



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

Date: 9/17/2008

GAIN Report Number: EG8019

Egypt

Cotton and Products

Cotton Update

2008

Approved by:

Peter Kurz

U.S. Embassy

Prepared by:

Cynthia I.Guvon & Sherif Ibrahim

Report Highlights:

Cotton area and production are expected to decrease by 50 percent this year. Egypt's imports of cotton are also expected to increase by 50 percent.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Cairo [EG1]
[EG]

Cotton acreage in Egypt has decreased by nearly 60%. Typical cotton production is 800,000 bales, of which 460,000 bales are exported and the remaining is used by local mills. Local mills consumption is estimated at 920,000 bales annually so mills are enforced to source an additional 460,000 bales through imports. This year production is expected to drop to 528,000 bales which would result in exports of 275,000 bales. This means imports would have to increase to 735,000 bales.

Currently imports of cotton are permitted from 8 approved areas: Sudan, Syria, Greece, Uzbekistan, Turkmenistan, California and Arizona with Ethiopia under consideration. TO be approved an area must be shown to be boll weevil free. Once a technical file has been received and approved, cotton imports must be fumigated at port of loading under vacuum with methyl bromide, or if vacuum is not available, atmospheric fumigation at port of loading followed by second fumigation at port of arrival under vacuum. Given international sensitivity about the use of methyl bromide (not normally approved for use in the EU), alternative chemicals are under investigation.

If SE areas of US were approved for export to Egypt – good potential seen for the prospects of exports to Egypt. This is especially important given the additional cost of shipping and time it takes to ship from the US West Coast instead of the East Coast.