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Import Challenges and High Prices Reduces Egypt's Wheat and Corn Imports

Country: Egypt

Post: Cairo

Report Category: Grain and Feed

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Report Highlights:

Egypt is closely following the repercussions of the Russian-Ukrainian crisis. Certainly Egypt's grains imports from both countries were affected. Accordingly, FAS Cairo forecasts Egypt's wheat imports in MY 2022/23 (July – June) at 11 MMT, down by 8.3 percent from MY 2021/22 Post's import estimate figure of 12 MMT. Importing and buying wheat from other markets remains a viable option for government and private purchases. Wheat production in MY 2022/23 is up by 8.9 percent from the previous marketing year. Egypt has sufficient wheat stocks for its bread subsidy program until the end of calendar year 2022. Corn and rice production in MY 2022/23 (Oct – Sept) are forecast to be similar to the previous marketing year. MY 2021/22 (Oct – Sept) Corn imports are expected to decline by 5.1 percent.

Executive Summary

FAS Cairo (Post) forecasts Egypt's wheat production in marketing year (MY) 2022/23 (July – June) to reach 9.8 million metric tons (MMT), up by 8.9 percent compared to 9 MMT in MY 2021/22. Post attributes the rise to an increase in total area harvested.

On March 15, 2022, the government approved an additional incentive of EGP 65/ardeb on the prices it will pay farmers to purchase the local harvest. After this increase, the government payments to farmers will range between EGP 865/ardeb to 885/ardeb or about \$366.10/MT to \$374.60/MT (USD 1.00 = EGP 15.75) based on quality and moisture. This represents an increase of 22 percent from last season's procurement price. Wheat farmers also receive fertilizers at a subsidized price, more than 50 percent less than the market price.

The war between Russia and Ukraine is potentially aggravating already unsettled supply chains and causing major disruptions of wheat supplies to import destinations in the Middle East and North Africa region. Egypt is not isolated from these catastrophic events, which is already affecting its imports of wheat from both countries. Accordingly, FAS Cairo forecasts Egypt's wheat imports in MY 2022/23 (July – June) at 11 MMT, down by 8.3 percent from MY 2020/21 Post's import estimate figure of 12 MMT. The latter was also revised downward by 4 percent from the USDA official estimate.

FAS Cairo forecasts Egypt's corn imports in MY 2022/23 (Oct – Sept) at 9.2 MMT, similar to Post's MY 2021/22 estimate, which was also revised downward from USDA official estimates by 5.1 percent. The decrease in imports in MY 2021/22 is attributed to the impact of the Russia-Ukraine conflict which caused corn prices to jump by 20 percent, in addition to non-operating ports in Ukraine and shipping disruptions from the Black Sea.

FAS Cairo forecasts Egypt's rice imports in MY 2022/23 (Oct – Sept) at 600,000, similar to Post's MY 2021/22 estimate. Post's estimate for rice imports in MY 2020/21 was revised downward by 300,000 MT from the USDA official estimate due to lower consumption.

WHEAT

PRODUCTION

FAS Cairo (Post) forecasts Egypt's wheat production in marketing year (MY) 2022/23 (July – June) to reach 9.8 million metric tons (MMT), up by 8.9 percent compared to 9 MMT in marketing year 2021/22. Post attributes the rise to an increase in total area harvested which is set to come in at 1.53 million hectares (HA) compared to 1.4 million HA the previous year. The government announced its wheat purchasing prices ahead of the planting season and the government plans to increase wheat harvested areas by 420,000 HA in the next three years. MY 2021/22 wheat production and the area harvested figures remains unchanged from U.S. Department of Agriculture's (USDA) official estimates.

The Agricultural Research Center (ARC) of the Ministry of Agriculture and Land Reclamation (MALR) announced a wheat varietal policy before planting which suits each geographical region in terms of climate, water, and land resources. This includes the cultivation of nine varieties in the Delta, 30 varieties in Middle Egypt, and 17 varieties in Upper Egypt. ARC succeeded in releasing new varieties of wheat – Sakha 95, Misr 3, and Beni Suef 7. The seeds of the new varieties were distributed to farmers ahead of the planting season which usually takes place in November.

