In this study, it was mainly aimed to investigate hazelnut producers’ profit inefficiencies in Turkey, which is the leader position in the world hazelnut production. For this purpose, the data were gathered from the important hazelnut production areas, called 1st and 2nd standard areas, and analyzed by using stochastic translog profit function. For this purpose, stochastic translog profit frontier model was utilized. In the profit inefficiency models, producer’s age, education level, existence of non-farming income, number of parcels, variety of hazelnut produced in farm were included as explanatory variables. From the estimation results, firms’ average profit inefficiencies for 1st and 2nd standard areas were calculated as 0.38 and 0.19, respectively. These results emphasize the importance of existence of allocative and technical inefficiencies of firms.

Keywords: Hazelnut; Stochastic profit frontier; Profit inefficiency