

Abstract

Determining the structure of various Agriculture products Markets always has been an important subject in agricultural economics. Because of any kind of market structure such as perfect and imperfect, would affect on quantity and price of Agriculture products and consequently on benefits of different groups of society and also on adoption of new technology. This study is going to determine the structure of markets of raw canola and canola oil. To achieve this goal, the new empirical industrial organization methods were used and the degree of market power in the market for both processors is measured. Market power in different markets based on expectations derived elasticities that measure the behavior of the processors. The level of obtained conjectural elasticity for two mentioned markets is equal to 0.61 and 0.48 respectively, that they are significantly different from zero. The hypothesis of imperfect competition in the both market for the 1% significance level is confirmed. Based on the results of seemingly unrelated equations system functions and internal marketing margins canola processors in golestan province have markets power in raw canola and canola oil markets in the country, but the processors have more market power in raw canola market relative to canola oil market. Therefore the processors canola in Golestan province in the markets can affect prices. It is suggested that the policy-makers with reduce market power of processing industries distribute benefits of market system more fairly among the farmers and industries.

Keywords: *Golestan province*, empirical industrial organization approach, seemingly unrelated equations system, market power, *canola*



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