

SEPTEMBER 23 - 26, 2019 // ABUJA, FEDERAL CAPITAL TERRITORY, NIGERIA

6th African Conference of Agricultural Economists

Rising to meet new challenges: Africa's agricultural development beyond 2020 Vision



*Invited paper presented at the 6th African
Conference of Agricultural Economists,
September 23-26, 2019, Abuja, Nigeria*

Copyright 2019 by [authors]. All rights reserved. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.

Technology adoption, gender and household food security among rural households in South Africa

Sinyolo Sikhulumile

Research Specialist, Economic Performance and Development, Human Sciences Research Council,
Private Bag X41, Pretoria, 0001, South Africa. Tel: +27123022718; E-mail: sksinyolo@gmail.com

Abstract

This study aimed to assess the impact of adoption of improved maize varieties on household food security among smallholder farmers in KwaZulu-Natal, South Africa. A sample of 415 maize producers was analysed using the propensity score matching method and the Tobit selection model. The results indicated that improved maize varieties positively increased household food security. The results showed that an additional one hectare of land under improved maize varieties increases annual food expenditure per capita levels by over R4,000. Female farmers were more likely to adopt improved maize varieties, and spent more to ensure household food security, than their male counterparts. The study findings suggest that policies that seek to increase land under improved maize varieties among smallholder farmers, especially female farmers, can play a significant and positive role in ensuring household food security in South Africa. The study recommends that policy makers should aim to facilitate the dissemination of less costly improved seed varieties, target female farmers, and improve their access to information to improve crop productivity and food security among the poor farming households in South Africa.

JEL classifications: I32, Q16

Keywords: technology adoption, improved maize varieties, food security, smallholder farming, South Africa

1 Introduction

Smallholder farming plays an important role in the livelihoods and food security of the poor households in rural South Africa (Baiphethi & Jacobs, 2009). However, the rural farming households generally experience low crop production and/or productivity levels, and oftentimes, total crop failure, leading to poverty and increased vulnerability to food shortages (Hendriks, 2014). South Africa is generally not suitable for crop production due to low rainfall and poor soils, with only 13% of the country considered arable (James, 2015). Most of the poor rural households are located in areas that are inherently hot, dry and characterised by infertile soils (DAFF, 2015; Fischer et al., 2015). Their situation is exacerbated by the current climate changes, which have led to increased temperatures and reduced rainfall reliability in the country. Access to irrigation is limited in these areas due to inadequate water resources. Where water is available, the smallholder farmers lack the infrastructure to divert water to their plots due to limited financial resources or credit support (Cousins, 2013). About 92% of irrigated land area in South Africa is owned by large-scale commercial producers, with smallholder farmers accounting for just 8% (van Auerbeke et al., 2011).

There is need to find ways to increase smallholder productivity and adaptation to climate change in order to reduce the vulnerability of rural households to food insecurity. A growing strand of literature in Sub-Saharan Africa (SSA) (e.g., Asfaw et al., 2012; Bezu et al., 2014; Kassie, Jaleta, et al., 2014; Kassie et al., 2011; Shiferaw et al., 2014) has highlighted the importance of the development and dissemination of productivity-enhancing technologies such as improved seed varieties in improving crop productivity and household welfare. In South Africa, the average yields obtained by the smallholder farmers remain very low, due to among others, limited use of improved technologies such as chemical fertilisers and improved seed varieties (DAFF, 2012; Mkhabela & Materechera, 2003). For example, smallholder farmers' maize yields were 1.1 tonnes per hectare in the 2017/18 season, which was almost five times lower than yields obtained by large-scale commercial farmers (Grain SA, 2018).

Hence, the government has been promoting the adoption of these improved agricultural technologies among smallholder farmers through several initiatives (ACB, 2012; DAFF, 2012, 2015; Fischer et al., 2015). For example, since 2001, scientists from the National Department of

Agriculture partnered with the Consultative Group on International Agricultural Research (CGIAR) and the International Maize and Wheat Improvement Center (CIMMYT) to develop new maize varieties (named Grace and ZM521) more suitable for smallholder farmers (World Bank, 2001). Also, since 2008, the Agricultural Research Council (ARC) has been participating in two public-private partnerships (the Water Efficient Maize for Africa (WEMA) project and the Improved Maize for African Soils (IMAS) project) aimed at developing drought-tolerant and insect-protected maize varieties for adoption by smallholder farmers (James, 2015). The major objective of these initiatives is to develop and disseminate improved maize varieties that can be adopted by the poor resource farmers to improve their yields and food security. Maize is the main crop grown by the smallholder farmers in South Africa, and is the most important grain crop for food security (Biénabe & Vermeulen, 2011; D'Haese et al., 2013).

While improved maize varieties are available, their adoption levels by smallholder farmers in SSA in general and South Africa in particular is low (ACB, 2012; Regier et al., 2012). This is because the cost of these improved seed varieties are high, and the liquidity-constrained smallholder farmers cannot afford them (ACB, 2012). Also, the success of these improved maize varieties under smallholder farming conditions is not certain, as most of the improved varieties produce higher yields under conditions of adequate moisture and good soil and pest management practices (ACB, 2012; Fischer et al., 2015; Regier et al., 2012; Smale & Mason, 2014). Given that smallholder farmers generally farm in circumstances where these conditions are rarely met, it is important that the role of improved maize seed varieties on poverty and food security among these farmers be investigated.

Literature on the impact of improved maize varieties on household welfare is largely available in SSA (e.g., Alene et al., 2009; Bezu et al., 2014; Kassie, Jaleta, et al., 2014; Khonje et al., 2015; Mathenge et al., 2014; Smale & Mason, 2014; Zeng et al., 2015). These studies have reported a positive role of improved maize varieties on different household welfare indicators. For example, Kassie, Jaleta, et al. (2014) evaluated the impact of improved maize varieties in rural Tanzania, and reported that improved maize varieties resulted in improved household food security. In Zambia, Khonje et al. (2015) found that adoption of improved maize varieties led to significant gains in crop incomes, consumption expenditure and food security. Also in Zambia, Smale and Mason (2014) found that maize hybrids were associated with higher values of household income,

assets and welfare. Bezu et al. (2014) reported a positive correlation between area under improved maize varieties and own maize consumption, income and asset holdings in Malawi. Mathenge et al. (2014), in Kenya, found that maize hybrid seed use had a positive effect on incomes and assets and resulted in reduced poverty and inequality. Zeng et al. (2015) reported reduced poverty incidence, depth and severity due to improved maize varieties adoption in Ethiopia.

