

Investigation the Substitution Capability of Oilseeds in Cropping Pattern

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Abstract: Problem statement: Farm activity is a risky activity special in less developed countries, so all decisions and activities are affected by this phenomenon. Consideration of risk either helps to elimination of deviations in result of model or preparing tools for evolution of some policies that the aim of them is reducing the risk for farmers. Oil seed are the second resource of food store in the world. Also, Iran is depending on oil import and going out of much exchange to provide oil and scum of that annually. Because of this matter, agriculture sector need plants that are adjust to climate of Iran and have a lot of oil, that canola is the best one. **Approach:** In this study, capability of substitution oilseeds in cropping pattern was considered; optimum cultivated pattern of important crops that have most cultivated area of canola in Khorasan Province is considered. Linear programming and risk-programming models such as MOTAD and quadratic programming were compared. **Results:** Models suggest increasing the cultivated area of oilseeds crop. **Conclusion:** Increasing the cultivated area of canola cause to the pattern cultivating of farmers improve and inputs will used in better way, too. Increasing the cultivated area, it is a movement toward self sufficient in oil seed production that will accompany with noticeable thrift in foreign exchange.

Key words: Cropping pattern, risk programming, linear programming, MOTAD, quadratic programming, oilseeds

INTRODUCTION

Farm activity is risky activities special in less developed countries, so all decisions and activities are affected by this phenomenon. Farmers prefer plans that have more confident earning even if they have less income. Achieving to agricultural development goals is possible in condition to be proper policies and programs in agricultural sector and natural resources. It depends on the knowledge of manager about reaction of farmers. Due to the result of agricultural plans determine in future and it faces to uncertainty so, the programs have to consider this condition. Ignoring of risk and risky manner of farmers cause to the result of models has less conformity to reality. In such models, supply of risky crops and price of productive resources are^[3]. Therefore, considering the risk, help to elimination of deviations in result of model or preparing tools for evolution of some policies that the aim of them is reducing the^[10].

Ignoring of risk and the impact of it on farmers income causes to farm programming models have an

unacceptable or sometimes offer policies that are in contrast to reality. Scientist presents several models to solve this problem including: Minimization of Total Absolute Deviation (MOTAD) which total of negative deviations of gross margin of farm activities minimize from the mean of several years and quadratic programming that variance-covariance of activities gross margin is minimized^[11,13-15].

Oil seed such as canola is the second resource of food store. According to FAO reports, canola is third resource of production of edible oil such, 14.7% of produced oil is extracted from it^[16]. Our country is depend on oil import and going out of much exchange to provide oil and scum of that, annually. Because of this matter, agriculture sector need a plant that be adjust to climate of Iran and have a lot of oil, canola is the best one and has all of these attributes and it is special phenomenon in agriculture of Iran in recent decade.

Type and amount of risk that farmers face on them are related to kind of farmers, climatic and structural combination and the type of products. Although, agricultural risk is in all part of the world, but intensity

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of that in developing countries is more than industrial countries^[9] and it is hard for farmers in there to tolerate it^[8].

There are many studies about applying of risk in agriculture sector including^[1,2,4,5,6,12].

MATERIALS AND METHODS

Set of efficient E and V can be obtained by quadratic programming. X_j Is jth farm activity and σ_{jk} , is covariance between j and kth activity, (when $j = k$, σ_{jk} is variance of farm.) so total covariance of gross margin is equal to:

$$V = \sum_j \sum_k X_j X_k \sigma_{jk} \quad (1)$$

The Eq. 1 show that total variance of gross margin, is aggregate of income variation of each activity and covariance between them.

To obtain set of efficient E and V, whereas possibility with due attention to constraint of resources is considered, V will be minimized for every possible level of expected revenue. Programming model of it is as following:

$$\text{Min} V = \sum_j \sum_k X_j X_k \sigma_{jk} \quad (2)$$

As:

$$\sum_j \bar{c}_j X_j = \lambda \quad (3)$$

$$\sum_j a_{ij} X_j \leq b_i \quad (4)$$

$$X_j \geq 0 \quad (5)$$

In these equations \bar{c}_j is expected gross margin of jth activity and λ is vectorial scale. In Eq. 1 X's are quadratic, so the model should be solve in quadratic framework.

