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Montpellier : CIHEAM
Cahiers Options Méditerranéennes; n. 15(2)

1996
pages 51-53

Article available on line / Article disponible en ligne à l'adresse :

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To cite this article / Pour citer cet article

Sabaa M.F. **Rice consumption in Egypt**. In : Chataigner J. (ed.). *Economie du riz dans le Bassin Méditerranéen*. Montpellier : CIHEAM, 1996. p. 51-53 (Cahiers Options Méditerranéennes; n. 15(2))



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Rice consumption in Egypt*

Mounir Foda Sabaa

Agricultural Research Center (ARC), Ministry of Agriculture (Egypt)

* Extract from "Rice situation in Egypt", by Mounir Foda Sabaa

I – Importance

Rice is an essential food commodity preferred by a large segment of the Egyptian population. The interest in rice consumption naturally leads to concern with the nutritional status of rice consumers.

How does rice contribute to the nutritional status ?

The data presented in the food balance sheet prepared by the Agricultural Economics Research Institute (AERI) showed that, during the period 1982/91, the average daily per capita rice consumption reached 290 calories (representing about 9.5% of the total, 6 g protein (7.2% of the total) and 0.5 g fat (representing 0.92% of the total).

II – Evolution on the long term

Accurate data on the quantity of rice consumed are more elusive than one might think. The total national consumption does not equal national production because rice is traded, stored to feed livestock and used for seed. Moreover, there are losses which may be estimated accurately.

Egypt, like most countries, does not have annual consumption surveys, and even when surveys exist, they do not take into account seasonal variations or reflect waste. Every ten years family budget surveys are conducted by the Central Agency for Public Mobilization and Statistics (CAPMS). The method most often used to determine changes in average consumption over time is the food balance sheet of the Agricultural Economics Research Institute (AERI).

The domestic consumption of the white (milled) rice varieties from year to year depends upon the available supply of rice and its price. *Table 3* and *Figures 5* and *6* show the national consumption of rice and the per capita availability of rice during the period 1980/1981–1992/1993. The following observations can be noted:

- ❑ the total domestic rice consumption reached a record of 2.08 million tons in 1992/93 and the per capita rice consumption is estimated at about 37 kg in the same year;
- ❑ the domestic rice consumption increased rapidly during the last few years. The index number shows an increase in the total rice consumption and per capita rice consumption by about 53% and 13% in 1992/93, respectively, compared to 1980/81.

III – Factors affecting rice consumption in Egypt

Review of literature indicated that there were three main factors determining the level of rice consumption of any group at any time : 1) tastes and preferences; 2) incomes; and 3) the price of rice relatively to the price of substitutes.

Tastes and preferences of urban people are generally distinct from those of rural people because of differences in life-style and the level of physical activity. Changes in the price of rice have an effect on consumption because rice becomes more or less expensive relatively to other alternatives.

Some of the old studies (more than ten years ago) showed that the price elasticity of demand for rice was about -0.58 and its income elasticity about 0.86.

Generally, the future demand for rice will depend on : 1) the current level of demand, 2) the rate of population growth, 3) the growth rate of per capita incomes, 4) the income elasticity of demand for rice, 5) the price of rice relatively to the consumption prices of rice substitutes, and 6) the direct and cross-price elasticities of demand for rice.

Some of the previous studies conducted in Egypt showed the following results:

– Population growth which reported between 2.5–3.0 during the last ten years had positive effect on the national rice consumption in Egypt.

Table 1. Total and per capita rice consumption during the period 1980/1981–1992/1993

Year	Total rice consumption		Per capita consumption	
	,000 tons	Index	Kg	Index
1981	1,362	100	32.8	100
1982	1,332	98	36	110
1983	1,466	108	34	104
1984	1,432	105	30.9	94
1985	1,361	100	31.1	95
1986	1,383	102	31.4	96
1987	1,407	103	29.9	91
1988	1,376	101	25.4	77
1989	1,271	93	31.8	97
1990	1,570	115	35.9	109
1991	1,676	123	38.6	118
1992	1,878	138	34.2	104
1993	2,080	153	37	113

Source: 1) Holding Company for Rice & Flour mills, Annual rice reports; 2) Sabaa et al., Rice situation and outlook, MOA, Egypt, September 1990.

