

ESTIMATION OF FOOD SUBSTANCE IN SMALL-SCALE PRODUCTION FUNCTION

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ABSTRACT

This study has been designed to obtain a model to plan rural development by developing food industry. To be made clear what industry shall we provide in a village or how to invest on it, we must identify the characteristics of that industry and determine the production-employment ratio with its capital. Thus, it is necessary to obtain the production function of food industry so that we may contribute to this objective.

This study seeks to estimate the production functions of small-scale industries as commonly applied in Iran (IRI) based on a mathematical model as termed Cobb-Douglas production function.

KEYWORDS: Food Small-Industries, Rural Development Planning Model, Cobb-Douglas Production Function.