Analysis of the Production and Profit Structure of Rice Farms Based on the Strata of Farm Scale and Production Cost

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Summary

Recent structural changes in farm production are characterized by the enlargement of farm size and the change of organization. Meanwhile, previous studies have confirmed that the economy of scale entails the dispersion of farming plots and the over-investment of machinery. Those studies have also affirmed that the production cost or farm income of incorporated farms is not necessarily sufficient. The present study aims to clarify the importance of the management strategy of rice farms from the perspective of cost structure by using rice production cost survey data from 1,911 farms during the 2008–2017 fiscal year. The results are as follows. First, the average total production cost per 10a decreased from 10–15 ha stratum to 20–30 ha stratum. Second, while low-cost large farms attained higher unit profit, high-cost large farms attained higher unit production and unit farm income. Third, the characteristics of the high-cost large farms are as follows: high owned farmland rate, high farmland lent, large plot rate, and considerable input of family labor into the farm field management. However, low-cost large farms are expected to have more capacity to enlarge their farm businesses than high-cost large farms. Those results indicate the importance of decision-making of regional agricultural policy while considering the diversity of farm management strategies.

Key words: rice production cost survey, management strategy, production cost structure