



ECONOMIC STUDY FOR THE SUPPLY RESPONSE OF SUGAR CROPS IN EGYPT

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Eman F.Y. Ahmed

Agric. Economics Dept., Fac. of Agric., Ain Shams Univ., Cairo, Egypt

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ABSTRACT

Agriculture sector is one of essential sector in the Egyptian economy. The sector is the main source of food required by Egyptian people, in addition to that the sector is also a source of raw materials for many in industries.

On the other hands, sugar cane and sugar beet crops are the main source of sugar in Egypt as well as in many other countries.

The average sugar cane area and production were about 0.32 million Fadden and 15.60 million tons during the period (1995-2014). While sugar beet area was 0.21 million fadden and 4.53 million ton during the years (1995-2014).

The research problem may be concentrated on that domestic sugar production is short meeting local consumption and there for the government has to fill the gap through imports which means a burden on government budget. The shortage of domestic sugar production is mainly due to the limited area of sugar cane crop, which is mainly due to the limited agricultural land and water. The increase of population and the per capita consumption of sugar and the need to rationalize water use have made sugar production in Egypt more accurate.

The main objective of the present research is therefore a trial to estimate farmers supply response of sugar response of sugar produced from sugar cane and sugar beet in an attempt to reduce sugar imports. The study has also tried to examine factors that may affect sugar consumption, i.e. social and political factors are also taken into consideration.

The study showed that Brazil, India and China are the main producer of sugar cane, 48.32%, 29.32% and 9.31% respectively. The three countries produce together about 87% of sugar from sugar cane. On the other hand, France, USE, Germany produce together about 66% of total sugar beet.

A study of supply response of sugar cane showed that farm price of sugar cane with two years lag and net return per Fadden with one year lag the important factors affective sugar cane production. As for sugar beet production, it was found that farm price and area with one year lag were the most important factor affecting sugar supply from sugar beet.

The study recommends the expansion of sugar beet area particularly in the now reclaimed land in addition to of farming an encouraging price to farmers. Finally it is advisable to rationalize sugar consumption by Egyptian people.

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تحكيم: أ.د. فاطمة عباس فهمي
أ.د. هدى ياسين عبد الفتاح