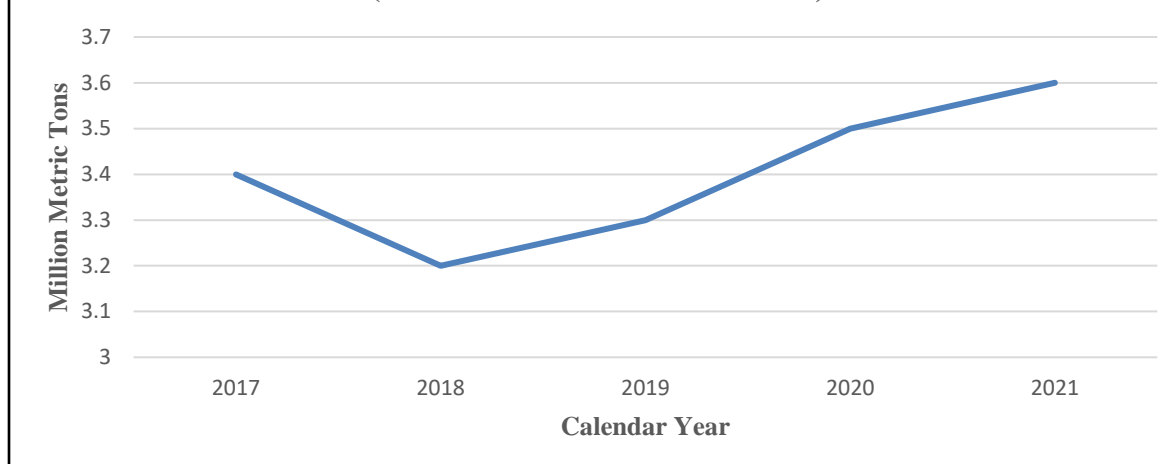
The use of early maturing and high yielding seed varieties, expanding the amount of certified seeds distributed to farmers, ideal sowing time, laser leveling techniques, and increasing the area of wheat-raised bed cultivation to more than 520,000 HA have made the largest contributions to significant vertical expansion (i.e., increasing yields by unit area) during the last six years.

ARC established 3,350 extension wheat fields to showcase good agricultural and irrigation practices across various governorates in the Delta, Middle, and Upper Egypt using high yielding and early maturing varieties. Extension fields help farmers to benefit from new agricultural research applications and contribute to increasing yields from each unit of land and maximize the benefit from each unit of water for wheat.

The Central Administration for Seed Production (CASP) of MALR lowered the prices of wheat seeds per 30 KG sack by 15 percent for the MY 2022/23 planting season, encouraging farmers to cultivate more areas.

Domestic Wheat Procurement: Wheat procurement season is set to start on April 1, 2022, instead of April 15, and will last until the end of August instead of mid-July. FAS Cairo foresees Egypt in MY 2022/23 (July-June) procuring some 5 to 5.5 MMT of locally produced wheat. The amount of locally-produced wheat purchased by the government of Egypt was 3.5 MMT in calendar year (CY) 2020 and 3.6 MMT in CY 2021 (Figure 1).

**Figure 1: Locally Purchased Wheat
(Million Metric Tons- MMT)**



SOURCE: Ministry of Supply and Internal Trade

On November 10, 2021, the Ministry of Supply and Internal Trade (MoSIT) announced that the government procurement price that it will pay to purchase locally produced wheat would range from EGP 800/ardeb to 820/ardeb or about \$338.60/MT to \$347/MT (USD 1.00 = EGP 15.75) based on quality and moisture. The announcement of procurement prices ahead of the planting season encourage area expansion and hence total production.

Amid the escalating conflict between Russia and Ukraine, the government took additional measures to secure the target of procuring at least 5 MMT of local wheat from farmers in CY 2022.

On March 15, the government approved an additional incentive of EGP 65/ardeb on the prices it will pay farmers to purchase the local harvest. After this increase, the government payments to farmers will range between EGP 865/ardeb to 885/ardeb, or about \$366.10/MT to \$374.60/MT (USD 1.00 = EGP 15.75) based on quality and moisture. This represents an increase of 22 percent from last season's procurement price. Wheat farmers also receive fertilizers at a subsidized price, more than 50 percent less than market prices.

MoSIT also issued a ministerial decree requiring every wheat producer in the CY 2022 season to sell a minimum of 12 ardeb/feddan, or 4.28 MT per hectare (1 Feddan = 0.42 Hectares), to governmental wheat purveyors. The decision stressed that if quantities of the crop are sold before the issuance of this decree, the buyer must deliver what he bought to the government authorities on the same terms. The decision also prohibits the sale of the remainder of this season's wheat to non-governmental agencies, unless a permit is obtained from MoSIT. It is also prohibited to transfer wheat from one place to another except with a permit as well.

The decree stipulated that large farms (25 acres or more) should sell 90 percent of their wheat production to governmental wheat purveyors and such farms will receive subsidized fertilizers for their summer crops.

The decision also indicated that, this season, governmental wheat purveyors will pay the price of the crop upon receipt or within a maximum of 48 hours. The General Authority for Supply Commodities' (GASC) governmental wheat purveyors for CY 2022 are:

- 1- The Holding Company for Food Industries.
- 2- The Egyptian Holding Company for Silos and Storage.
- 3- The General Company for Silos and Storage.
- 4- The Egyptian Agriculture Bank.

CONSUMPTION

FAS Cairo forecasts Egypt's wheat consumption in MY 2022/23 at 20 MMT, down by 2.43 percent from the MY 2021/22 estimate of 20.5 MMT. Post attributes the decrease to a 2.6 percent decrease in food, seed, and industrial use (FSI) consumption. The decrease in FSI wheat consumption is attributed to an increase in the price of European and white flat bread (non-subsidized) as well as baked products, cakes, biscuits, wafers, croissants and pastries, etc.

