



# Analysis of the Effects of Agricultural Inputs Price Liberalization on the Production of Sunflower in Khoy Zone

Ali Bagherzadeh<sup>1\*</sup> and Fatemeh kazemzadeh<sup>2</sup>

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## Abstract

Sunflower is one of four main annual oil plants that cultivated in oil and nut varieties. This plant as an important and industrial food product and because of nutritional features and the potential for earning exchange has become a valuable product in foreign and inner markets and has a special position in agricultural sector. Khoy, by producing 40 percent of sunflower productions of country annually, is the greatest sunflower producer in Iran. The main purpose of this study is the analysis of the effects of inputs price liberalization on production of sunflower producers in this city. This study is according to a field research and cross-sectional data of 2009 have been used for it. Results show input price liberalization policy by increasing inputs prices and decreasing demand amounts of inputs, increases the production costs and decreases the production and totally it's harmful for sunflower producers. For preventing negative effects of liberalization on production, adopting necessary policies such as merging small farms and making big ones to profit by economies of scale and increasing production and productivity with the resulted incomes from liberalization and spending them in scientific researches to produce with low costs are suggested.

### Keywords:

Sunflower, Liberalization, Production factor, Production elasticity, Khoy

<sup>1</sup> Assistant professor of Economics, Khoy Branch, Islamic Azad University, Iran.

<sup>2</sup> MA in Economics, Tabriz Branch, Islamic Azad University, Iran.

\* Corresponding author's email: [Bagherzadeh\\_eco58@yahoo.com](mailto:Bagherzadeh_eco58@yahoo.com)