

**THE CONTRIBUTION OF MANAGEMENT ACCOUNTING  
PRACTICES TO FINANCIAL PERFORMANCE IN ORGANIC FARMS:  
THE MEDIATING EFFECT OF LOCAL EMBEDDEDNESS**

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# **The contribution of management accounting practices to financial performance in organic farms: the mediating effect of local embeddedness**

## **Abstract**

There is consensus that organic farming is a key sector in a sustainable food system. However, there is hardly any quantitative evidence on the role of management accounting practices (MAP) in improving organic farms' economic sustainability. Using survey data from 80 Spanish organic farms and Partial Least Squares analysis, we examine the relationship between MAP use and financial performance. According to expectations, a greater use of MAP in managerial decisions (e.g., control of organic standards, integration of traditional knowledge, or management of short-chain sales) is associated with a higher level of local embeddedness, which indirectly contributes to the increased financial performance.