

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 11/5/2015

GAIN Report Number:

Egypt

Post: Cairo

Nile Nuggets October 2015

Report Categories:

Agriculture in the News

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Report Highlights:

News on developments in agriculture and food in Egypt.

Nile Nuggets

*News on Developments in Agriculture and Food in Egypt
October 2015*

GOVERNMENT TO SUBSIDIZE COTTON WITH LE261.7 MILLION: Ten months after the government implemented a decision to eliminate direct subsidies to cotton farmers, the newly-appointed government has backtracked on the policy. The new government recently allocated cash subsidies valued at LE 261.7 million (\$33 million) to help purchase the MY2015/16 cotton crop. The government, through the Textile, Weaving and Spinning Holding Company (TWSHC), will buy farm-level cotton at announced fixed prices. Under the plan, TWSHC will be paid a subsidy to enable it to purchase cotton at the aforementioned fixed prices. For the short and medium staple cotton, the government will pay TWSHC LE150 (\$19) per qintar (or \$4/bale) (one qintar of seed cotton is equal to 150 kilogram while one qintar of lint cotton is equal to 45 kilogram), up to a value of LE11.7 million (\$1.5 million). For the long staple cotton grown in the Delta region, which represents the bulk of Egypt's cotton production, the government will pay LE 250 (\$31) per qintar (or 6.3/bale), up to a value of LE 250 million (\$31.5 million).

BRAZIL RATIFIES MERCOSUR – EGYPT FREE TRADE AGREEMENT: The Brazilian Senate approved the free trade agreement signed between Mercosur and Egypt. Brazil is the second country to ratify the treaty after Egypt, which it enacted in 2013. According to information from Brazil's Foreign Relations Ministry, the agreement must still be approved by the parliaments of Paraguay, Uruguay and Argentina, all part of the Mercosur, before coming into effect. The treaty was signed with the goal of expanding and strengthening economic cooperation between the signatories and reducing barriers to trade. In 2014, Brazilian exports to the country totaled \$2.3 billion, an increase of 5.1% over 2013. The main products exported were beef and sugar. In turn, Brazil imported \$145.9 million from Egypt in the same period, 47.7% less than in 2013. Fertilizers are the main product shipped to Brazil by Egypt.

EGYPT – FAO INK AGREEMENT TO DECREASE FOOD WASTE: Egypt inked an agreement with United Nation Food and Agriculture Organization (FAO) to decrease food waste and develop a food value basket in Egypt and Tunisia. The agreement was signed by Minister of Agriculture and Land Reclamation, Dr. Essam Fayed, and the visiting regional director of the FAO. The project will be funded by the Italian government with \$2.3 million for three years. A Ministry of Agriculture statement noted that the project aimed to decrease food and energy waste, as well as provide sustainable, healthy and secure nutrition for citizens. The statement also said the project further works to strengthen the performance of the agricultural sectors in Egypt and Tunisia.

NOT JUST A CHOPPED LIVER – SANDWICH: In Egypt and much of the Middle East, a beef liver sandwich is among the most popular street foods. In Egypt, beef liver is cooked many ways, including breaded and fried, grilled, or stir fried. It is often served with rice or in sandwiches. The best, and most popular way to cook beef liver in Egypt, is the Alexandrian way, named after the city of Alexandria in northern Egypt.



Alexandrian beef liver is cooked with garlic, cumin, lime juice, bell peppers, and best served in sandwiches with tahini sauce. The Alexandrian beef liver sandwiches, or the grilled liver served hot with pita bread and Tahini sauce, can be found at food carts on street corners around Cairo.

US TRADE TO EGYPT INCREASES 13 PERCENT IN AUGUST

From January to August 2015, the US exported approximately \$771 million in agricultural commodities and food products to Egypt. This represents a month-to-month increase of 13 percent, or \$89 million, since July. Major categories include bulk commodities such as corn, soybeans, wheat, and cotton; consumer oriented such as beef and beef products, dairy products, and tree nuts; and intermediate products such as animal feed, soybean meal, and vegetable oil.

	Jan-July 2015	Jan-August 2015	August 2015 Exports
Product	Value (\$000)	Value (\$000)	Value (\$000)
Total Exports	681,543	770,940	89,397
Corn	123,269	149,526	26,257
Soybeans	117,581	117,581	0
Wheat	33,241	34,996	1,755
Cotton	33,957	35,895	1,938
Others	4,657	4,861	204
Beef & Beef Products	82,939	98,139	15,200
Dairy Products	35,561	37,381	1,820
Tree Nuts	18,025	19,009	984
Prepared Food	3,093	3,648	555
Others	8,187	9,163	976
Feeds & Fodders	107,541	131,199	23,658
Soybean Meal	56,336	56,336	0
Distillers Grains	17,238	22,369	5,131
Vegetable Oils (ex. soybean)	24,130	32,133	8,003
Others	15,786	17,701	1,915

Source: GTIS

From January to August 2015, U.S. imports of Egyptian agricultural and food products were valued at \$76 million. U.S. imports showed a month-to-month increase of 11 percent or \$8 million since July. Most imports were value-added products including processed fruits, vegetables, spices and essential

oils.

	Jan-July 2015	Jan-August 2015	August 2015 Imports
Product	Value (\$000)	Value (\$000)	Value (\$000)
Total Imports	68,278	76,333	8,055
Processed Fruits & Vegetables	25,169	28,250	3,081
Spices	13,487	14,975	1,488
Fruit & Vegetable Juices	5,679	6,446	767
Other Consumer Oriented	3,535	3,834	299
Cheese	1,642	1,811	169
Other Dairy Products	521	649	128
Snack Foods	468	493	25
Others	648	665	17
Essential Oils	5,458	6,155	697
Other Intermediate Products	4,924	5,780	856
Other Vegetable Oils	1,776	1,793	17
Planting Seeds	387	393	6
Others	24	24	0
Other Bulk Commodities	2,221	2,261	40
Tea, Incl Herb	2,214	2,645	431
Others	125	161	36

Source: GTIS