$\sum_j \bar{c}_j X_j$ is total expected gross margin and is equal to λ . If λ change, range of total gross margin obtain with regard to constraint of resources. Maximum value is corresponded to linear programming problems about of maximization of total expected gross margin with due attention to constraints in Eq. 3-5.

MOTAD model: One of linear programming model to analyze E, V was developed by Hazell. When variance

of farm income be estimated by time series data. In this state, income variance criterion that use in quadratic programming, is a statistic estimation of real variance. Hazel suggested the applying of variance estimations based on Mean Absolute Deviations (MAD) of sample.

If the information of sample and classic model uses to estimate the variance and covariance of sample, variance of estimated income in quadratic programming is written as following:

$$\hat{V} = \sum_j \sum_k X_j X_k \left[(1/T - 1) \sum_{t=1}^T [c_{jt} - \bar{c}_j][c_{kt} - \bar{c}_k] \right] \quad (6)$$

In Eq. 6 $t = 1, 2, \dots, T$, represent T observation of sample and c_{jt} is gross margin of jth activity in ith year and average of gross margin is equal to \bar{c}_j .

Summing in term of t and factoring the variance of estimation would be equal to:

$$\begin{aligned} \hat{V} &= (1/T - 1) \sum_t \left[\sum_j c_{jt} X_j - \sum_j \bar{c}_j X_j \right]^2 \\ &= (1/T - 1) \sum_t [Y_t - \bar{Y}]^2 \end{aligned} \quad (7)$$

It means, variance of farm income for a production plan can be written in aggregation form of variance and covariance of each activity (Eq. 6) or by calculating the farm income correspond to each observation about gross margin of activities and estimation of the variance of stochastic variable, so MAD estimator of variance Y is used. MAD estimator is:

$$\begin{aligned} \hat{V} &= F \left\{ (1/T) \sum_t \left[\sum_j c_{jt} X_j - \sum_j \bar{c}_j X_j \right] \right\}^2 \\ &= F \left\{ (1/T) \sum_t |Y_t - \bar{Y}| \right\}^2 \end{aligned} \quad (8)$$

In this equation, the phrase that is put on bracket is MAD of sample and F is a fix coefficient that connects the MAD of sample to variance of society. $F = T\pi/2 * (T - 1)$ that π in this equation is fixed mathematical coefficient. About of MAD estimator, if in quadratic programming, relation (8) is substituted in relation (2), therefore a linear programming model would be obtained.

Deviation of farm income from its mean is sowed by Z_t^+ , if it were positive and by Z_t^- , if it were negative.

So:

$$Z_t^+ - Z_t^- = \sum_j c_{jt} X_j - \sum_j \bar{c}_j X_j \quad (9)$$

In this formula, Z_i^+ and Z_i^- are nonnegative and measure the absolute deviation of income. In addition to, one of them can be zero in a year because deviation can be negative and positive, simultaneously.

Now:

$$\sum_t [Z_i^+ + Z_i^-] \quad (10)$$

It measure absolute deviation values of income for a farm plan, so, MAD estimator of variance would be equal to:

$$\tilde{V} = F \left\{ (1/T) \sum_t [Z_i^+ + Z_i^-] \right\}^2 \quad (11)$$

Because F/T^2 is a fixed number for a special farm plan, F/T^2 can be divided to \tilde{V} :

$$W = (T^2/F) \tilde{V} = \left\{ \sum_t [Z_i^+ + Z_i^-] \right\}^2 \quad (12)$$

Whereas grading of farm program based on $W^{0.5}$ is like to that on based on W , the root of W is calculable. The linear programming model instead of quadratic programming is such this:

$$\text{Min } W^{0.5} = \sum_t [Z_i^+ + Z_i^-] \quad (13)$$

$$\sum_j [c_{jt} - \bar{c}_j] X_j - Z_i^+ + Z_i^- = 0 \quad (14)$$

$$\sum_j \bar{c}_j X_j = \lambda \quad (15)$$

$$\sum_j a_{ij} X_j \leq b_i \quad (16)$$

$$X_j, Z_i^-, Z_i^+ \geq 0 \quad (17)$$

Hazel named this model MOTAD, because of minimization of total absolute deviation in objective function.

