

## **Original Research Article**

### **Estimating the Elasticity of Demand for Some Sources of Animal Protein in Egypt**

**ABSTRACT:** Red meat, white meat, and fish are the most important sources of animal proteins and fats needed for human food, and they are also commodity substitutes for each other. Average daily per capita amount of protein obtained from animal sources reaches 26.2 grams/day during the period (2015-2019), which is lower than the minimum agreed upon by nutrition scientists in the United Nations recommended by the World Health Organization, which is estimated at 29 grams/day of protein. ~~the~~ The local production of red meat, white meat, and fish cannot be ~~F~~ fulfilling the growing local demand for it, as the food problem in Egypt is the weak ability of local production to meet the population's needs for food commodities. In general, Egypt suffers from a food gap in red meat, white meat, and fish, estimated at 662, 76, and 321 thousand ton, respectively, on average during the period (2015-2019).

The research aims to analyze the current situation of the most important economic indicators related to the local demand for red meat, white meat, and fish, and to study the impact of these factors on local demand, price measurement, and spending relationships on animal protein alternatives with changing prices and spending on them. The research also aims to predict the future domestic demand for red meat, white meat, and fish.

The study relied on the methods of descriptive and inferential statistical analysis in the interpretation and description of the economic variables subject of the study, and the "Almost Ideal Demand System" (AIDS) model was used, which is one of the important models used in the study and analysis of the system of demand for goods in order to estimate the price, cross and expenditure elasticities. By using the Autoregressive Integrated Moving Average (ARIMA) and Box-Jenkins model to predict the local demand for red meat, white meat, and fish.

The results show that an increase in the population by 1% leads to a statistically significant increase in the total demand for red meat, white meat, and fish by about 1.41%, 2.58%, 2.31%, respectively during the study period. As about 74%, 83%, 93% of the total changes in the total quantity required of red meat, white meat and fish, respectively are reflected by the increase in the population during the study period. And an increase in real national income by 1% leads to a statistically significant increase in the total demand for red meat, white meat, and fish by about 0.47%, 1.012%, and 0.82%, respectively, and this is due to about 58%, 75%, and 84% of the changes in the total quantity required of red meat, white meat, and fish ~~are~~ due to the increase in real national income during the study period.

An increase in the real retail price of red meat, white meat and fish by about 1% leads to a decrease in individual demand for these commodities by about 0.73%, 0.17%, and 0.11%, respectively, and from the price elasticity of demand for the commodities under study, it turns out that they are all commodities with inelastic demand, meaning that the commodities under study are essential commodities. The Cross elasticities indicate the consumer's inability to purchase both red meat and fish sufficiently in case of the current prices, while the consumer can buy the right amount of white meat under current prices.

The food gap for red meat increased by about 10.8% annually, the annual food gap for white meat increased by about 5.4%, and the annual food gap for fish increased by about 12.9%.

Key words: Sources of Animal Protein - Food Gap Assessment - Gap Prediction. Consumption- self-sufficiency - food security.

UNDER PEER REVIEW

## Introduction

It should more focused on the :[1AW]Comment target under study. Objectives are not mentioned.

Targeting Egyptian Sustainable Agricultural Development Strategy towards 2030 (SADS) Providing healthy and safe food for the population, which has become a challenge for the Egyptian society. **(Sustainable agricultural development strategy until 2030 (2009)).**

As a result of the continuous population increase, this has led to an increase in the demand for foodstuffs and an imbalance between supply and demand

The prices of the commodity and its competing commodities and the prevailing income levels are among the most important factors and determinants that affect consumers' demand for commodities. **(Hmam, T., M., (2014))**

Red meat, white meat, and fish are the most important sources of animal proteins and fats needed for human food, and they are also commodity substitutes for each other **(Zaki, A., M., and Mostafa, G., A., (2015))**. The average annual per capita share of red meat, white meat, Fish, Milk & its Production, and Eggs is about 12, 11.1, 14.7, 64, 3.9 kg/year, which is reflected in the average per capita share The daily amount of protein obtained from animal sources reaches 26.2 grams/day during the period (2015-2019) **(Ministry of Agriculture and Land Reclamation)**, which is lower than the minimum agreed upon by nutrition scientists in the United Nations recommended by the World Health Organization, which is estimated at 29 grams/day of protein. **(Food and Agriculture Organization (2016)), (<http://www.who.int/nutrition>).**

Where the individual obtains from animal protein is one of the measures of economic progress in countries and indicates the degree of living and health standard of the population.

Statistics indicate an increase in the prices of red meat, white meat and fish due to their nutritional importance, as the average price of red meat reached about 105 pounds/kg, and white meat about 34 pounds/kg, while the price of fish reached about 30 pounds/kg during the period (2015-2019). **([www.Capmas.gov.eg](http://www.Capmas.gov.eg))**

## Material and method

**Research problem:** Despite the multiplicity and diversity of animal protein sources of red meat, white meat, and fish, as well as the continuous increase in a local production of red and white meat, as well as the diversity of fisheries production in Egypt and the expansion of its area, the local production of red meat, white meat, and fish, cannot be Fulfilling the growing local demand for it, as the food problem in Egypt is the weak ability of local production to meet the population's needs for food commodities In general, and from red meat, white meat and fish in particular, and then Egypt suffers from a food gap of red meat, white meat and fish, estimated at 662, 76, 321 thousand ton, respectively, as an average during the period (2015-2019). **(Ministry of Agriculture and Land Reclamation)**

**Research objective:** The research aims to analyze the current situation of the most important economic indicators related to the local demand for red meat, white meat and fish, and to study the impact of these factors on local demand, price measurement and spending relationships on animal protein alternatives with changing prices and spending on them. The research also aims to predict the future domestic demand for red meat, white meat and fish.

