

Studying Futures Markets and Options Markets with Approach of Reducing Income Fluctuations Darab City Gardeners

Case Study: Orange

A. Montazeri*, Dr. M. Shokat fadaci**& Dr. Sh. Shajari***

Abstract

Production and investment on agricultural sector require suitable conditions and should be away from any kind of fluctuations. In this manner , Risk management procedures may be helpful with respect to risky agricultural activities. While using devices of Agricultural stock markets, such as futures markets and dealing options, can play an important role in reducing farmer's income fluctuations. In this study, Required information were collected through questionnaire which was conducted with sample of ۵۰ Darab gardeners(farmers)by a sampling random method. The results showed that in spite of predominating of insurance designs, these markets could cover nearly ۲۰ percent of income fluctuations of garden's product. In these markets, transaction fees were calculated ۳۲۴۳/۸ RIs and ۸۱۹/۶۱ RIs respectively. After calculating transaction fees, future prices, hedge ratios, size of contracts and transaction speed, it became clear that orange product provides necessary potential to enter futures markets and dealing options.

Keywords:

Risk Management, Future Market, Income Fluctuations, Options Market, Orange, Darab City.

*. M.Sc Student of Agricultural Economics, Payam Noor, Tehran Branch.

** . Professor of Agricultural Economics, Payam Noor University, Tehran Branch.

*** Assistant Professor of Agricultural Research Center ,shiraz.

