

## **The impact of meat price variations on net welfare of different income groups in Iran**

### **Abstract**

Consumers and producers are given decisions of their consumes and products based on prices. In this study, first of all, demand and supply functions were estimated by using of three-stage least squares simultaneous model and then by using the coefficients, obtained from five income groups estimated demand functions, the effects of 10 and 15 percent increase in meat price on welfare, compensation changes, the equivalent income, the net loss of welfare and the true living cost of red meat consumers indexes, was calculated. The results of the adjustment of the red meat price, (with a certain extent) on five households groups, from the perspective of the true index of living costs would indicate that true index of living costs for the first group was larger than the second group and this amount is being reduced with move from second to fifth group; thus the policies red meat price adjustment, will have the most effects on the low-income groups. In these conditions, it will be better that the subsidy to be targeted toward families of first and second groups. The results of the predicted welfare indicators showed that in both situation, the welfare price indicators increases for the first and third of all income groups will be faced with increased over the next six years, and second, forth and fifth groups will have a downward trend.

**Key Words:** Income groups, Net welfare, Price changes, Read meat



**University of Zabol**

**Graduate school**

**Faculty of Agriculture**

**Department of Agricultural Economics**

**The Thesis Submitted for the Degree of M.Sc.**

**(In the field of Agricultural Economics)**

**The impact of meat price variations on net welfare of  
different income groups in Iran**

**Supervisors:**

**Dr.mashaala.salarpour**

**Advisors:**

**Dr. Mahmood. Sabuhi**

**By:**

**Hajieh. Eslami**

**January 2012**