**Analysis method and data sources:** The study relied on the methods of descriptive and inferential statistical analysis in the interpretation and description of the economic variables subject of the study, and the "Almost Ideal Demand System" (AIDS) model was used, which is one of the important models used in the study and analysis of the system of demand for goods in order to estimate the price, cross and expenditure elasticities. by using the Autoregressive Integrated Moving Average (ARIMA) and Box-Jenkins model (**Box, George, Gwilym M. Jenkins, & Reinsel, G (1994)**) to predict the local demand for red meat, white meat, and fish.

The study relied on published and unpublished data issued by the Ministry of Agriculture and Land Reclamation, the Central Agency for Public Mobilization and Statistics, and the World Health Organization.

## Results and Discussion:

### 1- The current position of the most important economic variables related to domestic demand for red meat.

1-1 Local production of red meat: The average local production of red meat from cows, buffaloes, sheep, goats and camels was about 528, 492, 65, 36, 9 thousand tons, representing about 47%, 43%, 6%, 3%, 1%, respectively, of the total domestic production of red meat, this amounted to about 1130 thousand tons during the period (2015-2019). (**Ministry of Agriculture and Land Reclamation**).

By studying the development of local production of red meat during the period (2001-2019), it appears from Table (1) in the annex that the average local production of red meat amounted to about 882 thousand tons, with a minimum of about 695 thousand tons in 2001 and a maximum of about 1012 thousand tons in the year 2009 The local production of red meat gradually decreased to reach 717 thousand tons in 2019, as it appears from Table (1) that the annual increase in the local production of red meat is not significant, which indicates its relative stability around its arithmetic average of about 882 thousand tons.

1-2 **Egyptian imports of red meat:** Egypt imports its needs of red meat, whether in the form of live animal heads or fresh and frozen meat, in order to reduce the gap between the local production of these meats and consumption of it. From table (1), it appears that the Egyptian imports of red meat are increasing by a statistically significant annual rate of about 32.2 thousand tons. It represents about 11.5% of the average of these imports, which amounted to about 284 thousand tons during the period (2001-2019), as It was also shown that the value of Egyptian imports of red meat increased during the study period by a statistically significant annual amount, amounting to about 1375 million LE. Representing about 21% of the average value of red meat imports, which amounted to 7689 million LE.

**Table (1): Development of the Most Important Variables Related to the Local Demand for Red Meat During the Period (2001-2019).**

Variable	$\alpha$	$\beta_1$	$t_\beta$	Mean	F-test	$R^2$	Annual change %
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Production (Thousand Ton)	861.3	2.17	0.52	882	0.27	0.02	0.2
import quantity (Thousand Ton)	-37.8	32.2*	6.4*	284	40.9*	0.69	11.5
Import value (Million L.E.)	-6063**	1375*	6.32*	7689	39.9*	0.68	21.0
Consumption (Thousand Ton)	824*	40.5*	7.39*	1229	54.6*	0.75	3.3
Average annual per capita (Kg.)	14.9*	-0.21**	2.34**	12.9	5.5**	0.20	-1.6
Gap (Thousand Ton)	-37.3	38.4*	5.84*	346	34.2*	0.65	10.8
Self-sufficiency (%)	94.8*	-2.1*	5.91*	74.4	34.9*	0.65	-3.1

(\*) significance at (0.01), (\*\*) significance at (0.05)

Source: Collected and Calculated from Table (1) in the Appendix.

1-3 **Total available for consumption of red meat:** The available for consumption of red meat consists of local production plus net foreign trade (imports minus exports.) It is clear from table (1) that during the study period the total consumption of red meat increased by a statistically significant annual amount of About 40.5 thousand tons represents about 3,3% of the average total consumption of red meat, which amounts to about 1229 thousand tons.

1-4 **Average annual Per capita share of red meat:** The maximum average annual per capita share of red meat was about 16.9 kg/year in 2007, and the minimum reached 9.6 kg/year in 2016, as shown in the table (1) That during the study period, the average annual per capita share of red meat decreased by an annual statistically significant amount of about 0.21 kg/year, representing about 1.6% of the average annual per capita consumption of red meat, estimated at 12.9 kg/year.

1-5 **The food gap and the self-sufficiency ratio of red meat:** It is evident from Table (1) that the food gap in red meat has increased during the study period by an annual statistically significant amount estimated at about 38.4 thousand tons, representing 10.8% of the average red meat gap estimated at about 346 thousand tons, and the percentage of self-sufficiency in red meat ranged between a maximum of about 88.8% in 2009 and a minimum of about 43.1 in 2019, as it was found that the percentage of self-sufficiency in red meat decreased by about 2.1% at an annual rate of statistical significance estimated at about 3.1% of the average rate of self-sufficiency in red meat estimated at 74.4%.

