ESTIMATE EQUILIBRIUM MICROECONOMIC MODEL OF WHEAT IN EGYPT

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ABSTRACT

The main objectives of the research were to identify the size of wheat gap and find the appropriate solutions to apply wheat self-sufficiency in the near future through designing micro economic equilibrium model for wheat during the period (1995-2013) the model may identify the change in government revenues, the change in foreign exchange earnings and the rate of tariff, the coefficient of the tariff and the change in surplus producers, the change in the surplus of consumers, efficiency indicators of a return or social loss in production and yield, and social loss in consumption and total return.

The study predicted increasing in government loss about LE 13.287 billion in 2014 to about LE 20.11 billion, increasing in foreign exchange earnings of about LE 11.64 billion in 2014 to about 18.07 billion pounds, and it also expected to increase in the implicit tax (of the tariff rate) by the domestic producer of about 0.17 in 2014 to about 0.25.

The study also predicted continuing socio loss in production to reach about LE 1.92 billion in 2020 because of continued rising in production costs, which is expected to reach about LE 5707 per acre in 2020 with increase ratio about 18.32% compared to 2013.

It was also expected to continue growing consumer surplus to reach around LE 10.7 billion in 2020 and because of the government's continued support in the bread system.