

Instructions to Applicants for the Oral and Poster Presentations
The Agricultural Economics Society of Japan Annual Meeting 2015
(Tokyo University of Agriculture and Technology)

This is the submission instruction for the oral and poster presentations to be presented in English during the Meeting at Tokyo University of Agriculture and Technology. Applicants are required to submit their documents in accordance with the instructions below.

1. The new change starting this year

The accepted manuscripts which are submitted after the oral and poster presentations at the Meeting are published as “Research Letters” in *The Japanese Journal of Rural Economics (JJRE)*.

2. Notes

- (1) An applicant must not be the first author of more than one presentation including both oral and poster sessions.
- (2) Three documents have to be included in the application; 1) Presentation application form, 2) Abstract of the presentation, and 3) Manuscript. A manuscript must be qualified to be submitted to the journal. A manuscript written incompletely is not acceptable for submission.
- (3) Because the space and time are limited at the Meeting, some applicants might be requested to move to a different category from originally submitted.

3. Submission of your documents

(1) Documents to be submitted

This is a follow-up for the above mentioned in 2-(2) for the documents to be submitted. Please make three separate files for each one of the three documents such as:

- a) Presentation application form: Fill up Sheet 1. A sample is shown in Sheet 2.
- b) Abstract of the presentation: See Sheets 3, 4, and 5. Use the template for ‘Abstract of the presentation.’
- c) Manuscript: See Sheets 6 and 7. Use the template for ‘Manuscript.’

(2) How to submit

Please send the three files by e-mail to aesj@aafs.or.jp.

(3) Notifications

- 1) The subject of the e-mail should be as follows:

“Submission of Oral (or Poster) Presentation, Name of the first author, Affiliation”

Ex.: Submission of Oral Presentation, Taro YAMADA, Abc Univ.

- 2) The file-names for the Sheet 1, 4, and 7 should be as follows:

Sheet 1: “Application Form, name, affiliation”

Ex.: Application Form, Taro YAMADA, Abc Univ.

Sheet 4: “Abstract, name, affiliation”

Ex.: Abstract, Taro YAMADA, Abc Univ.

Sheet 7: “Manuscript, name, affiliation”

Ex.: Manuscript, Taro YAMADA, Abc Univ.

- 3) When you send the files, set the priority in the e-mail.
- 4) Make sure that all the three documents listed above are attached to the mail. Applications with incomplete documents may not be accepted.
- 5) The secretariat will send an e-mail to confirm receiving your application with a presentation ID number a few days later. If you do not receive it, please ask the secretariat at aesj@aafs.or.jp.

4. Deadline

Applications must be sent using e-mail by 17:00 on Friday, December 19, 2014.

5. The schedule table

The schedule for the oral and poster presentations (venue and time) will be posted on the website of the Agricultural Economics Society of Japan by the end of February, 2015.

6. Preparing the presentation application form

- (1) Entering the membership number

The first author and the corresponding author must be member(s) of the Agricultural Economics Society of Japan for the FY2014 at the time of application. Non-members are required to become members immediately.

- (2) First and corresponding authors

The first and corresponding authors are requested to put their membership numbers on the Sheet 1, the application form. Put a marker * after the name of the corresponding author. The corresponding author should be responsible for the inquiries from the readers.

- (3) Choosing an appropriate category for your presentation

Choose an appropriate category from the list of Sheet 1. You can select up to 2 categories by showing your 1st choice and the second. The category allotted by the secretariat may be different from the one initially chosen by the applicant due to balancing the overall schedule.

7. The outline for presentation

- (1) Oral presentation

Each presentation will be allocated for 25 minutes; 17 minutes for speech and 8 minutes for Q/A session. However, there is a possibility that the presentation time period can be changed according to the number of overall presentations.