However, limited research has been done on the potential food security impacts of improved maize varieties in South Africa. The food security studies in South Africa (e.g., Baiyegunhi et al., 2016; Musemwa et al., 2015; Nawrotzki et al., 2014; Sinyolo et al., 2014; Walsh & van Rooyen, 2015) have not investigated the role of technology adoption, in general, or improved seed varieties, in particular, on the food security situation of smallholder farming households. Studies on the adoption of improved maize varieties (Fischer et al., 2015; Gouse, 2012; Gouse et al., 2009; Gouse et al., 2006) have focused on the impact of mainly genetic modified maize varieties on outcomes such yields, efficiency, profits or risks. The extent to which smallholder farmers have adopted improved maize varieties, the impact of these varieties on food security, and the role of gender in the adoption and its effects, are relatively unknown in South Africa. While the studies from other SSA countries are important, they cannot be generalised to the South African context, as adoption contextually dependent (Ogada et al., 2014). This study therefore, aims to contribute to the growing literature evaluating the impact of improved maize varieties on food security by focussing on the smallholder farmers in South Africa.

Following other recent studies (e.g., Kassie, Jaleta, et al., 2014; Shiferaw et al., 2014), this study went beyond the simple mean impacts that assume homogenous adoption effects, by investigating heterogeneous adoption effects. Adoption of improved maize varieties was thus not just captured as a binary treatment variable showing whether or not a farmer used improved maize varieties, but also as a continuous variable of the amount of land under improved maize varieties. Use of the continuous treatment variable accounts for the heterogeneous effects of technology adoption, as it captures the impacts of different levels of adoption. The remainder of this paper is organised into three sections. The next section presents the research methodology, in which the data collection approach and the estimation methods are discussed. The study results are interpreted and discussed in the subsequent section, while the main conclusions and policy implications are presented in the final section.

2 Research Methodology

2.1 Data and description of variables

The study relies on survey data involving 513 farmers drawn from the KwaZulu-Natal (KZN) province in South Africa. The KZN province was selected because it is characterised by high levels of poverty, food insecurity and unemployment, especially among the rural dwellers (KZNPPC, 2011). Also, smallholder farming is very important in the province, as it is the backbone of its rural people's livelihoods (Stats SA, 2012). For purposes of this paper, the farmers who had not planted maize the previous season were dropped from the sample. Of the total sample of 513 farmers, only 417 had planted maize the previous season, meaning that 96 farmers were dropped during analysis. A further two farmers were dropped because of missing information on important variables. The final sample analysed comprised of 415 maize farmers.

A multistage sampling approach was used to conduct the survey. The first stage involved the purposive selection of three districts out of the 11 districts in KZN. The districts were selected based on the availability of a significant number of households engaged in smallholder farming activities. The districts chosen were Umzinyathi, Uthukela and Harry Gwala. These three districts are among the poorest in the province (Stats SA, 2012). The second stage was the random selection of the 513 farmers from the three districts. The lists of farmers were obtained from the respective local offices of KZN's Department of Agriculture. No stratification was done according to any variable, giving an equal chance for all farmers to be included.

The number of households sampled was not proportional to the population sizes of the respective local municipalities, but proportional to the number of farming households, as received from the local Department of Agriculture. The sample is thus not representative of the districts, and the results should be interpreted with this in mind. The data were collected during the months of October and November 2014 using a structured questionnaire. The questionnaire was administered by trained enumerators who spoke the local *IsiZulu* language. The enumerators were experienced and had knowledge of the smallholder farming systems. Questionnaire pre-testing, involving 15 rural households, was also done to note and remedy ambiguities or difficulties with regards to question wording and flow.

The questionnaire included household demographics and socio-economic characteristics; income sources and amounts; household expenditure patterns (food and non-food expenditures); agricultural production and marketing activities as well as access to institutional support services and membership in farmer organisations. The questionnaire also captured the use of improved maize varieties, asking the farmers to indicate the types and quantities used in the previous agricultural season as well as the land area under these varieties.

Food security was measured in terms of total annual household food expenditures plus the estimated monetary value of the food that was consumed from home production, in Rands per capita. Several other studies (e.g., Bocoum et al., 2014; Kassie, Jaleta, et al., 2014; Shiferaw et al., 2014; Sinyolo et al., 2014) have used food expenditure per capita as an objective food security indicator. The food items produced and consumed by the household were converted to their market values using average of local prices and included in the expenditure amount (De Cock et al., 2013; Sinyolo et al., 2014). Maize varieties were categorised into two: improved or local varieties. Improved varieties included both hybrids and open pollinated varieties (OPVs). A farmer was assumed to have adopted improved maize varieties if they planted any improved varieties (OPVs and hybrids) in the previous season.

Given that the characteristics and productive potential of recycled seed are different from the original generation of improved varieties (Alene et al., 2009; Zeng et al., 2015), the farmers who planted recycled hybrid seeds were not considered as adopters. However, since OPVs can be recycled for up to three times, those who planted OPVs recycled three times or less were also considered adopters. Adoption of improved maize varieties was captured in two ways: (a) as a binary treatment variable showing whether or not a farmer used improved maize varieties, and (b) a continuous variable showing the amount of land under improved maize varieties. Other variables included personal details of the farmer and their household characteristics (age, gender, education level, employment status, etc.), wealth and asset endowment (land size, livestock size, asset values, etc.), infrastructural and/or institutional support (extension, credit, irrigation, distance to all-weather road, location/ district, etc.) and membership in farmer groups.