## 2- The current position of the most important economic variables related to the domestic demand for white meat:

2-1 **Domestic production of white meat:** By studying the development of the total production of white meat during the period (2001-2019), it is clear from Table (2) that the local production of white meat increased with an annual statistically significant amount estimated at about 64.7 thousand tons, which represents about 6.7% of the average local production of white meat The amount is about 882 thousand tons.

2-2 **Egyptian imports of white meat:** From table (2), it appears that the Egyptian imports of white meat are increasing by a statistically significant annual rate of about 6.29 thousand tons. It represents about 21.9% of the average of these imports, which amounted to about 39.1 thousand tons during the period (2001-2019), as it was also shown that the value of Egyptian imports of white meat increased during the study period by a statistically significant annual amounting to about 125.9 million LE. Representing about 30.5% of the average value of white meat imports, which amounted to 605 million LE.

**Table (2): Development of the Most Important Variables Related to the Local Demand for White Meat During the Period (2001-2019).**

Variable	$\alpha$	$\beta$	$t_{\beta}$	Mean	F-test	R <sup>2</sup>	Annual change %
Production (Thousand Ton)	235	64.7*	6.3*	882	39.3*	0.68	6.7
import quantity (Thousand Ton)	-12.9	6.29*	8.2*	39.1	67.4*	0.81	21.9
Import value (Million L.E.)	-456**	125.9*	7.1*	605	49.8*	0.75	30.5
Consumption (Thousand Ton)	310*	82.4*	5.4*	1134	28.7*	0.61	6.6
Average annual per capita (Kg.)	9.9*	0.07	1.18	10.5	1.4	0.02	0.6
Gap (Thousand Ton)	74.5	17.7	1.5	252	2.3	0.07	5.4
Self-sufficiency (%)	77.2*	0.12*	0.16	78.3	0.27	0.06	-0.4

(\*) significance at (0.01), (\*\*) significance at (0.05)

Source: Collected and Calculated from Table (1) in the Appendix.

**2-3 Total available for consumption of white meat:** Table (2) shows that, during the study period, the total consumption of white meat increased by a statistically significant annual amount, amounting to about 82.4 thousand tons representing about 6.6% of the average total consumption of white meat, which amounted to about 1134 thousand tons.

**2-4 Average annual Per capita share of white meat:** It is evident from Table (2) that during the study period, the per capita share of white meat increased by an annual statistically insignificant amount estimated at about 0.07 kg/year, which indicates the relative stability of the average per capita share of white meat around its arithmetic average of about 10.5 kg/year at a minimum. It reached about 8.7 kg/year in 2010 and reached a maximum of about 13.7 kg/year in 2019.

**2-5 The food gap and the self-sufficiency rate of white meat:** It is evident from Table (2) that the food gap in white meat has increased during the study period by an annual statistically insignificant amount estimated at about 17.7 thousand tons, which indicates the relative stability of the white meat around its arithmetic average of about 252 thousand tons at a minimum. It reached about 36 thousand tons in 2002 and reached a maximum of about 1273 thousand tons in 2019. And the percentage of self-sufficiency in white meat gap ranged between a minimum of about 59.3% in 2010 and a maximum of about 96.5% in 2018, as it was found that the percentage of self-sufficiency in white meat and the average rate of self-sufficiency in white meat estimated at 78.3% during the study period,

**3- The current position of the most important economic variables related to the domestic demand for fish:**

**3-1 Domestic fish production:** By studying the development of the total production of fish during the period (2001-2019), it is clear from Table (3) that the local production of fish increased with an annual statistically significant amount estimated at about 56.1 thousand tons, which represents about 4.4% of the average local production of white meat. The amount is about 1075 thousand tons.

**Table (3): Development of the Most Important Variables Related to the Local Demand Fish During the Period (2001-2019).**

Variable	$\alpha$	$\beta$	$t_{\beta}$	Mean	F-test	R <sup>2</sup>	Annual change %
Production (Thousand Ton)	514*	56.1*	4.3*	1075	16.7*	0.50	4.4
import quantity (Thousand Ton)	104*	12.3*	4.6*	226	20.7*	0.52	4.9
Import value (Million L.E.)	-2517**	600*	6.9*	3482	48.4*	0.73	21.2
Consumption (Thousand Ton)	675*	82.6*	13.1*	1501	172*	0.91	5.4
Average annual per capita (Kg.)	14.7*	-0.03	0.43	14.4	0.19	0.05	-0.2
Gap (Thousand Ton)	161	26.5*	3.2*	426	9.9*	0.33	12.9
Self-sufficiency (%)	80.1*	0.81	1.28	72.1	1.65	0.01	0.1

(\*) significance at (0.01), (\*\*) significance at (0.05)

Source: Collected and Calculated from Table (1) in the Appendix.

**3-2 Egyptian fish imports:** Egypt imports its fish needs from abroad in order to covering the gap between local production of fish and consumption from it.

Table (3) shows the increase in Egyptian fish imports by a statistically significant annual rate of about 12.3 thousand tons, representing about 4.9% of the average of these imports, which is about 226 thousand tons during the period (2001-2019), and the value of Egyptian fish imports during the study period increased by a statistically significant annual amounting to about 600 million pounds, representing about 21.2% of the average value of these imports, which is about 3482 billion pounds.

