlier, the combination of government engagement in the provision of public goods and regulatory oversight, together with the estate-centered system of tobacco production working with international tobacco buyers, provided the coordination functions needed for the tobacco sub-sector relatively effectively, if not equitably. In the early 2000s, it was not evident that these functions could continue to be provided with the shrinking of the estate sector. Despite the many economic reforms to liberalize agricultural production and marketing in Malawi, the continuing weakness of Malawi's private sector meant that it was unable to reliably provide the goods, services, and coordination required for agricultural growth simply through wholly market-driven processes (Chirwa, Kydd and Dorward 2006).

However, in the late 1990s and early 2000s, the Integrated Production System (IPS) emerged out of the disruptions to Malawi's tobacco sector. IPS provided the necessary coordination of the provision of inputs and services. From the early 2000s, the government increasingly allowed tobacco buyers to enter into direct production arrangements with producers, rather than requiring them to purchase all their leaf on the auction floors (Prowse and Grassin 2020). Most of the handful of major international tobacco buyers in Malawi now operate their own IPSs to do so. Each firm provides inputs on credit and agronomic advice to producers and, using an extensive field staff, maintains a high level of control over the production process of the farmer during the growing season. The firm agrees to purchase a contractually specified amount of tobacco from the farmer at the end of the season, deducting the value of the inputs the farmer received from the proceeds of the sale of the tobacco the farmer produced. This system of organizing the production of tobacco revitalized the sector. While international tobacco buying firms in Malawi also offer inputs and services to estate owners under IPS, smallholders have responded most strongly to the opportunities that IPS grower contracts offer.

Overall, developments since 2000 show a considerable weakening of the centrality of estates to tobacco production in Malawi. Large farms with generally good management and access to capital continue to produce a large share of the national tobacco crop, particularly the more capital-intensive flue-cured tobacco. Smaller farmers produce much of the burley. The distinction between the production of burley tobacco on estates and that undertaken by smallholders has become difficult to see. Access to auction floors is no longer tightly restricted. At the same time, the IPS programs do not differentiate between smallholders and estates in contracting tobacco farmers, nor do they require collateral, such as a leasehold title, for farmers to participate in the programs. However, larger estates may still be privileged in obtaining finance from commercial lenders for production on areas larger than the IPS programs will support.

However, while large estates no longer dominate tobacco production, the visiting tenancy system they introduced to mobilize labor remains. In 2024, 260,000 individuals were estimated to work under tenancy arrangements in tobacco production in Malawi, three-quarters of whom work in the Central region (ILO 2024). Many complaints have been made over the years about unfair practices in these tenancy agreements. Information, resources, and power in the tenancy relationship lie primarily with the estate owner. Contracts, often made verbally, are frequently not honored. Debt bondage over several years may result when tenants are unable to repay agricultural inputs or consumption items received on credit from the estate owner. The government has recently taken steps to ban tenant labor in tobacco production but has not yet been successful in those efforts (USDL 2024).

The operations of the tea and sugar estates have changed little over time, although both have increased their reliance on smallholder outgrowers to supply their processing factories. Tea production continues to be dominated by estates in Mulanje and Thyolo,[8] accounting for 93 percent of Malawi's production (Cameron and Mkomba 2014). Most of these estates are now owned and operated by foreign corporations, several of whom own multiple tea estates, with processing of the leaf being done in a central factory. In recent years, many tea estates have diversified by adding macadamia and coffee to their crop mixes. The tea estates are estimated to employ about 50,000 permanent and seasonal workers, with seasonal labor from surrounding communities being particularly important during the December to May tea-plucking season (Steele, et al. 1997). The presence of large estates in two of Malawi's most densely populated rural districts, where smallholder landholdings are among the country's smallest, has generated recurring tensions and land conflicts (Chinigò 2016, Kishindo and Mvula 2017).

Lonrho sold the Nchalo and Dwangwa plantations to Illovo in 1997, as the firm divested itself of all sugar operations in Malawi and elsewhere in the Southern Africa region as part of a streamlining and restructuring process for the multinational corporation. Illovo continues to operate both plantations. The Salima Sugar Company, which has 1,680 hectares under sugarcane production on its plantation, was established between 2012 and 2016 under a public-private partnership between the government of Malawi and a private firm, AUM Sugar & Allied Ltd. However, after allegations in 2023 of breach of contract by the private firm, the partnership was dissolved, and the government, under the Greenbelt Authority, a state-owned corporation established to promote large-scale irrigation schemes, took full ownership of the company (Meki 2025). This change in ownership resulted in disruptions to the sugar operations that are not yet fully resolved. In 2026, the company was reported to be struggling with loan repayments (Singini 2026).

Land issues have been a continuing political challenge for the three sugarcane plantations. The Land Laws of Malawi enabled the government to allocate land that was being farmed by smallholders with customary use rights to the sugarcane plantation developers. In consequence, all three plantations have had to defend themselves against accusations of having been established using unjust "land grabbing" mechanisms (Corporate Citizenship 2017, Bae 2021, Chinsinga 2025).

In 2004, the government, with funding from the World Bank, embarked on a land redistribution project that involved purchasing estate land from willing sellers to resettle land-poor households from Mulanje, Thyolo, Machinga, and Mangochi districts. While the project aimed to purchase land in all four districts, no interested estate owners could be identified in Mulanje and Thyolo. By 2011, a total of 46 estates in Machinga and Mangochi were acquired and 33,428 hectares of land were distributed to 15,142 households. Beneficiary households each received roughly two hectares of land, for which the title was held

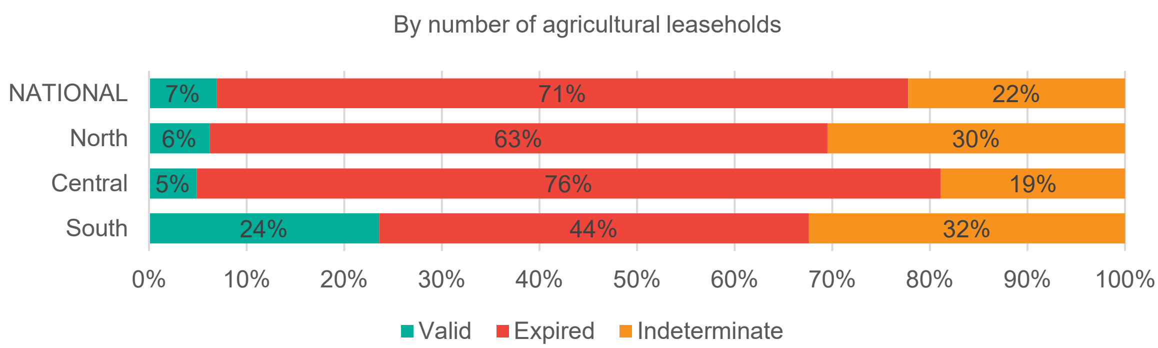
[8] A tea estate of under 1,000 hectares was successfully established in Nkhata Bay district in the Northern region around the time of independence and remains in production.

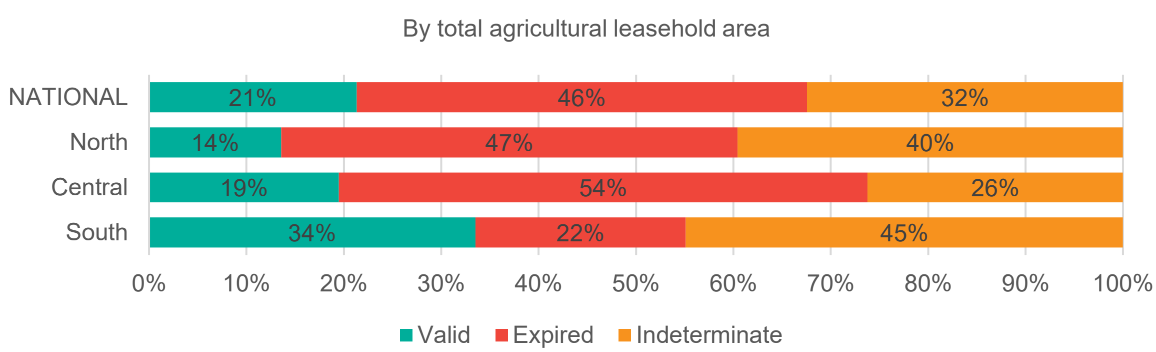
by a beneficiary group, and a cash grant that was held in a common account (World Bank 2013). The project was, however, not universally successful. Many beneficiaries ended up living in remote areas with limited access to services and markets and few off-farm income earning opportunities (Mendola and Simtowe 2015, Sharp, Zerriffi and Le Billon 2020).

