The effect of biofuels production and its impact on the importing of cereal crops in Egypt

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Summary: This study aims to shed light on the effect of using cereal crops in the manufacturing of bio-fuel on the production and consumption of cereal crops in Egypt. The study used the secondary data published by international organizations and local institutions (During the period 1998-2011). Econometric and quantitative analysis method used. The most important results of the study are as follows:

1. The cultivated area of cereals in Egypt increased during the period (1998-2011) by annual growth rate of 1.25%, and the productivity increased by annual growth rate of 0.4%. This resulted in a significant increase in total production amounted about 1.72% annually, while the quantity available for consumption increased by annual growth rate of 2.1%, and then the average self-sufficiency amounted about 60% in the period of the study.

2. The net Imports increased by annual growth rate of 2.61% during the period of the study accompanied by an increase in the price per ton of grain amounted about 6.87%. Egypt needs about 3460 thousand feddans to cover the food gap in grain.

3. The grain area affected by the productivity per faddan and by local prices in the previous years.

4. USA, Brazil, EU, and China are the most biofuel producers in the world by annual growth rate of 22.1%. The production of biofuel affected by the world oil price and the grain quantity used in the production. If the world oil price and the grain quantity used increased by 10%, it due to an increased in ethanol production by 8.6% and 33.7% respectively.

5. Cereal production in Egypt increases together with increase in the world production of biofuel because of the lake of the expected imports and the increase of the prices of grain.

The recommendation of the study includes: a( increasing research fund, )b( increasing the investment in land reclamation area, )c( developing of new varieties of cereal crops, )d( developing of irrigation systems, )e( create new agricultural investment opportunities with neighboring countries.

Biography
Suzan Abdelmageed Aboelmagd is an Associate professor at Department of Agricultural Economics, Faculty of Agriculture, Assiut University, Assiut, Egypt. In 2006, she completed her PhD on Agricultural Economics. Her previous employment involves: Demonstrator in Dept. of Agricultural Economics, Assiut University, Assiut, Egypt (from 1991- 1995), Assistant lecturer in the same Dept. (1995- 2006) and Lecturer “Assistant professor” in the same Dept. (2006 - 2011).

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