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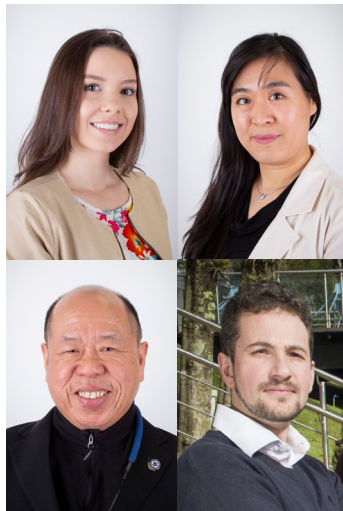
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## IDENTIFYING FACTORS THAT INFLUENCE INNOVATION ADOPTION AMONG BRAZILIAN FARMERS

The objective of this research to identify the factors that influence innovation absorption among farmers.

Experts have alerted the need to increase food production by 70% to support a population of 9.8 billion people by 2020. Technological innovations in farming are needed to meet this demand. Do farmers have the capacity to absorb innovations? A model is developed to measure Innovation Adoption and its outcome Financial Performance.

- Potential Absorptive Capacity is the ability of farmers to value and acquire external knowledge, but it does not mean the comprehension of the new ideas will be applied (Zahra & George, 2002).
- Social Capital is the goodwill farmers generate through social relations to create cooperation between individuals (Adler & Kwon, 2002).
- Risk Aversion is the attempt to lower uncertainty, thus a barrier to accept and apply new ideas to farming (Damanpour, 1991).

- Realized Absorptive Capacity is the capability to leverage the knowledge absorbed by incorporating the ideas into operation helping to increase performance (Zahra & George, 2002).
- Financial Performance measures profitability such as returns on assets and sales (???)

### METHODOLOGY

- Target: Farmers in the states of Rio Grande do Sul and Parana in south Brazil in the production of agriculture and livestock.
- Instrument: Online survey questionnaire with 5-point Likert Scale questionnaire. A total of 232 usable responses were collected.

### RESULT

Age and Farm Size had a significant impact on Innovation Adoption. The older the farmer, the less Innovation Adoption. The bigger the farm size, the more Innovation Adoption

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