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Citrus

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Report Highlights:

In MY 2004/2005, Egypt's total exports of oranges increased by 43 percent, despite an end to a government subsidy that paid \$50 per metric ton.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Cairo [EG1]
[EG]

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Egypt Oranges (Thousand Hectare)						
	2003		2004		2005	
	Old	New	Old	New	Old	New
Market Year Begin		10/2003		10/2004		10/2005
Area Planted	89	89	89	90	0	91
Area Harvested	85	85	86	87	0	88
Bearing Trees	4567	4567	4570	4621	0	4672
Non-Bearing Trees	3805	3805	3850	3893	0	3936
TOTAL No. Of Trees	8372	8372	8420	8514	0	8608
Production	1740	1740	1750	1775	0	1789
Imports	0	0	0	0	0	0
TOTAL SUPPLY	1740	1740	1750	1775	0	1789
Exports	420	420	450	604	0	610
Fresh Dom. Consumption	1283	1283	1263	1131	0	1139
Processing	37	37	37	40	0	40
TOTAL DISTRIBUTION	1740	1740	1750	1775	0	1789

Production

Oranges are a winter fruit well-suited to the Egyptian climate. Orange production accounts for half the total fruit production in Egypt. Cultivation is centered in two large geographic regions: the fertile Delta area and the newly reclaimed lands. About 80 percent of Egypt's total orange production is on large farms of 10-100 feddans (one feddan = .42 hectare); 20 percent of production is on small farms (1-10 feddans). Navel oranges are the predominant variety. Smaller amounts of local (baladi), sweet, valencia, and other varieties are also produced. The harvest of navel oranges begins in October and is followed by other varieties in November and December. Harvest usually lasts from 4 to 5 months.

In 2004, total planted orange area was estimated at 90,000 hectares, 1,000 hectares over the 2003 level. Total orange production in 2004 also increased slightly over the 2003 level. The increase in total orange production was mainly due to the increase in average yield, 20.5 MT/hectare in 2003/2004 compared to 20.4 MT/hectare in 2002/2003. The increase in yield was due to the absence of strong winds which usually cause damage to fruit sets. For the 2005/2006 season, both orange area and production are expected to increase slightly. This expected increase in production is due to the increased number of bearing trees and the continued absence of strong winds.

Consumption

Oranges are the main fruit available in Egypt during the winter. Due to the fact that oranges are relatively inexpensive, Egyptians consume large amounts of oranges, both fresh and as juice. Per capita consumption of oranges is estimated at about 17 kg per year. The orange processing

industry is expanding due to the increased number of companies producing orange juice. Currently, there are six major orange juice processors in Egypt. Most companies depend on the baladi and summer varieties for processing.

Domestic production is primarily destined for fresh consumption. Imported orange juice is also available in the market. Egyptian citrus grown in arid areas (reclaimed desert land) is characterized by low juice content, while fruit produced in the more humid regions, mainly along the Red Sea and Mediterranean coast, has much higher juice content.

Trade

The Egyptian orange export season is relatively long, extending from December to April. This is quite favorable for the export of navel oranges. Although Egypt has excellent opportunities for expanding its orange exports due to its favorable climate and strategic geographic location, exports to the European market continue to be limited by the uneven quality of Egyptian oranges, as well as by competition from other suppliers such as Spain, Israel, and Morocco. However, in 2004 Egypt's total orange exports increased by 43 percent. Orange exports to Saudi Arabia and other Arab countries are the primary reason for the increase. Saudi Arabia is currently the largest market for Egyptian table oranges.

Exports for 2005/2006 are expected to increase slightly. In 2004/2005, the government canceled the export subsidy of \$50 per MT paid to orange exporters. This program was designed to increase the competitiveness of Egyptian oranges in the export market. Currently, orange exporters receive LE 56 per MT as a support for export expenses. The current average C&F export price for fresh oranges to Russia is \$410 per/MT.

The EU-Egyptian Partnership Agreement offers several tariff concessions for Egyptian orange exporters. European countries import baladi and summer varieties, mainly for juicing. Egypt receives a duty-free TRQ of 50,000 MT for fresh or dried oranges (080510). The TRQ will increase by ten percent of the new base (50,000 MT) over three years with a cap at 60,000 MT in the final year and beyond. The current TRQ for oranges is 8,000 MT at zero duty from December through May, provided that the entry price is at least EUR 266/MT.

Egypt's orange TRQ consists of fresh sweet oranges which fall in H S headings 08051010, 08051030 and 08051050, can only be imported into the EU from December 1 to May 31 with a limit of no more than 34,000 MT at an agreed entry price of EUR 264/MT. If the price for a consignment is lower than 92 percent of the agreed entry price, the specific duty bound within the WTO will apply. Export quantities above the TRQ amount will be assessed at 60 percent of the EU's MFN tariff.

