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Egypt

Citrus

Annual

2000

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Report Highlights:
Egypt exported 208,000 MT of oranges in 1999/2000, mostly to Gulf countries. Egypt may be able to increase its quota from 8,000 MT to about 60,000 MT when the EU-Egypt partnership negotiations conclude.

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

Fresh Oranges

PSD Table

PSD Table						
Country:	Egypt					
Commodity:	Oranges					
		1998		1999		2000
	Old	New	Old	New	Old	New
Market Year Begin		10/98		10/99		10/2000
Area Planted	88	88	90	93	0	95
Area Harvested	84	84	85	90	0	92
Bearing Trees	4415	4415	4850	4665	0	4765
Non-Bearing Trees	3782	3782	3350	3984	0	4070
TOTAL No. Of Trees	8197	8197	8200	8649	0	8835
Production	1442	1442	1730	1637	0	1320
Imports	0	0	0	0	0	0
TOTAL SUPPLY	1442	1442	1730	1637	0	1320
Exports	215	215	220	208	0	200
Fresh Dom. Consumption	1207	1207	1490	1406	0	1095
Processing	20	20	20	23	0	25
TOTAL DISTRIBUTION	1442	1442	1730	1637	0	1320

Production

Oranges are a well-suited fruit for the Egyptian climate. The season lasts from late fall through early spring. Orange production accounts for about 70 percent of the total citrus production in Egypt. Orange cultivation is concentrated in two large geographic regions: the fertile Delta and the newly reclaimed lands. Three principal varieties of oranges are produced in Egypt: navel, valencia, and baladi. There are two kinds of navel oranges, an early maturing variety and a late maturing variety. The early navel oranges are mostly consumed locally, while the late maturing varieties are mainly exported. Valencia is a late maturing variety with high quality juice. The baladi orange is principally used for juice making. The harvesting season for navel oranges begins in October and is followed by other varieties in November and December. Orange harvest usually last four to five months. About 80 percent of total Egypt's oranges production are produced by large farms (10-100 feddans) and 20 percent are produced by small farms (1-10 feddans). (One feddans= .42 hectare).

Although total orange area increased by about 5 percent in 1999 as compared to 1998, total orange production increased by about 14 percent. The increase in orange production was mainly due to an increase in the number of bearing trees which also increased by 5 percent. In addition, the absence of strong wind storms which cause damage to fruit sets also contributed to the production increase in 1999. Moreover, orange bearing trees tend to alternate in production from year to year, and this alternation was generally positive last season. Due to these factors, prices were low in 1999 as compared to 1998. Orange production for 2000/2001 season, which, is currently underway is expected to be lower than the 1999/2000 crop by about 19 percent. The reduction in orange production in 2000/2001 is mainly attributed to heat waves during May and June which damaged some bearing trees. Also, due to low prices during last season and lower quality some farmers began fruit thinning practices this season.

Consumption

Oranges are very popular in Egypt because they are inexpensive and readily available throughout the winter and early spring. Egyptian consume large amounts of oranges, both as fresh fruit and as juice. A limited number of producers are now beginning to market fresh orange to large supermarket chains. Per capita consumption is estimated at about 22 Kg per year. 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. At the present time, there are six major orange juice processors in Egypt these include: Enjoy, Juhayna, Kaha, Edfina, Foodico and Faragalla companies. All of them 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.

Trade

Egypt has excellent opportunities for expanding its citrus exports. The principal advantages of Egyptian oranges include the quality of oranges, the strategic geographic location, and more importantly the length of the citrus harvest season, which is perhaps the longest of any producing country in the world (beginning in November and ending in April or May). Thus, both at the beginning and the end of its orange season, Egypt remains as one of the very few active exporters of oranges in the world with navel and valencia being the best-selling varieties. Egyptian orange exports to the European market, however,
continue to be limited by competition from other suppliers such as Spain, Israel, and Morocco which are closer to European markets. Egyptian orange exports to the European Union under the free trade agreement continue to be limited by a small export quota. Egypt can only export no more than 8,000 MT per season to Europe. Under the Egyptian- European Union partnership agreement which is still under discussion, Egypt is requesting to increase its orange export quota to the European market to 300,000 MT per season. The European countries import "baladi" and summer varieties, mainly for juicing. However, sources close to the negotiation say Egypt's quota will likely be no more than 60,000 MT per season.

Total Egyptian orange exports in 1999/2000 are estimated at 208,000 MT, compared to 215,000 MT in 1998/99. Most of this decrease was due to the change in consumer habits in Saudi Arabia. Several traders reported that Saudi consumers are becoming more price conscious than in the past. Moreover, Egyptian expatriates who also represent a great segment of the market are decreasing. However, Saudi Arabia and the Gulf countries continue to be the largest market for Egyptian top quality table navel oranges. According to exporters to Gulf countries, exports are expected to remain similar to last year.

