

An Economic Study to Market some Crops of New Lands

The study's main objectives were assessment of the new land producers marketing efficiency, and attempting in response to suggest means of efficiency improvement. Marketing problems and middlemen exploitation of small producers were recognized as main discouraging factors for development and expansion of agribusiness in new lands. That is bearing in mind that expansion and promotion of agricultural activities in new lands are the most promising means of agricultural production development in Egypt. Accordingly, the first chapters of the dissertation were devoted to investigation of the agricultural production in Bostan area of west Nubaria, as the most important representative region of newly reclaimed regions in Egypt. A stratified random sample of 120 units was selected for the study such as to represent the three major types, i.e. beneficiaries, graduates and investors. Another sample of middlemen in Alexandria markets of a size of fifty was selected for matter of verification. The study confirmed results obtained by previous studies relating to the low production efficiency of small producers of new land and graduates. Limited resources, especially beneficiaries' resources beside the main causes of graduates' inexperience were low efficiency and productivity based on conventional. On the other hand, level of 80% of crop yields was shown old land standards. It was found to fall in range of 60-80%. The study investigated next marketing conditions. Marketing channels and operations were investigated for each of many selected crops. The wholesalers of the closest markets, especially El-Hadara at Alexandria, and their representatives featured the main marketing dealers in west Nubaria. For most crops, selling on farm site to wholesalers or their representatives was the most common adopted method and even preferred under the prevailing conditions. About 42% of the studied sample of producers undertook some marketing operations on their products, mounting up to almost 60% of the investors sample in specific. However, most of them admitted low marketing performance, mostly explained by the middlemen oligopolistic act, beside poor marketing experience, nonexistence of basic marketing infrastructure, and limited capital resources. Those factors were most responsible for producers' marketing sufferings, and were major hindering factors of efficient performance of any marketing operation undertaken by producers. In verification, the study tended to assess the economic validity of producers' participation in marketing activities. The main purpose was to investigate possibilities of returns improvement for producers through performing certain marketing functions. As a preliminary discouraging finding, the prices of products sold after being subject to marketing operations by producers exceeded prices of crops on harvest (no marketing operations) by no more than 160/0 with exception of few cases of investors with strong financial resources and full time devoted to farming and marketing. Once again, oligopoly was the most important cause of kept-low prices. Despite the previous indications of producers' marketing incompetence, the study proceeded with assessment of producers' marketing efficiency using criteria of economic efficiency evaluation such as benefit-cost ratios. First, the producer's marketing activities were hypothetically separated from his production activity. Secondly, the actual mixed production-marketing activity was assessed. The first dimension revealed all marketing activities of producers with negative outcomes, i.e. costs greater than revenues. The exceptional case was sorting and grading of pears. Losses ranged between 5-26% of total costs. The greatest losses occurred when producers performed sorting, grading and packing to either apples

orcucumbers produces. The situation was somewhat less frustrating when assessing the actual mixed activity compared to mere production. This where the benefit cost ratio for apricots production, grading and storage reached 2.0 vs. about 1.6 for production only . Likewise, the benefit - cost ratio for production of citrus increased from about 1.2 to almost 1.7 when adding activities of grading, packing and transportation. Part of the improvement was due to dividing revenues by marketing costs added to production costs, and not to farmgate prices- which are logically higher - as was applied in the hypothetical case. However, producers gains due to attempting marketing operations seem less than encouraging under the prevailing conditions. This result does not apply, as previously indicated, to few investors who were able to fulfill nearly 80% rise in prices when undertaking some marketing activities, especially grading - sorting , packing and transportation . This case of successful marketing attempts is mostly due to those investors' capital resources, and full-time devotion spanning them from middlemen manipulation , beside enjoying advantages of mass production. The study ended by suggestions for permitting stronger chances for new land producers marketing success mostly relying on consolidation of efforts and resources in a certain pattern of producers cooperation which might extend to some product processing activities. Such ideas were inspired by the conditions and characteristics of the referad to investors successful in marketing performance. Locally cooperative product outlets represent an effective solution. Transport facilities and equipped warehouses commonly owned and operated by producers should help in marketing costs reduction and efficiency improvement . Small food processing units would most likely overcome high production losses and price DROP. Since the government is still interested in encouraging new land producers it should provide, at least temporarily, a system of comprehensive marketing information flow to producers, as well as training programs for marketing operations including food processing. Providing small producers with loans at low interest rates would be effective if considered by the government or the Social Fund for Development. Finally, it should be reconfirmed that ensuring high degrees of success in new lands agricultural exploitation require efforts beyond producers capacities. Since most of the producers are either unexperienced , of limited resources or both, governmental support must reach them. In time resources may flourish and develop, and experience is gained . And only then, the government can safely withdraw.