**3-3 The total fish available for consumption:** Table (3) shows that during the study period, the total consumption of fish increased by a statistically significant annual amount, amounting to about 82.6 thousand tons, representing about 5.4% of the average total fish consumption of about 1501 thousand tons.

**3-4 Average annual Per capita share of fish:** The average annual per capita share of fish during the study period was about 14.4 kg/year, with a minimum of about 12.2 kg/year in the year 2010 and a maximum of about 16.8 kg/year in the year 2019, as Table (3) shows the decrease in the average per capita share of fish during the study period by a statistically significant annual amount It reached about 0.03 kg/year, representing about 0.2% of the average per capita share of fish amounted about 14.4 kg/year.

**3-5 The food gap and the fish self-sufficiency ratio:** the food gap represents the difference between the local production of fish and consumption from it, from table (3) it is shown that during the study period the food gap of fish increased by a statistically significant annual amount, which amounted to about 26.5 thousand tons, representing about 12.9% of the average of this gap The amount is about 426 thousand tons. It also shows that the self-sufficiency of fish for the average of this period amounted to about 72.1%, with a maximum of about 99.3% in the year 2001 and a minimum of It amounted to about 51.3% in the year 2013,

#### **4- Measuring the impact of the most important variables on the total domestic demand of red and white meat and fish**

The population and the level of national income are considered among the most important variables that affect the total domestic demand for red meat, white meat and fish.

4-1 **Population:** Egypt faces the problem of overpopulation, whose negative effects are reflected in many sectors, including food, as the demand for food increases with the food product not meeting the quantity required for the population's consumption. Table (1) in the appendix shows that the number of Egypt's population increased from about 67.2 million people in the year 2001 to about 98.9 million people in the year 2019, with an increase of about 31.7 million people, at a rate of about 34% over the population in the year 2001, and the annual growth rate of the population according to equation (1) in table (4) was about 2.3% during the study period.

Table (5) shows that an increase in the population by 1% leads to a statistically significant increase in the total demand for red meat, white meat and fish by about 1.41%, 2.58%, 2.31%, respectively during the study period, As about 74%, 83%, 93% of the total changes in the total quantity required of red meat, white meat and fish respectively are reflected by the increase in the population during the study period As shown from Equations 1, 2, 3 in Table (5).

**Table (4): Effect of population on the total demand for red meat, white meat and fish during the period.(2001-2019).**

Variable	No.	Simple Regression	$t_{\beta}$	F-test	$R^2$	Annual Gross ratio (%)
Population	1	$\ln(\text{Pop})_i = -41.2 + 0.023x_i$	21.4*	457*	0.96	2.3*
National Income (Market Price)	2	$\ln(\text{Inc})_i = -278 + 0.142x_i$	42.6*	1813*	0.99	14.2
National Income (Real Price)	3	$\ln(\text{Incr})_i = -111.1 + 0.059x_i$	12.8*	165.7*	0.90	5.9

Where: Ln: logarithmic values of the variable, Pop = Number of the population in million people

Inc: National Income in Billion L.E., Incr: real national Income in Billion L.E.

X: Variable that expresses time, i: (year = 1,2,3,.....,19)

Annual Gross ratio % (Gr) =  $\beta \times 100$ ,

(\*) significance at (0.01), (°) significance at (0.05)

Source: Collected and Calculated from Table (1) in the Appendix.

4-2 **National income** : Income is one of the most important factors affecting the quantity demanded of commodities in general and food commodities in particular, as income expresses purchasing power, and national income reflects the importance of the commodity in society Table (1) in the appendix shows the increase in the value of Egypt's national income from about 392 billion L.E. in the year 2001 to reach about 3903 billion L.E. in the year 2019, with an increase of about 3511 billion, that is, more than eight times the national income achieved in the year 2001. The national income at current prices achieved an average a growth rate of about 14.2% during the study period according to the equation (2) in table (4), while the real national income achieved a growth rate of about 5.9%, according to the equation (3) in table (4)

Table (5) shows that an increase in real national income by 1% leads to a statistically significant increase in the total demand for red meat by about 0.47% during the study period, and this is due to about 58% of the changes in the total quantity required of red meat due to the increase in real national income According to the equation (4) in table (5),. The income elasticity on white meat is estimated at about 1.012, which means that an increase in



national income by 1% leads to a statistically significant increase in the total demand for white meat by about 1.012%, and about 75% of the changes in the total quantity required of white meat are due to increase in the real national income According to the equation (5) in table (5),. It is evident from the value of the income elasticity of fish, which is estimated at 0.82, that an increase in the real national income by 1% leads to a statistically significant increase in the total demand for fish by about 0.82%, and about 84% of the changes in the total quantity required of fish are due to the increase in real national income during the study period according to the equation (6) in table (5).

