Title: Does farm structure matter? The effects of farmland distribution patterns on rural household incomes in Tanzania.

Land acquisitions by foreign and local investor farmers has generated much speculation about the impacts on smallholder households and rural communities. This study addresses these issues by exploiting inter-district variation in farmland distribution patterns in Tanzania to determine the impact of localized farm structure on rural household incomes using three rounds of panel data from the Tanzanian National Panel Survey (2009, 2011 and 2013). Because farm structure is a multifaceted concept, five alternative indicators of farm structure are used in the analysis, including (i) the Gini coefficient; (ii) skewness; (iii) coefficient of variation; (iv) share of controlled farmland under medium-scale farms; and (v) share of controlled farmland under large farms. The study highlights four main findings. First, most indicators of farmland concentration are positively associated with rural household incomes, after controlling for other factors. Second, household incomes from farm, agricultural wage and non-farm sources are positively and significantly associated with the share of land in the district controlled by 5-10 hectare farms. Third, these positive spillover benefits are smaller and less statistically significant in districts with a relatively high share of farmland controlled by farms over 10 hectares in size. Fourth, poor rural households are least able to capture the positive spillovers generated by medium-scale farms and by concentrated farmland patterns. Our study is the only study we know of which empirically addresses the relationship between the localized structure of land ownership and productivity outcomes. This research directly engages the ongoing policy debate on the role of large farms in the overall development trajectory of smallholder-dominated farming systems. Our work also highlights the important linkages between national land policies and agricultural development objectives, which are often disconnected in practice.