

Paraguay

Agricultural Input Subsidies and Productivity:

The Case of Paraguayan Farmers



OBJECTIVE

Evaluate the impact of government provision of private goods in the form of input donations on agricultural productivity.



UNIVERSE

Type of Evaluation:

Propensity Score Matching (PSM)

Database:

1,090 households; 119 treated, and 971 controls.



INTERVENTION

We consider the information included in a cross-sectional household survey in which agricultural producers reported receiving donations from the government and/or nongovernmental organizations (NGOs) in the form of agricultural inputs, such as: (i) seeds, seedlings or other plant parts, (ii) fungicides, insecticides, (iii) fertilizers, and (iv) other agricultural inputs.

WHY ARE WE DOING THIS EVALUATION?

To analyze and understand the effects of providing donations of inputs to farmers in the agricultural sector.



Agricultural input donations had no effects on:



Input expenditure



Value of agricultural expenditures



Gross margins



CONCLUSIONS

The results provide evidence that agricultural input donations and subsidies did not have an impact on the agricultural productivity of beneficiary farmers in 2012.