2.2 Estimation approaches

Two estimation approaches, the propensity score matching (PSM) method and the Tobit selection model, were used to evaluate the impact of improved maize varieties on food security. The PSM method was used when the treatment variable (improved maize varieties adoption) was captured as a binary dummy variable, while the Tobit selection model was used when the treatment variable was captured in terms of land area under improved maize varieties. The two estimation approaches correct for endogeneity problems that arise due to self-selection bias in technology adoption. The adoption of improved maize varieties is not random (Kassie, Jaleta, et al., 2014), such that adopters may systematically differ from non-adopters in a number of observable and unobservable characteristics that may have a direct effect on household food security. If selection bias is not accounted for, the estimated impact results will be biased.

2.2.1 Propensity score matching (PSM) method

The PSM approach was used to evaluate the impact of the binary adoption treatment variable on food security. PSM corrects for selection bias due to observables by matching a sub-sample of adopters and non-adopters that have similar observable characteristics, and making comparisons in the region of common support (Becker & Ichino, 2002). Compared to estimates based on full samples, the impact estimates based on matched samples are less biased and more reliable (Rubin & Thomas, 2000). The Average Treatment effect on the Treated (ATT), which is the impact of improved maize varieties adoption on those farmers that are adopters, was estimated as follows:

$$ATT = E[\Delta_i | T_i = 1] = E[Y_{1i} | T_i = 1] - E[Y_{0i} | T_i = 1] \quad (1)$$

where: T_i denotes treatment status of farmer i , and takes two values: $T_i = 1$ if a farmer is an adopter, and $T_i = 0$ if a farmer is a non-adopter. Y_{1i} is the food expenditure per capita if farmer is an adopter, Y_{0i} is the food expenditure per capita if farmer is a non-adopter, E is the expectation operator and Δ_i is the treatment effect. The ATT captures the change in the food expenditure per capita realised by farmers who are adopters subject to their adoption status.

The fundamental evaluation problem is that of missing data, since the treatment indicator takes either the value of one or zero, but not both (Smith & Todd, 2005). This is because the food expenditure per capita of the adopters, had they not been adopters, cannot be observed. Similarly,

the food expenditure per capita of non-adopters, had they been adopters, cannot be observed. The PSM method generates the missing data by estimating the propensity score, which is the probability that a household is an adopter (Rosenbaum & Rubin, 1983). The approach is able to estimate the causal adoption impact as the difference between the food expenditure per capita of the adopters and what would have been the case if these adopters had not adopted improved maize varieties. The logit model was used to estimate the propensity scores. To strengthen the plausibility of PSM's unconfoundedness assumption, which assumes that selection bias is only due to observables, a number of covariates were introduced in the logit model.

The balancing property was selected in estimating the propensity scores so as to ensure that a comparison group is constructed with observable characteristics distributed equivalently across quintiles in both the treatment and comparison groups (Smith & Todd, 2005). Three matching methods, the nearest K-neighbors (K=5), kernel (bandwidth=0.06) and radius (caliper=0.05) matching techniques, were all used to estimate the impact for robustness reasons. In constructing the matching estimates, the common support was imposed. The treatment observations with weak common support were dropped, since inferences can be made about causality only in the area of common support (Heckman et al., 1997). All the standard errors were bootstrapped with 1000 repetitions, as suggested by Smith and Todd (2005).

2.2.2 The Tobit selection model

The Tobit selection model was used to evaluate the impact of the continuous treatment variable, i.e., land area under improved maize varieties. Kassie, Jaleta, et al. (2014) used the same approach. The model was estimated in two steps: Step 1 involved the estimation of residuals by specifying a selection equation of the censored Tobit form with land area under improved maize varieties as the dependent variable; and Step 2 involved adding the predicted residuals on the outcome equation estimated using ordinary least squares (OLS) with food security as the dependent variable. The addition of the residuals on the outcome equation corrects for the selection bias that arises from unobservable factors (Wooldridge, 2002). The selection equation in step 1 was specified as follows:

$$l_i^* = w_i' \gamma + u_i$$

$$l_i = 0 \text{ if } l_i^* \leq 0$$

$$l_i = l_i^* \text{ if } l_i^* > 0 \quad (2)$$

where: l_i^* is the latent maize varieties adoption variable, which takes the value of 0 if farmer did not adopt the improved maize varieties, or land area under improved maize varieties where adoption took place; w_i is a vector of covariates, γ are parameters to be estimated and u_i are the residuals. The standard Tobit model (Equation 2) was estimated over all observations to predict residuals as follows:

$$\hat{u}_i = l_i - w_i \hat{\gamma} \quad (3)$$

Where: \hat{u}_i and $\hat{\gamma}$ are estimates of residuals and parameters, respectively. The outcome equation was estimated using OLS including only observations for which $l_i > 0$. The estimated residuals were added to the equation and the equation specified as follows:

$$y_i = x_i \beta + l_i \delta + \hat{u}_i \alpha + \varepsilon_i \quad (4)$$

where: y_i is food expenditure per capita, x_i is the vector of covariates, \hat{u}_i are the residuals estimated in Equation 3, β , α and δ are parameters to be estimated and ε_i is the error term. The same covariates were specified in both equation 2 and 4. According to Wooldridge (2002), $w_i = x_i$ does not cause estimation problems in this case because u_i always has separate variation from x_i because of variation in l_i . A significant α indicates strong evidence of selection bias problems, while an insignificant value (as was the case in this study), implies little evidence of selection bias problems.

3 Results and discussions

3.1 Descriptive statistics

Maize was grown by about 81% of the sampled 513 farmers, indicating its importance among smallholder farmers. The descriptive statistics presented in Table 1 show that 35% of the maize farmers had planted improved maize varieties the previous agricultural season. This result suggests that a huge proportion of smallholder farmers have not yet adopted improved maize varieties. The low adoption levels of improved maize varieties is in line with literature (e.g., ACB, 2012; Fischer et al., 2015), which have reported that, despite South Africa having the best-developed formal seed

system on the African continent, the system was not providing smallholder farmers, and especially resource-poor farmers, with appropriate and affordable seed. Instead, the farmers indicated that they rely on open pollinated varieties or recycled seeds.

