

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Nile Nuggets for December 2016

Report Categories:

Agriculture in the News

Sugar

Cotton and Products

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Report Highlights:

- Heinz Egypt products meet safety standards
- Saudi Arabia temporarily bans pepper imports from Egypt
- Government raises the price for local sugar cane but farmers want more
- Egypt may grow tobacco in 2017, government approval is pending
- 77.7% increase in Egyptian cotton exports during Q2 of agricultural season 2015/2016

Nile Nuggets

*News on Developments in Agriculture and Food in Egypt
December 2016*

HEINZ EGYPT PRODUCTS MEET SAFETY STANDARDS: The Ministry of Industry and Trade's Industrial Control Authority (ICA) released a detailed report confirming that Heinz Egypt's food products meet and comply with all Egyptian health and safety specifications and standards. The report follows a recent controversy concerning the company's alleged use of overripe tomatoes in the preparation of some foodstuffs. The ICA's report followed by another from the Ministry of Health's Central Labs confirmed that the samples taken by the lab's inspectors were tested and found to be safe and fit for human consumption and comply with all Egyptian standards. The company, which was established in Egypt in 1991, is the market leader in tomato-based condiments, producing a variety of sauces and products, including tomato paste, mayonnaise, vinegar and, of course, ketchup. According to 2013 data, the company had annual sales of EGP 390 million and maintains a 75 percent market share in ketchup.

SAUDI ARABIA TEMPORARILY BANS PEPPER IMPORTS FROM EGYPT: Saudi Arabia has imposed a temporary ban on all types of Egyptian peppers after imports of this vegetable were detected to have been contaminated with pesticide residues the Saudi Ministry of Environment, Water and Agriculture said in a statement. The Saudi ministry has directed agricultural quarantine offices in the kingdom's various ports and relevant government agencies to take the necessary measures in this regard. Egypt's Agricultural Export Council (Council) confirmed to the media that the Council received a Saudi memo that says the ban would be put into effect in February 12, 2017. The Council confirmed that a meeting between Egyptian and Saudi officials has to be scheduled to determine the reasons behind the decision and determine how to move forward. Egypt exports around 15,000 tonnes of pepper annually to the Saudi market.

GOVERNMENT RAISES THE PRICE FOR LOCAL SUGAR CANE BUT FARMERS EXPECT MORE: The Egyptian government has announced an increase in the price it will pay to local farmers for sugar cane harvested in 2017 by 25 percent to reach EGP 500 (\$25)/metric ton) compared to EGP 400 (\$45)/metric ton offered in the previous season (NOTE: the late December 2016 exchange rate for the Egyptian pound against the US dollar is USD 1 = EGP 19.70 compared to USD 1 = EGP 8.88 last season END NOTE). Not surprisingly, farmers dismissed the newly announced price and threatened not to grow sugar cane in the coming season. The Farmers' Syndicate has called on the government to further revise the price which they recommend be set at EGP 800 per metric tons (\$41/metric ton) and which they view as a fair price that would be acceptable to growers. Sugar shortages have been common in the last quarter of 2016 due to hoarding by merchants reacting to rising prices amid a shortage of foreign currency before the Egyptian Pound's devaluation on November 3, 2016. Egypt consumes 3 million tons of sugar a year but produces just over 2 million tons, with the gap filled by government and private imports. The market price of refined sugar rose from around EGP 5 per kilogram in September 2016 to EGP 17 per kilogram in December 2016.

SHE SAYS BESARA, HE SAYS BUSARA: The dish is originally from Egyptian cuisine, is very authentic and is believed to have originated in Pharaonic times, more than four thousand years ago. This

dish is economical, nutritious, and very easy to put together. The main ingredient of be/busara is fava beans which are widely used in Egyptian food. Other ingredients include onions, garlic, parsley, green cilantro, fresh dill, salt, cumin and oil.



Egyptians usually eat more be/busara during winter with bread and green onion. The combination of ingredients packs a hearty punch which fuels people on cold winter days.

Crop News

- **Egypt may grow tobacco in 2017, government approval is pending:** Ministry of Agriculture and Land Reclamation (MALR) said it studying requests from one of the biggest cigarette manufacturers in Egypt to allow for growing tobacco in 2017. MALR said the request is under investigation by Egypt's Agricultural Research Center. Egypt has forbid planting tobacco due to fears of transmitting pests to other crops. In 2015, Egypt tobacco imports were valued at \$200 million.
- **77.7% increase in Egyptian cotton exports during Q2 of agricultural season 2015/2016:** the total amount of cotton exports in the fourth quarter of the 2015/2016 agricultural year increased by 77.7% compared to the same period of the previous year, according to the Central Agency for Public Mobilization and Statistics (CAPMAS). Egypt exported 139,900 metric kantar (29,000 bales) of cotton during June/August 2016, compared to 78,800 metric kantar (16,000 bales) the year before. The statement said India was the largest importer of Egyptian cotton, buying 61.7% of the total cotton exports, totaling 86,300 metric kantar (18,000 bales).