A COMPARATIVE STUDY BETWEEN THE PRESENCE OR ABSENCE OF SUPPORT FOR FARMERS OF THE CORN CROP IN IRAQ FOR THE YEAR 2019

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ABSTRACT

Using the policy of price has a significant impact to developing the production of a particular crop by increasing productivity, which is eventually reflected in achieving high rates of self-sufficiency of the crops. The research objective is to identify the most important economic and social effects that will result from cancelling or reducing this subsidy Using the Cost-Benefit Analysis. The results showed that the ratio of return to cost in the case of reducing subsidies for corn farmers about 0.92%, which indicates that the one dinar invested in the cultivation of the corn under the subsidy policy achieves about 0.92 dinar, which is higher than the ratio of return to costs In the absence of this policy, that reached 0.65%. This indicates that the subsidy policy, even in reducing it, will lead to a reduction in farmers' losses by 27%. This is an incentive for the government to continue providing support to farmers to continue the production process. The study recommended that there is necessarily need to reorganize the strategy of providing support to farmers and find appropriate mechanisms for implementing the government policy to ensure that all corn farmers benefit from this support.

Keywords: Government support policy, Cost-benefit analysis, Price policy, Net returns.
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دراسة مقارنة بين وجود الدعم من عدمه لمزارعي محصول الذرة الصفراء في العراق لسنة 2019

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المستخلص

ان اتباع سياسة الدعم السعرية له إثر بالغ في تطوير انتاج محصول معين من خلال زيادة الإنتاجية، الامر الذي ينعكس في الأخير على تحقيق نسب عالية من الاكتفاء الذاتي للمحصول المعني، هدف البحث التعرف على أهم الاثار الاقتصادية والاجتماعية التي ستنجم عن الغاء او تخفيض هذا الدعم، باستخدام أسلوب تحليل التكاليف – العوائد. واظهرت النتائج ان نسبة العائد الى الكلفة في حالة تخفيض الدعم لمزارعي الذرة الصفراء بلغت 0.92% وهو يشير الى ان الدينار الواحد المستثمر في زراعة محصول الذرة الصفراء في ظل سياسة الدعم يحقق ما مقداره 0.92 دينار، وهو اعلى من نسبة العائد الى التكاليف في حال غياب تلك السياسة اذ بلغت نسبته 0.65%. وهو ما يشير الى ان سياسة الدعم حتى في تخفيضها فإنها ستؤدي الى تخفيض خسارة المزارعين بنسبة 27%. ويشكل هذا حافزاً لدى الدولة بالاستمرار بتقديم الدعم للمزارعين للاستمرار بالعملية الإنتاجية. وقد اوصت الدراسة بضرورة اعادة تنظيم استراتيجية تقديم الدعم للمزارعين وآليات تنفيذ سياسة الدعم الحكومي لضمان استفادة جميع مزارعي الذرة الصفراء منه.

كلمات مفتاحية: سياسة دعم حكومية، تحليل التكاليف – العوائد، سياسة سعرية، عوائد صافية.

