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Economic study of Edible Oils and Future prediction of Demand in Egypt

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Abstract:

The plant production sector is a major pillar of agricultural production, with a value of about 164.15 billion pounds, representing about 57.35% of the value of agricultural production amounting to about 287.51 billion pounds. The value of oil crops is about 2.28 billion pounds, representing about 79% of the value of agricultural production, representing about 1.38% of the value of plant production.

In spite of the multiplicity of oil crops that can be cultivated, the area of these crops does not exceed 2% of the crop area. The problem of the study is the growing gap between the production and consumption of edible oils in Egypt, due to the increase in the population rate higher than the rate of increase in production of edible oils.

Where the average domestic production of edible oils amounted to 181.1 thousand tons while the local consumption amounted to 1020.4 thousand tons, which means a gap of about 839,2 thousand tons as an average for the period (2001-2015), the study aims to identify on the current status of production and consumption of edible oils in Egypt, and forecast consumption of edible oils.

The study relied on secondary data, it is also relied on the prediction of the future consumption of edible oils by using the current consumption rates of oils, and by knowing the population growth rates and the rates of growth of the national income.

The results of the study indicate that the elasticity of the income demand for edible oils is estimated at 0.444. This means that edible oils is an essential commodity, also shows that by increasing the national income by 1%, the quantities consumed of oils increasing by 0.444%.

Future consumption of edible oils was predicted in the future (2019, 2021, 2023 and 2025) which is 2224, 2494, 2797 and 3137 thousand tons respectively. It is clear that there is an expected continuous increase in the future consumption of edible oils, so decision-makers should take this into consideration when putting productivity policies to cope with the expected increase in consumption.