Conover, Emily; Hamilton College
econover@hamilton.edu
Authors: Adriana Camacho, Universidad de Los Andes

Title: The Impact of Receiving SMS Price and Weather Information in Colombia's Agricultural Sector

Small-scale farmers in developing country often make production and sale decisions based on imprecise and informal sources of information, such as family, neighbors, or tradition. Lack of information on climate and prices, can lead to inefficiencies in the production, harvesting, and commercialization of agricultural products, which in turn can affect farmers’ revenues and wellbeing. We did a Randomized Controlled Trial (RCT) experiment with 500 small-scale farmers in a rural area of Colombia where there is nearly full mobile phone usage and coverage. Treated farmers received around 6 text messages per week with prices in the main markets and weather forecast updates. Compared to a control group, we find that treated farmers were more likely to report that text messages provide useful information for selling and more likely to always read their messages, indicating an increase in appreciation and use of this type of technology. We also find a reduction in labor costs that could be due to their having information on unexpected weather events. We do not find however, a significant difference between treated and untreated farmers in their use of text messages for decisions on which crops to plant, their knowledge of prices, the sale price they received, and in the transport or commercialization agreements. Our results indicate that farmers’ are amenable to learning and using new technologies, but that the introduction of these technologies do not always translate into short-run welfare improvements for them. Given the increased interest in incorporating new technologies into agriculture, our findings indicate that prior to a large-scale implementation it is necessary to better understand what prevents farmers from acting upon the new information received to fully attain potential gains.