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INTRODUCTION

The support approaches taken by government to agricultural production are shaped by ideas of economic development, economic interests, regimes, local environmental conditions, legacies of national and subnational institutions among others (13). As well as the indirect consequences of subsidy policies on other economic sectors, which may also extend throughout ecosystems (17). Corn crop is one of the strategic crops that have a major role in the livelihood of the Iraqi people, and its contribution to the development of manufacturing industries. As well as, in the aspect of livestock production to provide green and concentrated fodder. Agricultural policies can shape food consumption and nutrition (1). As a result of this importance, the government gave attention to the production of this crop by providing some basic production requirements at subsidized and reduced prices. As well as, providing marketing that ensures the availability of demand for this commodity and its purchase at subsidized prices higher than international prices. As the possibilities available to the farmers of corn make the process of developing production easy with little care and support from the government. The best evidence for this is the productivity rates achieved per area using some seed varieties whose productivity reaches 2500-3000 kg/dunum. The individual behaviour of any person shows the nature of his response to the change in his physical, environmental and nutrition life, including his response to the development of technology, changing prices. As well as, the case for the individual producer's behaviour, it changes according to the surrounding circumstances. At the same time, most countries are seeking to intensify crop production to ensure self-sufficiency in grain crops (4). The Gross Domestic Production - GDP shows the proportions of each sector contribution, whether service or production, contributes to the formation of the national economy. And despite the importance of the agricultural sector, it did not take the lead share in GDP, due to the vast contribution of the oil sector. Especially in recent years, which witnessed Iraq's return to the international oil market (14). Despite the purpose that the support system has been set up to achieve. Practically, this policy has proven that continuing with it has had several repercussions, represented in encouraging and increasing consumption of goods and services covered by the subsidy, accelerating the growth of public expenditures and slowing the growth of public resources in addition to price distortions. The research focused on evaluating the effects of changes in government support policy on the returns and profits achieved for corn farmers in Iraq. The research aims to identify the most important economic and social effects that will result from cancelling or reducing this subsidy. As well as, identifying the performances and procedures that can compensate for this decline and reduce the negative effects resulting from it. The Cost-Benefit Analysis (CBA) was used to achieve this objective. The price support policy for the agricultural sector is one of the important issues in various economic systems, in terms of its role in encouraging producers to increase production and meet the increasing demand for basic foodstuffs. Including the corn for its high nutritional value. Reducing price fluctuations, and establishing an efficient price system to improve income distribution among people. The subsidy is represented by the price difference between the cost of the good or service and the price at which this good or service is provided. The accumulated price differences are the amounts borne by the provider, which is usually the government through its general budget (3). World Trade Organization gives another definition, which is summarized in a group of cases. including: If there is a government contribution in the transaction, any government practices that lead to the transfer of funds (grants, loans), any direct rules for the transfer of funds such as loan guarantees, any government income that is not collected such as (material incentives, tax loans, exemptions). The government's supply of goods or services other than infrastructure. Government payments to finance private-sector mechanisms, government commitments in price support programs affecting directly or indirectly. All these cases are used in the event of an increase in the exports of certain commodities or to reduce the costs of others imports. For that, this concept makes it imperative for the

government not to assist any economic or service activity except in governmental responsibilities related to infrastructure services. The price policy plays an important role in influencing economic and social efficiency and regulating the migration of resources (material and human) inside and outside the agricultural sector, and its success helps to achieve the objectives of the government's public policy. It varies according to countries, stages of economic growth and the stage of country development socially and economically (2). The Iraqi economy suffers from problems and confusion in the economic perspective between the central economic approach and the attempts to move to the mechanisms of the market economy. During the period from 2003 to the present, the economic section was characterized by lack of clarity of vision and approach, poor planning, misuse of public money, and the lack of the legislative environment that regulates the economic process, which was reflected in the dispersion and personal diligence in economic decision-making, and what distinguishes the Iraqi economy is its influenced by global economic crises due to the drop in oil prices (6). The concept of price policy has expanded as a result of the development of the government's role and its intervention in economic activity and its use of various economic tools to achieve its objectives by the general economic policy. Government agricultural policy depends on the self-sufficiency achieved by the national agriculture strategy and the importance of agriculture in the national economy (5). The price policy has a direct impact on the crop composition of the cultivated areas in light of the comparative advantage of production costs and international prices for these crops, and an indirect impact on agricultural productivity that is related to the price policy of production requirements. The volatility of agricultural production leads to the fluctuation, instability and disparity of farmers' incomes compared to other economic sectors. On the other hand, the government's methods that applied an agricultural price policy varied during the past decades. In the second half of the seventies, the government adopted a policy of supporting production inputs and providing them to the producers at significantly law prices more than the final output price (7). The main grain crops in Iraq are at the top of the priorities of the policy adopted by the government towards the agricultural sector at various periods because these crops cover 80-85% of the total cultivated areas. To achieve self-sufficiency and reach food security, the government supports its production process to help farmers continue to produce despite the low productivity of the dunum (5).

Economic effects of price policy

Every economic policy has reciprocal and extended effects on many economic variables. as the government's intervention in these activities to limit the natural interactions of market forces, such as many policies are imposed to achieve political, social or economic purposes that result in returns that may exceed the high economic costs that their implementation entails. An optimal policy means selecting a particular policy from a set of alternative policies that follow different approaches to achieve the maximum possible economic welfare. Achieving a certain level of well-being requires a high level of efficiency, stability and work at the same time to achieve a balance that ensures minimizing the mutual influences between them. The contradictions when setting price policies are represented in the desire to achieve a remunerative price for the producers to motivate them to increase production and achieve a low price for the consumer at the same time, and the government can afford its budget the difference between the two prices. Another contradiction, which is setting remunerative prices for exporters to encourage them to export, and the decrease in government revenues as a result of cancelling the export tax, and the inability of the government budget to bear the consequences of this price policy (8).