RESULTS

In this study, optimum cultivated pattern of important crops of Sabzevar and Torbat Jaam that have most cultivated area of canola in Khorasan Province is considered. Linear programming and risk-programming

models such as MOTAD and quadratic programming are compared. Farmers has been divided to 3 groups; farmers that have lees than 5 ha, between 5-10 ha and more than 10 ha. Decision variables are cultivated area of canola, wheat, barley, beetroot, caraway, cotton, melon, Lucerne and giant millet; received credits; self-consuming of wheat and barley and amount of sale of these products. In MOTAD model has been applied 6 variables from 2002-2007. In MOTAD model, object is minimizing the sum of deviation of total gross margin from expected revenue and in quadratic model is minimizing the total variance of gross margin. Constraints are including land, water, labor, machinery, capital and credits.

The results of determination of cultivating pattern by MOTAD and quadratic programming for Torbat Jaam and Sabzevar and are shown in Table 1 and 2.

In Table 1, the results of LP show cultivated areas of canola, barley, caraway in all groups of farmers increased in comparison to present state, for cotton, cultivated area increased for group 1 and 2, in other cases it decreased or had been zero.

The results of MOTAD model show, when λ is equal to gross margin of LP pattern, cultivated areas of canola, barley, beetroot and caraway have been increased in all groups of farmers and it has been decreased for wheat and it has been zero for other crops. When λ is equal to 90% of total gross margin of LP, as represented in Table 1, cultivated areas of canola, beetroot and caraway for group 1 and 3 have been increased and it has been decreased or has been zero in other situations. When λ has assumed 80% of total gross margin of LP, the results are like the previous one, but in this state the cultivated area of caraway has increased for all groups.

The results of quadratic model show that, for canola in every three condition, when $\lambda = 100$ or 90 and or 80% of total gross margin that have been gotten from LP, cultivated area increased in comparison to present state. For wheat, it decreased in all groups, for barley; it has decreased in most of the cases for all groups. For beetroot, it has decreased in all states and for caraway, most of the cases, it has increased or has been near to present state. For another crops including cotton, melon, Lucerne, except melon on group 3 and cotton on group 1 when $\lambda = 100\%$, it is zero.

In Table 2, the results of LP show cultivated areas of canola, barley and melon in all groups of farmers and giant millet, Lucerne and cotton for groups 1 and 2 and wheat in group 1, increased in comparison to present state, the cultivated area of beetroot, Lucerne and giant millet in group 3 became zero and other cases it decreased.

Table 1: Estimation results of cultivating pattern in Torbat Jaam

Variable	Land (ha)	Present state (ha)	Linear programming	MOTAD			Quadratic		
				$\lambda = 100\%$	$\lambda = 90\%$	$\lambda = 80\%$	$\lambda = 100\%$	$\lambda = 90\%$	$\lambda = 80\%$
Canola	Less* than 5	40	116.19	493.87	493.870	493.870	106.37	493.87	493.87
	5-10**	100	463.49	463.49	463.490	463.490	463.49	463.49	463.48
	More*** than 10	210	1112.84	1112.85	1112.850	1112.850	1112.85	1112.85	1112.85
Wheat	Less than 5	3600	4225.11	2053.70	1922.260	1254.560	2454.61	1628.44	945.79
	5-10	7200	7361.03	7964.37	9408.210	5328.600	3964.37	2605.11	6938.19
	More than 10	15000	5649.37	5415.09	5525.410	3042.290	3261.51	3210.43	2914.15
Barley	Less than 5	1000	4630.12	1559.83	1428.400	760.700	2348.24	1134.57	451.93
	5-10	2000	5476.27	4081.29	1081.320	950.190	1105.61	1025.61	4056.14
	More than 10	4200	3929.27	4381.64	2194.312	3031.110	2271.36	2097.58	1801.30
Beetroot	Less than 5	400	0.00	5000.00	5000.000	5000.000	4909.23	5000.00	5000.00
	5-10	930	0.00	462.91	1594.460	2215.160	3718.41	4899.23	452.87
	More than 10	1800	0.00	1282.06	2822.560	4247.850	3192.83	4006.86	4926.24
Caraway	Less than 5	220	293.18	892.60	287.810	254.934	0.00	601.17	584.23
	5-10	500	467.60	903.54	266.270	903.850	1598.84	447.36	642.68
	More than 10	960	1594.17	3355.27	2273.690	627.210	3658.66	2289.43	775.47
Lucerne	Less than 5	100	1028.58	0.00	0.000	0.000	0.00	0.00	0.00
	5-10	230	0.00	0.00	0.000	0.000	0.00	0.00	0.00
	More than 10	440	0.00	0.00	0.000	0.000	0.00	0.00	0.00
Melon	Less than 5	1370	521.20	0.00	0.000	0.000	0.00	0.00	0.00
	5-10	3160	0.00	0.00	0.000	0.000	0.00	0.00	0.00
	More than 10	6000	509.94	0.00	0.000	0.000	122.70	0.00	0.00
Cotton	Less than 5	170	214.20	0.00	0.000	0.000	181.55	0.00	0.00
	5-10	400	116.48	0.00	0.000	0.000	0.00	0.00	0.00
	More than 10	750	892.23	0.00	0.000	0.000	0.00	0.00	0.00

