Analysis of the Price policy of the most Important Cereals
Abdelazem Moustafa, Adly Saadawy, Ayman Shelaby, Safaa Khames
Fayoum Journal for Agricultural Research and Development – Volume 30 – Issue 2 - 2016

English Summary:
The Egyptian agriculture sector has suffered from the governmental interventions that led to decreasing the efficiency of using the sector's resources especially those related to pricing of wheat, corn and rice as strategic crops. These interventions led to market and price distortions. Accordingly, this paper aims to investigate these distortions and evaluate the price policy using Policy Analysis Matrix and to investigate the price imbalances using the partial Equilibrium Model.

The Policy Analysis Matrix for wheat shows that the nominal rate of protection for outputs is 0.23 as an average for the study period (2000-2013) and the effective rate of protection for the same period is 0.17. It has also shown that the nominal rate of protection for the inputs is 1.13. The average cost of local inputs for wheat has shown to be 0.068 as an average for the study period and the profitability coefficient is 0.106 for the same period.

As for corn, the nominal rate of protection for outputs is 0.25 as an average for the study period (2000-2013) and the effective rate of protection for the same period is 0.18. It has also shown that the nominal rate of protection for the inputs is 1.17. The average cost of local inputs for wheat has shown to be 0.069 as an average for the study period and the profitability coefficient is 0.11 for the same period.

As for rice, the nominal rate of protection for outputs is 0.133 as an average for the study period (2000-2013) and the effective rate of protection for the same period is 0.097. It has also shown that the nominal rate of protection for the inputs is 1.105. The average cost of local inputs for wheat has shown to be 0.038 as an average for the study period and the profitability coefficient is 0.059 for the same period.

Using the Partial Equilibrium Model for wheat, several indicators estimated. These indicators include; the average net economic loss in production, average net economic loss in consumption, average net social loss, average loss in production surplus, average consumer gains, average loss in government revenue, and change in foreign cash. Values of these indicators are 2.2, 3, 5.2, 5.4, 10.5, 55, and 13.4 million EGP respectively as an average for the study period.

As for corn, the same indicators estimated. Values of these indicators are 1.1, 1.6, 2.6, 3.9, 6.6, 31, and 7.1 million EGP respectively as an average for the study period. As for rice, the same indicators estimated. Values of these indicators are 3.5, 3.65, 7.2, 12.9, 12.5, 23.6, and 16.6 million EGP respectively as an average for the study period.