Table 1 Summary statistics of sample households according to improved maize seed adoption status

Variables and description	Pooled sample (n=415)		Adopters (n=144)		Non-Adopters (n=271)		t-test (χ^2 test)
	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev	
<i>Treatment variables</i>							
Improved maize seed adoption (1=Yes, 0=No)	0.35	-	1	-	0	-	
Area under improved maize varieties (ha)	0.25	0.53	0.70	0.69	0	-	
<i>Outcome variables</i>							
Food expenditure per capita ('000 Rands)	8.42	7.35	11.40	10.30	6.83	4.40	6.30***
Maize yield (tons per hectare)	0.96	1.67	1.28	2.65	0.78	0.68	2.93***
<i>Socio-economic characteristics</i>							
Age (Years)	57.45	12.93	56.75	13.28	57.83	12.73	-0.81
Gender (1=Male, 0=Female)	0.45	-	0.47	-	0.45	-	0.14
Education level (Years)	4.54	4.12	4.98	4.26	4.30	4.03	1.61
Household size (Numbers)	6.60	3.02	6.18	2.84	6.83	3.08	-2.13**
Land size (hectares)	1.87	1.85	2.12	1.87	1.73	1.83	2.10**
Livestock size (Tropical livestock units)	2.43	5.96	2.78	5.03	2.25	6.40	0.87
Asset values ('000 Rands)	81.51	43.70	86.93	47.34	78.58	41.41	1.87*
Credit access (1=Yes, 0=No)	0.32	-	0.33	-	0.30	-	0.62
Extension (1=Yes, 0=No)	0.38	-	0.38	-	0.38	-	0.02
Group membership (1=Yes, 0=No)	0.40	-	0.46	-	0.36	-	4.29**
Fertiliser use (1=Yes, 0=No)	0.59	-	0.72	-	0.52	-	15.51***
Soil quality (1=Good, 0=Poor)	0.56	-	0.59	-	0.54	-	0.84
Distance to nearest all weather road (km)	2.93	11.11	3.35	16.52	2.70	6.60	0.57
Rainfall (1=Good, 0=Poor)	0.57	-	0.58	-	0.56	-	0.58
Irrigation access (1=Yes, 0=No)	0.33	-	0.34	-	0.32	-	0.05
Employed non-farm (1=Yes, 0=No)	0.18	-	0.23	-	0.16	-	2.55
Access to radio (1=Yes, 0=No)	0.46	-	0.53	-	0.42	-	4.35**
Non-farm business ownership (1=Yes, 0=No)	0.03	-	0.03	-	0.04	-	0.26
Harry Gwala	0.47	-	0.39	-	0.51	-	5.05**
Umzinyathi	0.13	-	0.10	-	0.14	-	1.43
Uthukela	0.41	-	0.51	-	0.35	-	9.62***
Maize yield (tons per hectare)	0.96	1.67	1.28	2.65	0.78	0.68	2.93***

Notes: ***, **, and * means significant at 1%, 5%, and 10% levels, respectively.

The adopters indicated that they put an average of 0.70 hectares of land under improved varieties, which represents 47% of their total land. However, this represented over 75% of the 0.93 hectares land under maize, with most of the adopters planting recycled seed for the remaining 25% of their land under maize. Further discussions with the farmers indicated that they preferred OPVs to hybrids because the former are less costly, can be recycled without losing much productivity and require less inputs to grow.

The results in Table 1 show that both adopters and non-adopters had largely similar socio-economic characteristics. However, the table indicates that the adopters were more likely to be the married, had smaller households and were wealthier (bigger land sizes and higher asset values). Table 1 indicates modest food expenditure levels, as households spent on average over R8000 per capita per year on food. This translates to over R700 per capita per month, and compares favourably with the lower-bound poverty line of R544 per capita per month (R6528 per capita per year). The poverty line was calculated by converting the lower-bound poverty line of R443 per capita per month suggested by NPC (2012) to 2014 prices using the consumer prices index (CPI) (Stats SA, 2014).

The results show that improved maize adopters spent almost 60% more on food than the non-adopters. Even though other factors have not been controlled for, this result suggest that improved maize varieties play an important role in improving food security among smallholder farming households. The results further indicate that, unsurprisingly, the farmers who used improved maize varieties were more productive than those who did not. The adopters produced average maize yields of 1.2 tons per hectare, which is about 61% higher than the non-adopters' average yield of 0.78 tons per hectare.

Table 2, which presents the Foster, Greer and Thorbecke (FGT) poverty indices (Foster et al., 1984), indicates that poverty is more pronounced among non-adopters than among adopters. The pooled sample poverty head count of 51% implies that, in general, a bigger proportion of the farmers experience food poverty in the three study districts. This figure is comparable to other studies in South Africa which reported poverty figures ranging from 30% to 55% in the rural areas of South Africa (D'Haese et al., 2013; De Cock et al., 2013; Labadarios et al., 2011; Sinyolo et al.,

2014). The poverty gap index, a measure of depth of poverty, shows that the current food expenditure levels of the poor farmers would have to increase by 22% to lift them out of food poverty. The poverty gap index is slightly higher among non-adopters than adopters.

