



## ***Summary***

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The main problem of the presented study that, the total costs of wheat and bread production in Egypt are very high, even the state provides subsidization reach to around 75% of its actual production costs. Therefore, the objectives of our study were to identify the reasons for the increasing of wheat and bread production costs, in addition to the estimation of actual costs for the production of different bread types. The study was based on two sources of information, firstly secondary information, secondly: field information made by the personal interview upon a questionnaire was specially designed for this purpose.

Hence, the study included after the introduction five main chapters. The first chapter was about a preview of the literature for the most economically agricultural studies and researches related to wheat production and processing. The second chapter was about the study of the physical and economic production determinants for wheat production and processing, this was illustrated in two sessions. The first session of them was about the physical and economic production determinants of wheat where it was clarified the direction of the wheat planted area during the period between the years (1995- 2008) towards the annual increase and this on the level of both republic and Shebin Al Qanater. Whereas there was a tendency towards decreasing, the wheat planted area in Toukh. Whereas, the feddan yield kept increasing every year all over the republic and Qaluobyia while it decreased in the areas of Benha, Toukh and Shebin Al Qanater. Whereas the overall production had an increasing

direction in the areas of Benha, Toukh and Shebin Al Qanater and decreased in Toukh. It took the planting prices, overall production costs and net feddan yield for wheat a general increasing direction all over Egypt and Qaluobyia. The Second session, it tackles the physically production determinants in Qaluobyia governorate, also point out the annual increase for both population and the amount of milled wheat for producing of local bread and the amount of local flour produced for producing a local bread in Qaluobyia governorate. The presented study focused on the number of the local bakeries in Qaluobyia, Benha, Toukh and Shebin Al Qanater towards the annual increase.

The third chapter includes choosing a study sample in Qaluobyia governorate and the third chapter contains two sessions. Moreover, the first session was about choosing a sample from wheat producers in Qaluobyia governorate, which were taken from in the areas of Benha, Toukh and Shebin Al Qanater. Given the concentration of wheat plantation that was summed of 195 farmer distributed to different ownership categories as the first category that is less than one feddan, 84 farmer and the second category (1 to <3) feddan about 80 farmers and the third category (3 feddans and more) 31 farmer. The second session includes choosing a sample of the bakeries and bakery workers in Qaluobyia governorate that included 135 bakery and 275 workers distributed on the same villages, cities and centers of the sample.

Subsequently, the fourth chapter is about measuring the productive and economic efficiency of wheat yield in the

sampled farms, which noted in three sessions. The first session was carried out to estimate and analyze of the productive functions of the wheat yield on the level of the ownership categories, and overall sample. The productive function of wheat grains compared to the overall sample indicated that most productive factors affecting the production of wheat are the amount of seeds, natural fertilizer, nitrogen fertilizer and the utilization rate of the human work and mechanic work. The influence of seeds, natural and nitrogen fertilizer and human labor was in positive direction while the mechanic work was in inverse direction.

The second session of the fourth chapter was about the economic analysis of wheat production costs, evaluation and estimation of the production costs for wheat yield. It turned out to be that the second-degree equation (The square form) was in conformity with the economic logic for the first ownership category (less than one feddan). The optimum quantity of it representing was about 19.54 Ardab and was valid for about 25.88% of the total farmers of this category, which was 84 farmers. The profit maximization recorded around 26.44 Ardab. In addition, it is worthy of mentioning here that, the profit maximization was not achieved at any of the sample's farms. On the other hand, the square form of mentioned equation was not in conformity with the economic logic for the rest of categories of the total samples. The results observed that the laborer fees was evident that took the first place among the variable production costs for the feddan of wheat. It was also noticed that the highest mean of productivity for wheat feddan is achieved in the

ownership category (3 more feddans). The highest income to the costs was achieved in the same category, which confirms the efficiency of the third category producers.

In the third session, the most important results could explain the individual consumption of each person from the overall production of wheat after the supplying that is 151.5 kg. This uptake was bigger than the individual consumption of wheat and flour, which was estimated with 132.9 kg for the year 2007. This is one of the most reasons to make the village residences consume wheat and its flour more on the general level of Egypt in the year 2007.

The fifth chapter focused on the manufacturing of local bread in Qaluobiya that included in two sessions. In the first session, estimation and analyze of the production functions for local bread by different manufacturing types (Bakeries) these working with Solar or natural gas in both subsidized or not. The second session of the fifth chapter studied the effect of mixing the wheat flour with corn flour at manufacturing of subsidized local bread technologically and economically.

The study observed that the high costs of manufacturing of villagers' bread which lead to the turning back of farmers from manufacturing it to tendency to buy bread from bakeries to benefit from the subsidization.

Study suggestions and recommendations:

- 1- As for the efficiency of the productive factors in the wheat production that works in the second economic stage. Increasing of the used seeds amount, natural and nitrogen fertilizers, the ratio of benefit from the human

labor, searching for the use of suitable technical methods for the Egyptian farms size to convert the negative effect into a positive one were recommended.

- 2- Working on moving the farming prices of wheat yield in parallel with increasing of total production costs.
- 3- It turned out from the analysis and explanation of wheat production costs terms the necessity of taking the needed policies to reduce the most significant items. The expansion in wheat planting might be in association with one of the needed tools for reducing the rent costs. The expansion in the production of nitrogen fertilizers might be a significant factor for reducing the production of unit cost of them subsequently the possibility of reducing their prices.
- 4- Working on increasing the rate of local wheat supply by removing the obstacles represented in the interruption of inspection processes and determine the cleaning degrees for the wheat that is optionally supplied to the bank, not to mention absence of collection centers near to villages, which lead to reducing the production costs.
- 5- The necessity of providing of concentrated feed and distributing some of them to the animal farms in order to orient wheat and flour for the purposes of the human consumption.
- 6- The necessity of modifying the ratio of mixing wheat flour with corn flour as the corn flour could be reduced.
- 7- It was observed from the analysis and explanation of bread production costs terms by different manufacturing

types increasing the homemade bread production costs. This may be one of the most important reasons leading to lack of farmers desire to make it and tendency to buy bread from bakeries to benefit of the subsidization. Therefore, the study recommended that provision of small machine unites made locally; works by gas and the payment method of the modern ovens should be on affordable premiums.

- 8- Tendency to building large size bakeries in all centers and some of the big cities should be governmental in collaboration with the armed forces, police and central security. This is through training and commissioning of the recruits for bread manufacturing, which makes it available to standardize the bread production. In addition to, give the suitable solution to save the bread production from the smuggling and should be distributed by the sales points equipped these units.
- 9- The necessity of providing correct statistical estimation for production of the exporting countries, and what is available for export, prices and our needs as importing country. In addition to, we have to recognize the most suitable times for the purchase and choice of the best times for purchasing and choosing the best manner to get the needed amounts and know their sources according to the desired specifications and a specific schedule time.

# **Economics Production and processing of wheat in Egypt**

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