Survey of Empirical Studies of Market Power in Food Industries

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1. Methodology: A model for the milk processing industry

(1) Production function of the milk processing industry: $Y = f(M, L, K, E, T)$

(2) Supply function for raw milk: $M = g(W_{0}, W_{F}, W_{S}, C, T)$

(3) First order condition for the optimal raw milk demand: $W_{M}^{*} = \frac{P - \gamma}{\alpha M}$

4. Empirical findings

5. Conclusions

6. References