Abstract

The necessity of providing consumers' need to agricultural products has always justified the governments' intervention in production process and consequently, the supply of agricultural products has become justified. Pricing policy of agricultural products is an important tool to support farmers in developing countries. As the leverage of the governmental intervention, this type of policy has had significant effects on allocation of production factors, agricultural products' mix, and investment motivations in agricultural sector. The aim of this study was to evaluate the effects of the policies used in pricing oilseeds in terms of measuring the rate of support considered for these products from 1370 to1393. In this study, using the Johansen Juselius co-integration analysis and the speech -correction model, the short and long-term coefficients were models and the hypotheses were investigated. The results showed that according the first hypothesis of this study, the government intervention will increase the supply of oilseed crops, so the hypothesis is accepted in the long run. Moreover, the second hypothesis shows that the governmental support of oilseed crops will lead to their lower pricing, so it is rejected in both long and short terms. In addition, the results indicated that the supply of the oilseed crops and their pricing would adjust toward long-run equilibrium by 0.36 and 0.405%, respectively.

Keywords: Crops, oilseed crops, government support, government intervention

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