When the land records of the Ministry of Lands were digitized in 2016, it was found that leases for 71 percent of estates had expired, and 22 percent were indeterminate as to their validity (Figure 5). Notably, less than 5 percent of the leases for the Central region were still valid in 2016. The leaseholders on record, most of whom first registered their land as agricultural estates in the 1980s, appear to have had little incentive to maintain their lease after the liberalization of smallholder agricultural marketing in the 1990s and the removal of other advantages related to tobacco production that earlier were reserved only for registered estates. It is unclear what the legal status of these lapsed leaseholds is—whether the land is now available for new users to lease, remains under the de facto control of the former leaseholders, or reverts to being customary land under the oversight of local traditional authorities.

However, it can be seen by contrasting the two graphs in Figure 5 that owners of larger leaseholds are more likely to still hold valid leases. While only 7 percent of the leases had not lapsed in 2016, 21 percent of the area remained under a valid leasehold. Although not shown in Figure 5, most of these leases are likely still valid in 2026 in part because many of the very largest estates hold 99-year leases that have not yet expired. Based on these records, nationally over 284,000 hectares are estimated to be under valid agricultural leasehold in 2026, representing one-fifth of the total agricultural area ever registered under leasehold conditions.

Figure 5. Validity of agricultural estate leases in 2016





Source: Authors' compilation of data from the agricultural land records of the Ministry of Lands that were digitized in 2016.
Note: The Ministry of Lands database in 2016 contained 35,140 leasehold records covering 1.41 million hectares in total.

ESTATES AS ANCHOR ENTERPRISES

In its development policies and associated strategies, the government of Malawi over the past several decades has given an increased profile to the role that large-scale producers might play in advancing the agricultural sector. For example, there is increased attention to determining how the growing numbers of medium-scale farmers operating landholdings of between 10 and 100 hectares might spur agricultural and economic development in their communities. The government is also providing subsidized funding to larger-scale farmers who register with the Mega Farms Support Department of the Ministry of Agriculture—in the 2024/25 season, 950 farmers received financing for crop production on 46,000 hectares (MoA 2025). While smallholders remain the primary focus of its efforts in the sector, the government is seeking effective ways to foster agricultural development through engaging with and allocating increased resources to larger-scale farms.

Throughout their history and still today, estates have partnered with smallholder farmers in arrangements that bear similarities to the anchor enterprise models that are increasingly being promoted in Malawi. Historically, tobacco estates acted as intermediaries for smallholder producers, buying burley leaf from those who held no sales quota of their own. In addition, the visiting tenant system of tobacco production quickly evolved as, once they gained experience in tobacco production on the estates, local smallholders in the Central region preferred to produce tobacco on their own customary landholdings. This was done in partnership with the estates, with the estates providing inputs to the smallholders and handling the sale of the tobacco they produced. The Integrated Production System that now organizes most production of Malawi's tobacco has the same basic form—inputs on credit, close supervision by field staff, marketing handled by the contracting party, and advances deducted at the point of sale—although the coordinating role or anchor function under IPS has passed from the estates to the international tobacco buyers. One of these buyers, Pyxus International, also replicated its IPS model for groundnut from the 2018/19 season, for both smallholders and estate owners, reusing most of its tobacco IPS operational components and field staff—one-hectare input packages, in-season advice, collection of the crop, and settlement of the input loan from the sales proceeds. While Pyxus operates its own estates as part of its groundnut operations, these are primarily used for producing groundnut seed to distribute to the contracted smallholder groundnut producers.

Smallholder engagement with estates is also seen for other crops. As noted, while tea was produced exclusively on estates throughout the colonial era, smallholder production was promoted by the Malawian government after independence. Farmers registered with the Smallholder Tea Authority (STA) were organized into tiered groups to reduce transaction costs of dealing with a large number of small farmers and received subsidized inputs including seedlings as well as agronomic advice. While initially the smallholder-produced leaves were processed by estates, with the STA acting as an intermediary, the Malawi Tea Company in Mulanje later largely took over the purchasing and processing of the tea the smallholders produced. The area under smallholder tea rose from 287 hectares in 1970 to 2,902 hectares in 2002 (Chirwa and Kydd 2005).

However, with the failure and closing of both state-owned agencies, smallholder tea producer organizations turned to the estates. A small number of estates started to procure green leaf from smallholders at designated collection points at scheduled times. All estates offer the same base price, set seasonally by the Green Leaf Pricing Committee. Growers may, however, also receive a bonus depending on the prices the estate realizes when it sells the processed tea. In some cases, the estates also offer inputs on credit or provide extension services. Several smallholder tea grower associations have also received Fairtrade certification. Based on the quantity of tea sold by the smallholders under Fairtrade terms each season, a payment is made to the association to support development of the smallholders' communities (Pound 2013).

In 2018, it was estimated that about 20,000 smallholders were members of tea grower associations (du Toit, Nankhuni and Kanyamuka 2018). The productivity of the smallholders has, however, been found to be substantially lower than that of the estates, primarily due to weaker agronomic management on smallholder plots, including low planting densities, low levels of fertilizer application, insufficient weeding, and inconsistent leaf plucking regimes (Pound 2013). Estates hold about 89 percent of the nearly 19,000 hectares of land under tea and produce some 93 percent of the crop (Cameron and Mkomba 2014). A survey among tea outgrowers in Mulanje suggests that tea farmers allocate almost all their land, typically 0.8 hectares (2 acres), to tea production. As tea is a perennial crop whose bushes take around five years to mature and are costly to replant, growers cannot switch crops without writing off the asset that occupies nearly all their land (Ochieng 2020). This creates some risk of farmers being locked into an arrangement that is no longer beneficial.

All three of Malawi's sugarcane plantations similarly combine estate production with smallholder outgrowing. Starting in 1988, the Dwangwa plantation on the lakeshore was the focus of considerable government effort to foster smallholder outgrowers of sugarcane to supply the sugar refinery on the plantation. That same year, around 500 hectares of estate land were allocated under tenancy contracts to 200 smallholder farmers supported by the Smallholder Sugar Authority (SSA). This parastatal provided input loans and training and marketed the aggregated harvest. In 1999, the Dwangwa Cane Growers Trust took over all assets of the SSA, sub-leased part of the 500 hectares, and formed Dwangwa Cane Growers Limited. This private company manages daily operations associated with cane growing against fees retained from the sugarcane proceeds. In addition, sugarcane is sourced from dryland producers who are organized in associations. The Trust and the associations oversee sales to Illovo. In 2019, the irrigated outgrower area was just over 1,000 hectares with 325 outgrowers, while the dryland outgrower area was just under 3,000 hectares with 1,000 outgrowers (von Maltitz, et al. 2019).

Herrmann and Grote (2015) find that participation in the outgrower schemes linked to the Dwangwa plantation is associated with higher incomes. The returns, however, differ by farming system. The irrigated outgrowers generally obtain much higher yields and net incomes per hectare than the dryland producers. Von Maltitz et al. (2019) emphasize, however, that the irrigated outgrowers must follow the direction of sugarcane production managers and do not have permanent use rights on the land they farm. In contrast, the dryland outgrowers, despite lower yields, have considerably more control over what crops they produce (whether sugarcane or another) and how they manage the production of their crops. They also obtain a much larger share of the revenues from their sugarcane production than do the outgrowers on irrigated land. Moreover, the land the dryland farmers operate will remain theirs even if they exit the outgrower scheme.

At Nchalo in the Lower Shire Valley, efforts to supplement the sugar refinery's cane supply with production by neighboring households began around the time Illovo acquired the plantation in 1997. Roughly 312 hectares, previously used to grow irrigated rice, were allocated to a trust that holds the land on behalf of the smallholders. The land was rehabilitated to produce sugarcane under contract for Illovo. The trust in turn created Kasinthula Cane Growers Limited to manage the scheme. By 2013, the area was expanded to over 1,400 hectares (Gcanga 2014).

