



جامعة الفيوم

Fayoum University

An Economic Study For Manufacturing And Marketing Of Olive in Fayoum Governorate

By

Hoda Abd Elhaleem Meshref Ismail

B.S.C In Agricultural Sciences

Faculty of Agriculture- Cairo University

Fayoum Branch ٢٠٠٣

M.Sc. Agric (Agric Economics) Faculty of

Agriculture- Fayoum University ٢٠٠٩

A Thesis Submitted in partial fulfillment

Of the Requirements for the degree of

DOCTOR OF PHILOSOPHY

(Agricultural Economics)

Department of Agricultural Economics

Faculty of Agriculture

Fayoum University

٢٠١٦

Abstract

Olives is one of the most important fruits in Egypt. The total quantity of it is about 178,000 feddans which is considered 12,3% of the total quantity of fruits in Egypt which is about 1450,7 thousands of feddans as average(in 2008 -2013). Planting olives was developed greatly in the last two decades. It increased from 480,1 thousand tons in 2008. to 641,8 thousand tons in 2013. This means that its production increased by 12,9. This made Egypt the second world country in producing it by 19,8% from the total production of olives in the world from 2008 to 2013. It is expected that this increases will go up. Fayoum is the second city in Egypt in producing olives. It produces 12,9% from the total production (from 2008 to 2013). Although we increased the production of olives but a small quantity is used in producing oil (about 10 %) all the rest quantity is used in making pickles which is made in a primitive and unhealthy way. The production of olives is mostly directed to the local market. Exporting it is limited and is hardly suitable for the foreigner .This all affect passively the exporting of olives oil so Egypt now is the tenth in exporting it (about 1,28 %). This percentage is very low among those who export it in the world (from 2008 to 2013).

This study aims at analyzing economically the manufacturing and marketing of olives in Fayoum. This study includes five main parts in addition to the introduction which includes the problem, the aim of the study in addition to the sources of data and the Arabic summary with the Arabic and foreign references

The first chapter includes the theoretical and referential explanation to the previous studies in this field. Olive production in Egypt will be discussed in chapter 2. During (2004-2013), olive cultivated area in Egypt increased statistically estimated at 6,99 thousand tons annually. After studying the current situation of olive oil production in Egypt during (2004- 2013), it has been found that it represents about 1,7% of world's production of olive oil. Also, the total consumption of olive oil has been statistically increasing to reach about 712 tons per year representing about 11 % of the average consumption of olive oil, and the average self-sufficiency ratio is about 10,4,6%. In the same context, the current status of olive production in Fayoum during the period (2004- 2013) shows that olive production

represents about 04,8% of the total area of fruit crops, and about 03,2% of the average fruit area, and about 00,2% of the total production of fruit with a production amount of about 72,0 thousand tons on average for the period aforementioned.

The Third Chapter tackles the main features of olive industry in Fayoum, through a description of the value chain of olive industry in the province. The study indicated that the value chain reflects the chain of activities that contribute to the product value to make its value more than its cost. The value chain is based on the fragmentation of activities that contribute to the value of the product to a set of circles, in order to analyze the cost of these circles and their ability to create an added value in each circle. Applying the value chain model on olive industry in Fayoum Governorate, it shows that the chain consists of a set of successive circles starting with olive production, manufacturing, and delivery to the ultimate consumer. The study showed that the most important problems facing olive industry in Fayoum were lack of expansion in the cultivation of new cultivars, especially oil olive and dual-purpose. Spread of a limited number of olive varieties, bad weather and low demand for olive.

Chapter 4 deals with the analysis of value chain of circles of olive production, processing and distribution in Fayoum. By studying the most important indicators of economic efficiency of distributing a ton of pickled green olive, it has been found that the gross margin, average rate of return, and added value are 2083,1968, 2480 pounds, respectively. The study has also shown that the average rate of return on the invested pound is about 0,10 pounds, and that the ratio of the total relative costs to the total revenue is about 86%. By studying the most important economic efficiency indicators for the distribution of a ton of pickled black olive, it has been noted that the gross margin, average rate of return and added value are 2770, 2686,8, 3196,8 pounds, respectively, and that the average rate of return on the invested pound is about 0,1 pounds. Moreover, it has been found that the ratio of the total relative costs to the total revenue is about 87,2%. As for the most important economic efficiency indicators for the distribution of a ton of olive to be used to produce olive oil, it has been concluded that the gross, average rate of return and added value are about 2993,8, 2922,3, 3307,0 pounds, respectively, and that the average rate of return on the invested pound is about 0,70 pounds. One more thing is

that the ratio of the total relative costs to the total revenue is approximately 06,2%.

Part Five examined the economic Analysis of rings production, processing and distribution of olive in Fayoum, The study introduced models proposed for the manufacturing units olive green pickle, pickle and black olives, olive oil as a guide in the practical reality as one of the most promising projects that could contribute to solving the problem of unemployment. The study found that the number of units of pickle olive green manufacturing possible in Fayoum is estimated at about 927 units (production capacity per unit of about 0. tons of olives per year), and that means providing about 0062 jobs, but the number of units of black pickle olive processing possible in Fayoum is estimated at about 106 units (production capacity per unit of about 4. tons of olives per year), and that means saving about 624 jobs, bringing the estimated size of the investment required for the units possible to about 163,7 million pounds, and the net of the annual yield starting from the second year of its creation is estimated at 04,7 million pounds. Finally the study found that the number of olive oil manufacturing units possible in Fayoum is estimated at around 10 units (production capacity per unit of about 200 tons of olives per year), which means saving about 120 jobs.