FARMERS’ WILLINGNESS TO SELL STRAW IN BAVARIA

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1 Introduction

Straw is usually used as humus and nutrient source for soil as well as litter and feed for livestock. It also can be utilized as raw material base for chemical products and for energy or as building material.

Our research objective is to investigate the effect of economic and other factors on farmers’ decision-making when selling a by-product like straw.

How much straw are Bavarian farmers willing to sell?

What are the influencing factors on farmers’ decisions to sell straw?

For which price would farmers sell their straw?

A preliminary study of straw producers from Lower Saxony and from Saxony-Anhalt was conducted to stabilize the deductive model of farmers’ decision-making and to minimize errors for the empirical investigation in Bavaria.

2 Methods

In a first step influencing factors of farmers’ decision-making behavior were extracted from scientific literature.

In a second step the deductively derived factors were tested by problem-oriented personal interviews with farmers of eight farms experienced in straw sales.

The results of this preliminary study will be incorporated in the questionnaire of the main survey, postally mailed to 15,000 Bavarian farmers.

3 Results of the preliminary study

Model of farmers’ decision-making selling a by-product

Factors derived from scientific literature

Factors derived from problem-oriented interviews

Theoretical constructs of farmers’ decision-making

- Product price
- Product quality
- Social environment
- Location
- Soil quality
- Farm crops
- Financial situation
- Ecological awareness
- Risk perception
- Skills

Willingness to sell

Surrounding structure

Price level

Weather

Organic fertilizer

Transaction costs

Fertilizer prices

Logistics

Soil quality

Farm crops

Confidence

Experience

Farm structure

Personality

Surrounding structure

Price level

General willingness to sell straw

50 €/t

75 €/t

Percentage of annual straw production [%]

Farmer B [SA]

Farmer C [SA]

Farmer A [SA]

Farmer H [LS]

Farmer E [LS]

Farmer G [LS]

Farmer F [LS]

Farmer D [SA]

Willingness to sell straw at different price levels

Farmer’s willingness to sell straw [not bailed] in general and at different price levels in Lower Saxony [LS] and in Saxony-Anhalt [SA]

4 Conclusion

The qualitative interviews show that farmers’ decision-making determines the amount of straw available on the market.

The straw price mostly affects farmers’ decision to sell straw. Fertilizer prices, farm crops, soil quality, weather, availability of organic fertilizer, transaction costs, contract conditions, experience and the confidence in the logistics matter as well. In contrast skills, risk perception, the ecological awareness of the farmer and the financial situation of the business are of low importance for the sale decision of the interviewed farmers.

All questioned farmers seek to avoid long-term trade agreements for selling their straw. The straw producers of this sample are willing to sell on average 45 % of their annual straw production. At higher price levels more farmers of this study are willing to sell extra straw.

5 References

