IS SMALL STILL BEAUTIFUL?
The farm size-productivity relationship revisited

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Emerging trend #1

Farm sizes are shrinking due to mounting population pressure in sub-Saharan Africa
Emerging trend #2

High population densities are resulting in unsustainable forms of agricultural intensification
Agricultural intensification

• Are increasing population densities inducing innovations aimed at intensifying the use of land?

• Mounting population pressure is resulting in unsustainable forms of agricultural intensification in some counties

  • Reduced fallow periods, soil mining, depleted soil organic matter, increasing soil acidity
Emerging trend #3

Rapid increase in medium-scale farmers (5-100 ha)
Definition: emergent farmers

- Defined as farmers cultivating between 5 to 100 hectares
- Emergent farmers have little in common with large-scale farmers
  - Farm size, access to finance, input application, farm management practices
Who are the emergent farmers?
What are the medium-scale farmers characteristics?

- Is this growth driven by farmers who began as smallholders, and now transitioning to a larger scale status through the capital and assets accumulation?
- Is the growth driven by institutions and policies (deficient policies) that encourage investment in land acquisitions by individuals from non-agricultural employment?
- How does their agricultural productivity compare to that of the smallholders?
Who are the emergent farmers?

Kenya & Zambia:
• Primarily “lateral entrants”
• Urban-based
• Primary employment is salaried job
• Relatively highly educated
• Primarily men
• Owned over two times more land than they were using for crops

Central/North Ghana:
• Most started out as small-scale farmers, then scaled-up
• Acquired land from customary authorities
• Relatively land-abundant environment
Smallholder farms productivity - Kenya

Figure 2b: Farm and crop income per hectare planted

'000 KSh/ha planted

Farm income

Crop income

land -- planted (ha)
Medium-scale farms productivity - Kenya

Figure 2a: Value of crop production per hectare planted

- Gross value
- Net value

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<th>Gross value</th>
<th>Net value</th>
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<td>0%</td>
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Medium-scale farms production costs - Kenya

Figure 5a: Total crop production costs per hectare planted

\[ '000KSh/ha planted \]

\[ 35 \]

\[ 32.5 \]

\[ 30 \]

\[ 27.5 \]

\[ 25 \]

\[ 22.5 \]

\[ 20 \]

\[ 0 \]

\[ 25\% \]

\[ 50\% \]

\[ 75\% \]

\[ 95\% \]

land -- planted (ha)
Medium-scale farms’ production costs - Kenya

Figure 6: Total crop production costs by components

- Fertilizer
- Seed
- Land preparation
- Labor
- Fixed costs
Conclusion and policy implications

• Which category of farms is driving the renewed agricultural growth across Africa?

• Ever wondered why rural poverty levels have remained very high in sub-Saharan Africa?

• Agricultural and land allocation policy dilemma
  • Should the land allocation policies support the more efficient medium-scale farmers?
  • Is the smallholder-led agricultural growth experienced in Asia feasible in sub-Saharan?
Optimism that small-scale farms can expand

• About 70 percent of the rural population in sub-Saharan Africa are smallholder farmers

• Smallholder-led growth is more broad-based and equitable

• In Ghana most of the medium-scale farmers started out as smallholders

• In Kenya some medium-scale farmers started out with less than five hectares of land

• Optimism that small-scale farms can expand into commercialized medium-scale stature under favorable conditions including access to land
Looming employment challenge in SSA

Age pyramid: rural SSA, 2015

62% < 25 years old
Governments’ policy orientation

- Most governments’ strategies on agricultural growth and food security assume unhindered access to land by smallholders

- Land access policies will determine whether millions of rural Africans will make a decent livelihood
  - How supportive the land allocation and agricultural policies are to smallholders

- African leaders may soon perceive that political stability will depend on the profitability of family farming