

# We are IntechOpen, the world's leading publisher of Open Access books Built by scientists, for scientists

4,800

Open access books available

122,000

International authors and editors

135M

Downloads

Our authors are among the

154

Countries delivered to

TOP 1%

most cited scientists

12.2%

Contributors from top 500 universities



WEB OF SCIENCE™

Selection of our books indexed in the Book Citation Index  
in Web of Science™ Core Collection (BKCI)

Interested in publishing with us?  
Contact [book.department@intechopen.com](mailto:book.department@intechopen.com)

Numbers displayed above are based on latest data collected.  
For more information visit [www.intechopen.com](http://www.intechopen.com)



# The Issue of Food Subsidies in Egypt Following the Revolution of January 25

Dr.Roshdy Sh. El Adwy

Department of Agricultural Economics, kafr Elsheikh University, kafr Elsheikh, Egypt

---

## Abstract

Program is to support food a key component of the program of direct government support, is also on the other hand one of the basic mechanisms to mitigate the negative effects of the application of economic reform policies of Egypt, and most important of which high levels of domestic prices and the increasing rate of inflation in Egypt, especially in recent years, means support display and provide some basic goods and services at prices below actual cost and the real have to ensure that low-income and poor them in proportion to their income, has resulted in the rise in the cost of the program of support for food to the high costs of programs of direct government support has grown to support program food as more than one- third the cost of the program of direct government support

**Keywords:** program of support, Forecasting system nutritional support, Per capita food support,

## 1. Introduction

As a result of the large number of events and the controversy over government support program and the extent of its ability to fulfill its obligations towards the citizens and individuals in the community, it gave evidence for economists to study that program to assess and evaluate and develop with the guidance to ensure the destination to take advantage of it as possible. Problem of the study Despite efforts by policy makers to reduce the incidence of poverty through a program of government support and the provision of basic needs of the members of the major commodities, but this interest has led to the high cost of the invoice system of government support as a direct result of the increasing population as well as rising prices and higher inflation rate with the following open system to support programs, in addition to that the support has become a financial burden, increasing the state budget, and is one of the reasons for lack of domestic production and low production efficiency with a lower benefit the people of rural support for the people of the cities of any non-arrival of support to those who deserve it in addition to the large number of the controversy about the possibility of converting support in-kind to cash support, Government has made numerous efforts to develop this program so issued many of the procedures and developed from the system of goods offered by the program of support to citizens in terms of the types and quantities of each citizen, but he is still the same problems the previous continuous and present themselves on the scene, hence the need to study. Objectives of the studThis study aimed primarily to achieve a set of key objectives that can be highlighted in thefollowing two points:1 - shed light on the structure and the terms of the program of government support, especially the Egyptian food subsidy program.2 - shed light on the efficiency of the current support program

in Egypt. Research method and data source The study relied on the use of methods of analysis of quantitative and qualitative, Where the function was used in the quadratic forms, linear, and Cubic, as it relied on the coefficient of determination and the amount and rate of annual change, were obtained secondary data from published and unpublished necessary to conduct this study of the views of various government, which included both the National Information Center of the Central Agency for Public Mobilization and Statistics, records of the Ministry of Social Solidarity, records of the Statistics Department of the central administration Sector of Economic Affairs of the Ministry of Agriculture and Land Reclamation, the cabinet of Ministers (information and decision support Centre), and obtained the data from some of the websites of some bodies like the World Bank, National Bank of Egypt, Ministry of Finance, the Central Agency for Public Mobilization and Statistics.

## 2. The Current Status of the Food Support in Egypt

Given the importance accorded to the support system of food in Egypt and in particular, for each member of the working classes and low-income, where is the issue of support to one of the most important issues affecting the economies of the countries according to their political, economic and social development, so it was important to shed light on the evolution of per capita terms of the support structure food in Egypt.

It became clear that the average per capita food support during the study period 91/1992-09/2010 - Table (1) ranges from a minimum of about 25.44 pounds in 99/2000 and a maximum of about 71.93 pounds in 07/2008 and an average annual rate of about 42.18 pounds, while showing that the average per capita bread subsidies ranging from a minimum of about 16.58 pounds in 91/1992 and a maximum of about 66.59 pounds in 07/2008 and an average annual rate of about 29.83 pounds, while the per capita support sugar ranges from a minimum of about 3.06 pounds in 07/2008, and a maximum of about 12.48 pounds in 91/1992, and an average annual rate of about 6.17 pounds, it turns out that the average per capita support of edible oils from a minimum of about 4.57 pounds in 98/1999, and a maximum of about 10.83 pounds in 91/1992, and an average annual rate of about 7.19 pounds, and it became clear that the per capita support for wheat ranges between a minimum of about 14.14 pounds in 98/1999, and a maximum of about 72.20 pounds in 08/2009, and an average annual rate of about 29.93 pounds.

And estimate the equation of the trend overall time of the evolution of per capita share of each item of food subsidies in Egypt in real terms during the study period - Table (2), it was found that the share of individual from each of the food support and bread subsidies and support for edible oils and wheat subsidies and minutes taken a general trend increasing by amounted to about 1.3, 1.8, 0.38, 2.02 pounds per year may be attributed the rise to double the world price of wheat in one year where the price of import tons of wheat four times in 2007, in addition to the decrease of oil production in return for higher domestic consumption growing and growing food gap, while Per capita sugar support have taken a general trend by Decreasing amounted to about 0.34 pounds per year decline was attributed to higher average prices in the community (inflation) with high rates of population growth, which reduces the real value of the support which will reflect negatively on the purchasing power of individuals.

