**Back from Israel:**

**The Causal Impacts of Training in Modern Farms on Smallholder Cultivation in Nepal**

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**Abstract**

Hundreds of millions of smallholder farmers around the world still make use of traditional farming methods, resulting in low yields in quantity and quality. Improving agricultural productivity has been largely linked to achieving many of the UN's Sustainable Development Goals. The literature points to several barriers to such improvement, including the lack of information, knowledge, and opportunities for gaining experience. One of the most common tools for dealing with this barrier is training programs. What are the effects of agricultural knowledge transfer on smallholder farmers? Experimental evaluations of agricultural extension programs remain scant. Moreover, such programs are known to suffer from deep implementation flaws, making it difficult to assess whether low impacts are observed because of poor implementation or because knowledge is not, in fact, the binding constraint for improving agricultural productivity.

We utilize a unique natural experiment, in which Nepali smallholder farmers are selected by lottery to take part in agricultural training and employment in Israel. The program lasts about a year, during which the participants combine theoretical studies in the field of modern agriculture with employment on commercial farms. Upon their return to Nepal, program participants are more likely to live in their home-village, engage in agriculture for their income, operate an agricultural business, and invest in their farms. Moreover, their expenditures on inputs and market access, as well as their agricultural revenues, are substantially higher. However, we see limited evidence for a dramatic shift to modern farming methods. These results are in line with self-reported learnings from the program which highlight management skills as a particularly significant part of the program. However, further research is needed to gain an in-depth understanding of the mechanisms leading to the changes found