

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary  Public

**Date:** 10/30/2016

**GAIN Report Number:**

## Egypt

**Post:** Cairo

## Nile Nuggets for October 2016

### **Report Categories:**

Agriculture in the News

Grain and Feed

### **Approved By:**

Ron Verdonk

### **Prepared By:**

Mohamed Hamza

### **Report Highlights:**

- Egypt may raise local wheat prices
- Egypt limits 2017 area for rice cultivation to preserve water
- Central Bank of Egypt allocates USD 1.8 billion to build strategic stock for 6 months
- Egypt reviews eligibility for smart card food subsidy system

# Nile Nuggets

News on Developments in Agriculture and Food in Egypt  
October 2016

**EGYPT MAY RAISE LOCAL WHEAT PRICES:** The Egyptian Ministry of Agriculture and Land Reclamation (MALR) said that a committee formed to set the local buying price for Egypt's wheat crop has recommended raising the price paid to domestic producers to EGP 3000/MT (USD 338/MT) from the current price of EGP 2800/MT (USD 315/MT). The cabinet will have to approve the proposed price before it is put into place. The new ministerial-level committee was established to determine the proper price for local wheat and investigate if the payment system should be reformed to minimize opportunities for corruption. To encourage farmers to grow wheat the Egyptian government sets the price for local wheat, usually above international prices. This has resulted in opening the door for middlemen who buy local wheat and mix it with cheaper imported wheat in order to claim government subsidies. This year, Egypt said it procured over five million tons of local wheat, but a parliament-led investigation said that as much as two million tons of the total may have existed only on paper.

**TO PRESERVE WATER, EGYPT LIMITS 2017 AREA FOR RICE CULTIVATION:** Egypt will decrease land area used for rice production in the 2017 season by 34.6 percent, according to a decree issued by the Ministry of Irrigation. In an attempt to preserve scarce water resources, the ministry limited the cultivation of the water-consuming crop to six governorates covering an area of 704.5 thousand *feddans* (295,890 hectares (ha)). This is in comparison to the 1.076 million *feddans* (450,000 ha) harvested in the 2016 season. The only governorates that will be allowed to cultivate rice are Beheira, Kafr El-Sheikh, Daqahliya, Damietta, Port Said, and Sharqiya. The ministry will provide water for rice fields in the selected governorates from May to August of 2017. Per the decree, rice production would be banned in unauthorized fields with violators subject to fines. In 2009, Egypt began an attempt to decrease land area used for rice production in an attempt to conserve scarce water resources.

**CENTRAL BANK OF EGYPT ALLOCATES USD 1.8 BILLION TO BUILD STRATEGIC STOCK FOR 6 MONTHS:** Egypt's Minister of Supply and Internal Trade, Mohamed Ali El-Sheikh, announced that Egypt's Central Bank has allocated US \$1.8 billion to ensure six month reserves for all strategic goods. Egypt already has five months of wheat and vegetable oil reserves. The additional stocks are intended to limit food product inflation and ensure that Egyptians receive a steady supply of essential foods. The \$1.8 billion has already been allocated and the supply expansion is being made in coordination with the armed forces.

**EGYPT REVIEWS ELIGIBILITY FOR THE SMART CARD FOOD SUBSIDY SYSTEM:** Egyptian Minister of Supply and Internal Trade, Mohamed Ali El-Sheikh, said that the government is reviewing eligibility for the smart card system through which tens of millions of Egyptians receive a cash transfer to buy food products of which some continue to be sold a below market prices. He said the ministry would cut waste by cancelling cards allocated to people who have died or emigrated since issuance. Furthermore, they would review eligibility criteria for all other program participants. Currently, more than 67 million citizens, out of a total population of 92 million, are carrying the smart cards and benefiting from the food subsidy system.

**SWEET POTATOES:** In Egypt, sweet potatoes are known as "batata" and are a common street food in winter. Street vendors peddle the piping hot tubers from carts fitted with mobile ovens. The two potatoes

used are an orange-flesh variety and a white-flesh variety. During the season, the sweet spuds are also baked at home as a snack or dessert and drenched with honey. Sweet potatoes are an excellent source of vitamin A (in the form of beta-carotene).



They are also a very good source of vitamin C, manganese, copper, pantothenic acid and vitamin B6. Additionally, they contain potassium, dietary fiber, niacin, vitamin B1, B2 and phosphorus.

### **Agricultural Output**

**Egypt is Largest Date Producer in the World:** MALR said that Egypt continues to be the world's largest producer of dates, with total production of 1.465 million tons in the 2016. Total area planted with palm dates is 44,000 ha and the yields are around 114 kg/palm tree. Egypt produces about 15 different varieties of palm dates.

**Egypt Fish Production Slated to Increase 16 percent in 2016:** MALR's General Authority for Fish Resources Development (GAFRD) announced that Egypt's total fish production in 2016 is expected to increase by 16 percent or 220,000 tons, from 1.380 million tons to 1.6 million tons. GAFRD added that Egypt's total area of fisheries is around 10 million hectares. The total area includes Egypt's Mediterranean and Red Sea coasts, the five northern coastal lakes, and other fresh water fisheries.