METHODS AND MATERIALS

Cost-benefit analysis (CBA): Cost-benefit analysis is a systematic process by which the benefits and costs of a project, decision, or government policy can be calculated and compared. It is also one of the ways that help the decision-maker to apply the principle of economic efficiency in directing rare resources, as this tool examines the costs and

returns of alternatives in front of the decision-maker so that he or she can encompass most - if not all - of the effects of those alternatives, and then reach the alternative that achieves the principle of economic efficiency (9). The method of cost-benefit analysis can be defined as "estimating and evaluating the net returns associated with several alternatives intended to achieve specific general goals" (18). Thus, this method is a set of analytical procedures that lead to the formation of a list of costs and the returns related to each of the alternatives that achieve the goal or general objectives. Also, this method depends in most of its parts on the *Neoclassical Economic Theory*, as one of the principles of this theory is that the main objective of resource allocation should be to maximize economic efficiency, which means increasing the number of financial resources in the economy. Hence, increasing the well-being of the whole society. Thus, the logic behind the cost-benefit analysis is to increase the economic efficiency in the use of resources. that is, to put the available resources to their best use, including the possibility of leaving them for use in the private sector (9). While the modern theory in economics was concerned, in most of its applications, with the decisions of consumers and producers, the cost-benefit analysis was concerned with general decisions in the public sector, in its traditional version, this method tried to apply the decision-making process as if the markets were operating effectively. This means, trying to be an alternative to the price mechanism that rules the market in the public sector in the absence of what is called (market failure) according to (11, 21). Thus, it did not care about justice in the distribution of resources, but some experts of cost-benefit analysis believe that this issue is important and must be taken into account when analyzing public projects.

Purpose of using CBA analysis

There are two primary purposes for using CBA:=

1- Determining whether the investment or the decision made was correct (justification/ feasibility).

2- Providing a reliable basis for comparing projects. This process is based on comparing the expected total cost of each option against the expected total benefits, to see if the benefits are over the costs, and in what quantity.

When to use CBA

1- Evaluating new technologies and knowing their economic feasibility.

2- Evaluation and selection between two projects through important economic criteria.

3- Through this method of analysis, integrated feasibility studies can be carried out with great ease and with high accuracy.

Social welfare criteria

The main objective of achieving economic efficiency, as mentioned previously, is to increase the welfare of society in general, but the boundaries of society depend on the effects of the general program or project. If the effects of the project are comprehensive for all individuals in the country, then this determines the society that is taken into account when determining the costs and returns of the project. But, if the project means only the residents of a city in the country, then this determines the boundaries of the society with the residents of that city only (20). As for the criteria by which the welfare of the community can be determined, several early researchers suggested a set of criteria that are used in the analysis and allocation of rare resources. to see whether this allocation leads to an increase in the welfare of the community. One of those criteria is *Pareto Optimality*, which considered that any change in the economy would be desirable if it led to an improvement in the condition of a person (according to that person's judgment) and did not lead to making another person a worse condition than the condition he was in before this change (18). Despite the simplicity of this criterion when looking at it at first sight, if it is applied when accepting or rejecting public projects, it will greatly limit the activities carried out by the government, while government activities lead to a change in the work of the economy, but the effects of those activities may it makes some sectors better and others worse. Thus, the Pareto criterion will reject activities that make any person or sector worse off, regardless of the improvement in the condition of other people or sectors (9). Because of the limitations of the Pareto criterion in analyzing and evaluating public projects, researchers

have developed other, less restrictive criteria, such as the so-called Kaldor-Hicks criterion, which suggests that any change in the state of the economy is desirable whenever the beneficiaries from this change, in principle, they compensate those who were non-beneficiaries, and then there will be no losers from this change. But this criterion does not require that this compensation take place in reality, but rather requires that there be a possibility or probability that this compensation will take place, so it is called the *Potential Pareto Principle* (12).=

Basic steps in Cost-Benefit Analysis

There is no single generally accepted model for conducting this analysis, and each policy scenario requires a unique approach. However, almost all cost-benefit analysis involves similar steps. The focus is on developing the analysis steps directly so that the process of analysis (and its subsequent explanation) is comprehensive and systematic (16):

1- Identify the Status Quo

2- Identify Status Quo Winners and Losers

3- Identify Post-Implementation Policy Winners and Policy Losers

4- Monetize Costs to Losers and Benefits to Winners

5- Compare Costs and Benefits to Status Quo and Alternatives

Despite the clarity of these steps, the cost-benefit analysis is a tool that consists of a set of deciding rules based on which, in light of the costs and returns of the projects under study, the feasibility of adopting a particular project and the appropriate size for this project are determined. Summaries the problem and the level of the complexity of the analysis depend on the analyst and not on these steps, based on which one is to achieve economic efficiency.

