

SEMINAR NOTICE

- Topic:** *Benefits of Contract Farming in Developing Economies: Does Contractor Type and Farm Size Matter?*
- Speaker:** Prof. Ashok K. Mishra, Kemper and Ethel Marley Foundation Chair, Arizona State University, Sweden
- Date & time:** Wednesday, January 24, 2018 at 3.30 p.m.
- Venue:** A.M. Khusro Room, Institute of Economic Growth, University of Delhi Enclave, North Campus, Delhi - 110 007
- Chair:** Prof. Manoj Panda, Director, Institute of Economic Growth

All are welcome.

(Sabyasachi Kar)
Seminar Convenor

Abstract:

This study identifies CF's impact on high-value crops (specifically, ginger and tomatoes), by contractor type (monopsonist versus cooperatives), on employment and economic outcomes of smallholders in the developing country. Using farm-level data from Nepal and a nonparametric matching estimator, the study finds a positive and significant effect of CF on employment, profits, and yield, regardless of the contractor type; however, the magnitude of these impacts differs. Compared to independent producers, we find that contract ginger growers (under a monopsonist) received higher market prices, but that CF's effect on the market price that contract tomato growers (under cooperatives) received is insignificant. Additionally, we find that small farms (≤ 0.51 hectare) with contracts in ginger and tomatoes tend to gain the most when it comes to profits and yield per hectare; however, they employ fewer workers. On the other hand, large farms (> 0.85 hectares) with contracts employ significantly more labor. Finally, our estimates reveal that, compared to independent producers, smallholder households in Nepal that engaged in CF with both input and output conditions received, on average, higher profits.