Do Larger or Smaller Farms Mean More Productivity? Evidence on Farm Size

New AAEA Member research published in AJAE

MILWAUKEE (PRWEB) February 01, 2019 -- The amount of land a farmer cultivates and the amount of output per unit of land a farmer can get, or that farmer’s yield, is a relationship that has long been regarded as a puzzle among development economists and policy makers. In recent years, China has experienced a rapid expansion of farm size through land rental market transfer and policies for “large farms”. It is important to know whether policies will help to improve household farms’ productivity.

In the new article “The relationship between farm size and productivity in agriculture: Evidence from maize production in Northern China,” published in the American Journal of Agricultural Economics, written by Yu Sheng, Jiping Ding and Jikun Huang from China Center for Agricultural Policy, Peking University share their new findings on the effectiveness of labor, as well as capital and land markets significance to improving agricultural productivity.

They say, “Our study reveals that the land rental market reforms helps to enlarge the average operational scale of household farms in China but it does not increase land productivity. This implies that ‘subsidizing large farms’ may not necessarily a good policy.”

The article is now available online for a limited time. If you are interested in setting up an interview with Sheng, please contact Allison Scheetz in the AAEA Business Office.

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