Table 2 FGT poverty indices according to improved maize varieties adoption status

FGT index	Pooled sample (n=415)	Adopters (n=144)	Non- adopters (n=271)
Food poverty headcount index	0.51	0.45	0.57
Food poverty gap index	0.22	0.21	0.24
Food poverty severity index	0.13	0.12	0.13

3.2 Determinants of improved maize varieties adoption, logit and Tobit results

Table 3 presents the logit and Tobit models results estimating the determinants of the decision to adopt and the adoption level of improved maize varieties, respectively. The logit model was used to estimate the propensity scores for the PSM method, while the Tobit results presented in Table 3 are from the first step of the Tobit selection model. The results indicate that age was associated with decreasing probability of adoption of improved maize varieties. An additional year was associated with a 2% decrease in the chances of using improved maize varieties. This is because farmers become less receptive to new information or ideas and more risk-averse as they become older, and thus older farmers are less likely to adopt modern technologies compared to younger farmers. Table 3 also shows that male farmers were less likely to adopt improved maize varieties relative to female farmers. Also, male farmers put less land under improved maize varieties than female farmers. A possible explanation for this result is that men prioritise cash crops, while women prioritise staples such as maize. As such, men are less likely to invest in improved maize varieties because it is their less preferred crop.

Table 3 Determinants of probability and level of improved maize seed adoption

Variables	Logit model				Tobit model	
	Coef.	Std. Err	Marginal effect	Std. Err	Coef.	Std. Err
Age	-0.030***	0.011	-0.020***	0.002	-0.001	0.005
Gender	-0.632**	0.299	-0.128**	0.060	-0.227*	0.135
Education	0.053**	0.023	0.070**	0.031	0.015*	0.008
Household size	-0.092	0.140	-0.019	0.018	-0.028	0.018
Land size	0.048	0.063	0.010	0.013	-0.051	0.033
Livestock size	0.050***	0.018	0.041***	0.014	0.023**	0.001
Asset values (log)	0.005***	0.012	0.003**	0.001	0.004	0.069
Credit access	0.116	0.256	0.024	0.052	0.098	0.119
Extension	0.388**	0.194	0.079**	0.039	0.194*	0.114
Group membership	0.370*	0.214	0.075*	0.039	0.080	0.158
Fertiliser adoption	0.970***	0.263	0.197***	0.050	0.424***	0.123
Soil quality	0.200*	0.119	0.041*	0.024	-0.004	0.105
Rainfall	-0.016	0.265	-0.003	0.054	0.052	0.123
Irrigation access	0.244*	0.131	-0.067*	0.034	0.240**	0.114
Employed non-farm	0.519*	0.307	0.105*	0.062	0.161	0.141
Access to radio	0.725**	0.289	0.147**	0.057	0.258*	0.132
Non-farm business	-0.051	0.647	-0.010	0.131	-0.072	0.302
Distance to road	-0.040***	0.010	0.031***	0.012	0.001	0.004
Umzinyathi	0.184	0.474	0.037	0.096	0.078	0.216
Uthukela	0.612**	0.291	0.124**	0.058	0.244*	0.136
_constant	-1.378	1.759			-0.353	0.808
N	415				415	
LR χ^2	46.76***				31.77***	
Pseudo R ²	0.19				0.15	
% correctly classified	0.70					

Notes: ***, **, and * means significant at 1%, 5%, and 10% levels, respectively.

As expected, education positively influenced both the probability and level of improved maize varieties adoption. An explanation to this result is that the more educated farmers understand and interpret information better, which results in them incurring less transaction costs and benefiting more from technology adoption. The results also indicate that wealthier farmers (in terms of livestock size, asset values and non-farm employment) had higher chances of adopting improved maize varieties. This is because wealthier farmers are in a better position to bear the risks associated with technology adoption, and have financial resources to purchase farm inputs such as improved seeds. Higher livestock numbers may also be indicative of increased manure availability, implying that farmers with access to manure are more likely to meet the soil fertility requirements of improved maize varieties and thus adopt them.

The significant and positive estimated coefficients of variables such as extension, radio and group membership highlight the importance of information access in technology adoption among smallholder farmers. Contact with extension officers was associated with about 8% higher likelihood of adopting improved maize seeds. Moreover, farmers with contact with extension officers put 0.194 hectares more land under improved maize varieties. Extension officers are an important source of relevant information on modern technologies and their benefits to smallholder farmers. Also, the extension officers have been promoting modern technology adoption among smallholder farmers through giving the farmers free or subsidised improved inputs, say of maize seeds. Membership in farmer groups was associated with increased chances of improved maize seeds adoption because they ease access to and facilitate exchange of important information about modern technologies. The farmer groups in the rural areas of South Africa also facilitate the collective buying of inputs, resulting in sharing of transport and other transaction costs.

Farmers with access to radios had a 15% higher chance of adopting improved maize varieties, and they put 0.258 hectares more land under improved maize varieties, when compared to their counterparts. This is because access to a radio enhances a farmer's access to information about expected weather conditions, the advantages of using improved technologies, where to buy the inputs or sell output and at how much. This information is frequently broadcasted on local radio stations in South Africa. On the other hand, difficulties in accessing all-weather roads was negatively impacted the likelihood of adopting improved seed. This could be because farmers

located far from accessible roads incur higher information costs, which results in them not accessing sufficient information for them to make decisions to adopt modern technologies.

Table 3 shows that farmers with access to fertile soils, irrigation and those who apply chemical fertilisers were more likely to use improved maize varieties. Farmers with good soils were more likely to adopt improved seeds because they are more likely to expect higher chances of getting better yields, and hence, higher expected returns to their investment on improved seeds. In contrast, farmers with poor soils have less incentives to invest on improved inputs as they may not expect higher returns to their investment. The positive and significant estimates of chemical fertilisers and irrigation suggests that these two technologies have a positive effect on adoption of improved maize varieties. The results also show that farmers from the Uthukela district were more likely to adopt improved maize varieties than those in Harry Gwala district. This implies that there are some unobserved agro-climatic, institutional, market access and socioeconomic heterogeneities peculiar to each of the two districts that impact on technology adoption.

3.3 Impact of improved maize varieties on household food security

The PSM results, showing the impact of the binary adoption treatment variable on food expenditure per capita, are presented in Table 4. The table shows that all the three matching estimators yielded similar results, showing that the adoption of improved maize varieties has a positive and statistically significant effect on food expenditure per capita. The results indicate that food expenditure per capita increased by over R4000 as a result of the adoption of improved maize varieties. The estimates are robust, since the differences among the values estimated using the three matching approaches are very small.

