

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary - Public

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Egypt

Post: Cairo

Update – New Egyptian Halal Procedures May Disrupt Markets, Drive Up Prices

Report Categories:

Livestock and Products

Trade Policy Incident Report

Approved By:

Ali Abdi, Agricultural Minister Counselor

Prepared By:

Bret Tate, Agricultural Attaché

Report Highlights:

Following a recent audit by Egyptian Ministry of Agriculture officials, requirements for US beef exports to Egypt have changed. Egypt will now accept shipments from any U.S. beef facility under inspection by USDA's Food Safety Inspection Service (FSIS). Egypt has delisted all U.S. halal certifiers, with the exception of a single new organization. U.S. beef producers and exporters interested in exporting to Egypt should work closely with Egyptian importers to verify import requirements. The information contained in this report is preliminary, pending further updates from the Government of Egypt.

Audit of U.S. Facilities

On March 17-28, 2019, officials from the Egyptian Ministry of Agriculture and Land Reclamation conducted food safety and halal audits of U.S. beef establishments. Two teams visited seven slaughter facilities and met with eight halal certifiers. The Head of the Egyptian Veterinary Service led the audit. Following the audit, the Egyptian Deputy Minister of Agriculture and the Head of the Egyptian Veterinary Service met with USDA leadership in Washington.

Audit Outcomes

On April 24, 2019, FAS Cairo received correspondence from the Egyptian Veterinary Service indicating that audit teams approved USDA's food safety system for beef products. The notification further noted that only one of the eight U.S. halal certifiers was approved to certify shipments to Egypt. The remaining seven were suspended or rejected without explanation. The correspondence did not include an implementation date; however, industry contacts believe the changes became effective May 1, 2019. Prior to this announcement, four firms had provided halal certification services for U.S. beef products to Egypt for many years. The USDA has not yet received a final report outlining the audit findings and the embassy is not aware of criteria used by the Egyptian Ministry of Agriculture to approve or deny halal certifiers.

Changes to Halal Certification

The new halal certifying organization is IS EG Halal Certified, based in Fort Lee, New Jersey. The New Jersey Department of the Treasury reports that Mr. Wael Hana and Mr. Antranig Aslanian Jr. incorporated the firm in November 2017. FAS Cairo is not aware that the company has prior experience in halal certification. The firm is not known to have a preexisting relationship with the U.S. beef industry or Islamic organizations in the United States. Exporters interested in shipping beef to Egypt are advised to contact IS EG Halal Certified directly to clarify certification procedures. Company contact:

Mr. Wael Hana
IS EG Halal Certified
1047 Anderson Ave
Fort Lee, NJ 07024
202-820-0800
info@iseghalal.com

Note that IS EG Halal Certified is a private company and not an official representative of the Egyptian Government.

Changes to Export Procedures:

Industry contacts informed FAS Cairo that the price for halal certification would increase under the updated system. Previously, halal certifiers in the United States charged \$10-\$20 (172-344 LE) per metric ton for certification. That fee is expected to increase to ten cents per pound, or \$220 (3,784 LE) per metric ton. The higher fees will increase beef prices for Egyptian consumers.

Industry contacts advised FAS Cairo that consularization by the Egyptian embassy in Washington, DC,

is no longer required for halal certificates issued by IS EG Halal Certified. Note that this information has not been verified by the Egyptian government. Exporters are urged to work closely with Egyptian importers to meet document requirements.

Egyptian Consumers to Pay More for Beef

This sudden change in policy could disrupt markets and cause confusion among industry and regulators. In 2018, Egypt imported around 300,000 metric tons of beef from all sources. The United States shipped 61.7 thousand metric tons of beef liver to Egypt in 2018, down from 122 thousand metric tons in 2014. Post estimates that increases in halal certification fees may increase beef prices to Egyptian consumers by around 4.00 LE per kilogram. The price impacts will be larger if import volumes are reduced. The measure currently only affects beef and beef products.

Halal Certification in Other Countries

Requirements for certification of religious, or halal, slaughter vary according to country. Generally, certifiers are associated with mosques, religious institutes, or other Islamic organizations. For shipments to Saudi Arabia, for example, ritual slaughter may be certified by any Islamic organization approved by the World Muslim League. Other large Muslim-majority countries, such as Qatar and Indonesia, maintain finite lists of certifiers; currently, both have approved six U.S.-based certifiers now delisted by Egypt. Other countries, such as Kuwait, accept certification from any Islamic body in the exporting country. Egypt is now the only U.S. trading partner having only one authorized halal certifier.