1- Identification of the project space

The decision-maker must identify the project or projects that are the subject of the analysis, and this means determining what are the alternatives which costs and returns will be analyzed to identify if they achieve economic efficiency in using of resources (9). As an example, suppose that a particular farmer is thinking about cultivating wheat and wants to know the economic efficiency of directing the available resources to grow this crop, If several varieties are identified, it can be assumed that the farmer is trying to decide to choose one of two types of varieties and wants to know which of these two varieties achieves the highest economic efficiency.

2- List the positive and negative effects at present or in the future

This step is one of the most complex steps of cost-benefit analysis, and it is with the third step the basis of this method, and there is a big disagreement among researchers about it, as both works to predict all the positive and non-positive effects, whether current or future for the project (20). This disagreement partly came from the fact that there are several types of costs and several types of returns for any project. The real returns are those obtained by the final consumer of the public project and represent an addition or increase in the total welfare of the community. In contrast, there are real costs, which are the costs of the project that was implemented and not spent for other purposes (11). The other main category is the financial revenues and costs, and these revenues and costs occur due to the relative changes in prices that appear when the economy adjusts itself in exchange for providing that public service, and as a result, some people achieve gains but they are alongside with losses that occur to other people. Wherefore, they are not reflected in their entirety gains for the whole community (15). As well, the real costs and returns can be direct or indirect, direct costs and returns are closely related to the practical objectives of the project. For example, the costs of building a waste incinerator are direct costs, and the savings in the costs of other alternatives to waste disposal, such as sanitary landfill, are direct returns to the waste incinerator project. As for the indirect costs and returns, which are called (externalities) or (spillovers). They are the unintended costs or returns, which is, they occur as unintended effects resulting from the adoption of the project. As in the previous example, the effects resulting from air pollution due to the exhaust of the waste incinerator can be considered indirect costs, and in this context, some researchers believe that the line separating direct costs and returns and indirect costs and returns is an unclear line, as the classification into direct and

indirect requires a personal judgment of the analyst or decision-maker. As for the other classification of costs and returns, they can be classified as tangible costs and returns and intangible costs and returns; Tangible costs and returns are those that can be measured easily and can give a financial value, while intangible costs and returns are the ones that are difficult to measure and we cannot give them a specific financial value (19). In short, in this step, the assumptions on which the cost-benefit analysis of the project is based are determined. In this context, the analyst must take into account some things, including:

- The cost-benefit analysis does not avoid making assumptions that do not reflect reality. Rather, this depends on the researcher
- The analyst should take care not to ignore some of the indirect or side effects that are usually ignored, although if they were included, it might change the feasibility of the project
- The analyst should take care not to rely on whether the total returns validate the total costs, and in some cases, a marginal analysis must be performed.

3- **Determining a financial value of the effects:** After completing the process of forecasting the positive and non-positive effects of the project, the researcher must give values for those effects. The positive effects are recognized as revenues, while the non-positive effects are recognized as costs. The usual measurement standard is *money*, and the unit of measurement is usually the currency unit in the country. As for how to formulate project costs and returns in quantitative terms, one way is that it is possible to look at the market values of the resources that the project consumes and the market values of the goods it produces. Although this method is simple in concept, it is difficult to apply when we deal with some public projects such as roads and public parks, which are not provided by the private sector for obvious reasons, and then there are no market prices for the services provided by those facilities. The other main reason is that the price of the market - if available - does not give an appropriate indicator of costs and returns if the project under study is large to change prices relatively in the economy as a whole. Because of the determinants of the market price method in measuring the returns of some public projects, researchers have developed other approaches, the most important of which are: willingness to pay / willingness to accept, increases in capital values, cost savings, whether those savings are real or potential (11). Determine the final best option according to the specified criteria.