*: Less than 5 ha; **: Between 5-10 ha; ***: More than 10 ha

Table 2: Estimation results of cultivating pattern in Sabzevar

Variable	Land (ha)	Present state (ha)	Linear programming	MOTAD			Quadratic		
				$\lambda = 100\%$	$\lambda = 90\%$	$\lambda = 80\%$	$\lambda = 100\%$	$\lambda = 90\%$	$\lambda = 80\%$
Canola	Less* than 5	90	2410.26	2410.260	2410.26	2410.260	2410.26	2410.26	2410.26
	5-10**	340	5767.63	5767.630	5767.63	5767.630	Infeasible	Infeasible	Infeasible
	More*** than 10	220	2926.74	2926.740	2696.74	2926.740	2926.74	2926.74	2926.74
Wheat	Less than 5	6200	6738.61	6738.610	4502.91	4465.400	4463.16	3716.53	4096.16
	5-10	21000	20428.63	11056.920	13027.91	16544.360	Infeasible	Infeasible	Infeasible
	More than 10	15000	13172.82	8292.680	8407.16	12165.330	9566.34	14608.32	10122.65
Barley	Less than 5	3500	4560.38	6671.240	6683.30	4475.790	8121.95	4781.07	4162.62
	5-10	13000	13760.38	33844.130	26477.85	18362.200	Infeasible	Infeasible	Infeasible
	More than 10	84000	8736.71	11571.040	9134.43	6098.990	4963.27	8743.18	7207.65
Beetroot	Less than 5	3500	0.00	0.000	5812.89	10227.920	1517.53	7994.94	10669.03
	5-10	12000	0.00	9776.480	24509.05	37858.750	Infeasible	Infeasible	Infeasible
	More than 10	8000	0.00	2844.050	6962.80	9578.260	4656.09	4174.98	10138.84
Giant millet	Less than 5	150	171.30	0.000	0.00	1087.120	0	0	1489.16
	5-10	500	675.19	0.000	0.00	0.000	Infeasible	Infeasible	Infeasible
	More than 10	350	0.00	0.000	0.00	0.000	0	0	0
Lucerne	Less than 5	250	308.37	439.230	3586.76	1123.530	2950.79	1002.08	0
	5-10	1000	1207.91	3363.360	1992.39	2815.430	Infeasible	Infeasible	Infeasible
	More than 10	700	0.00	0.000	0.00	0.000	0	0	0
Melon	Less than 5	30	1912.91	2342.890	4590.64	2420.640	6069.04	3474.79	2476.72
	5-10	100	14688.01	28554.840	19217.56	9026.267	Infeasible	Infeasible	Infeasible
	More than 10	70	4588.74	6205.100	3654.01	1125.330	7129.1	3602.23	1002.17
Cotton	Less than 5	1000	6696.95	5837.004	0.00	0.000	1418.065	1622.42	185.22
	5-10	3600	18766.75	0.000	0.00	0.000	Infeasible	Infeasible	Infeasible
	More than 10	2300	2174.79	0.000	0.00	0.000	0	0	0