MY 2021/22 wheat consumption is also revised down by 2.38 percent from the USDA official estimate as a result of higher prices of flour, baked products, and non-subsidized flat bread.

On March 16, the Egyptian government mandated MoSIT to take the necessary measures to develop a mechanism for setting a fixed price for non-subsidized bread to be applied for a period of three months. This comes after prices of flour and private bread inflated in local markets, driven by producers hoarding large quantities of flour amid the conflict in Ukraine. The move also comes before the month of Ramadan to prevent any further price hikes, especially with increased demand.

The Bread Subsidy System Remains Unchanged: Egypt allocates 150 loaves of subsidized bread per month to recipients (i.e., five loaves of bread per day). *Baladi* (i.e., common, traditional) bread is sold at a subsidized price of EGP 0.05 per loaf (\$0.01 per loaf), this is less than one tenth of the actual cost. The government compensates bakeries for the difference in production cost. The current cost of subsidizing one loaf of *baladi* bread is EGP 0.60 (\$0.03).

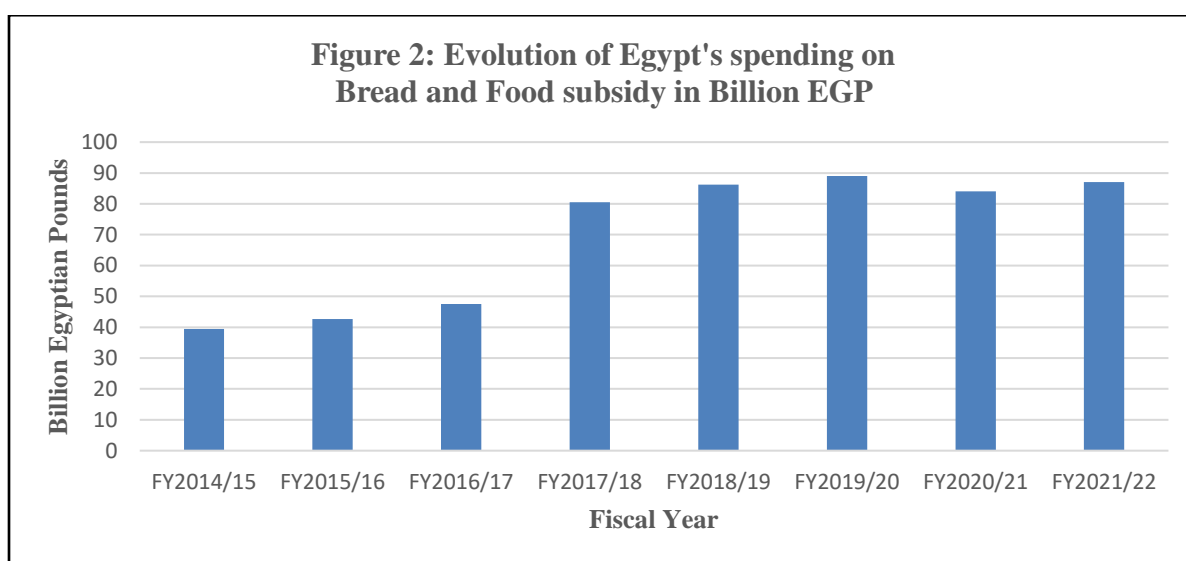
The current subsidy system permits beneficiaries who consume less than the quota amount to convert their bread savings into points (1 point = EGP 0.01). Points are redeemable, beneficiaries can use points to choose from 28 other food items sold at 20 percent discounted prices, offering a more diversified food basket similar in quality to that found in retail outlets. Beneficiaries make their purchases at the roughly 32,000 MoSIT-partnered private grocery stores, as well as from 1,300 state-owned consumer complexes.

Better Targeting of Bread Subsidy: MoSIT is always trying to raise the efficiency of the bread and food subsidy system management to prevent any type of leakage (waste of subsidy resources) in addition to increasing the effectiveness of the system so that it has a positive impact on the subsidy recipient. Better targeting could reduce inefficiencies in the wheat sector and reduce consumption.

MoSIT has been studying several options to improve its bread subsidy program, such as the potential of switching to a conditional cash bread subsidy. Unfortunately, the current ramifications of the Russian–Ukrainian conflict put the implementation of these reform measures on hold for the time being.

This system would have enabled beneficiaries to buy their actual bread needs, reducing consumption, and reducing the cost of the bread subsidy program as a whole. The subsequent savings could then be invested in more targeted food security and nutrition interventions, in addition to improving the efficiency of bread production and increasing competition between bakeries which will in turn enhance bread quality.