**Table (5): Effect of population and Real National Income on the total demand for red meat, white meat and fish during the period.(2001-2019).**

Independent Variable	Dependent Variable	No.	Simple Regression	$t_p$	F-test	$R^2$	Elasticity
Population Log(Pop)	Red Meat Log( $Y_{RM}$ )	1	$\text{Log}(Y_{RM})_i = 0.404 + 1.41 \text{ Log(Pop)}_i$	7.3*	53.3*	0.74	1.41
	White Meat Log( $Y_{WM}$ )	2	$\text{Log}(Y_{WM})_i = -2.409 + 2.85 \text{ Log(Pop)}_i$	9.5*	89.7*	0.83	2.58
	Fish Log( $Y_F$ )	3	$\text{Log}(Y_F)_i = -1.25 + 2.31 \text{ Log(Pop)}_i$	16.1*	257.1*	0.93	2.31
Real National Income Log(Incr)	Red Meat Log( $Y_{RM}$ )	4	$\text{Log}(Y_{RM})_i = 1.57 + 0.47 \text{ Log(Incr)}_i$	5.1*	25.9*	0.58	0.47
	White Meat Log( $Y_{WM}$ )	5	$\text{Log}(Y_{WM})_i = -0.247 + 1.012 \text{ Log(Incr)}_i$	7.34*	53.8*	0.75	1.012
	Fish Log( $Y_F$ )	6	$\text{Log}(Y_F)_i = 0.51 + 0.82 \text{ Log(Incr)}_i$	9.64*	92.9*	0.84	0.82

Where: Log: logarithmic values of the variable, Pop = Number of the population in million people

Incr: Real national Income in Billion L.E.,  $Y_{RM}$ : Total required quantity of red meat.

$Y_{WM}$ : Total required quantity of white meat,  $Y_F$ : Total required quantity of fish,

i: (year = 1,2,3,.....,19), ( ) significance at (0.01), ( ) significance at (0.05)

Source: Collected and Calculated from Table (1) in the Appendix

- 5- **Economic analysis of individual demand for red meat, white meat and fish:** The Almost Ideal Demand System (AIDS) is derived from the expenditure function that reflects consumer behavior in the differentiation of a number of goods,

The estimated local consumer demand for red meat, white meat and fish in Egypt during the period (2001-2019).It is one of the important models used in analyzing the demand for food commodities

This model is characterized as a system of non-linear equations representing expenditure shares on a commodity and is based on some constraints about transactions to achieve the conditions of the demand function (Additivity, Symmetry and Homogeneity).(*Deaton,A. and Muellbauer, J., (1980)*),(*Deaton, A., (1974)*)

**The model can be derived as follows:** Assuming that the utility expenditure function (U), which assumes a distinction between commodities according to their different types,

**The model can be derived as follows:**

$$\ln [E(P,U)] = (1-U) \ln [a(P)] + U \ln [b(P)] \quad (1)$$

$$\ln [a(P)] = \alpha_0 + \sum \alpha_k \ln P_k + \frac{1}{2} \sum_k \sum_j \gamma_{kj} \ln P_k \ln P_j \quad (2)$$

$$\ln [b(P)] = \ln [a(P)] + \beta_0 \prod_k P_k^{\beta_k} \quad (3)$$

By substituting equations (2,3) in equation (1), the expenditure function can be formulated as follows:

$$\ln [E(P,U)] = \alpha_0 + \sum \alpha_k \ln P_k + \frac{1}{2} \sum_k \sum_j \gamma_{kj} \ln P_k \ln P_j + \beta_0 U \prod_k P_k^{\beta_k} \quad (4)$$

By differentiating  $\ln [E(P,U)]$  with respect to its price  $\ln P_i$ , the commodity's share of expenditure  $W_i$  can be obtained as follows:

$$\frac{\partial \ln [E(P, U)]}{\partial \ln P} = \frac{P_i q_i}{E(P, U)} = W_i \quad (5)$$

Thus, equation (4) can be reformulated as follows:

$$W_i = \alpha_i + \sum_j \gamma_{ij} \ln P_j + \beta_i U \beta_0 \prod_k P_k^{\beta_k} \quad (6)$$

By solving equation (4) for the utility (U) and substituting it into equation (6), the following can be obtained:

$$W_i = \alpha_i + \sum_j \gamma_{ij} \ln P_j + \beta_i \ln \left( \frac{E}{P_{\text{index}}} \right) \quad (7)$$

where:

$$\ln (P_{\text{index}}) = \alpha_i + \sum_k \alpha_k \ln P_k + \frac{1}{2} \sum_k \sum_j \gamma_{kj} \ln P_k \ln P_j \quad (8)$$

$P_{\text{index}}$  is considered non-linear and encounters difficulties in estimation, so it has been replaced by the engineering index Stones Price Index as follows:

$$\ln (P_{\text{spi}}) = \sum_i w_i \ln P_i \quad (9)$$

Since  $W_i$  refers to the percentage of expenditure, and it also represents the dependent variable in the equations, the use of this index may cause some immediate problems in the model equations, so the delay periods are used as follows:

$$\ln (P_{\text{spi}}) = \sum_i w_i \ln P_i \quad (10)$$

where:

$$W'_i = \frac{1}{2} (W_{it} + W_{it-1}) \quad (11)$$

Noting that: The  $P_{\text{index}}$  index can be considered as a linear approximation of the  $P_{\text{spi}}$  index in the case of a high Multicollinearity between prices, and thus equation (7) becomes as follows:

$$W_i = \alpha_i + \sum_j \gamma_{ij} \ln P_j + \beta_i \ln \left( \frac{E}{P_{\text{spi}}} \right) \quad (12)$$