The Phata Sugarcane Outgrowers Cooperative, with over 1,100 members, was developed in 2011 to similarly produce irrigated sugarcane for Illovo (Landesa 2019). However, while outgrower payments in the Dwangwa and Kasinthula outgrower schemes are based on individual plot production, the Phata cooperative members consolidated their land so that it can be farmed as a single unit.[9] The members receive dividends based on the proportion of the land under the scheme that they contributed (Landesa 2019). The cooperative employs an agricultural management firm to oversee cane production. The same management firm was part of the establishment of Kasinthula and took over the management of this scheme again in 2019 when it was faced with near bankruptcy (Henriksson, Vincent and Naidoo 2021). Similar to the smallholder tea outgrowers in Mulanje and Thyolo, both Nchalo sugarcane outgrower schemes have received Fairtrade certification.

Finally, the more recently established Salima Sugar Company also works with over 200 outgrowers to obtain additional supplies of sugarcane for its refinery. These farmers are organized under the Lingadzi Cooperative and operate around 500 hectares within the irrigation scheme. The change in ownership of the company in 2023, however, resulted in disruptions to operations that are not yet fully resolved (Singini 2026).

Beyond tobacco, tea, and sugar production, there has been some estate-anchored outgrowing of macadamia. In the early 1980s, estates diversifying into macadamia production provided smallholders with seedlings for use as boundary crops and would purchase and process the harvested nuts. Many smallholders, however, abandoned the crop because of low payouts. While estates continue to process and market macadamia and act as offtakers for any smallholder-produced nuts, partnerships or outgrower schemes for macadamia production appear rare (Zuza, et al. 2021). Tropha Estates Limited, a large macadamia producer in the Northern region, instead operates an outgrower scheme for chili and paprika, while producing macadamia on its own land.

The cases of tea and sugarcane suggest that estate-anchored outgrowing in Malawi can be viable and sustainable where there is a technical reason to partner. In both cases, the estates operate processing facilities and contract smallholders to supplement the supply of raw materials to them. Both crops require rapid and specialized processing using capital-intensive equipment to realize their economic value (Benson, Cockx and De Weerdt 2025). Yet, this alone is no guarantee of success. Both cases also show the importance of effective intermediaries, such as a grower association or cooperative, that are able to obtain financing, contract management services, or engage with international product certification agencies. Intermediaries can also increase farmers' bargaining power, which is an important consideration in the context of significant power differentials between smallholder producers and commercial agrifood enterprises. At the same time, the reach of these schemes has been very narrow as they are confined to the immediate vicinity of the estates or plantations.

Most of these schemes linking smallholders with estates arose, at least in part, because of heavy government involvement. Smallholder tea and sugarcane production was initially organized by government and parastatals. In the case of sugarcane, the partnership to supply the estates' refineries was there from the outset. In the case of tea, the government tried to substitute for the estates, but when this failed, estates took over the relationship, inheriting a large body of growers who had already committed their land to a perennial crop and had nowhere else to sell. The visiting tenant system in tobacco production is the exception. It arose from the commercial interest of the estates themselves.

[9] Payment at Kasinthula was not always plot-based. The scheme ran at a loss until 2009. To manage this situation, the trust borrowed in order to pay every farmer an equal monthly sum, an "advance dividend," which the farmers themselves repaid with interest from their sugarcane sales. A plot-based payment arrangement was established in 2013 despite the initial reluctance of the farmers to accept the change (Gcanga 2014).

ASSESSMENTS OF THE ECONOMIC EFFECTS OF ESTATES ON NEIGHBORING SMALLHOLDERS

The arrangements described in the previous section rest on partnerships between estates and smallholders. However, even in the absence of such direct links, the presence of estates may affect neighboring smallholders. Several studies consider the economic interplay between estate agriculture and the smallholder sector in Malawi and assess the beneficial and harmful effects of estates on the economic wellbeing of smallholders living in nearby communities. Here, we provide a brief review of this literature and the findings. Particularly for the empirical assessments, the studies proved challenging to carry out, and caveats were associated with most of the results obtained.

Conceptually, several positive and negative effects of estates on the welfare of neighboring smallholders have been proposed. Among the benefits smallholders might obtain are:

- Spillover of knowledge and improved technologies. The estates can provide a channel for the introduction of cash crops and modern farming techniques to smallholder farmers.
- Development of infrastructure near estates that would also be of economic benefit to smallholders. The increased access to capital or greater political influence of estates could result in improved public infrastructure and services in areas where estates are located.
- Increased income-earning opportunities for workers from smallholder farming households, whether through monthly wage labor, occasional daily wage labor, or engaging as sharecropping tenants on estate land. However, it was also recognized that such employment may involve a tradeoff between earning income off-farm and engaging in subsistence production, with indeterminate effects on household welfare.
- Demand by estate owners and workers for food crops and other products and services offered for sale by neighboring smallholders. This could include the estates being a source of demand for cash crops that the smallholders could produce but which they, but not the estates, find difficult to market.

The principal adverse effect of estates on the welfare of neighboring smallholders that these studies considered was that the loss of land to the estates may reduce the amount of farmland available for smallholder production or restrict access to important common property resources for local communities.

In the 1990s, there were two relatively large-scale research programs focused on estates—the Social Analysis of Policy Change in East Africa Project implemented an estate survey in 1990 (Mkandawire, Jaffee and Bertoli 1990) and the Estate Land Utilisation Study (ELUS) conducted a series of studies in 1996 and 1997 (ELUS 1997). Both examined, if somewhat secondarily, the impact of tobacco estate creation on neighboring households.

The 1990 estate survey, conducted in five districts, found little evidence of smallholders having been dispossessed of land in the creation of new estates. Most of the estates in their sample were created in the 1980s through the conversion of customary land already under cultivation into leaseholds by individual smallholders or groups of smallholders—typically, extended families. The survey also found that on the smallest estates, family members of the leaseholder made up a significant share of the workforce. However, as would be expected, larger estates relied more on wage workers and tenants.

Consequently, in areas where small estates dominate, the opportunities for workers from neighboring households to obtain employment were more limited.

The ELUS survey program conducted a dedicated qualitative assessment on the impact of estates on neighboring households in two communities in Kasungu district where many estates had recently been established (J. Bosworth 1997). Although not a representative study, several insights were obtained. No one was found to have been pushed off their land to create estates in the two communities, as the estates were created from uncultivated bushland or from customary land farmed by the estate owners. However, the reduction in the local availability of land had modified the livelihood and coping strategies that households in the communities could use. Households were increasingly supplementing their food supply and income either by working on estates or by renting land, since locally there was no longer any uncultivated arable land that could be brought into production.

Relatively high levels of employment of workers from surrounding villages were found on the estates. All three main types of employment were found—tenants, monthly employees, and daily casual (*ganyu*) workers. Those who worked as seasonal tenants on the estates tended to be poorer villagers unable to obtain inputs for their own crops. There was also some reverse hiring with estate workers being employed by neighboring villagers in the off-season for building, maintenance, land preparation, and other short-term tasks.

Relatively significant two-way trade was found between villagers and estate residents in livestock and animal products, sleeping mats and other handicrafts, field crops and vegetables, and agricultural inputs. The estates were also important to smallholders in the villages as intermediate buyers of burley tobacco produced by burley club members that was above their quota or by illegal burley producers. The estates increased the local availability of transport for farm produce, since most estate owners owned vehicles that smallholders could hire. These various economic exchanges were viewed as positive developments in that they expanded the incomes or consumption of those involved.

Overall, local estate development was found in these two study communities to have successfully increased local employment opportunities and stimulated market-based economic activity. Land pressures were rising, and some economic differentiation was emerging in consequence. However, traditional local social institutions appeared to be adequately preventing any overt conflict from emerging—this, despite a slight majority of the estates being owned by outsiders and not by individuals with traditional ties to the two communities.

Since the ELUS survey program was completed in the mid-1990s, insofar as we are aware, there have been no in-depth studies of larger-scale commercial agricultural farming enterprises in Malawi that developed reasonably comprehensive data sets on their organization, operations, and economic interactions with neighboring smallholders. However, three articles assess the impacts of nearby estates on dimensions of smallholder welfare or their agricultural production based on secondary data.