In fiscal year (FY) 2021/22 (June – July), the government allocated EGP 87 billion (\$5.5 billion) for bread and food subsidies (Figure 2). Of this amount, roughly EGP 51 billion (\$3.2 billion) is earmarked for the bread subsidy program. Another EGP 36 billion (\$2.3 billion) is allocated to the supply commodities (i.e. rice, cooking oil, sugar, chicken, and beef) (USD 1.00 =EGP 15.75). The Egyptian Ministry of Finance estimates an additional cost of EGP 12-15 billion (\$761 million - \$952 million) above the current fiscal year's budget as a result of surging global wheat prices.



SOURCE: Ministry of Finance

Pasta Use: SMART card holders under the subsidy system can purchase 1 kilogram of packaged pasta at a price of EGP 9/KG and half a kilogram of pasta at a price of EGP 4.5/KG. Subsidized pasta is currently distributed at a price 25-30 percent lower than retail market prices depending on the brand. The private sector will continue supplying the subsidy system with an average of 20,000 MT of pasta during CY 2022.

Milling Capacity: The *Baladi* bread program uses both imported and locally grown wheat. In practice, the two types of wheat are blended together before milling. As a result, blending with imported wheat is important to achieve the right quality of flour.

Egypt currently has more than 410 public, public/private, and private sector mills with total investments of more than \$1.5 billion. Public mills and public/private mills produce 82 percent extraction flour, which is used for making the subsidized *Baladi* bread. They produce 70 percent of all the flour going to the *Baladi* bread subsidy program, while private mills produce the remaining 30 percent.

The private sector mills that produce 82 percent extraction flour for the bread subsidy program are not allowed to produce the 72 percent extraction flour produced by other private sector mills, which is used in the production of European and white flat bread (non-subsidized) as well as baked products, cakes, biscuits, wafers, croissants and pastries, etc. Currently there are 5,000 private bakeries and patisseries producing these baked products.

Currently, 30,000 bakeries produce from 250 million to 270 million subsidized loaves of bread each day. The per capita share of subsidized municipal bread increased by almost 28.6 percent, reaching 3.6 loaves per day in 2021, compared to 2.8 loaves per day in 2019.

TRADE

The Russian–Ukrainian conflict has disrupted the flow of wheat from the Black Sea and caused great ambiguity in the global wheat trade. Ukraine has suspended port operations for commercial activities and banned wheat exports.

Russian wheat movement through the Black Sea was also affected by remarkably high insurance premiums for freight. In addition, current economic sanctions have made commercial transactions difficult. In response, wheat prices have surged almost 40 percent, hitting their highest levels in 14 years.

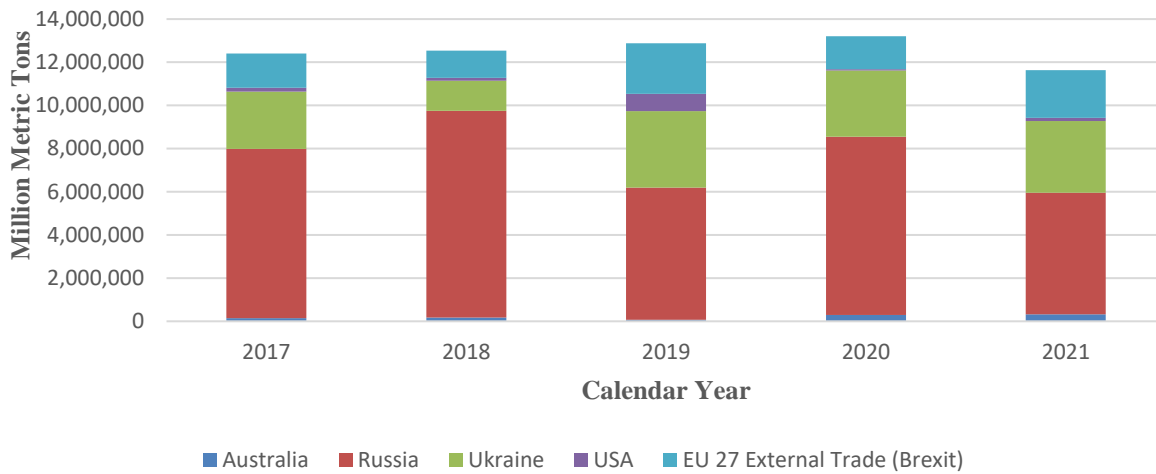
As the war between Russia and Ukraine is causing major disruptions of wheat supplies, Egypt is not isolated from these catastrophic events, which is already affecting its imports of wheat from both countries. Accordingly, FAS Cairo forecasts Egypt’s wheat imports in MY 2022/23 (July – June) at 11 MMT, down by 9.1 percent from Post’s MY 2021/22 import estimate figure of 12 MMT. The latter was also revised downward by 4 percent from the USDA official estimate.

Egypt’s Wheat Imports from the Black Sea

Egypt’s imports of wheat over the last five years amounted to 62.6 MMT, with 59.7 percent from Russia and 22.3 percent from Ukraine (82 percent combined), both major suppliers to the Egyptian market (Figure 3). Egypt relies on Russian and Ukrainian wheat due to competitive prices, lower freight costs, and less time reaching Egyptian ports compared to other origins.

