

# The Socio-Economic Implications of Pistachio Production



Damghan Pistachio  
innovation center



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As previously mentioned in other articles published in the “Pistachio Scope”, the city of Damghan in Semnan province is considered a fertile ground for high-quality pistachio production. Apart from the strategic importance of pistachio production in Damghan, numerous social, cultural, and economic factors have had an impact on the city and its residents. It should be mentioned that despite these changes, the potential for pistachio production has not been fully realized in Damghan due to a lack of attention to the economic and social characteristics of pistachio farmers, which may include: the use of tools, adoption of modern methods, investment levels, age, education, cultivation history, knowledge, and professional skills related to pistachio cultivation. However, these factors – albeit limited in scope – have already influenced the economic and social aspects of pistachio cultivation in rural households in the region.





The pistachio production in Iran, according to the Agricultural Statistics Yearbook for the agricultural year 2013, accounts for approximately 1% of the total agricultural production and ranks fifth in the country. In Semnan province, the detailed results of the General Agricultural Census in 2011 showed that Damghan County was the leading producer of pistachios, with 3,279 tons of pistachio production out of a total production of 4,636 tons in the province. Pistachios are primarily cultivated in the eastern part of Damghan County, especially in the Daman Kouh district, which had 939 hectares of pistachio cultivation and produced 962 tons of pistachios in the same year.

Given the high economic value and profitability of pistachios, as well as the ecological conditions suitable for pistachio cultivation, and the potential economic and social impacts of both small and large-scale pistachio farming, it is not unexpected to see major economic, social, and cultural effects within pistachio-producing households. Moreover, as we see later in the present article, there is even a relationship between the lifestyle of the households and the production of pistachios.

A study was conducted in 2015 to study the socioeconomic effects of pistachio production on households. In the aforementioned study, several pistachio-producing households both within the city of Damghan and the rural regions participated in a survey regarding their lifestyle choices, economic aspects of their livelihood, and the cultural changes made in their daily lives.

Unsurprisingly, the answers showed a significant direct relationship between the experience and years of pistachio cultivation within the household, and variables such as housing type, housing area, food consumption, economic security, education and knowledge, and professional skills, indicating that the higher number of years spent in the pistachio industry would lead to an increase in these variables.



The agricultural practices along with the significance of the pistachio as a valuable crop, then, have had measurable changes in the lifestyle of households in Damghan city. The availability of funds for education, accumulation of high-quality consumer goods, and better housing have changed the overall outlook of these households.

The size of the operation is also directly related to various factors and lifestyle choices in pistachio-producing households. The households who own more acres of pistachio-bearing land are also the ones with better types of housing with higher quality, more vehicle ownership, ownership of durable consumer goods, higher chances of employment, participation in more expensive leisure activities, have a higher number of annual trips, utilizing better educational services, and finally acquiring more knowledge and professional skills.

Moreover, since higher levels of investment in the operation would result in better crop yield, the return on investment would also result in a higher quality of consumer goods chosen by pistachio-producing households. In this study, it was revealed that more successful pistachio growers in Damghan are the ones who maintain an annual investment budget for better equipment and workforce. Conversely, growers with lower levels of investment usually have lower crop yields, which in turn results in lower quality of consumption goods within the household.





An overall conclusion then, can be that greater economic well-being and security along with social and cultural aspects of pistachio cultivation has greatly changed the lifestyle of pistachio growers in Damghan. Moreover, the formation and development of the pistachio cultivation pattern in the city of Damghan has resulted in the higher income of pistachio-producing households. All of these effects are despite the numerous investment and export obstacles, indicating a major untapped potential for further economic development of the region. It is clear that the added value of a product such as pistachio compared to other products would lead to increasing economic well-being and the creation of new job opportunities, further boosting the local economy.

Furthermore, it can be stated that the lifestyle choices and social status of pistachio growers who are 1) older, 2) have more cultivation experience, 3) have higher levels of cultivation and production, 4) have higher levels of investment, 5) have personal





or private land ownership, 6) have used mechanization, inputs, and new methods in their orchards, 7) are more familiar with local and regional markets, 8) have used more bank credits for the development and expansion of their orchards, 9) have taken steps to increase the area under cultivation, including reclaiming barren land, land drainage, land leasing, or land purchase, 10) have higher levels of education, 11) have more motivation for activity in pistachio cultivation, and finally, 12) have used more consultancy services related to pistachio cultivation, have changed significantly over the years. This, in turn, results in overall economic well-being and security, and higher social capital (i.e. education, social awareness, and vocational skills).

