

The Growth of Agricultural Sector and Marginal Propensity to Trade

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Abstract

Economic growth and its relationship with international trade is one of the key issues in choosing trade policies. The main objective of this study is to examine the relationship between the growth of agricultural sector and trade development for selected agricultural products. The production and consumption effects of economic growth on trade was estimated by calculating the values of both marginal and average propensity to trade. It is expected that the production and consumption impact of growth on trade would be protrade, antitrade, neutral, ultra protrade and ultra-antitrade. According to the value of marginal propensity it seems, the government trade policies are unstable. The results indicate that during the first economic development program the government aim was to increase the export of Pistachio and Dates and control the import of Rice and Sugar via supporting the domestic production.

In the second and third economic development programs, the production and consumption effects of agricultural growth was to decrease the trade level of all products except sugar in the second development program and pistachio and rice in third program. During the fourth and fifth programs, the production and consumption effects of agricultural growth on trade of all study products were respectively protrad and antitrade except dates.

JEL Classification: F11, F13, F14

Keywords: Agricultural growth, Marginal propensity of trade, Export Import, Trade development

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The Role of Exchange Rate Pass-Through at Pricing to Market Behavior of Iran's Major Export Shrimp and Caviar

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Abstract

The growing trend of shrimp and caviar in the world, due to its high demand, as well as the potential of Iran to supply this demand, is remarkable. According to this approach, in this study, we Analysis the pricing to market (PTM) of the Iranian's Shrimp and Caviar Exporters Under the three models, nominal exchange rate, real exchange rate and weighted exchange rates. In this regard, the annual data from 1993 to 2015 were used by the Customs Organization of Iran, the World Bank and the Central Bank of the Islamic Republic of Iran. The econometric analysis using the panel corrected standard errors (PCSE) showed that pricing to market behavior (PTM) is influenced by the exchange rate effects (exchange rate pass-through) or country-specific effects, or both. The PTM behavior for caviar was better predicted under the weighted exchange rates model and for shrimp under the real exchange rate model. The analysis of the asymmetric effects of the exchange rate also showed that these effects are symmetric and The negative and significant coefficient estimated for exchange rate asymmetry effect showed that the impact of exchange rate changes was asymmetric and the depreciation had a greater impact than appreciation. Therefore, it is recommended that Iranian exporters identify different market elasticity marks to determine the degree of monopoly and, if necessary, reduce the exchange rate transition in order to increase monopoly power. In countries where the market is a competitive and elastic product, it is necessary to identify the behavior of other competitors and reduce export prices to compete with other countries where export shrimp and caviar.

JEL Classification: L13, Q17

Keywords: Pricing to market, Exchange rate asymmetry, Panel corrected standard errors.

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Optimal Portfolio Selection of Shares of Food Industry Companies in Tehran Stock Exchange Using Combined Forecasting Method: An Application of Mean-Variance-Skewness Model

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Abstract

The food industry companies' growth considered among the factors in the growth and development of the agricultural sector. One of the places for the principled allocation of financial resources to strengthen the food industry is the stock exchange. With proper investment in this market, in addition to financing the industrial and agricultural sector growth and country economic growth, investors also can gain appropriate benefits from this investment. To achieve the above goals, we need a way to through it identify the companies' shares profitable and to buy it and make optimal portfolio equity. The purpose of this study was to develop a procedure for the selection of the optimal portfolio of shares of companies in the food industry Tehran Stock Exchange using the mean-variance-skewness model with six objective functions. The statistical society of this study included 14 companies in the food and beverage except sugar sector and the data also includes the final price is the company's shares leading up to February 2016. For this purpose, three different methods to estimate the expected stock price was used in the food industry companies, and according to the forecast error, to each method is given weighted according to its estimation. To ensure the optimal weights obtained, the price obtained from the combination method with the prices obtained from each of the predicted methods by criteria of measurement error was compared. The results show the superiority of the combination is in the forecast price. The following weights obtained based on six criteria mean, variance and skewness related to returns and forecast error combination is achieved. Mean-variance- skewness model made by Goal Programming is solved. Finally, portfolio obtained from Mean-variance-skewness model with portfolio obtained from mean-variance model were compared. The results show the high performance of mean-variance- skewness model in creating an optimum portfolio with a high efficiency than that the mean-variance model. So that average daily returns during month for mean-variance-skewness model 0.52 percent and 0.32 percent for the mean-variance model.

JEL classification: C53, G11, Q1, Q17

Keywords: Optimal Portfolio, Combined Forecasting, Mean-Variance-Skewness Model, Food Industry, Tehran Stock Exchange.