Egypt’s CY 2021 wheat imports from Russia and Ukraine amounted to almost 77 percent of total wheat imports. Private sector imports represented 60 percent of total imports and government imports were 40 percent in CY 2021. Private industry became a major player in the wheat market in Egypt during the past five years, gaining more market share every year in the wheat trade.

Figure 3: Egypt's Wheat Imports (2017-2021)

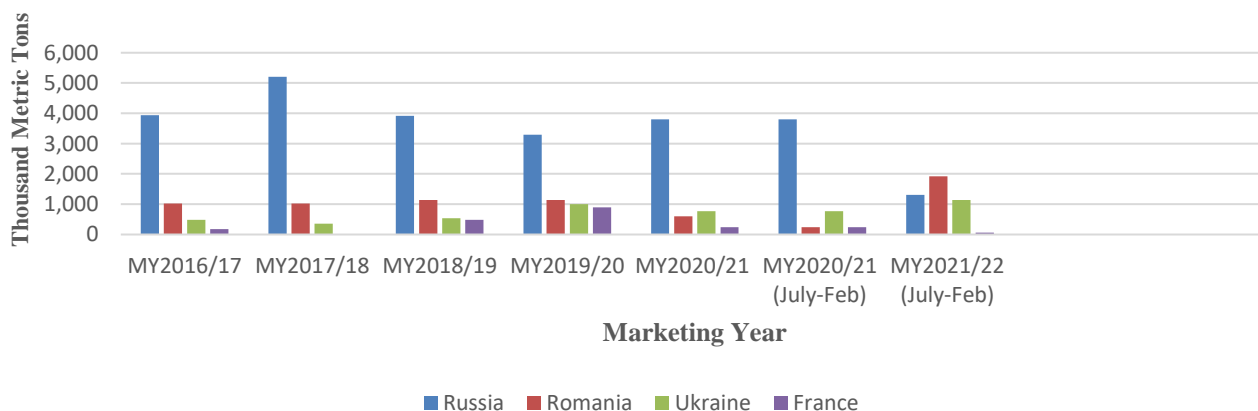


SOURCE: Trade Data Monitor LLC

GASC is the government agency that implements wheat tenders for Egypt’s bread subsidy program. From MY 2015/16 through MY 2020/21 (July-June), GASC’s largest foreign suppliers have been Russia (20.14 MMT) and Romania (4.92 MMT), followed by Ukraine (3.14 MMT) and France (1.8 MMT).

MY 2021/22 (June - Feb) government imports were 43 percent from Romania, 29 percent from Russia, 23 percent from Ukraine, and the remaining 5 percent from France. Romanian wheat was offered at more competitive prices in government tenders than the Russian and Ukrainian origins (Figure 4).

Figure 4: Major Origins Supplying Wheat to GASC (MY2016/17-MY2021/2022)



SOURCE: Ministry of Supply and Internal Trade

Egypt's Wheat Trade Influenced by the Russian-Ukrainian Conflict:

As of the last quarter in CY 2021, wheat prices increased by an average of \$100/MT. This meant an additional cost to the government budget allocated for the importation of wheat for the bread subsidy program in the current fiscal year ending in June 2022.

The Prime Minister of Egypt said during a recent press conference that Egypt has enough wheat reserves for the bread subsidy program to last until the end of 2022, pointing out that Egypt's current strategic wheat reserves are sufficient to cover the coming four months and with the local wheat supply season, Egypt will cover five more months' worth of stocks. The Prime Minister has also stressed that the country will not be conducting any tenders to buy wheat from the global market until the end of 2022.

GASC had to cancel its last two tenders due to limited offers and very high prices from traders of French and U.S. hard red winter wheat. Traders did not offer any wheat from the Black Sea in the last two tenders amid the ongoing conflict between Russia and Ukraine, which resulted in port closures in Ukraine and a disruption in shipping from the Black Sea.

GASC has already secured 126,000 MT of French and Romanian wheat on March 5 and March 7, and is set to receive another 189,000 MT from Russia, Ukraine, and Romania (63,000 MT from each) by the end of March as indicated by MoSIT.

Total wheat imports during the first two and a half months of CY 2022 amounted to 1.78 MMT. As of March 1-15, public and private imports of wheat that reached Egypt amounted to 460,272 MT, from Russia (181,773 MT), Ukraine (124,552 MT), Romania (91,000MT and France (63,723 MT). These purchases were made a month before the conflict erupted.

Currently, there are 17 origins approved by GASC to participate in its international tenders – United States, United Kingdom, Canada, France, Australia, Germany, Argentina, Russia, Ukraine, Romania, Poland, Bulgaria, Serbia, Latvia, Hungary, Paraguay, and Kazakhstan. The largest four origins supplying wheat to GASC via its international tenders during the last five marketing years are Russia, Romania, Ukraine, and France as shown in Figure 2 above.