RESULTS AND DISCUSSION

Analysis of costs-revenues in the event of no subsidy: The area planted with corn for the year 2019 in Babylon Governorate is 116.1 thousand dunums. The sample included 300 farmers of the yellow maize crop out of a total of 6607 farmers. The study sample was selected using the simple random method from various corn farmers from the agricultural divisions in Babylon Governorate. A cost-benefit analysis was conducted to compare the two cases of government support and the absence of this support, as data of corn farmers in Babylon governorate were taken for the areas included in the agricultural plan that is covered by the government support policy for each of the production inputs (fertilizers and sometimes pesticides) and the purchase of the production of these areas at a subsidized price. As for the other areas that the farmer adds to the agricultural plan, they are not covered by government subsidies. The farmer depends on providing all production requirements from the markets, as well as marketing the production of that area to them. Therefore, it was possible to obtain comparative data in the absence of subsidy, with good accuracy, and to move away from the method of assumption and prediction, which may be wrong or right. A set of criteria was used, the most important of which is the net return and the internal rate of return, which help in evaluating whether government support can make corn farmers better off economically compared to the situation without the presence of that support, and from the analysis (CBA) of corn farmers in the province of Babylon The following results were obtained (Table 1):

1- Net returns

The net present value of the program or policy followed refers to the difference between the present value of the cash inflows and the present value of the outflows. Profits for

farmers, and vice versa if the net present value is negative, i.e. the present value of the cash inflows are less than the present value of the cash outflows. If there is more than one proposed program or policy, it is possible to choose among them according to what achieves the largest net present value (9). The net returns in the absence of this policy amounted to about 146000 dinar/dunum, which indicates that the profits for the farms are achieved despite their limitations, but they cover production costs and help the farms to continue the production process, and they are better than in the absence of the support policy that the farmer achieved a loss estimated at 146000 dinar/dunam.

2- Return on Investment (ROI)

It expresses the minimum return on capital that makes the net present value of the inflows equal to the cost of the investment project or the program and represents the minimum return on capital that the farmer accepts to implement the program (10). By dividing the percentage change in net returns which is -1.26 by the percentage change in total costs which is -0.059, we get an internal rate of return of 21.91%, which indicates that the government support policy has contributed to achieving profitable returns for farmers.

3- Return – Cost ratio

The results showed that the ratio of return to cost in the case of subsidy for corn farmers is about 1.09%, which indicates that one dinar invested in corn under the subsidy policy achieves an amount of 1.09 dinars. It is higher than the rate of return to costs in the absence of this policy, as it reached 0.65%. This indicates that the government's support policy will turn the loss of the agricultural product into a profit with a difference of 44% in the return achieved from investing one dinar in the production process of the corn, and this creates an incentive for the government to continue providing support to farmers to continue the production process.

Table 1. Revenue-cost analysis of presence and absence of government subsidy

Without subsidy				With subsidy			
Costs (ID/dunum)	a	b	c	Costs (ID/dunum)	a	b	c
Input	Quantity	Price	Total	Input	Quantity	Price	Total
Seeds	8	4720	37750	Seeds	8	4720	37750
Fertilizers	104	629	65400	Fertilizer	104	385	40000
Pesticides	1	-	12300	Pesticides	1	-	12300
Human labour	1	-	84000	Human labour	1	-	84000
Irrigation	11	5500	60500	Irrigation	11	5500	60500
Rent of the land	1	-	55000	Rent of the land	1	-	55000
Mechanical work	1	-	89000	Mechanical work	1	-	89000
transportation	1	-	20320	transportation	1	-	20320
Total costs			424270	Total costs			398870
Returns				Returns			
Primary return	1270	219	278130	Primary return	1270	345	438150
Secondary return	-	-	-	Secondary return	-	-	-
Total return			278130	Total return			438150
Indicators				Indicators			
Net return			-146140	Net return			39280
Rate of change in return				Rate of change in return			-1.26878
Cost change rate				Cost change rate			-0.05987
Internal rate of return IRR				Internal rate of return IRR			21.19318
Rate of return - cost			0.655	Rate of return - cost			1.098

Source: Prepared by researchers using a questionnaire

Cost-benefit analysis in case of decreasing subsidy: A cost-benefit analysis was conducted to compare the two cases of lack of government support and the suggestion to reduce government support, as there are tendencies to reduce production inputs prices and the price of the output of strategic crops, including corn. It was suggested that the prices of production inputs (fertilizers) be reduced from 50% to 35%, and the final product price subsidy be reduced from 350 dinar/kg to 300 dinar/kg. Therefore, a cost-benefit analysis was conducted to identify the effects of this proposal on the farmers of the corn, and will the farmer be able, in light of this reduction, to cover his production costs and achieve encouraging profits to continue the production process? The same criteria mentioned above

were used to answer this question, the most important of which is the net return, the internal rate of return and the cost-benefit ratio. From (CBA) analysis of corn farmers in Babylon Governorate, the following results were obtained (Table 2):

