

CIFREM SEMINARS

Adoption of improved seeds and inorganic fertilizers in Nepal

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The paper examines factors affecting the adoption of improved seeds and inorganic fertilizers, considering adoptions of both technologies as a joint decision. Bivariate probit models were applied to control for plot level, socio-economic, and regional characteristics, and the test for joint decision is consistent with the study's assumptions. The results show significant effects on adoption decisions for farm technologies from four variables: the factor markets for credit and for labour, agricultural extension services, and soil quality. Proximity to road transport and access to markets also increase the adoption rate of improved seeds and inorganic fertilizers. Positive effects were associated with the increasing age and education of household heads. Adoption rates appear higher in male-headed than in female-headed households. The results from Tobit models were also consistent with the bivariate probit. Well-functioning factor markets and well-developed infrastructure emerge as the precondition for agricultural-led growth in Nepal.