



Agricultural Journals

AGRICULTURAL ECONOMICS

Zemědělská ekonomika

[home](#) [page](#) [about us](#) [contact](#)



us

Table of Contents

IN PRESS

**AGRICECON
2014**

**AGRICECON
2013**

**AGRICECON
2012**

**AGRICECON
2011**

**AGRICECON
2010**

**AGRICECON
2009**

**AGRICECON
2008**

**AGRICECON
2007**

AGRICECON

2006
AGRICECON
2005
AGRICECON
2004
AGRICECON
2003
AGRICECON
2002
AGRICECON
Home

Editorial
Board

For Authors

- **Authors Declaration**
- **Instruction to Authors**
- **Guide for Authors**
- **Copyright Statement**
- **Submission**

For
Reviewers

Guides for
Reviewers

▪ **Reviewers
Login**

Subscription

Agric. Econ. — Czech

Hu W.-Y.:

Effect of contract farming on the U.S. crop farmers' average return

Agric. Econ. — Czech, 59 (2013): 195-201

In the literature of contract farming, most of the studies focus on the functions of risk managements and reducing transaction costs. Only a few study the effect of contract farming on the productivity efficiency or profitability. Literature in the crop sector is especially

lacking. In this paper, we use a unique farm-level dataset (Agricultural Resource Management Survey from the U.S. Department of Agriculture) to examine the effect of contract farming on the farmers' average return for the corn, soybean and wheat producers. The matching estimation is used in the nature to compare the farmers' average return with or without participating contract farming. We first run a logit model to calculate the propensity score from the farmers' contracting decision problem. Then, use the propensity score to match farmers using the contracts and not using the contracts and compare their average returns. The empirical results show that contract farming has a positive effect on the corn and soybean producers' average return and insignificant effect on wheat producers' .

Keywords:

average return, contract farming, grain industry marketing contract

[[fulltext](#)]

© 2011 Czech Academy of Agricultural
Sciences

XHTML1.1 VALID

CSS VALID