Presentations using projectors are allowed only in the form of PDF files. If you plan to do so, send your PDF file by e-mail to aesj@aafs.or.jp. The deadline for the PDF files to submit is 17:00 on Wednesday, March 11, 2015. Please check “Guide for Oral and Poster Presentations” on our website for information about the file-name of your PDF file and the subject of the email.

(2) Poster presentation

Each presentation will be allocated for 10 minutes; 7-minutes for speech and 3-minutes for Q/A session in front of the poster. The authors should be at present at their own posters to accommodate the visitors. Please check “Guide for Oral and Poster Presentations” on our website for a poster layout (sample) and other information. The Poster Awards will be granted. Only those that the first authors are under 40 years old can be the candidate for the Awards.

8. The submission for publication consideration

- (1) After the presentations at the Meeting, the authors may submit their presented papers for publication consideration in *JJRE* as “Research Letters,” incorporating the comments and suggestions offered during the presentations. The manuscripts will be peer-reviewed and the qualified manuscripts are to be accepted for publication.
- (2) If the authors wish to submit to *JJRE*, both the first and corresponding authors should be members of our Society in the FY2015.
- (3) The manuscripts are required to be proofreaded by native speakers prior to submission.
- (4) Send your manuscript by e-mail to The Editorial Office of The Journal of Rural Economics (*Nogyo Keizai Kenkyu*) in The Center for Academic Publications Japan. More detailed information will be posted on our website soon after the Meeting.
- (5) A submitted manuscript for publication consideration in *JJRE* is charged as follows:
 - 4 pages 20,000 yen;
 - 5 pages 30,000yen;
 - 6 pages 50,000yen.If the manuscript is accepted , the charge must be paid prior to publication.

Application Form for Presentation (Oral / Poster)

1. Type of presentation [Replace with as appropriate] Oral or Poster

2. Title of the presentation

3. Your name(s) (affiliation(s))

Please put “ * ” after the name of corresponding author.

4. The membership number of first presenter 031 — —

5. The membership number of corresponding author 031 — —

6. E-mail address of corresponding author _____

7. Submission of manuscript for publication in JJRE Research Papers [Replace with as appropriate]
 Plan to submit or No plan to submit

8. Use of projector by PDF file at oral presentation (Use of OHP, OHC is not allowed.)
 [Replace with as appropriate] Yes or No

9. Language of presentation [Replace with as appropriate] Japanese or English

10. Area of presentation

I Area [Choose one]	<input type="checkbox"/> Within Japan <input type="checkbox"/> Overseas [Name of the country _____] <input type="checkbox"/> International Comparison [Name of the areas or countries _____]
II Methodology [Choose one]	<input type="checkbox"/> Theoretical <input type="checkbox"/> Econometric <input type="checkbox"/> Historical <input type="checkbox"/> Field Investigation
III Category [Choose one or two. If you choose two, rank them according to their appropriateness to represent your presentation]	<input type="checkbox"/> Demand <input type="checkbox"/> Production / Management <input type="checkbox"/> Distribution / Marketing <input type="checkbox"/> Environment / Resources <input type="checkbox"/> Rural Society / Culture <input type="checkbox"/> Agricultural or Rural Development <input type="checkbox"/> Food Industry <input type="checkbox"/> Regional Agriculture <input type="checkbox"/> Agricultural or Rural Planning <input type="checkbox"/> Policy / Institutions

Instructions for the Abstract of the Presentation (Oral / Poster)
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1. Writing Style

- (a) A4 size horizontal pattern. Horizontal 84 letters x Vertical 45 lines.
- (b) Leave the left and right margins 30mm, top and bottom margins 25mm according to the sample provided.
- (c) Figures/tables must also be included within the same layout.