*: Less than 5 ha; **: Between 5-10 ha; ***: More than 10 ha

Table 3: Results of comparison of different models

Variable	Land (ha)	Sabzevar		Torbat Jaam	
		Present state (ha)	Selected pattern	Present state (ha)	Selected pattern
Canola	Less than 5	90	2410.26	40	493.87
	5-10	340	5767.63	100	463.49
	More than 10	220	2696.74	210	1112.85
Wheat	Less than 5	6200	4502.91	3600	2053.70
	5-10	21000	13027.91	7200	7964.37
	More than 10	15000	8407.16	15000	5415.09
Barley	Less than 5	3500	6683.30	1000	1559.83
	5-10	13000	26477.85	2000	4081.29
	More than 10	84000	9134.43	4200	4381.64
Beetroot	Less than 5	3500	5812.89	400	5000.00
	5-10	12000	24509.05	930	462.91
	More than 10	8000	6962.80	1800	1282.06
Caraway	Less than 5	—	—	220	892.60
	5-10	—	—	500	903.54
	More than 10	—	—	960	3355.27
Giant millet	Less than 5	150	0.00	—	—
	5-10	500	0.00	—	—
	More than 10	350	0.00	—	—
Lucerne	Less than 5	250	3586.76	100	0.00
	5-10	1000	1992.39	230	0.00
	More than 10	700	0.00	440	0.00
Melon	Less than 5	30	4590.64	1370	0.00
	5-10	100	19217.56	3160	0.00
	More than 10	70	3654.01	6000	0.00
Cotton	Less than 5	1000	0.00	170	0.00
	5-10	3600	0.00	400	0.00
	More than 10	2300	0.00	750	0.00

DISCUSSION

The results of MOTAD model show, when λ is equal to total gross margin of LP pattern, results of that for canola, wheat, barley, Lucerne and melon are similar to LP model. The cultivated area for cotton shows, it increased for group 1 and decreased for groups 2 and 3 in comparison to present one. It has had noticeable growth for beetroot on group 1 and 2. It became zero for giant millet. When λ is equal to 90% of total gross margin of LP, as represented in Table 1, situation of canola, barley, Lucerne and melon didn't have changed in relation to previous model ($\lambda = 100\%$) and it has increased a lot for beetroot, it is zero for giant millet and cotton. When λ has assumed 80% of total gross margin of LP, the results for crops including canola, wheat, barley, beetroot, Lucerne and cotton is like to $\lambda = 90\%$ and it increased for giant millet on group 1 of farmers.

The results of quadratic model show that, the answers for group 2 of frames were infeasible for every λ , for canola on groups 1 and 2, results are like previous models, for wheat, cultivated area is decreased for mentioned groups in relation to present condition, for barley it increased for all λ on group 1 and decreased for all λ group 3. when $\lambda = 100, 90$ and 80%

of total gross margin that have been gotten from LP, cultivated area of beetroot increased in comparison to LP that were 0. It decreased when $\lambda = 100\%$ and increased when it is 80% . For giant millet, it's zero except when $\lambda = 80\%$ on group 1 that increased. For melon on all groups, cotton on group 1 in every three state of λ and Lucerne when $\lambda = 100$ and 90% , it increased and for remains, it's zero.

Among the estimated model, MOTAD model when its $\lambda = 100\%$ for Torbat Jaam and MOTAD model when its λ is equal to 90% for Sabzevar are selected based on minimum mean deviation of cultivated area from present condition. It is tried to choose the pattern is more similar to present state and be more acceptable for farmers (Table 3).

CONCLUSION

On the basis of finding, selected model for risky situation advices to increase cultivated area of canola, barley, beetroot and Melon and decrease cultivated area of wheat, giant millet and in Sabzevar. For Torbat Jaam, increasing in cultivated area of canola, barley, beetroot, caraway and decreasing in wheat, Lucerne, melon and cotton is suggested.

Because the emphasis on present study is on cultivated area of canola, as you see in results, all

models suggest increasing the cultivated area of this crop. Increasing the cultivated area of canola cause to the pattern cultivating of farmers improve and inputs will used in better way, too. Increasing the cultivated area, it is a movement toward self sufficient in oil seed production that will accompany with noticeable thrift in foreign exchange.

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