By application of the special conditions of demand to equation (12), which are represented in:

$$\sum_i \alpha_i = 1$$

$$\sum_j \gamma_{ij} = 0$$

$$\sum_i \gamma_{ij} = 0$$

$$\sum_i \beta_i = 0$$

Additivity Terms  
Homogeneity Terms  
Symmetry Terms

$$\gamma_{ij} = \gamma_{ji} \quad \text{for } i \neq j$$

The importance of these conditions is due to the fact that they make the model in line with the theory of demand.

where:  $(\alpha, \beta, \gamma)$ : equation Parameters,  $(P_i)$ : Price of the commodity demanded  $i$ ,  $(m)$ : Number of commodity demanded,  $(W_i)$ : share of the required commodity from the expenditure,  $(P_i, q_i)$ : Price and quantity of commodity demanded  $i$ ,  $(E_i)$ : Total expenditure on commodity demanded  $i$ .

The Own, cross and expenditure elasticities of demand are calculated as follows:

$$\varepsilon_{\text{Own, Cross}} = -\delta_{ij} + (\gamma_{ij}/w_i) - \beta_i (w_j/w_i)$$

$$(\delta_{ij} = 1, \text{ where } i = j)$$

$$(\delta_{ij} = 0, \text{ where } i \neq j)$$

$$\varepsilon_{\text{expend}} = 1 + (\beta_i/w_i)$$

price and cross elasticity take a matrix (mxm)

Price Elasticity (Matrix Diameter)

Cross elasticity (outside diameter)

Expenditure elasticity

To verify the validity of the results, the relationship between the Expenditure elasticities of the weighted share of the required commodity from the expenditure is measured as follows:

$$\sum_i w_i \varepsilon_{\text{expend}} = 1$$

Autocorrelation was detected using the "Breusch Godfrey" test, and about the problem of heterogeneity of the error term using the Engel test, and the detection of the problem of the non-normal distribution of the error term using the "Jarque- Bera" test, and in the case of insignificance, there is no standard problem in the equation. In order to estimate the parameters of the Anya model of equation (12) I use the "Zellner" method to solve the Seemingly Unrelated Regression (SUR) equations (**Zellner, A., (1962)**)

5-1 The value of the price elasticity of demand for red meat, white meat and fish during the study period, which is shown in Table (6), shows that an increase in the real retail price of red meat, white meat and fish by about 1% leads to a decrease in individual demand for these commodities by about 0.73%, 0.17%, and 0.11%, respectively, and from the price elasticity of demand for the commodities under study, it turns out that they are all commodities with inelastic demand, meaning that the commodities under study are essential commodities.

5-2 The values of the cross elasticity of demand show that an increase in the real retail price of white meat and fish by about 1% leads to an increase in the individual demand for red meat by about 0.22% and 0.51%, respectively, with an increase in the real retail price of Red meat and fish by about 1% leads to an increase in the individual demand for white meat by about 0.29% and 0.44%, respectively, and by an increase in the real retail price of both red meat and white meat by about 1% leads to an increase in individual demand for fish by about 0.42% and 0.19%, respectively. Among this elasticity, it turns out that the substitutional relationship between white meat and fish in the case of an increase in the real retail price of fish is greater than in the case of an increase in the real retail price of red meat, and white meat is a strong alternative for both red meat and fish. It is the spending elasticity shows that the total increase Per capita spending by about 1% leads to an increase in spending on red meat, white meat and fish by about 0.99% , 1.05% and 0.98%, respectively, and these elasticities indicate the consumer's inability to purchase both red meat and fish Sufficiently in case of the current prices, while the consumer can buy the right amount of white meat under current prices.

**Table (6): Results of the optimum demand per person for red meat, white meat and fish during the period (2001-2019).**

Commodities	Price & Cross Elasticities			Expenditure Elasticity	W <sub>i</sub> (%)
	Red Meat	White Meat	Fish		
Red Meat	-0.73	-0.22	-0.51	0.99	57.2%
White Meat	-0.29	-0.17	0.44	1.05	20.1%
Fish	-0.42	-0.19	-0.11	0.98	22.7%
$\sum_i W_i \varepsilon_{\text{expend}} = 1$					100%

Where: "W<sub>i</sub>" is the commodity's share of expenditure.

Price elasticity is the diagonal of the matrix,

Cross-elasticity is outside the diagonal.

Source: compiled and calculated from Table (1) in Appendix

#### **6- The future vision of the volume of demand for red meat, white meat and fish:**

Studying the future demand for red meat, white meat and fish is one of the important studies that contribute to formulating production and consumption policies for these commodities on a sound basis. This part deals with a future vision of the volume of domestic demand for red meat, white meat and fish during the years 2025 and 2030 through two scenarios. The first scenario is based on the elasticity values of the optimal demand model, and the second scenario will depend on the method of forecasting by applying the "ARIMA." model (Box, George, Gwilym M. Jenkins, & Reinsel, J.(1994)).