Table 4 Impact of improved maize varieties on food expenditure per capita (‘000 Rands), PSM results

Matching estimator	ATT	t-test
Nearest five neighbours	4.108 (0.922)	4.46***
Kernel matching (bandwidth=0.06)	4.138 (0.910)	4.55***
Radius matching (Calliper=0.05)	4.140 (0.910)	4.55***

Notes: *** means significant at 1% level. Figures in parentheses are standard errors.

The Rosenbaum bounds sensitivity analysis (Rosenbaum, 2002) was done and the bounds tests showed that the conclusion would change at bounds statistic (Γ) =2.2. This implies that the results are not very sensitive to hidden bias, since it would require a bias of more than 200% to reverse

the conclusion. The balancing tests based on the Kernel matching approach were done to evaluate the reliability of the above reported estimates, and the results are presented in Table 5.

Table 5 Test of matching quality

Variables	Mean		%bias	t-test	
	Treated	Control		t	p>t
Age	56.97	56.58	3	0.25	0.800
Gender	0.46	0.45	1.5	0.13	0.900
Education level	4.91	4.88	0.7	0.06	0.950
Household size	6.19	6.33	-4.8	-0.43	0.668
Land size	2.04	2.04	0.2	0.02	0.986
Livestock size	2.71	2.44	4.6	0.35	0.724
Asset values (log)	11.16	11.14	2.4	0.21	0.831
Credit access	0.30	0.29	2.4	0.21	0.835
Extension access	0.39	0.39	0.1	0.01	0.991
Group membership	0.46	0.45	0.7	0.06	0.953
Fertiliser adoption	0.72	0.57	32	2.70***	0.007
Soil quality	0.60	0.55	8.8	0.74	0.458
Rainfall	0.60	0.59	2.3	0.20	0.845
Irrigation access	0.32	0.30	4.8	0.41	0.680
Employed non-farm	0.23	0.15	18.8	1.61	0.109
Access to radio	0.51	0.51	0.8	0.07	0.948
Non-farm business ownership	0.03	0.03	0.8	0.07	0.941
Distance to all-weather road	3.38	2.72	5.2	0.44	0.663
Umzinyathi	0.11	0.10	1.4	0.13	0.898
Uthukela	0.50	0.51	-1.2	-0.10	0.919

Summary of the distribution of |bias|

Min=0.14, Max=32

Mean=4.65, Std. Dev=7.52

Pseudo R²=0.034

LR χ^2 =13.41, p=0.894

Notes: *** means significant at 1% level

Table 5 shows that, after matching, the characteristics of adopters and non-adopters are largely similar after matching. The test for equality of the two group means shows that, with an exception of one variable (chemical fertiliser adoption), there is no statistically significant difference between adopters and non-adopters after matching. This is in contrast to the unmatched sample presented

in Table 2 which indicated statistically significant differences in several covariates between the two groups. The standardised differences (% bias) for the mean values of all the covariates, with the exception of fertiliser adoption, between adopters and non-adopters are below 20%, implying that the balancing requirement is largely satisfied (Rosenbaum & Rubin, 1985).

Table 6 presents the results of the second step of the Tobit selection model, which involved adding the estimated residuals from the Tobit model estimates presented in Table 3. The insignificant estimated coefficient of the residuals at the 10% significance level indicates little evidence of selection bias. The results indicate that increasing land area under improved maize varieties is likely to lead to increases in food expenditure per capita. An increase of one hectare of land under improved maize varieties improves food expenditure per capita by over R4500. Table 6 also shows that food expenditure per capita is influenced by a number of other covariates.

Table 6 Impact of improved maize varieties on food security, OLS model results

Variables	Coef.	Std. Err.
Area under improved maize varieties	4.453***	0.987
Age	0.055**	0.028
Gender	-2.867***	0.754
Education level	0.043*	0.026
Household size	-0.805***	0.099
Land size	0.904***	0.196
Livestock size	0.127**	0.063
Asset values (log)	1.242***	0.410
Credit access	1.348**	0.671
Extension access	1.826***	0.633
Group membership	0.314	0.904
Fertiliser adoption	-0.952	0.692
Soil quality	0.086	0.587
Rainfall	0.901	0.691
Irrigation access	1.758***	0.630
Employed non-farm	6.666***	0.826
Access to radio	0.306	0.764
Non-farm business ownership	3.192*	1.976
Distance to all-weather road	-0.054	0.036
Umzinyathi	-2.676**	1.204
Uthukela	-2.781***	0.762
Residuals	-7.258	9.358
_constant	-3.228	5.686

N	144
F	12.52***
R ²	0.42

Notes: ***, **, and * means significant at 1%, 5%, and 10% levels, respectively.

The results demonstrate that increasing age of a farmer is positively correlated with increased food expenditure per capita. This is because increasing age results in higher social capital (contacts and networks) as well as more experience, which helps the farmers to be more food secure. Several other studies have reported a similar result in rural South Africa (e.g., Baiyegunhi et al., 2016) and in other developing countries (Kassie, Ndiritu, et al., 2014; Magaña-Lemus et al., 2016). Contrary to most literature (e.g., Baiyegunhi et al., 2016; Kassie, Ndiritu, et al., 2014; Mabiso et al., 2014; Magaña-Lemus et al., 2016), Table 6 indicates that female-headship of households could result in high food expenditure values than male-headed ones. A few studies (e.g., Sinyolo et al., 2014; Tesfaye et al., 2008) have found a similar result. This result suggest that, even though men are have a higher chance to have more incomes due to their better access to capital and resources, women prioritise spending on food compared to men. Bigger households were found to spend less on food per capita, as they require more incomes to do that than smaller households.

As expected, additional years of education were associated with increased food expenditure per capita. This is because education results in household heads who have improved access to and use of information that can build their capacity to improve their households' food security. Farmers who were employed non-farm have access to more opportunities, hence their increased food expenditure per capita. The results also show that wealthier farmers (in terms of land, livestock and assets) spend more on food per capita than the poorer. The positive and significant estimates of extension and credit demonstrates the importance of support services such as extension and credit in improving the food security status of rural households.