### 3. Forecasting System nutritional Support in Egypt in the future

The nutritional support of government is a political system that works to protect citizens from higher commodity prices, allowing a minimum of decent living for citizens and fill their basic needs basket of subsidized goods, under the government's efforts to develop such a system has dealt with many of the presidents in their electoral programs of several aspect was to increase the number of subsidized items or increase the quantities of subsidized goods to individuals or increase the value of support so it was necessary to shed light on the current situation and the situation is expected after five years, the values of per capita terms of nutritional support

Table (3) that per capita food support has increased from about 85.9 pounds in 2012 to reach in the future to 136.02 pounds in 2017, as well as similarly to the per capita support of bread and wheat subsidies and accurate has increased from about 49.93, 52.14 pounds on the arrangement currently informed of in the future about 59.07, 62.28 pounds respectively in 2017, while per capita support of sugar will decrease from about 2.42 pounds currently amounts to about 0.71 pounds in the future, as shown that the per capita support for wheat and minutes has increased from 52.14 pounds 2012, to 62.28 pounds in 2017.

Years	per capita food subsidy	per capita support of bread	per capita support of sugar	per capita support of edible oil	per capita wheat subsidies and accurate
1991/1992	61.09	16.58	12.48	10.83	16.56
1992/1993	41.31	23.17	10.06	8.43	23.15
1993/1994	31.94	19.18	7.23	7.33	19.18
1994/1995	29.65	19.28	8.07	6.77	19.28
1995/1996	32.52	31.45	6.64	6.21	31.44
1996/1997	36.22	23.49	7.74	6.34	23.96
1997/1998	27.59	21.97	6.09	5.84	21.03
1998/1999	25.91	16.06	6.28	4.57	14.14
1999/2000	25.44	17.21	6.21	7.22	14.43
2000/2001	33.61	20.27	6.29	8.51	17.46
2001/2002	39.56	19.15	5.72	7.06	19.72
2002/2003	34.57	24.86	5.31	5.16	23.86
2003/2004	33.02	40.68	3.21	6.02	40.22

Years	per capita food subsidy	per capita support of bread	per capita support of sugar	per capita support of edible oil	per capita wheat subsidies and accurate
2004/2005	59.88	41.52	4.15	8.41	39.03
2005/2006	50.35	36.52	4.25	9.43	33.54
2006/2007	50.39	42.8	3.97	8.46	40.42
2007/2008	71.93	66.59	3.06	6.71	62.19
2008/2009	61.13	45.58	4.84	6.78	72.2
2009/2010	55.48	40.56	5.64	6.59	36.84
Average	42.18	29.83	6.17	7.19	29.92
Standard deviation	14.13	13.56	2.31	1.51	15.88
Coefficient of variation	33.51	45.44	37.51	21.11	53.08

**Table 1.** Average annual per capita from each of the nutritional support and support for the bread during the period 1991- 2010

Source : Ministry of Social Solidarity, the cabinet of ministers(information and decision Support Center

vari- able	val- ues	Num. of func- tion	type of model	equation	average	R <sup>2</sup>	F	quan- tity Ex. yearly	Ex. rate yearly
subsidy foods	True value	1	qua- dratic	$\hat{Y}_t = 51.755 - 5.157x_t + 0.323x_t^2$ (7.753)** (-5.2)** (4.328)**	42.18	.664	15.784	1.303	3.09
Subsidy breads	True value	2	linear	$\hat{Y}_t = 11.571 + 1.827x_t$ (2.662)* (4.792)**	42.18	0.575	22.963	1.83	6.12
Subsidy sugar	True value	3	linear	$\hat{Y}_t = 9.583 - 0.341x_t$ (15.087)*** (-6.125)**	6.17	.0688	37.362	-0.34	-5.53
Subsidy food's oils	True value	4	cubic	$\hat{Y}_t = 12.410 - 2.239x_t + 0.236x_t^2 - 0.007x_t^3$ (9.914)**(-4.239)** (3.898)** (-3.568)**	7.19	0.559	6.332	0.381	5.29
Subsidy wheat & flour	True value	5	linear	$\hat{Y}_t = 9.560 + 2.028x_t$ (1.776) (4.256)**	29.92	0.516	18.114	2.028	6.78

**Table 2.** equations of general time trend of the average per capita from each of the nutritional support and support for the bread , Sugar and edible oils and wheat subsidies during the period (1991- 2010)

Source: Calculated from Table (1).

variable	status value(2012)	expected value(2017)
Per capita food support	85.9	136.02
Per capita support of bread	49.93	59.07
Per capita sugar support	2.42	0.71
Per capita food oils support	4.64	-9.3
Per capita wheat subsidies and accurate	52.14	62.28

**Table 3.** Statement of the status quo and the expected value of per

Source: Calculated from Table (2)

#### 4. Recommendations

In light of the outcome of the study of the results it can be recommended as follows:

1. dissemination of information on the size of government food support in the state budget so that the science to the public expenses of that program.
2. Taking into account the orientations of food subsidies in the future in light of ongoing global increasing in the prices of food commodities.
3. Need to work on the restructuring of the support system in the manner which ensures the desired arrival to the extent appropriate and efficient to target groups of low-income groups.

#### 5. References:

- [1] Ministry of Social Solidarity, the Cabinet of ministers(Information and Decision Support Center.
- [2] Amira Mostafa Mohammad Hamza, the Economic Study of Government Support for Sood Commodities in Egypt, Master Thesis, Faculty of Agriculture, Tanta University, June 2012
- [3] Ministry of Social Solidarity,Cairo Egypt.2009
- [4] The Cabaat of Ministers (Information Decision Support Center )
- [5] Central Agency for Public Mobilization and Statistics, 2010.
- [6] Selma Fared Policy support in Egypt historical background may 2006.