These analyses suffer from data challenges. There is very little information on the economic performance of estates in Malawi. The only dataset produced by the National Statistical Office (NSO) of the government of Malawi over the last two decades that contains reasonably comprehensive information on the agricultural production of tobacco estates is the 2006/07 National Census of Agriculture and

Livestock (NACAL).[10] This also contains similar information obtained from smallholder farming households, and so has been used, if not extensively, in analysis comparing estates and smallholders.[11]

In addition, identifying estates is challenging, particularly for tobacco. There generally are no sharp distinctions in the operations and, consequently, in the physical characteristics of tobacco estates and smallholder tobacco plots. For most agricultural landscapes, the observer is unlikely to be able to tell whether any plot of tobacco is being produced by an estate or a smallholder. Consequently, analyses that rely on spatial datasets, whether developed through crowdsourcing, like OpenStreetMap, or satellite imagery interpretation, will not accurately identify tobacco estates in Malawi. These spatial datasets can be useful for analyses focused on tea and sugarcane estates, since those plantations are apparent on the landscape and, consequently, in spatial datasets. The digital land records of the Ministry of Lands, although problematic in terms of quality, will generally be needed for any empirical assessment that requires data on the location of tobacco estates.

Deininger and Xia (2017) used the 2006/07 NACAL dataset to compare the yields on estates to those of smallholders, finding that smallholder yields were significantly higher, except for cassava, despite estates applying more inputs to their crops. The authors also consider whether estates may provide benefits to neighboring smallholders by improving their knowledge of improved production techniques, providing easier access to factor and output markets, offering employment on the estates, or other factors. More specifically, the study examines how smallholders' input use, output, and profit varied with residence on or proximity to estates. The results suggest that proximity is associated with higher levels of output, but this is largely the result of a larger cultivated area rather than improved productivity. Per hectare profits are higher only for those close to estates whose lease has not expired. The authors conclude that no spillover benefits in terms of either technology or market access seem to have materialized from the proximity of smallholders to estates.

Edobor (2022) used information on the share of a community's agricultural land under estate leasehold from the IHS community questionnaire with household-level panel data from the IHS on the own use and hiring in and out of labor by smallholder households to assess whether there is competition for labor between estates and households. The only statistically significant finding with regard to the role of estates in smallholder use of labor was that smallholders in communities with more than three-quarters of the community's land allocated to estates have a 6 percent lower probability of hiring-in ganyu labor than households in communities with a lower share of land area allocated to estates. At the same time, these smallholder households increase their use of their own household labor. The study also examined several other possible mechanisms for estates to influence labor use by smallholder households, but found no significant effects on those other labor use patterns associated with the level of dominance of estates in local land use.

The most recent analysis is that of Joseph, van Dijk, and Krisztin (2023), which used the distance of smallholder households from the nearest estate to assess whether there were any economic spillovers from estates that affect smallholders' incomes, crop yields, and crop diversity. Household data were obtained from the 2016/17 IHS. The OpenStreetMap spatial database for Malawi was used to identify estates. As the IHS has location information (censored), a variable approximating the distance from

[10] The National Statistical Office (NSO), with the International Labour Organization (ILO), recently conducted a representative survey that examined the use of visiting tenants as laborers in Malawi's tobacco industry (ILO 2024). While no data was collected on the organization and economics of agricultural production for the tenants surveyed or for the farms on which they worked, future NSO surveys could do so.

[11] A second National Census of Agriculture was administered by NSO in 2025, covering both smallholder farming households and estates. While the results of the survey among smallholders have been made public (NSO 2026), the information obtained through the survey of estates has not yet been made available.

each farming household in the IHS to the nearest estate could be computed. However, as noted, the OpenStreetMap database adequately identifies tea and sugar estates, but not tobacco estates. Moreover, the authors used only those estates in their database that were over 50 hectares in size, so their total estate dataset consisted of only 59 records, of which only five produced tobacco. Consequently, their results are primarily applicable in considering spatial spillovers from large-scale plantations in Malawi, and not spillovers from the much more common and generally smaller estates planted to tobacco.

Nonetheless, several effects of proximity to estates on smallholder incomes and agricultural production were seen in the analysis, some of which were specific to particular distance thresholds. Households that reside within 5 km of estates have significantly higher incomes, likely reflecting access to additional income-earning opportunities in the form of wage employment in tea and sugar plantations or provision of goods or services for the estate or its workers. However, those same households are also subject to greater land pressure, with significantly smaller areas of land under cultivation than households located farther from estates. Households close to estates generally obtain higher groundnut and pigeonpea yields and produce a more diverse mix of crops. However, no relationship was found between maize yields and proximity to estates.

The empirical analyses done to date on the effects of estates on smallholder production and welfare offer quite limited insights. This reflects both the data challenges involved and some analytical specification issues. Additional evidence would be useful to guide the provision of infrastructure investments, including for irrigation, processing, and transport, to benefit both estates and smallholders. Future studies could also inform how estates might better promote the diffusion of new knowledge and agricultural technologies to smallholders or improve their access to agricultural financing and input and output markets. However, the studies now available overall show that, while there appear to be few negative spillovers from the establishment of estates near smallholders, the measured benefits are also limited.

DISCUSSION

The first estates were established by European settlers in the 1880s in the Shire Highlands, which remained the center of estate agriculture in the early colonial period. However, much of the land of the large estates there remained underutilized due to the challenges in mobilizing labor. Using the visiting tenant system, the relatively smaller tobacco estates established in the Central region from 1922 onwards were considerably more successful, and the center of estate agriculture shifted. Tobacco soon came to dominate estate production and exports. The number of estates, however, fluctuated and remained low during this period.

This changed after independence when the Banda government started supporting Malawian-owned estates, financing them through ADMARC surpluses and directed bank credit, first for the political elite and from 1973 for a wider circle of officials and professionals. The overwhelming majority of leasehold estates were, however, created in the 1980s when quotas to sell burley tobacco were reserved for registered estates of at least twelve hectares. With the removal of restrictions on tobacco sales, the boom in estate creation ended in the mid-1990s. Running alongside these different phases of estate development, and largely independent of them, is the separate history of the tea estates established in Mulanje and Thyolo before 1910 and the sugar plantations developed at Nchalo from 1965 and Dwangwa from 1976.

Records on leases held at the Ministry of Lands that were digitized in 2016 suggest that at least 71 percent of agricultural estates had expired leases, with the leases for a further 22 percent being of uncertain validity. Some of the older and largest estates, however, appear to retain valid leaseholds in 2026, with roughly 284,000 hectares under leasehold nationally that is largely concentrated in a few hundred holdings. In the Central region, where the 1980s boom was concentrated, 94 percent of dated leases had expired by 2016. Leaseholders appear to have had little reason to maintain their leases once the marketing privileges that leasehold conveyed were removed. Questions remain about the legal status of lapsed leaseholds. It is unclear whether this land can be reallocated to new leaseholders, remains under the de facto control of former leaseholders, or reverts to customary tenure. This ambiguity, combined with longstanding concerns about idle estate land, is highly problematic in the context of severe and increasing agricultural land pressure across Malawi.

Despite the historical importance of the agricultural estate sector to international trade and, consequently, the economic performance of Malawi, the performance of estates has been mixed at best. When they thrived, it was rarely because they were more productive or efficient than smallholders, but rather because the government instituted regulations or took other actions that hamstrung the productive potential of smallholders in some way.

Estates in Malawi since their advent have, however, partnered with smallholders in various ways. Some of these arrangements have endured. The visiting tenant system in effect evolved into an outgrower scheme, with estates providing inputs on credit to smallholder tobacco producers, supervising production, and handling the sale of the harvested tobacco. While the Integrated Production System that now organizes most of Malawi's tobacco production has the same form, the actors have changed, with both estates and smallholders producing tobacco under contract for a handful of major international tobacco buyers in Malawi. Tea estates and sugar plantations have also worked with outgrowers. Yet, while the visiting tenant system for tobacco production developed out of the commercial interests of the estates, the outgrower schemes for tea and sugarcane arose, at least in part, because of heavy government involvement. The arrangements, however, endured because of the nature of the crop at the center. Tea and sugarcane must be processed rapidly using capital-intensive specialized equipment to realize their economic value.

Beyond these partnerships, the evidence that estates affect the smallholders around them, whether positively or negatively, is thin. While conceptually, the presence of estates could foster the spread of knowledge and technologies, generate employment, and improve access to input and output markets, historically many of the Malawian estates have been too undercapitalized, poorly managed, and unprofitable to provide neighboring smallholders with economic benefits. Other than differences in tenure status and scale, there have often been few meaningful distinctions in how estates and smallholders operate. Both types of farms grapple with much of the same productivity and profitability challenges, and there is little evidence to suggest that estates in Malawi are able to manage those challenges any better than smallholders.

