GROWERS CHOICE OF PARTICIPATION IN A HIGH OLEIC SOYBEAN SEGREGATION PROGRAM

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ABSTRACT

HOS need to be segregated from commodity grain at the farm and through the rest of the food chain so that high oleic soybeans and oils do not get commingled with their bulk counterpart. Production on farm is typically governed by agreements between farmers and buyers of HOS to make sure farmers implement adequate segregation measures during production, storage and transportation.

A few of these programs have been put in place last years in restricted location of the United Stated Midwest. Little is currently known about the constraint and factors influencing farmers’ participation HOS programs. The aim of thesis is to provide information about grower preferences for the key contracts attributes used to govern the production HOS soybeans. These attributes are premium levels, delivery windows, distance to buyer, thresholds and HOS brand names.

The methodology consisted of a choice experiment survey administered to a random sample of growers over the internet. Results indicated that premium levels, delivery options and the distance to buyer are attributes that significantly influence growers’ willingness to participate in HOS programs. In particular, growers are willing-to-accept (WTA) about $0.12/bushel less of a premium if a harvest delivery (HD) option rather than a buyer’s call (BC) delivery option is given.