

Table 10: Profitability Comparison based on Switching Regression

Farmer type	Profit premium from joining contract^a (millions of riel)	Profit difference under contract^b (millions of riel)	Profit difference outside contract^c (millions of riel)
All farmers (Π)	0.43***	n.a.	n.a.
Contract farmers ($\Pi_1, \Lambda_{1\ 1},$ and $\Lambda_{0\ 1}$)	0.99***	0.03***	-0.52***
Former-contract farmers ($\Pi_0, \Lambda_{1\ 0},$ and $\Lambda_{0\ 0}$)	-0.18**	-0.03***	0.51***
Never-contract farmers ($\Pi_0, \Lambda_{1\ 0},$ and $\Lambda_{0\ 0}$)	0.17	-0.03***	-0.57***

***(1% significance level); **(5% significance level); *(10% significance level)

a. Each type of farmer's average profits under contract minus their average profits without contract.

b. Each type of farmers' average profits under contract minus the average profit of all the sample farmers under contract.

c. Each type of farmers' average profits outside contract minus the average profit of all the sample farmers outside contract.