**6-1 The future vision of the volume of demand for red meat:** Table (7) shows that the average production, consumption, and gap in red meat is expected to reach about 862, 1913, 1052 thousand tons in 2025, an increase of about 20%, 15% and 11% in production and consumption and the gap achieved in 2019 which is reflected in the self-sufficiency ratio to reach 45%, an increase of about 4% from what was achieved in 2019 and the average annual per capita decreased to 10.7 kg/year, a decrease of nearly 13 % of the average annual per capita achieved in 2019 according to the proposed scenarios. It is also expected that the average production, consumption, and gap of red meat will reach about 841, 2194 and 1353 thousand tons in 2030 with an increase of about 17%, 22%, and 27% in production and consumption, and the gap achieved in 2019 which is reflected in the sufficiency ratio decreased to 39%, a decrease of 5% from what was achieved in 2019, and the average annual per capita share decreased to 9.9 kg/year, an estimated decrease of 20% from the annual average per capita achieved in 2019 according to the proposed scenarios.

**6-2 The future vision of the volume of demand for white meat:** Table (7) shows that the average production of white meat is expected to reach about 2348 thousand tons in 2025, an increase of 22% compared with production achieved in 2019. It is also expected that the average consumption and the gap reach 2677, 329 thousand tons in 2025, a decrease of about 16%, 74% from what was achieved in 2019, which is reflected in the increase in the self-sufficiency ratio to 88%, an increase of about 45% from what was achieved in 2019, the average annual per capita fell to 11.9 kg/year in 2025, which is about 13% lower than the average annual per capita achieved in 2019 according to the scenarios the proposed, The average production of white meat is also expected to reach about 3093 thousand tons in 2030, an increase of 27% over the production achieved in 2019, and the average consumption and the gap is expected to reach 3448 and 355 thousand tons in 2030, a decrease of about 10%, 67% achieved in 2019, and this is reflected in the increase in the self-sufficiency rate to 89% in 2030, an increase of about 42% compared to what was achieved in 2019, the annual average per capita decreased to 12.4 kg/year In 2030, a decrease of approximately 10% from the average annual per capita achieved in 2019 under the proposed scenarios.

**Table (7): Table (7) Forecasting the demand for red meat, white meat and fish during the years 2025-2030 compared to the achieved in 2019.**

Table (7): Table (7) Forecasting the demand for red meat, white meat and fish during the years 2025-2030 compared to the achieved in 2019.									
Variable	2019	2025				2030			
		Scenario (1)	Scenario (2)	Mean	Change (%)	Scenario (1)	Scenario (2)	Mean	Change (%)
Red Meat									
Production (Thousand Ton)	717	915	808	862	20%	845	836	841	17%
Consumption (Thousand Ton)	1662	1995	1831	1913	15%	2352	2035	2194	22%
Gap (Thousand Ton)	945	1080	1023	1052	11%	1507	1199	1353	27%
Self-sufficiency (%)	43%	46%	44%	45%	4%	36%	41%	0.4	-5%
Average annual per capita (Kg.)	12.3	10.7	10.6	10.7	-13%	10.0	9.8	9.9	-20%
White Meat									
Production (Thousand Ton)	1929	2594	2102	2348	22%	3729	2457	3093	27%
Consumption (Thousand Ton)	3202	2891	2462	2677	-16%	4026	2871	3448	-10%
Gap (Thousand Ton)	1273	298	360	329	-74%	297	414	355	-67%
Self-sufficiency (%)	60%	90%	85%	88%	45%	93%	86%	89%	42%
Average annual per capita (Kg.)	13.7	12.0	11.9	11.9	-13%	12.5	12.4	12.4	-10%
Fish									
Production (Thousand Ton)	2039	2293	2103	2198	8%	2743	2309	2526	13%
Consumption (Thousand Ton)	2563	3224	2863	3044	19%	4215	3256	3736	27%
Gap (Thousand Ton)	524	931	760	846	61%	1472	947	1209	81%
Self-sufficiency (%)	80%	71%	73%	72%	-9%	65%	71%	68%	-11%
Average annual per capita (Kg.)	16.8	15.2	15.5	15.4	-9%	15.3	15.6	15.5	-7%

Source: compiled and calculated from Tables (1:6) and table (1) in Appendix

6-3 The future vision of the volume of demand for fish: Table (7) shows that the average production, consumption, and gap in fish is expected to reach about 2198, 3044, 846 thousand tons in 2025, an increase of about 8%. 19% and 61% in production and consumption and the gap achieved in 2019 which is reflected in the self-sufficiency ratio to reach 72%, a decrease of about 9% from what was achieved in 2019, and the average annual per capita decreased to 15.4 kg/year, a decrease of nearly 9 % of the average annual per capita achieved in 2019 according to the proposed scenarios. It is also expected that the average production, consumption, and gap of fish will reach about 2526, 3736, and 1209 thousand tons in 2030 with an increase of about 13%, 27%, and 81% in production, consumption, and the gap achieved in 2019 which is reflected in the sufficiency ratio decreased to 68%, a

decrease of 11% from what was achieved in 2019, and the average annual per capita share decreased to 15.5 kg/year, an estimated decrease of 7% from the annual average per capita achieved in 2019 according to the proposed scenarios

#### **The results show that:**

- Need to reduce the food gap in red meat, expand the meat projects, and establish farms specialized in the production of red meat, which contribute to increasing the volume of livestock producing red meat.
- The necessity of expanding fish farming due to its importance in bridging the food gap of fish and limiting imports.
- Provide periodic vaccinations and vaccinations for poultry to avoid infection of birds with diseases and increase local production of white meat.
- Providing nutritional needs from different animal protein sources.
- Educating consumers about a healthy diet in general and the consumption of red and white meat and fish in particular.

