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FARMER ATTITUDES AND BELIEFS TOWARD A BULL BEEF SUPPLY CONTRACT

A thesis submitted in partial fulfilment of the requirements for the degree Master of Agricultural Science in Farm Management.

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The objective of this research was to establish the reasons why past-users (1990-92) of a Riverlands weaner bull supply contract (RWBC) had entered and exited the contract, and what aspects of the current RWBC prevented them from re-signing. A mail survey of past RWBC users in the central North Island who were still farming bull beef was conducted. Useful responses were obtained from 22 of the 35 eligible farmers. The survey design incorporated the Ajzen-Fishbein Theory of Reasoned Action to establish how past-user’s subjective beliefs and evaluative attitudes towards aspects of the current contract influenced their overall attitude towards re-signing a RWBC. Information about RWBC entry and exit reasons, and farmer requirements of future meat supply contracts was also obtained.

The results suggest that respondents originally entered a RWBC to obtain the equivalent of 100% funding for cattle at low interest rates, and to increase cattle numbers (which at that stage were more profitable than sheep) by access to such funding. Farmers exited the contract because slaughter prices in the RWBC had become uncompetitive, and because of inflexibility associated with the range of dates available to slaughter cattle. Low belief strengths that a RWBC provides competitive prices compared to the free market, flexible dates for killing cattle, and improved farm profitability compared to non-contract weaner bull systems, are acting against farmers re-entering a RWBC. A future meat supply contract therefore, needs to incorporate price premiums, flexible killing dates, low interest rates, and competitive pricing before respondents, such as those involved in this study, would be prepared to sign. The Ajzen-Fishbein Theory of Reasoned Action provided an effective methodology to identify key aspects of an individual’s belief structure which influenced their decision to not sign a 1993 RWBC.

Future research in the area of meat supply contracts should examine more closely, using techniques such as COPE (e.g. Hurley & Valentine, 1993), the cognitive structures farmers hold towards issues such as competitive pricing, farm profitability under contract, and killing date flexibility.
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ABBREVIATIONS

A: Overall attitude.
ADG: Average daily gain
AFFCO: Auckland Farmers Freezing Co-operative.
b: Subjective belief.
BI: Behavioural intention.
BSC: Beef supply contract.
CA: Correspondence Analysis.
CWT: Carcase weight.
e: Evaluative attitude.
ha: Hectare.
IPM: Integrated pest management.
JRAC: John Read Agricultural Consultancy Limited.
kg: Kilograms.
LWT: Liveweight.
m: Months.
MSC: Meat supply contract.
MSWT: Mean slaughter weight.
NI: North Island.
NZ: New Zealand.
OOS: Out-of-season.
Riverlands: Riverlands Foods Limited.
RR: Re-entry requirement.
RWBC: Riverlands weaner bull contract.
SN: Subjective norm.
SST: Supersonic transport.
SV: Slaughter value.
SWT: Slaughter weight.