Egyptian exporters prefer to sell their production for cash on an FOB basis in order to avoid the risk of being rejected due to sanitary- phytosanitary (SPS) reasons or being in a position to face adjusted prices due to quality factors. At the present time, there are about 20 private sector, small to medium size exporters and four large orange exporters in Egypt. According to industry experts, three major companies control about 80 percent of the export market. One public sector company still active in the orange sector controls about 20 percent of the export market.

Egypt Oranges MT			
Exports to	2003	Exports to	2004
U.S.		U.S.	
Others		Others	
Saudi Arabia	130,978	Saudi Arabia	210,751
Other Arab Countries	65,763	Other Arab Countries	99,420
Russia	97,666	Russia	94,549
Ukraine	44,179	Ukraine	46,684
England	24,183	England	44,039
EU	35,122	Holland	42,115
Malaysia	6,383	Spain	17,257
Lithuania	5,689	Italy	6,523
Italy	4,405	Slovenia	4,995
Indonesia	3,707	Belarus	4,089
Total for Others	418075		570422
Others not listed	1,925		34,319
Grand Total	420,000		604,741

Egypt Fresh Tangerines (Thousand MT)						
	2003		2004		2005	
	Old	New	Old	New	Old	New
Market Year Begin		10/2003		10/2004		10/2005
Area Planted	40	38	40	39	0	39
Area Harvested	36	34	36	35	0	35
Bearing Trees	2,252	2,080	2,253	2,135	0	2,140
Non-Bearing Trees	1013	1022	1012	1052	0	1047
TOTAL No. Of Trees	3,265	3,102	3,265	3,187	0	3,187
Production	506	478	506	481	0	483
Imports	0	0	0	0	0	0
TOTAL SUPPLY	506	478	506	481	0	483
Exports	3	10	2	8	0	10
Fresh Dom. Consumption	498	463	498	471	0	473
Processing	5	5	6	2	0	0
TOTAL DISTRIBUTION	506	478	506	481	0	483

Production

The major variety of tangerines grown in Egypt is the mandarin, a local “baladi” variety which is not a hybrid. Mandarins are mainly produced for the local market with limited quantities for export. In 2004/05, total tangerine production increased slightly to 481,000 MT, as compared to 478,000 MT in 2003/2004. This increase is attributed mainly to the increase in the number of bearing trees in addition to the absence of strong winds. The mandarin production season is shorter than the orange season. The marketing season begins in November/December but ends in February/March, about two months earlier than the orange season.

Consumption

Despite the predominance of orange production, many Egyptian consumers prefer mandarins to oranges because they are easier to eat. During the 2004/05 marketing season (November-October), wholesale prices averaged LE 1 per kg, and retail prices were around LE 1.40 per kg. In 2004/2005, total mandarin consumption increased to 473,000 MT compared to 468,000 MT in 2003/2004.

Trade

All mandarin exports are handled by the private sector. Mandarins do not require a special cleaning or waxing process. The major export market for Egyptian mandarins is the Gulf countries. In the 2004/2005 season, total Egyptian mandarin exports are estimated at approximately 3,000 MT, the same as in 2003/2004. The average export price for mandarins in

the 2004/2005 season was approximately \$350 per MT as compared to \$257 per MT in the 2003/04 season during the same period of time.

Egypt Fresh Citrus, Other (Thousand MT)						
	2003		2004		2005	
	Old	New	Old	New	Old	New
Market Year Begin		10/2003		10/2004		10/2005
Area Planted	19	18	19	17	0	19
Area Harvested	17	16	17	16	0	17
Bearing Trees	812	770	800	765	0	855
Non-Bearing Trees	590	660	700	630	0	704
TOTAL No. Of Trees	1402	1430	1500	1395	0	1559
Production	372	355	370	370	0	413
Imports	0	0	0	0	0	0
TOTAL SUPPLY	372	355	370	370	0	413
Exports	21	17	18	18	0	20
Fresh Dom. Consumption	331	325	337	337	0	376
Processing	20	13	15	15	0	17
TOTAL DISTRIBUTION	372	355	370	370	0	413

Production

Sweet and sour limes and bitter oranges are the major types of other citrus produced in Egypt. Limes, known as “lamuun” in Arabic, account for most of this category. Lime trees produce throughout the year, with the greatest output occurring in the late summer months of September and October. Egyptian consumers have a strong preference for limes. Fresh sliced limes often are served with meals. A heavily sweetened, fresh lime juice is also very popular, as are pickled limes which accompany many dishes.

Most of the production of bitter orange is processed into jelly and marmalade. Reliable statistical data on the production and marketing of bitter oranges is not available.

Grapefruit is another citrus fruit that is not very popular in Egypt. Most of the grapefruit grown are seedless varieties. The area currently under cultivation is estimated at approximately 220 hectares mainly grown to service hotels, restaurants and other facilities that cater to the tourist industry. Unless export demand increases, grapefruits are not expected to become a significant citrus crop.