Abstract

Information asymmetry has traditionally constrained smallholder farmers' access to markets. Past studies indicate that it inhibits adoption of modern technologies that have the capacity to enhance productivity of smallholder farms. Hence, farm productivity and agricultural transformation has been stifled, leaving smallholder famers in grinding poverty. Improved smallholder farmers' access to markets via the recent Information and Communication Technology (ICT) platforms could reverse this scenario. This study uses Propensity Score Matching (PSM) technique to evaluate the impact of participation in an ICT-based market information service (MIS) project on farm input use and productivity in Kenya. It finds strong empirical evidence on the benefits of ICT use in market linkage. Specifically, it finds that participation in the ICT-based MIS project has positive and significant impact on the usage of improved seeds and fertilizers. It also improves land and labour productivity, but has negative and significant impact on the usage of hired and family labour. These findings have vital policy implications on the use of ICT tools as a development strategy.