As such, this study suggests that caution is warranted in giving any prominent place to large-scale farming to promote broad agricultural development in Malawi. The historical record clearly shows that large farms are not inherently more productive or efficient than smallholders. The recurring difficulties in mobilizing labor illustrate that smallholder production can be more efficient. Where large farms do succeed, it should also not be assumed that the benefits will extend to the smallholders around them. Partnerships between large farms and smallholders will be mutually beneficial and commercially successful only in specific contexts and for specific products (Benson, Cockx, and De Weerdt 2025). Most large farms have no commercial reason to function as an anchor enterprise, and schemes established without such an underlying rationale in place are unlikely to be sustained. A growing literature on the spillovers between large and small farms suggests that while there is some evidence that the presence of larger-scale farms can indirectly affect smallholder operations and technology adoption and input use in particular, the benefits are often modest (Ali, Deininger and Harris 2019, Deininger and Xia 2016, Lay, Nolte and Sipangule 2021, Liverpool-Tasie, et al. 2023). The development potential of large farms should therefore not be overestimated.

None of this argues against large farms in Malawi. Especially for crops suited for mechanized farming and those requiring irrigation, large-scale production may be more efficient. Estates and other large-scale agrifood enterprises are also certainly better positioned than smallholders to engage in crop processing and to access higher-value markets. Where this is the case and large farms are more productive and profitable, it should not be assumed that they require government support. As resources are scarce, the question is not only whether larger-scale farming can contribute to the development of commercial agriculture in Malawi, but whether its contribution is large enough to justify diverting public resources away from smallholder-oriented and other programs for agrifood system development.

REFERENCES

Ali, D., K. Deininger, and A. Harris. 2019. "Does Large Farm Establishment Create Benefits for Neighboring Smallholders? Evidence from Ethiopia." *Land Economics* 95 (1): 71–90. https://doi.org/10.3368/le.95.1.71.

Amer, J., and A. MacGregor Hutcheson. 1967. "The Nchalo Sugar Estate: A Major Agricultural Development in Malawi." *The Society of Malawi Journal* 20 (1): 7–34. https://www.jstor.org/stable/29778148.

Ameye, H., F.N. Bachewe, B. Minten, and S. Tamru. 2025. "Farm Size and Agricultural Productivity of Nutritious Foods: Evidence from Ethiopia." *Journal of Agricultural Economics* 76 (2). https://doi.org/10.1111/1477-9552.12621.

Anseeuw, W., T.S. Jayne, R. Kachule, and J. Kotsopoulos. 2016. "The Quiet Rise of Medium-Scale Farms in Malawi." *Land* 5 (3): 19. https://doi.org/10.3390/land5030019.

Bae, Y-J. 2021. "Analyzing the Changes of the Meaning of Customary Land in the Context of Land Grabbing in Malawi." *Land* 10: 836. https://doi.org/10.3390/land10080836.

Benson, T. 2021. *Disentangling Food Security from Subsistence Agriculture in Malawi.* Washington, DC: International Food Policy Research Institute. https://doi.org/10.2499/9780896294059.

Benson, T., and J. De Weerdt. 2023. *Employment Options and Challenges for Rural Households in Malawi: An Agriculture and Rural Employment Analysis of the Fifth Malawi Integrated Household Survey, 2019/20.* Malawi Strategy Support Program Working Paper 40 (revised), Washington, DC: International Food Policy Research Institute (IFPRI). https://doi.org/10.2499/p15738coll2.136607.

Benson, T., L. Cockx, and J. De Weerdt. 2025. *The Development Potential of Anchor Enterprise Models in Malawi.* MaSSP Policy Note 54, Washington, DC: International Food Policy Research Institute. https://hdl.handle.net/10568/178508.

Binswanger, H.P., and M.R. Rosenzweig. 1986. "Behavioural and Material Determinants of Production Relations in Agriculture." *The Journal of Development Studies* 22 (3): 503–539. https://doi.org/10.1080/00220388608421994.

Bolt, J., and E. Green. 2014. *Was the Wage Burden Too Heavy? Profitability and Wage Shares of Settler Agriculture in Colonial Malawi, c 1900–1960.* Lund Papers in Economic History no. 134, Lund, Sweden: Department of Economic History, Lund University. https://lup.lub.lu.se/search/files/18258210/2014_134.pdf.

Bosworth, J. 1997. *Estates in the Rural Community: A Pilot Case Study of the Impact of Estate Sector Development in an Area of Customary Land.* Lilongwe: Estate Land Utilisation Study.

Bosworth, J.L., R.J.G. Steele, and L.D. Mapemba. 1997. *The Organisation, Management and Population of Tobacco Estates in Malawi: The Report of the Socio-economic Survey 1996.* Lilongwe: Estate Land Utilisation Study.

Cameron, A., and F. Mkomba. 2014. *Analysis of Price Incentives for Tea in Malawi.* MAFAP technical notes series, Rome: Monitoring and Analysing Food and Agricultural Policies (MAFAP), Food and Agriculture Organzation of the United Nations (FAO). https://openknowledge.fao.org/server/api/core/bitstreams/9a2527d9-2ffb-40cc-9b79-5e136a7984e7/content.

Chamberlin, J., and T.S. Jayne. 2020. "Does Farm Structure Affect Rural Household Incomes? Evidence from Tanzania." *Food Policy* 90: 101805. https://doi.org/10.1016/j.foodpol.2019.101805.

Changaya, F., A. Comstock, J. De Weerdt, J. Duchoslav, A. Jamali, F. Kamanga, G. Kumchulesi, and K. Pauw. 2026. *Does Malawi's Exchange Rate Regime Keep Prices Low? Evidence and Policy Implications.* Malawi Strategy Support Program (MaSSP) Policy Note 56, International Food Policy Research Institute: Washington, DC. https://hdl.handle.net/10568/181860.

Chanock, M. 1977. "Agricultural Change and Continuity in Nyasaland." In *The Roots of Rural Poverty in Central and Southern Africa*, by R.H. Palmer and N. Parsons, 396-409. Berkeley: University of California Press.

Chinigò, D. 2016. "Rural Radicalism and the Historical Land Conflict in the Malawian Tea Economy." *Journal of Southern African Studies* 42 (2): 283–297. https://doi.org/10.1080/03057070.2016.1141514.

Chinsinga, B. 2025. "The Green Belt Initiative, Politics and Sugar Production in Malawi." In *Malawi: Enduring Concerns and New DIrections*, by Z. Groves and J. Johnson, 115–129. London: Routledge. https://www.taylorfrancis.com/reader/download/2f7e1d31-aa91-4fd6-a4d6-0d6ccbe1907f/chapter/pdf?context=ubx.

Chirwa, E., and J. Kydd. 2005. "[title to be completed]."

Chirwa, E.W., J. Kydd, and A. Dorward. 2006. *Future Scenarios for Agriculture in Malawi: Challenges and Dilemmas.* Research Paper 003, Brighton, UK: Future Agricultures Consortium, University of Sussex. https://foresightfordevelopment.org/sobipro/download-file/46-910/54.

Chirwa, W.C. 1994. "Alomwe and Mozambican Immigrant Labor in Colonial Malawi, 1890s-1945." *The International Journal of African Historical Studies* 27 (3): 525–550. https://www.jstor.org/stable/220758.

Collier, D., and R. Beukes. 2023. *Towards Decent Work in the Tobacco Sector in Malawi: Legal, Conceptual, and Practical Tools for Stakeholders.* Cape Town: Centre for Transformative Regulation of Work, University of the Western Cape. http://hdl.handle.net/10566/9255.

Comstock, A., T. Benson, F. Nankhuni, J. Kanyamuka, Z. Nyirenda, and C. Nyondo. 2019. *A Critical Review of Malawi's Special Crops Act and Agriculture (General Purposes) Act.* IFPRI Discussion Paper 1792, Washington, DC: International Food Policy Research Institute (IFPRI). https://hdl.handle.net/10568/146398.

Corporate Citizenship. 2017. *Illovo Sugar (Malawi) plc Socio-Economic Impact Assessment.* Internal Management Report, London: Corporate Citizenship.

Curtin, P., S. Feierman, L. Thompson, and J. Vansina. 1978. *African History.* London: Longman Group.

