

# ANALYTICAL ECONOMIC STUDY OF FARMERS LAND RESOURCES ALLOCATION FOR AGRICULTURAL PRODUCTION

## SUMMARY AND CONCLUSIONS

The Farmers' decision making concerning the utilization of land resources is considered an important and crucial decision, not only for the Farm but also for national economy. The determination of the area allocated to growing a special crop depends on various variable factors, which interact to affect the farmers' decision.

The effect of various economic and social factors on the farmer's decision were studied.

If the Egyptian agricultural policy is to be effective and efficient to perform its role for the interest of the national economy, it is then necessary to be well informed of natures of the Farmers' decisions making, and the factors that affect them in their decisions about crop areas. Studying these factors in the proper and complex way, as they are in reality, rather than studying each factor independently and its effect on land utilization decision making was not studied in Egypt before.

The objectives of this study are:

1. The investigation of the nature of the decision making of the farmer concerning the allocation of his land resources and factors affecting his decision.

2. Determining the differences in decision making area allocation to crops in " Giza " and " Gharbia " Governorates.

3. Determining the relation between the area of land allocated to particular crops and the independent economic and other variables such as:

- a) Profit making,
- b) Costs of production,
- c) Environmental variations type of land, water and drainages.
- d) Matching the production prices with the facilities,
- e) Evaluation of the

farmer for the following needed for his production ( Area, feasibility of loans and facilities of production). f) Personal and social variations, e.g. education, family size, total ownership volume, cattle ownership, standard of living any social activities.

4. Investigating the regression relation between allocated land area for each crop under study and all affecting variables, in order to figure out the most important factors affecting his decision, and the most important differences between the nature of decisions in the two governorates Giza and Gharbia.

#### Research Zone:

Two Governorates were chosen Giza Governorate for its vegetable production and for being near large markets and Gharbia Governorate for its variety of production including strategic crops under Government control as cotton and rice and having traditional from life.

#### Society and sample of research:-

The data were collected from a random sample of land holder, who were classified into three land holding size classes. The sample size was determined to be 3% of the total number of land holders in the villages under research, there were 131 farmer of which 66 from Giza governorate and 65 from Gharbia Governorates.

The data was collected through a questionnaire, directed to the land holders.

The results were as follows:

First there were a differences between the two Governorates concerning according to the factors affecting farmer's decisions in land allocation to various crops.

In Giza Governorate the most important factors were satisfying financial needs family food needs, the selling price of the crop before planting it.

In Gharbia the most important factors were: animal ned for feed, Government policy and orders, satisfying family needs, large portion of crops are turned to the government , for marketing.

Therefore we conclude that crop land allocation fond in villages near the city is different from that in traditional ones.

According to the production goals affecting the farmer's decision, it was found that^there were a differences in the importance and rating of the factors that govern the farmer's decision in both zones.

First the traditional griculture in which the human beings and animals work together in the cultivation process was found in " Gharbia", while on the other hand, Giza " governorate was the area where the farmers prefer to have the financial needs needed for producting crops with fast money cycle due to the easy process of marketing and being located near selling markets.

Second concerning some of the economical factors, affecting the decisions about land allocation three main factors were studied.

- Net Agricultural return per Faddan.
- Return per pound of Capital invested.
- Return per pound ivesteded per month.

Results showed a high value of these factors with respect to vegetables and clover.Third: After reviewing the rsults concerning the relationship between area allocation in production of every crops as a dependent

parameter and various independent parameters, one of these most important parameter that had a negative effect on area planted was the increase in costs of production.

Fourth: according to the results of the statistical group Regression Analysis of the farmers decision to determine the cultivated area and all other independent parameters for every crop at the two governorate using the " Step-wise Regression Analysis".

In Giza the farmer decision is a personal one independent of any law or government involvement. The most important factors in decision making are total returns, crop price, total costs having off farm work availability of seeds, fertilizer, net return per Faddan, planting period, breeding animals, availability of agricultural extension services and finally the ability of adoption of new ideas.

For Gharbia most important factors in farmer's decision was government policy. Concerning rice and cotton, which affect indirectly in his decision about other crops also due to the crop rotation. We find that any decision (out horized from government), about cotton will affect other crops proceeding or following the cotton will affect other crops preceding or following the cotton crop. Such a system turns the farmer to an executive unit rather than a decision making unit. It's worthwhile to say that farmer characteristics and personal changes related to than disappear totally as parameters affecting their decision making, it was also seen the importance of other parameters like changing costs, renting animals, being convinced of the crop rotation and land holding size and satisfaction of family consumption.

It's important to indicate the social and behavioural parameters had less effects on decision making than economic factors.