

Extended abstract for Contributed Paper session

Paper Title	An Investigation of Conditional Cash Payments in Agricultural Extension: Evidence from Beef Discussion Groups in Ireland
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Contributed Paper abstract prepared for presentation at the 91st Annual Conference of the Agricultural Economics Society, Royal Dublin Society in Dublin 4, Ireland

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Abstract	
<p>Financially rewarding farmers is an unconventional approach to agricultural extension. We evaluate an extension program, primarily delivered through farmer discussion groups, which rewarded farmers with conditional cash payments. Combining a matching model with a difference-in-difference estimator to data from the Irish National Farm Survey, we found that there was no significant economic impact from the extension programme over a four year period. The results align with previous research and would suggest that conditional cash payments are not an ideal strategy in agricultural extension or technology adoption in the context of an economically developed country.</p>	
Keywords	Extension Program Evaluation, Conditional Cash Payments
JEL Code	C10, Q16
Introduction	
<p>Financially rewarding farmers is an unconventional approach to agricultural extension, an approach that has been adopted by the Irish government. The Beef Technology Adoption Programme (BTAP) was a government funded extension program that was primarily delivered through farmer discussion groups from 2012 to 2014, which rewarded participating farmers with conditional cash payments. Financial incentives in the form of conditional cash transfers have been widely studied in a number of fields including education and health care, with the results being mixed. In this study, we estimate the effectiveness of the BTAP extension program with its financial incentive by estimating the economic returns associated with participation.</p>	
Methodology	
<p>As with all evaluation studies of non-randomised programs, differences between participants and non-participants cannot be solely attributed to the program. Differences between these two groups can exist prior to the commencement of the program. Additionally, as participation was on a voluntary basis, endogeneity problems due to self-selection bias may exist. To control for the endogeneity problem and to obtain a comparable control group, we use a propensity score matching model combined with difference in difference to estimate the economic returns of participation. This model was applied to farm level data from the Irish National Farm Survey.</p>	

Results	
<p>The propensity score is estimated from a logit model. This gives an indication of the characteristics of participants of the extension program. An increase of age decreases the probability of participating in the extension program; while larger farm size and a higher stocking density increase the probability that a farmer participates. After matching using the propensity scores estimates, our preliminary results of difference in difference estimator indicate that participation had no significant impact on a farmer's economic performance over a four year period.</p>	
Discussion and Conclusion	
<p>The results align with previous research on extension program evaluation and would suggest that extension programs with conditional cash payments do not have a short term impact. However, the longer term impacts of such targeted programs cannot be evaluated yet due to short period of data available.</p>	