4 Conclusions and policy implications

This study has investigated the impact of improved maize varieties on household food security among smallholder farmers in KwaZulu-Natal, South Africa. The study went beyond evaluating causal effects of a binary treatment variable by also capturing improved maize varieties adoption

as a continuous treatment variable. A sample of 415 maize producers was analysed using PSM and the Tobit selection model. The empirical results, which were consistent across the estimation techniques, indicated that improved maize varieties significantly and positively influence household food security. The results showed that an additional one hectare of land under improved maize varieties increases annual food expenditure per capita level by over R4000. The study findings suggest that increasing the adoption of improved maize varieties can result in improved household food security among smallholder farmers. To increase technology adoption, the study results suggest that policy makers should aim to increase smallholder's asset base, improve their access to information, organise these farmers into groups as well as introduce adult literacy classes to improve education levels. Also, the study recommends disseminating OPVs that are less costly than hybrids, and targeting women as they are more likely to adopt improved technologies for staples such as maize and spend more on food to ensure household food security compared to men.

References

- ACB. (2012). South Africa's seed systems: Challenges for food sovereignty. Melville: African Centre for Biosafety (ACB).
- Alene, A.D., Menkir, A., Ajala, S.O., Badu-Apraku, B., Olanrewaju, A.S., Manyong, V.M., et al. (2009). The economic and poverty impacts of maize research in West and Central Africa. *Agricultural Economics*, 40(5), 535-550.
- Asfaw, S., Kassie, M., Simtowe, F., & Lipper, L. (2012). Poverty reduction effects of agricultural technology adoption: A micro-evidence from rural Tanzania. *The Journal of Development Studies*, 48(9), 1288-1305.
- Baiphethi, M.N., & Jacobs, P.T. (2009). The contribution of subsistence farming to food security in South Africa. *Agrekon*, 48(4), 459-582.
- Baiyegunhi, L.J.S., Oppong, B.B., & Senyolo, G.M. (2016). Mopane worm (*Imbrasia belina*) and rural household food security in Limpopo province, South Africa. *Food Security*, 8(1), 153-165.
- Becker, O.S., & Ichino, A. (2002). Estimation of average treatment effects based on propensity scores. *The Stata Journal*, 2(4), 358-377.
- Bezu, S., Kassie, G.T., Shiferaw, B., & Ricker-Gilbert, J. (2014). Impact of improved maize adoption on welfare of farm households in Malawi: A panel data analysis. *World Development*, 59, 120-131.

- Biénabe, E., & Vermeulen, H. (2011). Improving smallholders' market participation: Insights from a business scheme for maize in Limpopo Province, South Africa. *Development Southern Africa*, 28(4), 493-507.
- Bocoum, I., Dury, S., Egg, J., Herrera, J., & Prevel, Y. (2014). Does monetary poverty reflect caloric intake? *Food Security*, 6(1), 113-130.
- Cousins, B. (2013). Smallholder irrigation schemes, agrarian reform and 'accumulation from above and from below' in South Africa. *Journal of Agrarian Change*, 13(1), 116-139.
- D'Haese, M., Vink, N., Nkunjimana, T., Van Damme, E., van Rooyen, J., Remaut, A.-M., et al. (2013). Improving food security in the rural areas of KwaZulu-Natal province, South Africa: Too little, too slow. *Development Southern Africa*, 30(4-5), 468-490.
- DAFF. (2012). A framework for the development of smallholder farmers through cooperatives development. Pretoria: DAFF (Department of Agriculture, Forestry and Fisheries).
- DAFF. (2015). Smallholder farmers planted first WEMA maize hybrids, No. 7 DAFFnews. Pretoria: DAFF (Department of Agriculture, Forestry and Fisheries).
- De Cock, N., D'Haese, M., Vink, N., van Rooyen, C.J., Staelens, L., Schönfeldt, H.C., et al. (2013). Food security in rural areas of Limpopo province, South Africa. *Food Security*, 5, 269-282.
- Fischer, K., van den Berg, J., & Mutengwa, C. (2015). Is Bt maize effective in improving South African smallholder agriculture? *South African Journal of Science*, 111(1/2), 1-2.
- Foster, J., Greer, J., & Thorbecke, E. (1984). A class of decomposable poverty measures. *Econometrica*, 52(3), 761-766.
- Gouse, M. (2012). GM maize as subsistence crop: The South African smallholder experience. *AgBioForum*, 15(2), 163-174.
- Gouse, M., Piesse, J., Thirtle, C., & Poulton, C. (2009). Assessing the performance of GM maize amongst smallholders in KwaZulu-Natal, South Africa. *AgBioForum*, 12(1), 78-89.
- Gouse, M., Pray, C., Schimmelpfennig, D., & Kirsten, J. (2006). Three seasons of subsistence insect-resistant maize in South Africa: Have smallholders benefited? *AgBioForum*, 9(1), 15-22.
- Grain SA. (2018). Production Reports. Available at: <https://www.grainsa.co.za/report-documents?cat=14> (Accessed 13 February 2019).
- Heckman, J.J., Ichimura, H., & Todd, P. (1997). Matching as an econometric evaluation estimator: Evidence from evaluating a job training programme. *Review of Economic Studies*, 64(4), 605-654.
- Hendriks, S. (2014). Food security in South Africa: Status quo and policy imperatives. *Agrekon*, 53(2), 1-24.