Davis, K, C. Kazembe, T. Benson, J. De Weerdt, and J. Duchoslav. 2023. *Primary Agricultural Cooperatives in Malawi: Structure, Conduct, and Performance.* Malawi Strategy Support Program Working Paper 41, Lilongwe: International Food Policy Research Institute (IFPRI). https://doi.org/10.2499/p15738coll2.136709.

De Vita, G., A. Tekaya, and C.L. Wang. 2011. "The Many Faces of Asset Specificity: A Critical Review of Key Theoretical Perspectives." *International Journal of Management Reviews* 13: 329–348. https://doi.org/10.1111/j.1468-2370.2010.00294.x.

Deininger, K., and F. Xia. 2017. *Assessing Effects of Large-Scale Land Transfers: Opportunities in Malawi's Estate Sector.* Policy Research Working Paper 8200, Washington, DC: World Bank. https://hdl.handle.net/10986/28378.

Deininger, K., and F. Xia. 2016. "Quantifying Spillover Effects from Large Land-based Investment: The Case of Mozambique." *World Development* 87: 227–241. https://doi.org/10.1016/j.worlddev.2016.06.016.

Deininger, K., F. Xia, and S. Holden. 2019. "Gendered Incidence and Impacts of Tenure Insecurity on Agricultural Performance in Malawi's Customary Tenure System." *The Journal of Development Studies* 55 (4): 597–619. https://doi.org/10.1080/00220388.2018.1425395.

Dorward, A., and J. Kydd. 2004. "The Malawi 2002 Food Crisis: The Rural Development Challenge." *Journal of Modern African Studies* 42 (3): 343–361. https://doi.org/10.1017/S0022278X04000229.

du Toit, J.P., F.J. Nankhuni, and J.S. Kanyamuka. 2018. *Opportunities to Enhance the Competitiveness of Malawi's Tea Industry: Evidence from an Analysis of the Tea Value Chain.* Feed the Future Innovation Lab for Food Security Policy Brief 79, East Lansing: Michigan State University. https://msu-prod.dotcms.cloud/fsp/publications/policy-research-briefs/policy+brief+new+72.pdf.

Edobor, E.W. 2022. *Assessing the Role of Estates on Smallholder Household Labor Allocation in Sub-Saharan Africa: A Case Study of Malawi.* Paper prepared for the 2022 Agricultural & Applied Economics Association Annual Meeting, Anaheim, CA, West Lafayette, IN: Purdue University.

Ellis, F. 1993. *Peasant Economics: Farm Households and Agrarian Development.* 2nd ed. Cambridge, UK: Cambridge University Press.

ELUS. 1997. *Land, People, and Production on the Estates of Malawi: A Guide to the Surveys of the Estate Land Utilisation Study 1995-7.* Lilongwe: Estate Land Utilisation Study (ELUS).

Engel, J., A. Mussa, E.Z. Chilima, L.M. Cardona, Q. Qasim, I. Njati Banda, M. McKenna, et al. 2026. *Getting Reforms Right - Special Topic - Reversing Malawi's Export Decline.* Malawi Economic Monitor, Washington, DC: World Bank. http://documents.worldbank.org/curated/en/099022026063019097.

Foster, A.D., and M.R. Rosenzweig. 2022. "Are There Too Many Farms in the World? Labor Market Transaction Costs, Machine Capacities, and Optimal Farm Size." *Journal of Political Economy* 130 (3): 636–680. https://doi.org/10.1086/717890.

Gcanga, A. 2014. *Benefit Sharing in Company–Smallholder Sugarcane Outgrower Partnerships: A Case Study of Kasinthula Smallholder Sugarcane Scheme, Chikwawa District, Malawi.* MSc thesis, Wageningen, The Netherlands: Water Resources Management Group, Wageningen University. https://edepot.wur.nl/345829.

GoM. 2025. "Agricultural Commercialisation (AGCOM) Project." *Government of Malawi (GoM).* https://www.agcom.gov.mw/.

GoM. 2024. *Malawi 2063 First 10-Year Implementation Plan (MIP-1) Annual Progress Report (2023/24).* Lilongwe: National Planning Commission, Government of Malawi (GoM). https://npc.mw/wp-content/uploads/2024/07/MIP-1-ANNUAL-PROGRESS-REPORT-2023-2024_final_version.pdf.

GoM. 2021. *Malawi 2063 First 10-Year Implementation Plan.* Lilongwe: National Economic Commission, Government of Malawi (GoM). https://npc.mw/wp-content/uploads/2022/02/MIP-1-Navigable-Version.pdf.

GoM. 2020. *Malawi 2063—Malawi's Vision: An Inclusively Wealthy and Self-Reliant Nation.* Lilongwe: National Planning Commission, Government of Malawi (GoM). https://npc.mw/wp-content/uploads/2021/02/MW2063-VISION-FINAL.pdf.

GoM. 2019. *Tobacco Industry Act, 2019.* Act No. 10 of 2019, Lilongwe: Government of Malawi (GoM). https://faolex.fao.org/docs/pdf/mlw211199.pdf.

Gondwe, A., B. Nankwenya, T.S. Jayne, W.J. Burke, M. Muyanga, W. Chadza, and L. Chiwaula. 2022. *The Potential for Mega-Farms to Transform Malawian Agriculture.* MwAPATA Working Paper No. 22/01, Lilongwe: MwAPATA Institute. https://www.mwapata.mw/_files/ugd/dd6c2f_c74436e791af46a6b5cea8045aaef3f5.pdf.

Green, E. 2007. "Modern Agricultural History in Malawi: Perspectives on Policy-Choice Explanations." *African Studies Review* 50 (3): 115-133. https://doi.org/10.1353/arw.2008.0034.

Haggblade, S., P.B.R. Hazell, and T. Reardon. 2007. *Transforming the Rural Nonfarm Economy: Opportunities and Threats in the Developing World.* Baltimore: Johns Hopkins University Press.

Harawa, M.K., and D. Chilonga. 2025. "Will Formalisation of Customary Land into Customary Estates Foster Agricultural Commercialisation in Rural Areas of Malawi? A Qualitative Analysis Approach." *Land Management and Utilization* 1 (2): 16–31. https://doi.org/10.54963/lmu.v1i2.1526.

Harrigan, J. 2003. "U-Turns and Full Circles: Two Decades of Agricultural Reform in Malawi 1981–2000." *World Development* 31 (5): 847–863. https://doi.org/10.1016/S0305-750X(03)00019-6.

Henriksson, R., K. Vincent, and K. Naidoo. 2021. "Exploring the Adaptive Capacity of Sugarcane Contract Farming Schemes in the Face of Extreme Events." *Frontiers in Climate* 3: 578544. https://doi.org/10.3389/fclim.2021.578544.

Herrmann, R., and U. Grote. 2015. "Large-scale Agro-Industrial Investments and Rural Poverty: Evidence from Sugarcane in Malawi." *Journal of African Economies* 24 (5): 645–676. https://doi.org/10.1093/jae/ejv015.

Hirschmann, D. 1990. "Malawi's "Captured" Peasantry: An Empirical Analysis." *The Journal of Developing Areas* 24 (4): 467–488. http://www.jstor.org/stable/4191903.

IFPRI. 2022. *Key Facts Sheet on Employment.* IFPRI Malawi Strategy Support Program (MaSSP) Key Facts series, Washington, DC: International Food Policy Research Institute (IFPRI). https://ebrary.ifpri.org/digital/collection/p15738coll2/id/135920.

ILO. 2024. *Survey on Tenant Growers in Malawi's Tobacco Industry.* Summary report, Geneva: International Labour Organization (ILO). https://www.ilo.org/sites/default/files/2024-05/Malawi_Tenacy_Report_FINAL_WEB_20240315.pdf.

Jaffee, S. 2003. *Malawi's tobacco sector: Standing on one leg is better than none.* Africa Region Working Paper Series 55, Washington, DC: World Bank. http://documents.worldbank.org/curated/en/505031468757241265.

Joseph, J., M. van Dijk, and T. Krisztin. 2023. "Do Large Estates Benefit Smallholder Neighbours? Evidence from Malawi." *The Journal of Development Studies* 59 (4): 570–592. https://doi.org/10.1080/00220388.2022.2147831.

Juwayeyi, Y.M. 2020. *Archaeology and Oral Tradition in Malawi.* Cape Town: UCT Press.

