

Analytical Economic Study of Egyptian Citrus Exports

This thesis includes four chapters, besides the introduction, which includes research problem, the aims of research, research methodology and sources of data. The first chapter includes theoretical frame of the foreign trade and the review of literature for former studies. The second chapter deals with citrus production and the economic defined factors in Arab Republic of Egypt. The third chapter includes marketing of the Egyptian citrus. The fourth chapter includes Egypt competitive position in orange export and customs privilege for Egypt and some other competitive countries in the Common European Market, also the export problems of the Egyptian citrus. The research aims are to study the economics of the Egyptian citrus exports especially the production represented in the needs which affect an exporting and other essential factors. The study used the means of descriptive and quantitative analysis to analyze the statistical data. This study showed that citrus as the most important fruit crops where it occupies 65% of the whole cultivated fruit area in Egypt. Orange represent about 70%, mandarin 16.4% and lemon 13.5% of the total citrus land area. Orange production is about 72%, mandarin 14.6 and lemon 13% of the total citrus production. The land area of citrus increased gradually during the period 1978-1993 from 141,000 feddans to 270,000.7 feddans with annual increase rate of 92%. The study showed that lower Egypt occupies the first rank in all varieties of citrus whereas orange, lemon, mandarin, grape fruit, limes, seville orange and sweet lemon represent 87.5%, 62.61%, 63.4%, 90.82%, 97.7%, 73.48% and 79.91% of the total citrus area respectively in Egypt. In middle Egypt the area cultivated with the mentioned varieties represent 6.57%, 28.76%, 23.77%, 8.26%, 1.40%, 9.44% and 11.39% respectively. The cultivated area with citrus in Upper Egypt is limited and represents about 17.08% of the total land area. The productivity of Orange reached 6.61 tons per feddan in 1978, increased to 7.09% in 1993, mandarin 6.75 tons per feddan in 1978 increased to 7.73 tons in 1992 but it decreased to 4.31 tons per feddan in 1993, lemon was 6.12 tons in 1983 and 11.59 tons in 1992, limes production increased by 58.9% in 1978, seville oranges increased by 22.64% in the same year. Citrus production in Egypt increased from 933000.4 tons in 1978 to 2.43 million tons in 1992 with annual production average 1.54 million tons with annual increase rate of 6.15%. It is very important to study production costs of any crop whereas the net yield is affected by these coats. For citrus, the study of production costs per feddan according to the various agricultural operations showed increase from LE 321.2 in 1978 to LE 2780 owing to high operation costs i.e. chemical fertilizers which increased from LE 27 in 1978 to LE 50 in 1993, pesticides from L.E 73 to L.E. 560 during the same period the study showed that the net income per feddan was LE 62.7 in 1978 and increased to LE 679.3 in 1993. The third chapter includes the study of local and foreign citrus marketing and it also referred to local marketing system and the essential marketing functions such as: Picking, transportation to collecting centers grading and package, transportation to selling centers. Marketing cost was estimated at LE 769.1 per feddans and LE 114 per ton, The most expensive operations are transportation from farms to buyers and it was estimated at LE 310.5 per feddan represented 40.4% of the total marketing cost, Brokery cost was estimated at LE 138.6 per feddan represented 18.3% of the total marketing cost. Picking fruits costs LE 85 per feddan represented LE 11.05%. Packing materials were considered the most expensive operations and estimated at LE 269 per ton represented 67.4% of total export cost. Orange consumption has been also studied in this chapter whereas the consumed quantities

estimated at 575.000 tons in 1978 and increased to 886.000 tons in 1983 with an increase of 54% during the five years. The per capita consumption of citrus was 14.6 kg. in 1978 increased to 26 kg. in 1992. The study referred to the agricultural production tried is to satisfy local consumption targets but also to achieve export goals, because citrus exports play an important role in the Egyptian trade balance. It reached LE 41.96 million represented 2.7% of the Egyptian agricultural exports which estimated at LE 1699 million. The highest exported quantities of citrus reached 170000.7 tons in 1987 with an increase of 28% than the year of 1978, meanwhile citrus exports decreased to minimum limit during 1993 and estimated at 48.8% of the exported quantities in 1978. Citrus exports are concentrated in fresh orange represent 95% of the total citrus exports in some years. Lemon exports come in the second stage after orange, except in some years where as mandarin exports exceeded it mandarin exports fluctuated on large scale in most of the years except the years of 1979 and 1987 where large quantities were exported mounted were 8363 and 6138 tons respectively represented 10% and 32.9% of the total citrus exports. The value of citrus exports decreased to LE 73.3 million in 1993, this due to the reduction of the exported citrus. This study classified the most important world markets which import citrus as the following:- Markets of the former Soviet Union Republics were considered the most important markets for the Egyptian oranges and mandarin. Markets in Western European Countries : The United kingdom is one of the most important markets for the Egyptian orange.- Arab countries markets especially Saudi Arabia for orange meanwhile Kuwait imports mandarin.- Markets of Eastern European Countries are not traditional for the Egyptian oranges. The fourth chapter explained the competitive position of Egypt in orange exports. Orange exports represented 2.34% of the world import during the period from 1987 to 1993 against 2.6% during the period 1980 to 1986. This study showed that the Egyptian orange exports were affected by many factors such as exposure in the local market and the demand of this commodity in the foreign markets. This study also referred to competitive advantages for Egypt and some other competitive countries in the European market besides the problems which face exporting the Egyptian citrus and the proposed solutions.