- James, M. 2015. Low-cost drought and low nitrogen-tolerant maize hybrids for food security in South Africa. Pretoria: Agricultural Research Council-Grain Crops Institute.
- Kassie, M., Jaleta, M., & Mattei, A. (2014). Evaluating the impact of improved maize varieties on food security in rural Tanzania: Evidence from a continuous treatment approach. *Food Security*, 6, 217-230.
- Kassie, M., Ndiritu, S.W., & Stage, J. (2014). What determines gender inequality in household food security in Kenya? Application of exogenous switching treatment regression. *World Development*, 56, 153-171.
- Kassie, M., Shiferaw, B., & Muricho, G. (2011). Agricultural technology, crop income, and poverty alleviation in Uganda. *World Development*, 39(10), 1784-1795.
- Khonje, M., Manda, J., Alene, A.D., & Kassie, M. (2015). Analysis of adoption and impacts of improved maize varieties in Eastern Zambia. *World Development*, 66, 695-706.
- KZNPPC. (2011). KwaZulu-Natal Provincial Growth and Development Strategy (PGDS). Pietermaritzburg: KZNPPC (KwaZulu-Natal Provincial Planning Commission)
- Labadarios, D., Mchiza, Z.J.R., Steyn, N.P., Gericke, G., Maunder, E.M.W., Davids, Y.D., et al. (2011). Food security in South Africa: A review of national surveys. *Bulletin of the World Health Organization*, 89(12), 891-899.
- Mabiso, A., Cunguara, B., & Benfica, R. (2014). Food (In)security and its drivers: insights from trends and opportunities in rural Mozambique. *Food Security*, 6(5), 649-670.
- Magaña-Lemus, D., Ishdorj, A., Rosson, C.P., & Lara-Álvarez, J. (2016). Determinants of household food insecurity in Mexico. *Agricultural and Food Economics*, 4(1), 1-20.
- Mathenge, M.K., Smale, M., & Olwande, J. (2014). The impacts of hybrid maize seed on the welfare of farming households in Kenya. *Food Policy*, 44, 262-271.
- Mkhabela, T.S., & Materechera, S.A. (2003). Factors influencing the utilization of cattle and chicken manure for soil fertility management by emergent farmers in the moist Midlands of KwaZulu-Natal Province, South Africa. *Nutrient Cycling in Agroecosystems*, 65, 151-162.
- Musemwa, L., Muchenje, V., Mushunje, A., Aghdasi, F., & Zhou, L. (2015). Household food insecurity in the poorest province of South Africa: level, causes and coping strategies. *Food Security*, 7(3), 647-655.
- Nawrotzki, R.J., Robson, K., Gutilla, M.J., Hunter, L.M., Twine, W., & Norlund, P. (2014). Exploring the impact of the 2008 global food crisis on food security among vulnerable households in rural South Africa. *Food Security*, 6(2), 283-297.
- NPC. (2012). Our future-make it work: National Development Plan 2030 (Vol. 2013). Pretoria: NPC (National Planning Commission).

- Ogada, M., Mwabu, G., & Muchai, D. (2014). Farm technology adoption in Kenya: A simultaneous estimation of inorganic fertilizer and improved maize variety adoption decisions. *Agricultural and Food Economics*, 2(1), 1-18.
- Regier, G.K., Dalton, T.J., & Williams, J.R. (2012). Impact of genetically modified maize on smallholder risk in South Africa. *AgBioForum*, 15(3), 328-336.
- Rosenbaum, P.R. (2002). *Observational studies*. New York: Springer.
- Rosenbaum, P.R., & Rubin, D.B. (1985). Constructing control group using a multivariate matched sampling method that incorporates the propensity score. *The American Statistician*, 39, 33-38.
- Rosenbaum, P.R., & Rubin, R.D. (1983). The central role of the propensity score in observational studies for causal effects. *Biometrika*, 70(1), 41-55.
- Rubin, D., & Thomas, D. (2000). Combining propensity score matching with additional adjustments for prognostic covariates. *Journal of American Statistical Association*, 95, 573-585.
- Shiferaw, B., Kassie, M., Jaleta, M., & Yirga, C. (2014). Adoption of improved wheat varieties and impacts on household food security in Ethiopia. *Food Policy*, 44, 272-284.
- Sinyolo, S., Mudhara, M., & Wale, E. (2014). Water security and rural household food security: Empirical evidence from the Mzinyathi district in South Africa. *Food Security*, 6(3), 483-499.
- Smale, M., & Mason, N. (2014). Hybrid seed and the economic well-being of smallholder maize farmers in Zambia. *The Journal of Development Studies*, 50(5), 680-695.
- Smith, J., & Todd, P. (2005). Does matching overcome LaLonde's critique of nonexperimental estimators? *Journal of Econometrics*, 125(1-2), 303-353.
- Stats SA. 2012. Census 2011 Municipal report – KwaZulu-Natal. Pretoria: Statistics South Africa. Available at: http://www.statssa.gov.za/Census2011/Products/KZN_Municipal_Report.pdf (Accessed 9 March 2015).
- Stats SA. (2014). Poverty trends in South Africa: An examination of absolute poverty between 2006 and 2011. Pretoria: Statistics South Africa.
- Tesfaye, A., Bogale, A., Namara, R.E., & Bacha, D. (2008). The impact of small-scale irrigation on household food security: The case of Filtino and Godino irrigation schemes in Ethiopia. *Irrigation and Drainage Systems*, 22(2), 145-158.
- van Averebeke, W., Denison, J., & Mnkeni, P.N.S. (2011). Smallholder irrigation schemes in South Africa: A review of knowledge generated by the Water Research Commission. *Water SA*, 37(5), 797-808.

- Walsh, C.M., & van Rooyen, F.C. (2015). Household food security and hunger in rural and urban communities in the Free State Province, South Africa. *Ecology of Food and Nutrition*, 54(2), 118-137.
- Wooldridge, J.M. (2002). *Econometric Analysis of Cross Section and Panel Data*: MIT Press.
- World Bank. 2001. South Africa – CGIAR partnership results in new maize varieties with 30 to 50 percent higher yields. Available at: <http://www.worldbank.org/html/cgiar/press/news010521.pdf> (Accessed 21 September 2016).
- Zeng, D., Alwang, J., Norton, G.W., Shiferaw, B., Jaleta, M., & Yirga, C. (2015). Ex post impacts of improved maize varieties on poverty in rural Ethiopia. *Agricultural Economics*, 46(4), 515-526.