2. Layout

- (1) Title (Centered, Times New Roman, bold, 14 point). In case of using more than two lines, move one line below.
- (2) In case of a subtitle, continue after the title the same way but separated by “ : ” at the beginning of the subtitle.
- (3) Leave one line blank.
- (4) Author’s name (Centered, Times New Roman, bold, 10.5 point). After the name of author, add superscript number for each different affiliation. If the authors are more than two, divide by comma and continue horizontally. Add * mark after the number for the corresponding author.
- (5) Affiliation (Centered, Times New Roman, 10.5 point). Add superscript number before affiliation. If the affiliations are more than two, divide by comma and continue horizontally.
- (6) Corresponding author (Times New Roman, 10.5 point). After the corresponding author marker *, write down the e-mail address of the corresponding author’s.
- (7) Leave one line blank.
- (8) Text (Times New Roman, 10.5 point).

Note: It is required to use the template for ‘Abstract of the presentation.’

The diagram shows a rectangular frame representing an abstract layout. At the top center, an upward arrow is labeled "30mm", and at the bottom center, a downward arrow is labeled "30mm". Inside the frame, the text is centered. At the top is "Title: Subtitle". Below it is "※Leave one line". Then "Name¹, Name² and Name^{1*}", followed by "¹Affiliation, ²Affiliation", and "Corresponding author^{*}: e-mail address". Below this is another "※Leave one line". The main body consists of a line starting with "This presentation is" followed by a dotted line. The second line of the dotted line is labeled "84 letters". There are 43 more dotted lines below. On the left and right sides, horizontal arrows labeled "←25mm→" indicate the width. At the bottom right of the dotted area, it says "(45 lines)".

↑
30mm
↓

Title: Subtitle

※Leave one line

Name¹, Name² and Name^{1*}
¹Affiliation, ²Affiliation
Corresponding author^{*}: e-mail address

※Leave one line

This presentation is

84 letters

←25mm→

←25mm→

(45 lines)

↑
30mm
↓

Optimal Behavior of Rice Farmers in the Imperfectly Competitive Land Lease Market in Japan: With a Focus on Transaction Costs and Uncertain Returns on Land Lease Investment

Ueo Aiue^{1*} and Tsuteto Tachi²

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In the process of drawing up contracts, farmers must pay some transaction costs, including the cost for searching for appropriate farmlands. In addition, farmers tend to postpone making contracts because of their anxiety about uncertain returns on land lease investment in spite of present profitability.

The objective of this study is to judge whether transaction cost and uncertain returns work as restrictions on the number of land lease contracts in Japan. This study assumes that the previous papers associated with this context overestimated the number of the contracts because they ignored the effects of two obstacles as a result of their preconception of the competitive market framework. The originality of this study is to prove the previous overestimation from theoretical and empirical viewpoints, and to estimate the transaction cost and the option value coefficients as an index of uncertain returns by applying real option theory.

The main outcomes of this study are as follows: First, the study makes it clear theoretically that the perfectly competitive land lease market assumption adopted by the previous papers leads to the overvaluation of the number of land lease contracts when market competitiveness is imperfect. Second, the study proves empirically that the land lease markets of rice farming are imperfectly competitive according to the significant estimation results of the transaction costs and the option value coefficients. Third, from the estimation results of the study, the estimate of the transaction costs in the former period from 1981 to 1992 was relatively larger than the estimate in the latter period from 1995 to 2002; on the other hand, the estimate of option value coefficient in the former period was relatively smaller than the estimate in the latter period. These results imply that each of the two obstacles restricts the number of land lease contracts at different periods. The empirical results of this study strongly suggest that government policy to mitigate both transaction costs and a degree of uncertainty of returns on land lease investment is effective in accelerating farmland lease contracts in rice farming in Japan.

Instructions for the Manuscript (Oral / Poster presentation)

1. Writing Style

- (a) A4 size sheet with two columns. Before starting the text of the body, however, keep one wide column across the page with 96 letters per line x 46 lines per page. After stating the text, use two column format with 48 letters per line of a column x 46 lines per page.
- (b) Leave the left and right margins by 25mm, and top and bottom margins by 20mm. Refer to the sample in Sheet 7.
- (c) Figures/tables must also be included within the same layout.