The average export price for the 1999/2000 season was $ 250/MT/fob as compared to $375/MT/ fob, for 1998/1999. This decrease in export prices was mainly due to higher production levels and lower quality crop in the 1999/2000 season which drove the farm gate prices as low as LE.50 per Kg as compared to LE 1 per Kg in 1998. For the 2000/2001 season trade contacts anticipate farm gate prices between LE .60 and LE .70 per Kg. Egyptian exporters prefer to sell their production for cash on FOB basis in order to avoid the risk of being rejected due to 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 and four large orange exporters in Egypt. However, three major companies control about 78% of the export market. One public sector company still active in the orange sector controls about 20 % of the export market.

Export Trade Matrix

Export Trade Matrix			
Country:		Units:	MT
Commodity:			
Time period:			
Exports for	1998		1999
U.S.		U.S.	
Others		Others	
Saudi Arabia	124,585	Saudi Arabia	129,714
Other'Arab Countries	39,648	Other 'Arab Countries	44,933
Hong Kong	27,200	Hong Kong	10,554
England	7,607	England	8,935
Indonesia	2,350	Indonesia	4,140
Holland/ Ireland	1,312	Holland/ Ireland	1,326
Singapore	1,742	Belgium	1,775
Philippines	1,749	Russia	1,440
Malaysia	708	Yugoslavia	986
Malta	617	Singapore	645
Total for Others	207518		204448
Others not listed	7,482		3552
Grand Total	215000		208000

Fresh Tangerines

PSD Table

PSD Table						
Country:	Egypt					
Commodity:	Fresh Tangerines					
		1998		1999		2000
	Old	New	Old	New	Old	New
Market Year Begin		10/98		10/99		10/2000
Area Planted	37	37	37	38	0	40
Area Harvested	33	33	34	34	0	35
Bearing Trees	2145	2145	2025	2080	0	2140
Non-Bearing Trees	926	926	995	1022	0	1070
TOTAL No. Of Trees	3071	3071	3020	3102	0	3210
Production	423	423	465	478	0	430
Imports	0	0	0	0	0	0
TOTAL SUPPLY	423	423	465	478	0	430
Exports	9	9	10	10	0	10
Fresh Dom. Consumption	409	409	450	463	0	420
Processing	5	5	5	5	0	0
TOTAL DISTRIBUTION	423	423	465	478	0	430

Production

The most important variety of tangerines grown in Egypt is the mandarin. The type of mandarin produced in Egypt is local "Baladi" which is not a hybrid variety. Although mandarin trees bear fruits at an earlier age than orange trees, producers still prefer planting oranges as their return is more profitable. Tangerines are mainly produced for the local market, with limited quantities for the export market.

In the 1999/2000 season, total tangerines production, increased by about 13 percent, compared to the 1998/99 season. This was due to an increase in the average yield from 5.4 MT/feddan in 1998/99 to 5.9 MT/feddan in 1999/2000. For the 2000/2001 season, it is estimated that tangerines productions will be about 10 percent lower than the 1999/2000, because most farmers are practicing fruit thinning in order to increase the quality of their crop.

Consumption

Despite the predominance of orange production. Most Egyptian consumers actually prefer tangerines to oranges, because tangerines are easier to peel.

During the 1999/2000 marketing season, tangerine wholesale prices averaged LE 0.50 per Kg and retail prices were around LE .90 per Kg. During 1999 $ 1= LE 3.35, while the current exchange rate is $1 = LE 3.90). The tangerines marketing season is shorter than the orange season. The season begins November/December and ends in February/March, about two months earlier than the orange season. For the 2000/2001 season, tangerine prices are expected to rise due to a decrease in production as well as improved quality.

Trade

All Tangerines exports are handled by private sector companies. Tangerines do not require a special cleaning or waxing process. Total Egyptian tangerine exports in 1999/2000 are estimated at 10,000 MT, of which 3,758MT were exported to Saudi Arabia (the major export market for Egyptian tangerines) at an average price of about US$ 280 per MT FOB.

Fresh Citrus, Other

PSD Table

PSD Table						
Country:	Egypt					
Commodity:	Fresh Citrus,Other					
		1998		1999		2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Planted	17	17	17	18	0	19
Area Harvested	15	15	16	16	0	17
Bearing Trees	730	730	750	770	0	800
Non-Bearing Trees	620	620	600	660	0	700
TOTAL No. Of Trees	1350	1350	1350	1430	0	1500
Production	325	325	350	355	0	370
Imports	0	0	0	0	0	0
TOTAL SUPPLY	325	325	350	355	0	370
Exports	16	16	15	17	0	18
Fresh Dom. Consumption	298	298	323	325	0	337
Processing	11	11	12	13	0	15
TOTAL DISTRIBUTION	325	325	350	355	0	370

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 are served with most meals. A heavily sweetened fresh juice made from limes is also a very popular drink, 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 are not available.

Grapefruit is not very popular in Egypt. Most of the grapefruit grown are seedless varieties. The harvest season usually begins in December and ends in February. The area currently under cultivation is estimated at approximately 220 hectares, mainly 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.

Total Egyptian exports of citruses, other than oranges and tangerines in 1999/2000 increased to 17,000 MT, from 16,000 MT in 1998/99.