Kalinga, O.J.M. 1993. "The Master Farmers' Scheme in Nyasaland, 1950-1962: A Study of a Failed Attempt to Create a 'Yeoman' Class." *African Affairs* 92 (368): 367–387. http://www.jstor.org/stable/723288.

Kettlewell, R.W. 1965. "Agricultural Change in Nyasaland, 1945–1960." *Food Research Institute Studies* 5 (3): 229–285.

Kishindo, P., and P. Mvula. 2017. "Malawi's Land Problem and Potential for Rural Conflict." *Journal of Contemporary African Studies* 35 (3): 370–382. https://doi.org/10.1080/02589001.2017.1342784.

Knorr, J., M. Gerster-Bentaya, and V. Hoffmann. 1987. *The History of Agricultural Extension in Malawi.* Weikersheim, Germany: Margraf Publishers.

Kydd, J. 1984. "Malawi in the 1970s: Development Policies and Economic Change." In *Malawi: An Alternative Pattern of Development*, by Center of African Studies, 295–380. Edinburgh: Center of African Studies, University of Edinburgh.

Kydd, J., and R. Christiansen. 1982. "Structural Change in Malawi since Independence: Consequences of a Development Strategy Based on Large-Scale Agriculture." *World Development* 10 (5): 355–375. https://doi.org/10.1016/0305-750X(82)90083-3.

Landesa. 2019. *Case Study: Phata Cooperative.* Seattle: Landesa Rural Development Institute. https://cdn.landesa.org/wp-content/uploads/Phata-Case-Study-9.6.19-FINAL.pdf.

Lay, J., K. Nolte, and K. Sipangule. 2021. "Large-scale Farms in Zambia: Locational Patterns and Spillovers to Smallholder Agriculture." *World Development* 140: 105277. https://doi.org/10.1016/j.worlddev.2020.105277.

Liverpool-Tasie, L.S.O., A.S. Nuhu, T. Awokuse, T. Jayne, M. Muyanga, A. Aromolaran, and A. Adelaja. 2023. "Can Medium-scale Farms Support Smallholder Commercialisation and Improve Welfare? Evidence from Nigeria." *Journal of Agricultural Economics* 74 (1): 48–74. https://doi.org/10.1111/1477-9552.12487.

Ma, M., and R.J. Sexton. 2021. "Modern Agricultural Value Chains and the Future of Smallholder Farming Systems." *Agricultural Economics* 52 (4): 591–606. https://doi.org/10.1111/agec.12637.

McCracken, J. 2012. *A History of Malawi, 1859–1966.* Woodbridge, UK: James Currey.

McCracken, J. 1982b. "Experts and Expertise in Colonial Malawi." *African Affairs* 81 (322): 101–116.

McCracken, J. 1982. "Peasants, Planters and the Colonial State: The Case of Malawi, 1905-1940." *Journal of Eastern African Research & Development* 12: 21–35. http://www.jstor.org/stable/24325711.

McCracken, J. 1982a. "Peasants, Planters and the Colonial State: The Case of Malawi, 1905-1940." *Journal of Eastern African Research & Development* 12: 21–35. http://www.jstor.org/stable/24325711.

Meki, N. 2025. "Salima Sugar pleads for K24bn bailout." *Nation*, May 20. https://mwnation.com/salima-sugar-pleads-for-k24bn-bailout/.

Mellor, J.W. 2017. *Agricultural Development and Economic Transformation: Promoting Growth with Poverty Reduction.* London: Palgrave Macmillan.

Mendola, M., and F. Simtowe. 2015. "The Welfare Impact of Land Redistribution: Evidence from a Quasi-Experimental Initiative in Malawi." *World Development* 72: 53–69. https://doi.org/10.1016/j.worlddev.2015.02.010.

Minot, N., and B. Sawyer. 2016. "Contract Farming in Developing Countries: Theory, Practice, and Policy Implications." In *Innovation for Inclusive Value-chain Development: Successes and Challenges*, by A. Devaux, M. Torero, J. Donovan and D. Horton, 127–158. Washington, DC: International Food Policy Research Institute. https://doi.org/10.2499/9780896292130_04.

Mkandawire, R., S. Jaffee, and S. Bertoli. 1990. *Beyond "Dualism": The Changing Face of the Leasehold Estate Subsector of Malawi.* Working Paper No. 71, Binghamton, NY: The Social Analysis of Policy Change in East Africa Project, Institute for Development Anthropology. https://suny-bin.primo.exlibrisgroup.com/permalink/01SUNY_BIN/mc4ge5/alma9936689761704802.

MoA. 2023. *Malawi Anchor and Mega Farm Programme—Concept Note.* mimeo, Lilongwe: Ministry of Agriculture (MoA), Government of Malawi.

MoA. 2025. *Mega Farm Support Department.* Presentation to Donor Committee in Agriculture and Food Security (DCAFS), 26 March, Lilongwe: Ministry of Agriculture (MoA), Government of Malawi.

MoA. 2024. *National Agricultural Policy.* Lilongwe: Ministry of Agriculture (MoA), Government of Malawi. https://docs.dcafs-tipdep-donors-mw.org/dt_docs/nap_mw_gvt_2024.pdf.

—. 2022. "The Ministry of Agriculture's Mega Farm Project." *Mega-farms Round Table event, Sunbird Capital Hotel, 10 August 2022.* Lilongwe: Ministry of Agriculture (MoA). https://www.mwapata.mw/_files/ugd/dd6c2f_c5a0a44e444e4f38b10f763a35f66add.pdf.

MoAFS. 2007. *The National Contract Farming Strategy For Malawi: Promoting Organised Viable Farming.* Lilongwe: Ministry of Agriculture and Food Security (MoAFS), Government of Malawi. https://faolex.fao.org/docs/pdf/mlw211727.pdf.

MoAIWD. 2016b. *Contract Farming Strategy.* Lilongwe: Ministry of Agriculture, Irrigation and Water Development (MoAIWD), Government of Malawi. https://www.canr.msu.edu/fsp/countries/malawi/Contract%20Farming%20Strategy%20final%20%20version.pdf.

MoAIWD. 2016a. *National Agricultural Policy.* Lilongwe: Ministry of Agriculture, Irrigation and Water Development (MoAIWD), Government of Malawi. https://massp.ifpri.info/files/2017/02/NAP_Final_Signed-2016.pdf.

Mugwagwa, I., J. Bijman, and J. Trienekens. 2020. "Typology of Contract Farming Arrangements: A Transaction Cost Perspective." *Agrekon* 59 (2): 169–187. https://doi.org/10.1080/03031853.2020.1731561.

Mulwafu, W.O. 2010. *Conservation Song: A History of Peasant-State Relations and the Environment in Malawi, 1860–2000.* Cambridge: The White Horse Press. https://www.environmentandsociety.org/sites/default/files/key_docs/mulawafu.pdf.

Muyanga, M., and T.S. Jayne. 2019. "Revisiting the Farm Size-Productivity Relationship Based on a Relatively Wide Range of Farm Sizes: Evidence from Kenya." *American Journal of Agricultural Economics* 101 (4): 1140–1163. https://doi.org/10.1093/ajae/aaz003.

Mwatsika, C. 2021. "Reflecting on Perceived Failure of Entrepreneurship Development Initiatives to Help Ignite Economic Development in Malawi." *Journal of Innovation and Entrepreneurship* 10 (1): 1–24. https://hdl.handle.net/10419/259659.

NEEF. 2025. *National Economic Empowerment Fund (NEEF), Malawi.* https://www.neef.mw/.

NSO. 2026. *Malawi National Census of Agriculture (NACA) 2025: Main Report.* Zomba, Malawi: National Statistical Office (NSO).

Ochieng, D.O. 2020. *Beyond the Passbook Relationship: Assessing Preferences for Contracts among Cotton and Tea Farmers and Companies in Malawi.* Malawi Strategy Support Program Working Paper 34, Washington, DC: International Food Policy Research Institute.

Omotilewa, O.J., T.S. Jayne, M. Muyanga, A.B. Aromolaran, L.S.O. Liverpool-Tasie, and T. Awokuse. 2021. "A Revisit of Farm Size and Productivity: Empirical Evidence from a Wide Range of Farm Sizes in Nigeria." *World Development* 146: 105592. https://doi.org/10.1016/j.worlddev.2021.105592.