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**Determinants of Livelihood Strategies Selecting by
Nomadic Households of Fars Province**

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Abstract

Nomads of Fars province are in transition from ranching-based livelihood strategy toward other strategies to confronting external disorders and retaining sustainable livelihood. This study investigated livelihood strategies and their determinants of nomads in Fars province by gathering required information through verbal interviews from a random sample of 393 nomadic households at summer 1395. After defining livelihood strategies, factors affecting the selection of these strategies have been examined using multinomial logit model. The results showed that sample households selected four strategies: pure ranching, service activities, agriculture and horticulture and diversification activities. It was also found that increasing human capital in the form of higher education, more labors and participation in education classes, has a positive and significant effect on the adaption of strategies for service (0.32) and diversification activities (0.57). While increasing natural capital, such as farmland and garden ownership has had an impact on the possibility of adopting a strategy for agriculture and horticulture compared to other strategies. Finally, the results showed that promotion of financial capital by accessing to loans and credits would enable nomadic households to diversify activities (0.04).

JEL Classification: C13, C38, C81, D01

Keywords: Livelihood assets, Sustainable livelihood framework, Multinomial logit approach, Fars Nomads

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Explaining motivation of farmers to agricultural land use cover change in the Babolsar Township

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Abstract

In addition to economic and social impacts, changes in management and land use have a major impact on physical, chemical and biological soil characteristics, quality and quantity of water and air. In this study, the first step is to determine the motivation for farmers to change agricultural land use cover between the agricultural sector and horticulture in the Babolsar Township in 2016. The next step, using econometric approach Tobit and Heckman two-stage method was specified factors that influenced the decision of producers to choose horticultural activities or cultivating factors are different from Factors influenced the area under cultivation. Results show that doesn't need to separate these factors in the Heckman two-stage method and Tobit model can explain correctly the current situation in the region. Finally, it is suggested that governments with using efficient support policies of the agricultural sector, especially for wheat and rice products such as guaranteed prices, wheat producers on time repayment and controlling imports of these products at the supply time of these products affect the incentives for farmers to continue producing crops and no change in land use from agricultural to horticultural.

Jel Classification: Q12, R11

KeyWords: Babolsar, Heckman two-stage method, Land Use Cover Change (LUCC), Tobit Model.

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**The Impact of Climatic Factors on Land Use Change
between Annually Crops Groups in Iran: Application of
Spatial Fractional Multinomial Logit Model**

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Received: 4 July.2016

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Abstract

The current study attempted to investigate the climatic factors impacts on land use change between annually crops groups including cereals, beans, industrial crops, vegetables, cucurbits and forage crops in Iran counties. To doing this, agricultural data during 2012-2013 and climatic data in 1391 were used. To estimating of spatial fractional multinomial logit model, the agricultural and climatic variables were matched with geographical data and 336 counties were studied regarding available data. According to the results, industrials crops cultivation area shares have positive spatial dependence and increasing of industrials crops land shares in each county increases industrials crops land shares in nearby counties. Considering estimated marginal effects, one degree temperature increasing raises cereals, vegetables and cucurbits land shares 1, 0.1 and 0.2 percent respectively and decreases beans land share 0.3 percent and one millimeter rainfall increasing decreases vegetables land share 0.008 percent. So, The ongoing process of climate change, specially temperature increasing will increase cereals, vegetables and cucurbits land shares and will decreases beans land share in future years. Therefore, to meeting the part of future population food needs, taking of adaptive strategies for beans is more advised comparing to other annually crops.

JEL Classification: R14, Q15

Keywords: Annually crops, Climate change, Land allocation, Spatial fractional multinomial logit model

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Codification and Prioritization of Dairy Products of Eastern-Azerbaijan PEGAH Company's Marketing Strategies: Using AHP Method

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Abstract

Due to the Changing environment, having the appropriate strategy can help firms survive and gain competitive advantage; because the chosen strategy must also satisfy the needs of the target market, as well as comply with market and organizational objectives. Each company depending on their business and tasks, are responsible to Codification and selection of appropriate marketing strategy. While the Codification and selection of standard marketing strategy, evaluating management current operations are Simplify. In this research, by study of library resources, the most important criteria on the choice of appropriate marketing strategy to sell dairy products of Eastern Azerbaijan Pegah Company were identified. 30 experts of marketing and dairy industries were completed questionnaires and do paired comparisons between criteria and sub-criteria and alternatives were assessed by criteria too. The most important criteria effective on decision-making for the selection of appropriate marketing strategy by analytic hierarchy process approach, and using Expert Choice v. 11.0 and Super Decisions packages weighting and were ranked. The most important criteria are compliance with sanitation and the environment, consistent with the internal process, risk, the economic-business, competitive advantage, innovation and alignment with market and customer satisfaction. Then, the impact of each of the criteria obtained on four marketing strategy including the integration strategy, focus strategy, diversification strategy and defense strategy were reviewed and defensive strategy as the best marketing strategy for Eastern Azerbaijan Pegah Company was determined. And integration strategy, diversification strategy and focus strategy are the next priorities respectively. Be recommended that the Eastern Azerbaijan Pegah corporate executives instead of using plastic bags, bottles and plastic packaging, use bags that are biodegradable in the environment. The company directors also have a long-term plan to develop new products, and to understand the needs and demands of customers and their complaints and herds increase customer satisfaction.

JEL Classification: Q130, M310, C690.

Key Words: Marketing strategy, AHP, Eastern Azerbaijan Pegah Company, Dairy products.

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