USE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY TOOLS FOR TRACTOR HIRE SERVICES IN AFRICA

Abstract:

This publication discusses the role information and communications technology (ICT) plays in agricultural mechanization, which has the potential to transform and improve smallholder agriculture in sub-Saharan Africa. Although mechanization levels tend to be low in African countries, there is still evidence of demand for mechanization services from smallholder farmers, especially tractor hire services. Where such demand exists, tractor owners have formed private hiring markets to provide the required services. The main challenge is related to high transaction costs – incurred by farmers due to information distortion concerning the availability of tractor hire services and how to access them, and by tractor owners due to the difficulties locating farmers in need of their services and aggregating demand over distant, scattered, smallholder farm plots.