2. Layout

- (1) Title (Centered, Times New Roman, bold, 14 point). In case of using more than two lines, move one line below.
- (2) In case of a subtitle, continue after the title the same way but separated by “:” at the beginning of the subtitle.
- (3) Leave one line blank.
- (4) Author’s name (Centered, Times New Roman, bold, 14 point). After the name of author, add superscript number for each different affiliation. If the authors are more than two, divide by comma and continue horizontally. Add * mark after the superscript number for the corresponding author.
- (5) Leave one line blank.
- (6) Summary up to 100 words (Times New Roman, 10 point).
- (7) Leave one line blank.
- (8) Key words. Write down **Key words:** (Arial, 10 point) and after it, write down 3 key words (Times New Roman, 10 point) divided by commas.
- (9) Leave one line blank.
- (10) Head line of the part (Centered, Times New Roman, bold, 10.5 point).
- (11) Text (Times New Roman, 10 point).

3. Footnote

- (1) Use the font Times New Roman, 9 point. Affiliation and the corresponding author’s e-mail address should be written clearly at the footnote. First, write down affiliation and add superscript number in front of the affiliation which corresponds to each author. If there are more than two affiliations, start new lines for the second author and after. Second, write down the e-mail address of corresponding author (after stating “Corresponding author*:”).
- (2) All the notes of the text should be footnoted at the bottom of each page.

Note: It is required to use the template for ‘Manuscript.’

Optimal Behavior of Rice Farmers in the Imperfectly Competitive Land Lease Market in Japan: With a Focus on Transaction Costs and Uncertain Returns on Land Lease Investment

Ueo Aiue^{1*} and Tsuteto Tachi²

The objective of this study is to judge whether transaction costs and uncertain returns work as restrictions on the number of land lease contracts in Japan. The main outcomes are as follows. First, the study makes it clear theoretically that the perfectly competitive land lease market assumption adopted by the previous papers leads to the overvaluation of the number of land lease contracts when the market competitiveness is imperfect. Second, the study proved empirically that the land lease markets of rice farming are imperfectly competitive according to the significant estimation results of the transaction costs and the option value coefficients.

Key words: farmland lease contract, transaction cost, uncertain return

1. Introduction

The improvement of the agricultural structure by expanding farm size has been one of the most important issues in agricultural policy in Japan since the enactment of the Agricultural Basic Law in 1961. In the late 1950s, the number of farm households and the population mainly engaged in farming, which had been considered constant since the Meiji Era, excluding a couple of years after World War II, began to decrease. The reduction of heavy population pressure on rural areas suggested that farm size could be expanded. This is the reason why the agricultural policy at the core of the Agricultural Basic Law tried to improve small-scale farming and small farmland holding. Although almost half a century has passed since the establishment of the Agricultural Basic Law, Japanese agriculture has been weakening. Improvement in the agricultural structure has been stagnant and the agricultural labor force has been shrinking due to increases in the number of part-time farmers and the age of farmers. Structural improvement, as yet to be accomplished, is still longed for as an effective measure to stem the deterioration of Japanese agriculture, but the current situation indicates that there is little time left in which to improve.¹⁾ The

concept of farmland mobility, the keystone of structural improvement, has produced many empirical studies. These studies have mainly tested Kaki's hypothesis in the context of farmland lease contracts. This research into farmland mobility in the lease market, has not obtained realistic results because of the overevaluation of the number of farmland lease contracts, resulting from the implicit assumption that the farmland lease market was perfectly competitive.

