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FINANCIAL ACCESS INITIATIVE RESEARCH BRIEF | JANUARY 2008



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Finding Missing Markets

In much of the developing world farmers grow crops for local consumption despite export options that appear to be more profitable. This paper reports on a randomized controlled trial conducted by DrumNet in Kenya that attempts to help farmers adopt and market export crops. After one year, DrumNet services led to an increase in production of export crops and lower marketing costs, which translated into household income gains for new adopters. One year after the study, however, the exporter stopped buying from the farmers because they had not become certified to comply with European export requirements. DrumNet collapsed as farmers defaulted on their loans. The risk of such events may explain, at least partly, why many seemingly more profitable export crops are not adopted.

Full published paper is available [here](#).
January 30, 2008