MODERNIZATION IN AGRICULTURE

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ABSTRACT

This paper addresses the question of which factors influence a farmer in deciding to adopt an innovation. We differentiate between innovations that are already widely diffused in the sector, innovations that are early in their process of diffusion, and innovations that are entirely new to the farmer’s sector. We use an ordered profit approach to relate adoption behavior to variables that capture characteristics of the farm (labour and financial resources and market position), of the business environment of the farm (type of production and market, degree of regulation) and of the farmer (access to information, capabilities, preferences). We use data on 865 Dutch farms and find that innovation adoption is positively related to labour resources, market position, access to information and past adoption behavior, and negatively to solvency and the degree of market regulation.