This paper argues that the assumption that the farmland lease market is perfectly competitive is the cause of the failure of previous research. Two factors omitted by previous studies are focused on. One is transaction costs. Transaction costs include, for example, search cost for the lease in examining land quantity and quality, coordination cost with neighboring farmers and procedural costs in exchanging contracts. The other is uncertainty of future returns. Kaki's hypothesis sees farmland mobility in the lease market as related to present profitability. However, in the case where future returns are uncertain, it is more likely that a farmer chooses to make no lease contract and to

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1) Noringyogyo Kihon Mondai Chosakai Jimukyoku (Head Office of Investigation Committee on Fundamental Problems in Agriculture, Forestry and Fisheries) (1960) argued that trying

to keep the agricultural population constant by supporting agriculture without structural change seemed superficially to be humane and democratic because agricultural structural policy had to destroy the current structure and had to accelerate a polarization of farmers as a result of raising agricultural productivity. See Aiue (1998) for an outline of the agricultural policy at the core of the Agricultural Basic Law, and agricultural structural improvement.

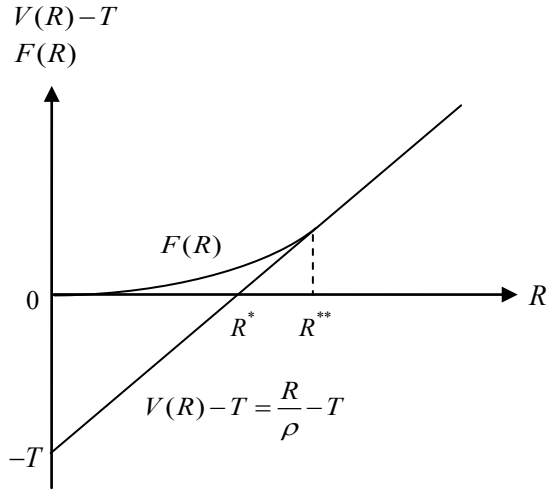


Figure 1. Option value and profits from a farmland lease

2. Analytical Framework

1) Farmland lease behavior and real option theory

Transaction costs and uncertainty are important factors generating an imperfectly competitive market. As mentioned before, Aiue (1998) analyzed the farmland lease market theoretically using a framework explicitly taking account of transaction costs. However, no empirical analyses have estimated the amount of the transaction costs themselves, and no theoretical or empirical studies have analyzed the effect of uncertainty of returns on farmers' behavior in the lease market. Transaction costs and uncertainty are undoubtedly the main points to consider when analyzing the characteristics and functions of the farmland lease market.

2) Specification of the option value

This subsection specifies the option value $F(R)$ and analyzes the effects of transaction costs and uncertainty of returns on $F(R)$. Assuming that the profit R follows a geometric Brownian motion with drift, uncertainty of returns can be represented as follows.

$$dR = \mu R dt + \sigma R dz \quad (1)$$

where μ is the drift coefficient, σ is the standard deviation of the returns, and z is the standard Brownian motion.

3. Conclusion

The aim at the core of the Agricultural Basic Law was the improvement of the agricultural structure through the expansion of farm size. This has been one of the most

Table 1. The estimation results

	the former period		the latter period	
	Estimate	Statistic	Estimate	Statistic
T	67,822**	(2.902)	34,707*	(2.270)
α	2.1754**	(7.690)	3.2022**	(3.653)
λ	-0.4188	(-0.426)	-0.2990	(-0.503)
σ_u	36,961**	(17,321)	30,065**	(10,466)
σ_v	37,411**	(8,710)	30,668**	(7,107)
Log likelihood: -1,184		Log likelihood: -793		

Note:1) **and * indicate significant differences from 1% and 5% levels, respectively.

important issues in agricultural policy until now because farmland mobility is not very high. Although many empirical analyses have been conducted with the aim of contributing to the improvement of the agricultural structure, farmland mobility in the lease market remains lower than predicted. This paper has argued that the assumption of a perfectly competitive market has been the cause of the failure of previous studies. In contrast to the previous studies, which assumed a perfectly competitive market, the objective of this study has been to examine farmers' behavior in the farmland lease market by using the framework of imperfect competition. This paper analyzed theoretically and empirically the effects of transaction costs and uncertain returns on rice farmers' behavior through the application of real option theory.

References

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