1-**Net Returns**

The results showed that the value of net returns when the government subsidy was reduced amounted to about -30,000 dinar/dunum, and although it reflects the loss of the agricultural product when the government subsidy is reduced, this loss is less than in the absence of government subsidy by 79%. As the net returns in the absence of this policy amounted to about 146000 dinar/dunum, which indicates that the existence of the support policy, even if it is not at the required level, it contributes to reducing the burden on corn farmers and supporting them to continue the production process in the short term until the level of their production improves and their position on global competition is strengthened and lucrative profits are achieved in the long term.

2- Return on investment (ROI)

The cost-benefit analysis showed that the internal rate of return IRR reached about 25.5%, which came as a result of dividing the percentage change in net returns -0.79 to the percentage change in total costs -0.031. The IRR indicates that the government support policy, although the farmer did not reach the stage of achieving profits, it has contributed to reducing the amount of the losses faced by the corn producers in the absence of the support policy.

3- Return – Cost ratio

The results showed that the ratio of return to cost in the case of reducing the subsidy for corn farmers about 0.92%, which indicates that the one dinar invested in the cultivation of the yellow corn crop under the subsidy policy achieves an amount of 0.92 dinar, which is higher than the ratio of return to costs In the absence of this policy, it reached 0.65%. This indicates that the subsidy policy, even in reducing it, will lead to a reduction in farmers' losses by 27%. This creates an incentive for the government to continue providing support to farmers to continue the production process.

Table 2. Cost-benefit analysis with reducing government subsidy

Without subsidy				With reduced subsidy			
Costs (ID/dunum)	a	b	c	Costs (ID/dunum)	a	b	c
Input	Quantity	Price	Total	Input	Quantity	Price	Total
Seeds	8	4720	37750	Seeds	8	4720	37750
First fertilizer	43	938	40717	First fertilizer	43	682	29627
Second fertilizer	61	404	24702	Second fertilizer	61	370	22624
Pesticides	1	-	12300	Pesticides	1	-	12300
Human labour	1	-	84000	Human labour	1	-	84000
Irrigation	11	5500	60500	Irrigation	11	5500	60500
Rent of the land	1	-	55000	Rent of the land	1	-	55000
Mechanical work	1	-	89000	Mechanical work	1	-	89000
transportation	1	-	20320	transportation	1	-	20320
Total costs			424270	Total costs			411121
Returns				Returns			
Primary return	1270	219	278130	Primary return	1270	300	381000
Secondary return	-	-	-	Secondary return	-	-	-
Total return			278130	Total return			381000
Indicators				Indicators			
Net return			-146140	Net return			30121-
Rate of change in return				Rate of change in return			0.793-
Cost change rate				Cost change rate			0.031-
Internal rate of return IRR				Internal rate of return IRR			25.58
Rate of return - cost			0.65	Rate of return - cost			0.92

Source: Prepared by researchers using a questionnaire

We conclude from the CBA analysis of the comparison between the two cases of subsidy and the reduction of it and through the criterion of net returns that the impact of the subsidy policy reflected positively on improving the farm income of corn producers and that the absence of this support will make the crop farmers poorer. The results of the

CBA for the comparison between the two cases of subsidy and non-existence and through the internal rate of return (IRR) criterion showed that investment in crop cultivation in the presence of the subsidy policy will achieve more rewarding profits for the farmer than in the absence of that policy. We conclude from this that in the absence of a subsidy policy, there will be no incentive for producers to invest in corn production projects, which will lead to a decrease in production. Through the results of the CBA analysis for the comparison between the two cases of reducing the subsidy ratio and its absence, it was found from the net return criterion that the farmer in both cases achieves a loss when planting and producing the corn. The available support will lead to economic losses for farmers that may push them to refrain from producing. Therefore, the study recommends increasing the volume of support provided to corn farmers and the continuity of this support until reaching the turning point for large scale production, which would reduce production costs and achieve rewarding returns for farmers, and reorganizing the strategy of providing support to farmers and the mechanisms for implementing the government support policy to ensure that all corn farmers benefit from this support. In addition to developing programs to evaluate the performance of government institutions that provide support and farmers who benefit from support, to diagnose weaknesses and address them to ensure the success of the government support policy.

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