

Analysis of the Simulation Merger and Economic Benefit of Local Farmers' Associations in Taiwan

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Abstract : According to Taiwan's administrative division of future land planning may lead farmer association and service areas facing recombination or merger. Thus, merger combination and the economic benefit of the farmer association are worth to be discussed. The farmer association in the merger, which may cause some then will not be consolidated, or consolidate two, or ever more to one association. However, under what condition to merge is greatest, as one of observation of this study. In addition, research without using simulation methods and only on the credit department rather whole farmer association. Therefore, this paper will use the simulation approach, and examine both the merge of farmer association and the condition under which the benefits are the greatest. The data of this study set include 266 farmer associations in Taiwan period 2012 to 2013. Empirical results showed that the number of the farmer association optimal simulation combination is 108. After the merger from the first stage can be reduced by 60% of the farmers' association. The cost saving effects of the post-merger is not different. The cost efficiency of the farmers' association improved it. The economies of scale and scope would decrease by the merger. The research paper hopes the finding will benefit the future merger of the farmers' association.

Keywords : simulation merger, farmer association, assurance region, data envelopment analysis

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