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## Appendix

Table (1): Development of Population, National Income, and Individual income, Producer Price Index, Production, Consumption, Imports and Average Per Capita Share of Red Meat, White Meat and Fish during the Period (2001-2019).

year	Population (thousand people)	Exchange rate (L.E./\$)	National income (billion L.E.)	Individual income (L.E.)	Producer Price Index (Base Year 2014/2016)	Red Meat					
						Production (Thousand Ton)	Consumption (Thousand Ton)	Average annual per capita (Kg.)	import quantity (Thousand Ton)	Import value (Million L.E.)	retail price (L.E.)
2001	67204	3.97	392	5288	34.97	695	794	12.2	75	519.8	17.1
2002	68303	4.50	396	5320	36.14	821	954	14.3	108	864.7	17.9
2003	69432	5.85	485	5796	38.17	804	930	13.7	93	898.2	21.1
2004	70591	6.20	487	7200	43.11	819	927	13.4	103	1123.5	25.5
2005	71778	5.78	517	7623	47.32	855	1053	14.9	152	1612	27.3
2006	72991	5.73	619	8190	52.05	880	1178	16.3	224	2371.6	27.6
2007	74230	5.64	742	9513	58.29	921	1247	16.9	257	2798	33.0
2008	75492	5.43	892	11403	62.4	961	1251	16.6	142	2683	35.8
2009	76775	5.54	1049	13167	66.99	1012	1139	14.8	97	2307	39.8
2010	78076	5.62	1206	13398	76.56	992	1183	10.4	171	4207	51.6
2011	79392	5.93	1364	14641	84.83	989	1203	10.4	153	3948	58.3
2012	80722	6.06	1653	16907	87.35	990	1155	9.7	208	5860	62.2
2013	82056	6.87	1932	20960	90.54	965	1298	11.2	225	5780	67.7
2014	90425	7.08	2111	22737	93.54	941	1284	10.8	351	8976	79.8
2015	92443	7.69	2515	29393	99.41	975	1695	13.6	720	11224	88.9

2016	94447	10.03	3293	46035	107.05	788	1220	9.6	426	11824	99.6
2017	96443	17.85	3427	35531	138.33	792	1417	10.7	625	18672	122.7
2018	97147	17.88	3665	38067	156.72	858	1760	13.0	602	28458	130.3
2019	98902	16.80	3903	39790	145.4	717	1662	12.3	660	31980	128.2

Source: 1- Ministry of Agriculture and Land Reclamation (MALR), Economic Affairs Sector, Food Balance Sheet, miscellaneous issues.

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Follow Table (1): Development of Population, National Income, and Individual income, Producer Price Index, Production, Consumption, Imports and Average Per Capita Share of Red Meat, White Meat and Fish during the Period (2001-2019).

year	White Meat						Fish					
	Production (Thousand Ton)	Consumption (Thousand Ton)	Average annual per capita (Kg.)	import quantity (Thousand Ton)	import value (Million L.E.)	retail price (L.E.)	Production (Thousand Ton)	Consumption (Thousand Ton)	Average annual per capita (Kg.)	import quantity (Thousand Ton)	import value (Million L.E.)	retail price (L.E.)
2001	452	577	8.8	4	24	8.1	943	950	14.5	179	367	8.0
2002	734	770	11.6	5	34	8.5	852	923	13.9	133	294	8.3
2003	659	699	10.3	0	0	9.8	908	1015	14.9	136	366	8.6
2004	619	661	9.5	0	0	11.7	863	1064	15.3	204	607	10.7
2005	637	715	9.3	3	12	11.6	906	1075	15.2	189	524	10.1
2006	484	806	11.2	11	81	12.2	730	1173	16.2	208	600	10.4
2007	537	888	12.1	10	79	14.2	757	1225	16.6	221	937	11.7
2008	503	837	11.1	11	119	17.5	719	1151	15.3	113	1470	12.6
2009	530	902	12.4	26	230	19.0	743	1264	16.5	154	2103	15.8
2010	579	977	8.7	35	349	21.0	917	1481	12.2	186	2186	14.4
2011	613	1030	8.9	35	540	22.8	903	1526	12.3	178	2404	15.7
2012	660	1074	9.1	61	745	27.2	910	1605	12.6	279	3272	18.0
2013	1165	1261	10.4	48	385	29.5	839	1635	12.6	237	2983	20.9
2014	1262	1358	10.7	69	870	30.5	1029	1704	12.8	244	4040	22.5



2015	1262	1391	10.7	98	1329	29.4	904	1707	12.5	204	4306	22.9
2016	1263	1348	10.1	71	1146	33.1	1706	1894	13.5	220	4803	23.3
2017	1276	1395	10.0	115	2393	34.7	1823	2130	14.5	339	10087	32.6
2018	1595	1653	11.6	68	1127	40.0	1935	2436	16.3	386	11632	39.4
2019	1929	3202	13.7	73	2038	42.9	2039	2563	16.8	492	13176	43.2

Source: 1- Ministry of Agriculture and Land Reclamation (MALR), Economic Affairs Sector, Food Balance Sheet, miscellaneous issues.

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