STOCKS

FAS Cairo forecasts Egypt's ending stocks in MY 2022/23 at 4.36 MMT, up by 7.4 percent from Post's MY 2021/22 estimate which remains unchanged from USDA official estimate. This is due higher production and lower consumption. GASC normally keeps a four to six month supply of stocks (including wheat) in the import pipeline, with an additional one-month supply of wheat in transit to Egypt. Over the course of several years, Egypt raised its capabilities to store wheat from 1.6 MMT to 4 MMT in modern silos, as well as modernizing old storage facilities with 1.5 MMT capacity, and as a result, increased its strategic stockpile of wheat from three to six months. This enables the state to deal with any rise in global commodity prices as this reserve secures food demand by the Egyptian market for a period of time until prices resume a downward trend.

Wheat: Production, Supply, and Distribution

Wheat Market Year Begins Egypt	2020/2021		2021/2022		2022/2023	
	Jul 2020		Jul 2021		Jul 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1390	1390	1400	1400	0	1530
Beginning Stocks (1000 MT)	4318	4318	4062	4062	0	4062
Production (1000 MT)	8900	8900	9000	9000	0	9800
MY Imports (1000 MT)	12149	12149	12500	12000	0	11000
TY Imports (1000 MT)	12149	12149	12500	12000	0	11000
TY Imp. from U.S. (1000 MT)	99	99	0	0	0	0
Total Supply (1000 MT)	25367	25367	25562	25062	0	24862
MY Exports (1000 MT)	705	705	500	500	0	500
TY Exports (1000 MT)	705	705	500	500	0	500
Feed and Residual (1000 MT)	1300	1300	1300	1300	0	1300
FSI Consumption (1000 MT)	19300	19300	19700	19200	0	18700
Total Consumption (1000 MT)	20600	20600	21000	20500	0	20000
Ending Stocks (1000 MT)	4062	4062	4062	4062	0	4362
Total Distribution (1000 MT)	25367	25367	25562	25062	0	24862
Yield (MT/HA)	6.4029	6.4029	6.4286	6.4286	0	6.405

(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Wheat begins in July for all countries. TY 2022/2023 = July 2022 - June 2023

CORN

PRODUCTION

FAS Cairo forecasts corn production in MY 2022/23 (Oct – Sept) at 7.4 MMT, unchanged from MY 2020/21 (Oct – Sept) estimate. Similarly, planted area at 930,000 HA remains the same. Reportedly, white corn area harvested accounts for 530,000 HA, with yellow corn plantings making up the balance. The government aims to increase areas of yellow corn by an additional 210,000 HA by CY 2025.

Increasing the number of demonstration fields and showcasing new maize varieties of white corn and yellow corn is one of the major priorities of ARC, as well as demonstrating good agricultural practices to obtain higher yields and decrease post-harvest losses.

ARC's strategy to increase feed corn acreage and yields incorporates improved extension services, the use of higher-yielding one-way and three-way cross hybrids, encouraging growers to plant during ideal times, and improving marketing channels.

CONSUMPTION

FAS Cairo forecasts Egypt's total corn consumption in MY 2022/23 (Oct – Sept) at 16.35 MMT, up by approximately 3.5 percent from the MY 2021/22 (Oct – Sept) estimate of 15.8 MMT. The increase in consumption is attributed to a 4.1 percent increase in feed and residual consumption from Post's estimate in the previous marketing year. MY 2021/22 corn consumption was revised down by 2.6 percent from USDA official estimates.

Post attributes the decrease in feed and residual consumption to poultry feed prices increasing by 25 percent. This was driven by an almost 40 percent increase in the prices of corn in the local market due to higher international prices, thus placing a heavy burden on small- and medium-sized breeders in the past four months. In addition, many poultry farms prefer not to operate during the winter season (December – February) due to higher energy and veterinary drug costs, which many of these small farms cannot afford.

Post anticipates the poultry sector's feed consumption to grow by almost 2.5 percent in MY 2022/23 percent as the larger producers consolidate and vertical integration increases. Additional feed lines are coming online, adding to already existing aquaculture and cattle feed milling capacities. Large companies in the poultry/feed sector were the least affected by the current crisis, especially those that have integrated operations – broiler, mothers, grandparents, slaughterhouses and chicks as well – which increases their ability to bear shocks. Some of these are large integrated projects in the desert areas away from the Nile Valley and the Delta and in isolated areas which can improve biosecurity.

Egypt's poultry industry houses 25,000 licensed farms, with investment reaching EGP 90 billion (\$4.15 billion). In CY 2021, the poultry industry produced 1.5 billion chickens (i.e., broilers), and 13 billion table eggs. The union for poultry producers outlined future plans to increase investments in the sector with the aim of producing 2 billion chickens in 2030 to meet local market demand as well as doubling the production of table eggs.

MALR has continued to expand the approvals of licenses for livestock, poultry, and fodder projects through the livestock and poultry sector, facilitating the procedures to obtain these operation approvals. This comes as part of the government's plan to expand local production of red and white meat and milk, thus increasing their supply on the market to reduce imports, while also supporting small breeders and small enterprises.