– The increase of the urban population from about 38% of the total population in 1960 to 44% in 1986 had a positive effect on rice consumption.

– Government subsidy policy affects positively rice consumption. Prior to March 1990, holders of the green and red ration cards could receive rice at a low price.

In fact, further deep studies are necessary to determine the level of rice consumption in Egypt (including different consumption patterns for different groups, locations, life-style and seasonal variations, role of quality and all other factors affecting rice consumption).

IV – Analysis of the rice sector

1. Evolution of rice supply and use

A. White rice supply

As stated in *Table 4*, the total production of white rice increased from 1,529 thousand tons in 1980/81 to about 2,333 thousand tons in 1992/93 (52%). *Figure 7* shows the evolution of the total rice supply, consumption (food) and exports during 1980/81–1992/93. The relative importance of the rice amount milled by the public sector decreased from about 49% of the total production in 1980/81 to 25% in 1992/93. Whereas the amount of rice milled by the private sector increased to represent about 75% of the total production in 1992/93.

The carryover milled rice ranged between 50–72 thousands tons annually during the period 1980/81–1992/93 and represented the ending stocks from the previous year; it was estimated to represent one month supply of the Ministry of Supply or the amount held by the milling companies and does not include any stocks held privately by farmers.

B. Use of white rice

Table 4 and *Figure 7* show that the exported amount of rice decreased during the period 1981/82–1985/86; it ranged between 15–44 thousand tons. It started to increase during the period 1986/87–1992/93 (except in 1988/89) and reached the maximum of 176 thousand tons in 1991/92.

The exported amount of rice represent between 1% to 8% of the total production of milled rice during the period 1980/81–1992/93.

Figure 1. Rice consumption in Egypt during 1981–1993

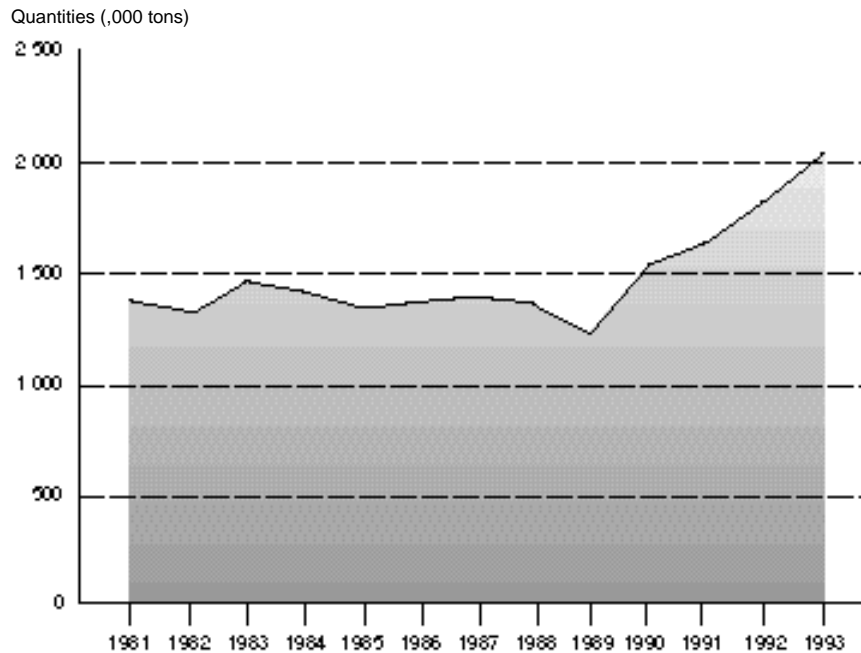


Figure 2. Per capita rice consumption during 1981–1993

