Discussion about “Does cooperative membership stabilize farm income volatility? Evidence from pig sector in the People’s Republic of China”

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About the paper

- This paper investigates the effect of cooperative membership on farm income volatility, using
  - the data from a two-round farmer survey (193) in the PRC,
  - an endogenous switching regression model to address the selectivity bias issue.

- The empirical results show:
  - cooperative membership significantly reduces farm income volatility by 14%
  - the treatment effects of cooperative membership vary among members with different farm characteristics
1. Introduction & background & literature

- Farmer cooperatives in the PRC:
  - any information about that in the context of the pig farming sector?
  - lack of sufficient literature support

- Clarity of key concepts:
  - farm income volatility v.s. farm income stability v.s. farm income volatility/stability – be consistent
  - Definition of the key concept is income volatility (variable used)
Comments

2. Data

- Two cities are chosen:
  - how did you determine the number 110? How many pig farms in Huai’an?
    In Huai’an city, livestock bureau offices of the Huai’an government helped to circulate the survey, 110 pig production farms were randomly chosen from official survey dataset.
  - same question applies to Lin’an city
    producers in Huai’an responded to the questionnaires. In Lin’an city, the survey was also carried out with the help from livestock bureau of Lin’an, 110 pig production farms were randomly chosen from official survey dataset. The survey was conducted by a

- Two rounds survey – state the reasons

- Survey methods – consistency
  - First round: Huai’an city, distributed via Wechat (online questionnaire?); Lin’an city, by telephone (one investigator)
  - Second round: online survey
3. Model and results

- How do you measure the extent ...?

  literature in the following aspects: (1) we fill the knowledge gap by investigating whether and the extent to which pig farmers’ participation in agricultural cooperatives affects their income volatility. (2) we also explore the potential heterogeneous effects of cooperatives on pig farm income stability across production scales.

- What makes it different/ how do your results show the two-round survey effects?

- Variables covering multi-years:

  and risk perception; (2) data on each farmer’s production and operation, including each farmer’s production scale, annual revenue and feedstock volume from 2017-2020, feed sourcing channels, and other information; (3) data on each farmer’s participation in by the mean of each individual farmer’s income in 2017-2020. Each farmer will generate one data of volatility of his/her farm income between 2017 and 2020, and thus the farm income volatility data is cross-sectional.

State how you use those data – to calculate income? Or what?

What about the second round survey in 2021?
Thank You!