Egypt's total fish production in CY 2021 is estimated at 2.2 MMT with aquaculture's share at 1.7 MMT of total production. Egypt has a promising plan to raise fish production to 3 MMT by 2025. Related to that production growth, there will be an increase in fish feed demand of around 650,000 MT. The rise in aquaculture production is mainly attributed to significant expansion in the application of new technologies such as the use of extruded feed, water circulation systems, and improved farm management practices.

Egypt's production of dairy has increased to 7 million tons annually, compared to 6 million tons during the past two years, as a result of the replacement by high-productivity breeds as alternatives to the local breed types. The mixture breed cow between the two breeds produces 14 liters per day instead of the 6 to 8 liters produced by the local species.

Egypt's feed mills produce poultry feed-mix consisting of 70 percent yellow corn, 19.4 percent soybean meal, 3.4 percent wheat bran, and 1.9 percent broiler concentrates (fish or meat meals) in addition to minerals and vitamins. Aquaculture's major dietary energy sources include 20-25 percent yellow corn, 20-30 percent wheat bran, 10-25 percent rice bran, and 1-5 percent vegetable oils. This feed mix formulation depends on the protein and energy contents of the feed, as well as the availability and price of the ingredients, including fish species and their sizes.

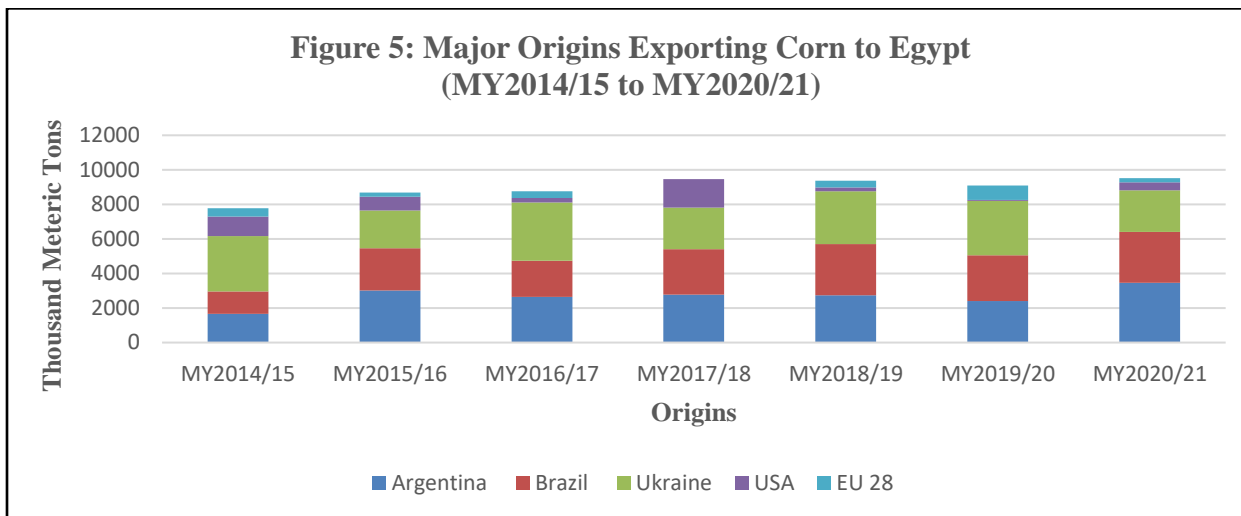
Starch Industry

Egypt consumes 1-1.5 MMT of corn for wet milling processes. There are five major corn wet milling companies operating in Egypt and their goal is to expand capacity in the coming 2-3 years. Cairo 3A Company has the largest share of the wet milling market in Egypt (more than 70 percent) and has also been the leading importer of corn over the past five years.

TRADE

FAS Cairo forecasts Egypt's corn imports in MY 2022/23 (Oct – Sept) at 9.2 MMT, similar to estimate Post's estimate in MY 2021/22 which was revised downward from USDA official estimates by 5.1 percent. The decrease in imports in MY 2021/22 is attributed to the impacts of the Russia-Ukraine conflict which caused prices of corn to jump 20 percent in addition to non-operating ports in Ukraine and disruption of shipping from the Black Sea.

Egypt's yellow corn production covers less than 35 percent of its feed demand needs and imports supplement the feed manufacturing industry's current production. Egypt's top four suppliers in MY 2020/21 (Oct – Sept) were Argentina (3.46 MMT), Brazil (2.93 MMT), Ukraine (2.4 MMT) and the United States (466,000 MT) (Figure 5). Ukrainian corn constitutes 25 percent of Egypt's imports. In the near- to medium-term, private traders can substitute this amount from other markets given the price is reasonable.



SOURCE: Trade Data Monitor LLC

STOCKS

FAS Cairo forecasts Egypt's corn stocks in MY 2022/23 at 2.47 MMT up by 13 percent from Post's estimate in MY 2021/22. Post is revising ending stocks upward in MY 2021/22 by 940,000 MT due to increased production and anticipated slowdown in consumption.