Owens, P. 1997. *When Maize and Tobacco Are Not Enough: A Church Study of Malawi's Agro-economy.* Kachere Text No. 3 and CTPI Occasional Paper No. 40, Edinburgh and Blantyre: Church of Scotland, World Mission; and Christian Literature Association in Malawi.

Pachai, B. 1973. "Land Policies in Malawi: An Examination of the Colonial Legacy." *The Journal of African History* 14 (4): 681-698. https://www.jstor.org/stable/180907.

Palladium. 2025. *Feed the Future Malawi Growth Poles Project: Activity Monitoring, Evaluation and Learning Plan.* 09 January, Lilongwe: Palladium International, LLC.

Phata. 2018. *Phata Sugarcane Outgrowers Cooperative.* https://phatasoc.org.

Phiri, D.D. 2010. *History of Malawi, Vol. 2.* Blantyre: College Publishing Company.

Pike, J.G., and G.T. Rimmington. 1965. *Malawi: A Geographical Study.* Oxford: Oxford University Press.

Pound, B. 2013. *Branching Out: Fairtrade in Malawi—Monitoring the Impact of Fairtrade on Five Certified Organisations.* Phase 2 of a longitudinal study, London and Greenwich, UK: Fairtrade Foundation and Natural Resources Institute, University of Greenwich. https://www.yumpu.com/en/document/view/19658892/branching-out-fairtrade-in-malawi-the-fairtrade-foundation.

Prowse, M. 2013. "A History of Tobacco Production and Marketing in Malawi, 1890-2010." *Journal of Eastern African Studies* 7 (4): 691–712. https://lup.lub.lu.se/search/ws/files/2363464/5218892.pdf.

Prowse, M., and P. Grassin. 2020. *Tobacco, Transformation and Development Dilemmas from Central Africa.* Cham, Switzerland: Palgrave Macmillan. https://link.springer.com/book/10.1007/978-3-030-33985-2.

Pryor, F.L., and C. Chipeta. 1990. "Economic Development through Estate Agriculture: The Case of Malaŵi." *Canadian Journal of African Studies* 1: 50–74.

RoM. 2016b. *Customary Land Act, 2016.* Lilongwe: Republic of Malawi (RoM). https://faolex.fao.org/docs/pdf/mlw170882.original.pdf.

RoM. 2016a. *Land Act, 2016.* Lilongwe: Republic of Malawi (RoM). https://faolex.fao.org/docs/pdf/mlw170885.pdf.

Ruml, A., and M. Qaim. 2020. "Effects of Marketing Contracts and Resource-providing Contracts in the African Small Farm Sector: Insights from Oil Palm Production in Ghana." *World Development* 136: 105110. https://doi.org/10.1016/j.worlddev.2020.105110.

Saenger, C., M. Torero, and M. Qaim. 2014. "Impact of Third-party Contract Enforcement in Agricultural Markets—A Field Experiment in Vietnam." *American Journal of Agricultural Economics* 96: 1220–1238. https://doi.org/10.1093/ajae/aau021.

Saitone, T.L., R.J. Sexton, and B. Malan. 2018. "Price Premiums, Payment Delays, and Default Risk: Understanding Developing Country Farmers' Decisions to Market through a Cooperative or a Private Trader." *Agricultural Economics* 49 (3): 363–380. https://doi.org/10.1111/agec.12422.

Sharp, K., H. Zerriffi, and P. Le Billon. 2020. "Land Scarcity, Resettlement and Food Security: Assessing the Effect of Voluntary Resettlement on Diet Quality in Malawi." *Food Security* 12 (1): 191–205. https://doi.org/10.1007/s12571-019-00979-y.

Singini, G. 2026. "K23 billion debt torments Salima Sugar Company." *Nation*, May 13. https://mwnation.com/k23-billion-debt-torments-salima-sugar-company/.

Steele, R.J.G., J.I. Bosworth, S.J. Gossage, and C. Mataya. 1997. *The Tea Plantations of Malawi: The Report the Tea Estate Surveys 1996 and 1997.* Lilongwe: Malawi Estate Land Utilisation Study.

Swinnen, J., and R. Kuijpers. 2019. "Value Chain Innovations for Technology Transfer in Developing and Emerging Economies: Conceptual Issues, Typology, and Policy Implications." *Food Policy* 83: 298-309. https://doi.org/10.1016/j.foodpol.2017.07.013.

TAM. 1991. *A Handbook to the Tea Industry of Malawi.* Blantyre: Tea Association of Malawi (TAM), Ltd. and Central Africana Ltd.

USDL. 2024. *Study on Child Labor and Forced Labor in the Malawi Tobacco Supply Chain.* Washington, DC: Office of Child Labor, Forced Labor, and Human Trafficking; Bureau of International Labor Affairs; United States Department of Labor (USDL). https://www.dol.gov/sites/dolgov/files/ILAB/Supply-Chain-Malawi-Tobacco-508.pdf.

Vail, L. 1983. "The State and the Creation of Colonial Malawi's Agricultural Economy." In *Imperialism, Colonialism, and Hunger: East and Central Africa*, by R.I. Rotberg, 39–87. Lexington, KY, USA: Lexington Books.

Vaughan, M. 1982. "Food Production and Family Labour in Southern Malawi: The Shire Highlands and Upper Shire Valley in the Early Colonial Period." *The Journal of African History* 23 (3): 351–364. https://doi.org/10.1017/S002185370002096X.

—. 1987. *The Story of an African Famine : Gender and Famine in Twentieth-century Malawi.* Cambridge: Cambridge University Press.

von Maltitz, G.P., G. Henley, M. Ogg, P.C. Samboko, A. Gasparatos, M. Read, F. Engelbrecht, and A. Ahmed. 2019. "Institutional Arrangements of Outgrower Sugarcane Production in Southern Africa." *Development Southern Africa* 36 (2): 175-197. https://doi.org/10.1080/0376835X.2018.1527215.

White, L. 1987. *Magomero: Portrait of an African Village.* Cambridge: Cambridge University Press.

Williamson, O.E. 1985. *The Economic Institutions of Capitalism.* New York: Free Press.

Williamson, O.E. 1981. "The Economics of Organization: The Transaction Cost Approach." *American Journal of Sociology* 87 (3): 548–577. https://doi.org/10.1086/227496.

Williamson, O.E. 2002. "The Theory of the Firm as Governance Structure: From Choice to Contract." *Journal of Economic Perspectives* 16 (3): 171–195. https://pubs.aeaweb.org/doi/pdfplus/10.1257/089533002760278776.

World Bank. 2023. *Food Systems Resilience Program for Eastern and Southern Africa (Phase 3) (P177816).* Project Appraisal Document, Washington, DC: World Bank. https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099051123163518838.

World Bank. 2017. *Malawi Agricultural Commercialization Project (P158434).* Project Appraisal Document, Washington, DC: World Bank. https://www.agcom.gov.mw/sites/default/files/2021-02/Approved%20Project%20Appraisal%20Document.pdf.

Zuza, E.J., K. Maseyk, S. Bhagwat, A. Emmott, W. Rawes, and Y.N. Araya. 2021. "Review of Macadamia Production in Malawi: Focusing on What, Where, How Much Is Produced and Major Constraints." *Agriculture* 11 (2): 152. https://doi.org/10.3390/agriculture11020152.

ABOUT THE AUTHORS

Todd Benson is an independent applied policy researcher on international agricultural development, food security, and nutrition issues, based in Washington, DC.

Lara Cockx is a Research Fellow at the International Food Policy Research Institute (IFPRI), based in Lilongwe.

ACKNOWLEDGEMENTS

The authors are grateful to the Ministry of Lands for making the digitized estate lease data available for this analysis. We also thank participants of a validation workshop, including colleagues from the Ministry of Lands and the National Statistical Office, for their comments. Any remaining errors are our own.

All working papers published by the Malawi Strategy Support Program (MaSSP) are available at https://massp.ifpri.info/resources/working-papers/

This work was made possible through financial support from the Embassy of Ireland, Coefficient Giving, FCDO and the CGIAR Science Program on Policy Innovations. It has not been independently peer reviewed. Any opinions expressed here belong to the authors and are not necessarily representative of or endorsed by IFPRI or its funders.

INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE

A world free of hunger and malnutrition

IFPRI is a CGIAR Research Center

IFPRI Malawi, Area 14 Office, Plot 14/205, Lilongwe, Malawi | http://massp.ifpri.info