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Improved Groundnut Varieties Adoption and Participation Intensity in the Output Market among Smallholders in Malawi

ADMIRE KATUNGA¹, E WALE ZEGEYE², GERALD ORTMANN³

¹*Ministry of Agriculture , Agricultural Research Services, Malawi*

²*University of Free State, Agricultural Economics,*

³*University of Kwazulu Natal, Agricultural Economics,*

Abstract

The quest to increase marketable surplus prompts some farmers to demand improved varieties. Improved groundnut varieties are superior to the conventional ones in terms of yielding potential. Thus, the Malawi Government promotes the adoption of high-yielding improved varieties for smallholders to increase the production of marketable surplus. An increased marketable surplus is the prerequisite for farmers to participate in the market. Increased market participation improves the smallholders' general welfare, such as increased agricultural income earnings and reducing poverty. Increased market participation is also one of the pathways through which the smallholders transform from subsistence to commercialised agriculture. The study investigated the impact of adopting improved groundnut varieties on the intensity to participate in the output market among smallholders in Malawi's selected central and northern districts. Farm household data for 416 groundnut producers were collected in Lilongwe, Salima, Kasungu, and Mzimba. A control function was applied to an endogenous treatment effect model to control endogeneity in the unobservable covariates between treatment and outcome models. The study results indicated that adopting improved varieties positively impacted smallholders' intensity to participate in the output market. Other results revealed that access to seed loans, total land for crop cultivation, and access to extension services positively impacted the smallholders' adoption of improved varieties, while poor conditions of rural roads negatively impacted adoption. To increase the intensity to participate in the market among smallholders, policy strategies that enhance the adoption of improved groundnut varieties should be promoted among them. In this case, access to seed loans and extension services, increasing land productivity, and improving rural roads are critical.

Keywords: Access to Extension, endogenous Treatment Model, Increased Production, Seed Loans, Yielding Potential