



## AN ECONOMIC STUDY ON THE PRODUCTION AND CONSUMPTION OF DAIRY IN EGYPT

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### ABSTRACT

Dairy is considered one of the most completed and balanced healthy food needed by human as it contains many important elements and vitamins as well as it protects the body from many diseases. This research aims to identify the current situation of the dairy production and consumption in Egypt in order to know how far is the gap between them. In addition, it studies all factors that affects the production and consumption processes in order to set some recommendations that help in reducing this gap in Egypt. The research refers to the value of dairy production in Egypt that reached about 2.425 billion pounds in 2013, which represent about 8.53% of the agricultural production and 5.24% of the animal production. The annual growth rate for this value during the study period (1995–2013) was about 4.23%. Buffaloes and cows contribute more than 97% of the total dairy production in Egypt, while the goats contribute the remaining. The total dairy production in Egypt reached about 5.554 thousand tons in 2013. This production takes a growing trend with a statistically significance rate of 119.10 thousand tons which represents 4.01% of the annual average of the total dairy production during the period of the research. The research also indicates that there are

many factors affecting the quantity produced from dairy in Egypt; the most important of which were the quantity produced from clover, the produced quantity from dry feed, the wholesale price of milk, and the value of loans granted for livestock. The results of the research indicate that there is a proportional effect and statistically significant between each of the quantity produced from clover, the wholesale price of milk, and the value of loans granted for livestock upon the quantity produced from dairy in Egypt during (1995-2013).

The total national consumption of dairy in Egypt was about 6.516 thousand tons in 2013. This consumption takes a growing trend with a statistically significance rate of 156.24 thousands tons which represent 2.68% of the annual average of the quantities consumed during the period of the research. Due to the inability of the local production of dairy in confronting the amount of consumption, a gap between the production and consumption milk has emerged in Egypt estimated at about 962 thousands tons in 2013, which indicates that the self-sufficiency rate did not even exceeded 85.24 % in that year.

The research also refers to the factors that affected the quantities consumed of dairy in Egypt which represented in the population, average per capita dairy, average personal income, the average retail price of milk, and the average retail price of eggs. By using the multiple demand function of dairy in Egypt, it was found out that there is a directly relation-

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ship and statistically significant between the required quantity and income, while there is an inverse relationship and statistically significant between the required quantity and the retail price of milk. But it did not demonstrate a statistically significant relationship between the required quantity and each of population and the retail price of eggs.

**The research recommended the following**

- 1- The need for attention to cultivate clover and dry feed as it is one of the most important factor responsible for increasing the dairy production in Egypt.
- 2- There must be an interest in raising Buffaloes and cows to increase its production as they contribute over 97% from the total dairy production in Egypt.
- 3- Reducing the marketing costs of dairy as much as possible to raise the marketing efficiency
- 4- Reducing the interest rates on cash loans that specified for developing live-stock in the field of dairy production.
- 5- Providing veterinary care at suitable prices