

# **AN ECONOMIC STUDY FOR ESTIMATION OF COST FUNCTIONS AND ECONOMIES OF SCALE FOR HONEY PRODUCTION DIYALA PROVINCE .**

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## **ABSTRACT**

The study aimed to identify the cost structure functions estimate costs and economies of scale for the production of honey bees. The results showed an analysis of the cost structure of honey production variable costs accounted for approximately 43.3% of total costs accounted for feeding on the most important by 33.2%, while fixed costs are formed 56.7% of the total costs, such as family work the important by paragraphs 63.35%. The results of quantitative analysis that cost function Cube long-run is most appropriate for relationship adopted in study according to tests of statistical and standard, economic, The results showed size of production optimization 522.2 Kg , size best about 5<sup>o</sup> beehive. The estimated elasticity of costs, amounted 1 achieved at optimal level of production 522.2 kg. Were calculated as the minimum price 16195 JD / kg. was derived function supply in long -run, shown that is a positive relationship between quantity supplied of honey bees and price, when price is greater than 16195 JD. and results the show the average cost decreases until it reaches to optimal level of production while proportion economies of scale achieved to the maximum value 100% at optimal level of production .average cost and flexibility equal zero to the level of production optimization.

**Keywords:** bees, the costs of production function honey. Economies of scale.