

# Farmer's Land Transfer Behaviour has a Herd Effect

Liam Carlisle\*

Department of Financial Management, University of Miami School of Medicine, Miami, Florida, UK

## Introduction

Poor information transmission, limited scale and an incoherent structure have plagued the land transfer market. In this context, this study gathered data from 337 farmers in Qufu City, Shandong Province and incorporated the acquaintance-based, strong geographic ties of rural society into the analysis. The Probit model is used to examine the impact of geo-networks to confirm the function of the herd effect in farmer's land transfer behaviour. This paper starts with the herd effect and looks at how farmers in the same geo-network affect individual farmers' land transfer behaviour. The herd effect's endogenous problem is then solved using the IV-Probit model. The findings indicate that farmers imitate the behaviour of other farmers in the same geo-network when they transfer land. The herd effect can be seen in farmers' land transfer behaviour, which is influenced positively by geo-networks.

## Description

The cognitive characteristics, resource endowment and family history of farmers are important influences on their land transfer behaviour. Groups with low or middle agricultural income have a greater impact on farmers' land transfer behaviours than groups with high agricultural income. The goal of this study is to help the government make the most of the positive effects of the herd effect, promote the leadership role of village cadres as leader sheep and make it easier to share information about land transfers. The construction of farmland infrastructure and the creation of land transfer platforms should receive greater attention from governments. This paper could be used as a reference to help the land transfer market thrive and enable large-scale agricultural operations. China has experienced both rapid urbanization and intensified crises in recent decades, including the abandonment of farmland, lack of rural land use and decline of rural areas. Rural land use has been significantly affected by the massive rural migration caused by rapid urbanization, particularly in cases of farmland abandonment. Even though the rural migrants left the agricultural industry and abandoned their land in the countryside, they were unable to sell their land or help other farming households acquire additional rural land because of China's household contract responsibility system. All rural land in a village is owned by all of the village's residents under the household contract responsibility system and the amount of land each household can own is determined by the number of family members it has historically had. Because farming households only have contractual and usage rights to the contracted land, not ownership rights, this household contract responsibility system stipulates that farming households cannot sell their contracted land even if they intend to permanently leave the countryside [1,2].

Farmland abandonment and rural land use deficiencies increased as a result of the household contract responsibility system. As a result, the proposed separating three property rights reform of land transfer was proposed to address the issue of rural land use in rural areas. The contractual and usage rights of rural land are divided into non-tradable contractual rights and tradable usage rights as

a result of the separating three property rights reform. This allows farmers who no longer engage in the agricultural industry to transfer the land usage rights to others and also allows farmers who continue to engage in the agricultural industry to transfer inward more rural land to expand their farming operations. In this study, the term "land transfer" refers to the inward and outward transfer of rural land usage rights [3].

Nowadays, land transfer is the only way to revive abandoned rural land resources and establish moderate-scale operations in China's rural areas. In order to address issues in rural areas and develop modern agriculture, it is essential to transfer reasonable land. The Communist Party of China's 18th, 19th and 20th National Congresses all called for putting the tasks and requirements of land transfer reform into action and achieving rural revitalization through the best possible land division. The rural land transfer market still suffers from inefficient information transmission, small scale and uncoordinated structures, despite legal protection and support from the central government. To support rural economic progress and revitalization, additional efforts are required to facilitate the transfer of rural land and appropriately allocate land resources. These are essential for implementing agricultural scale management and promoting reform of rural land systems in the new era [4].

The information necessary for the land transfer process must be obtained by farmers. Farming households are more likely to refer to and imitate the behaviour of other farmers in their social networks when making decisions about land transfer, demonstrating a herd effect, as there are limited information channels broadcasting government policies. As a result, farming households are less likely to spend more time, money and effort collecting and interpreting information about land transfer. When information is asymmetric or insufficient due to imitations of information-discrimination ability, the herd effect is the behaviour of individuals extracting information from other people's behaviours and imitating them to maximize utility. Research in behavioural economics demonstrates that farmers' individual willingness and behaviour are also influenced by the willingness and behaviour of other individuals in their groups, despite the fact that farmers generally seek to maximize economic benefits and utility. The findings indicate that the herd effect and the geo-network are both reflected in the number of farmers and cadres who transfer land within the same village, which positively influences farmers' land transfer behaviour. A herd effect exists in the land transfer behaviour of farmers because they imitate the behaviour of other farmers in the same geo-network. The cognitive characteristics, endowment of resources and family characteristics of farmers all have a significant impact on how they transfer land. Groups with low and middle agricultural incomes have a greater impact on farmers' land transfer behaviour than groups with high agricultural incomes [5].

In light of the preceding findings, the information transfer function of the herd effect will encourage land transfer if land transfer information is effectively disseminated among farmers in a geo-network. This will increase farmers' likelihood of participating in land transfer. The demonstration function of the herd effect has a significant impact on farmers' land transfer behaviours if they choose to consult related land transfer policies rather than consult information from other farmers in the same geo-network when deciding whether to transfer their land. The following recommendations for policy are made in this study.

\*Address for Correspondence: Liam Carlisle, Department of Financial Management, University of Miami School of Medicine, Miami, Florida, UK, E-mail: advice99@pluscu.uk

Copyright: © 2023 Carlisle L. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

Received: 02 January 2023, Manuscript No. jamk-23-94678; Editor assigned: 04 January 2023, PreQC No. P-94678; Reviewed: 16 January 2023, QC No. Q-94678; Revised: 21 January 2023, Manuscript No. R-94678; Published: 28 January 2023, DOI: 10.37421/2168-9601.2023.12.413

## Conclusion

The positive impact of the herd effect should be taken into consideration during land transfer. Farmers and village cadres living in the same village make it easier to spread information about land transfers because there is a positive correlation between a geo-network and farmer's actions regarding land transfers. To fully utilize the roles of capable farmers, major farmers and village cadres within the geo-networks and guide farmers in carrying out land transfer to enable large-scale agricultural operation, the government ought to focus specifically on the geo-networks of farmers when promoting land transfer.

---

## References

1. Dechow, Patricia M. "Accounting earnings and cash flows as measures of firm performance: The role of accounting accruals." *J Account Econ* 18 (1994): 3-42.
2. Bowen, Glenn A. "Document analysis as a qualitative research method." *Qual Res J* (2009).
3. Amiot, Catherine E., Christophe Gahgné and Brock Bastian. "Pet ownership and psychological well-being during the COVID-19 pandemic." *Scientific reports* 12 (2022): 1-14.
4. Milton, Sansom. "Syrian higher education during conflict: Survival, protection, and regime security." *Inter J Educ Dev* 64 (2019): 38-47.
5. Şen, Asım, Kamil Erkan Kabak, Fatih Tüysüz and Dilek Kuzaliç. "Democratization of university management for quality higher education." *Procedia-Social and Behavioral Sciences* 58 (2012): 1491-1504.

**How to cite this article:** Carlisle, Liam. "Farmer's Land Transfer Behaviour has a Herd Effect." *J Account Mark* 12 (2023): 413.