Corn: Production, Supply and Distribution

Corn Market Year Begins Egypt	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	800	800	800	930	0	930
Beginning Stocks (1000 MT)	1732	1732	1355	1355	0	2190
Production (1000 MT)	6400	6400	6400	7440	0	7440
MY Imports (1000 MT)	9633	9633	9700	9200	0	9200
TY Imports (1000 MT)	9633	9633	9700	9200	0	9200
TY Imp. from U.S. (1000 MT)	467	467	0	0	0	0
Total Supply (1000 MT)	17765	17765	17455	17995	0	18830
MY Exports (1000 MT)	10	10	5	5	0	5
TY Exports (1000 MT)	10	10	5	5	0	5
Feed and Residual (1000 MT)	13900	13900	13700	13300	0	13850
FSI Consumption (1000 MT)	2500	2500	2500	2500	0	2500
Total Consumption (1000 MT)	16400	16400	16200	15800	0	16350
Ending Stocks (1000 MT)	1355	1355	1250	2190	0	2475
Total Distribution (1000 MT)	17765	17765	17455	17995	0	18830
Yield (MT/HA)	8	8	8	8	0	8
(1000 HA) ,(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Corn begins in October for all countries. TY 2022/2023 = October 2022 - September 2023						

RICE

PRODUCTION

FAS Cairo forecasts Egypt's milled rice production and area harvested in MY 2022/23 (Oct – Sept) unchanged from Post's estimate in MY 2021/22 which remains unchanged from the USDA official estimate.

The Ministry of Water Resources and Irrigation (MWRI) authorized the Delta area provinces to plant rice during the summer of 2022. The allotted rice cultivated area for CY 2022 is 1,074,200 feddans (~451,164 HA) similar to the previous planting season. Farmers planting rice outside the government's allotment area will face fines. Announcement of these fines will occur prior to the beginning of the next planting campaign.

Rice cultivation in the Delta is critical to limit seawater intrusion into the Delta lands and prevents salinization of the soil. Early maturing rice varieties developed by the ARC grow in three months, using 9,000-10,000 cubic meters of water per hectare compared with 14,000-15,000 cubic meters of water per hectare for other rice varieties.

CONSUMPTION

FAS Cairo forecasts Egypt's rice consumption and residual at 3.8 MMT in MY 2022/23 similar to Post's estimate in MY 2021/22, which was revised downward from the USDA official estimate by approximately 10.6 percent. This indicates a downward trend in per capita rice consumption due to the availability of other more affordable carbohydrate sources (i.e., lower priced pasta).

Rice consumption in Egypt varies across different geographical locations with higher rates in the Northern Delta, coastal cities, and greater Cairo, compared to the middle and Upper Egypt regions.

TRADE

FAS Cairo forecasts Egypt's rice imports in MY 2022/23 (Oct – Sept) at 600,000 similar to Post's MY 2021/22 estimate. Post's estimate for rice imports in MY 2021/22 was revised downward by 300,000 MT from the USDA official estimate of due to lower consumption. MY 2021/22 (Oct – Jan) rice imports amounted to 213,680 MT from China, India, and Thailand.

In MY 2020/21 (Oct –Sept) traders sourced around 223,000 MT of long-grain and basmati rice from the same origins. Post attributes this trend to mainly a pick-up in demand for long-grain, basmati rice, jasmine rice, as well as other varieties with less starch content than short- or medium-grain rice as a certain segment of consumers follow a healthy lifestyle.

STOCKS

FAS Cairo forecasts Egypt's ending rice stocks in MY 2022/23 to reach 540,000 MT, down from the previous marketing year's estimate of 845,000 MT. The decrease is due to decline in MY 2022/23 beginning stocks impacted by lower production in the previous marketing year.

Rice: Production, Supply and Distribution

Rice, Milled Market Year Begins	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
Egypt	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	700	700	500	500	0	500
Beginning Stocks (1000 MT)	1232	1232	1150	1150	0	845
Milled Production (1000 MT)	4000	4000	2900	2900	0	2900
Rough Production (1000 MT)	5797	5797	4203	4203	0	4203
Milling Rate (.9999) (1000 MT)	6900	6900	6900	6900	0	6900
MY Imports (1000 MT)	223	223	900	600	0	600
TY Imports (1000 MT)	326	326	800	500	0	500
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	5455	5455	4950	4650	0	4345
MY Exports (1000 MT)	5	5	5	5	0	5
TY Exports (1000 MT)	5	5	5	5	0	5
Consumption and Residual (1000 MT)	4300	4300	4250	3800	0	3800
Ending Stocks (1000 MT)	1150	1150	695	845	0	540
Total Distribution (1000 MT)	5455	5455	4950	4650	0	4345
Yield (Rough) (MT/HA)	8.2814	8.2814	8.406	8.406	0	8.406

(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2022/2023 = January 2023 - December 2023

Attachments:

No Attachments