

**Required Report:** Required - Public Distribution

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**Report Name:** Citrus Annual : Egypt Maintains its Position as the World Leading Orange Exporter

**Country:** Egypt

**Post:** Cairo

**Report Category:** Citrus

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**Report Highlights:**

In marketing year (MY) 2020/21, FAS Cairo forecasts fresh orange exports to reach 1.5 million metric tons (MMT) up from 1.37 MMT in MY 2019/20. Post attributes the increase in exports to higher production amid favorable weather conditions. Saudi Arabia, Russia, the Netherlands, China, and United Arab Emirates are likely to remain Egypt's top export destinations for oranges. Recent export destinations for Egyptian oranges include New Zealand, Japan, and Brazil. The COVID-19 pandemic caused a reduction in MY 2019/20 orange exports by 343,000 MT compared to the previous marketing year.

## **Planted Area:**

In MY 2020/21, FAS Cairo forecasts total planted area in oranges at 168,000 hectares (ha), similar to the previous marketing year. MY 2019/20 planted area at 168,000 ha remains unchanged from the USDA official estimate. Most of the area planted with oranges is located in reclaimed lands which account for 60 percent of the total area. Plantations in the Nile Delta region account for 40 percent of the total orange planted area.

Post estimates MY 2020/21 total harvested area at 145,000 ha, a 3.57 percent increase over last year. The increase in area harvested is attributed to a 7 percent increase in the number of bearing trees from the previous year in addition to favorable weather conditions during flowering time that positively impacted the flowering of the trees and hence the harvest as a result.

## **Production:**

In MY 2020/21, FAS Cairo forecasts orange production to increase by 6.2 percent, or 200,000 MT to 3.4 MMT. Post attributes the increase in production to increase in harvested area and favorable weather conditions during the flowering time. Post is also revising the MY 2019/20 estimate upwards by 200,000 MT to 3.2 MMT from the USDA official projection of 3.0 MMT. We attribute the increase in production to higher yields on commercial farms.

During the past couple of years, there has been an ongoing effort by the government, private associations and growers to replace old orchards with newer trees, improve on-farm irrigation techniques, adopting up-to date nutrient management programs, and reducing post-harvest losses.

Orange is the major citrus species crop in Egypt, representing about 80 percent of the total cultivated citrus area. Egypt's main orange varieties include the following:

**Washington Navel Orange:** Washington Navel is the key cultivar navel orange grown in Egypt and the best-known navel orange being exported. There are other lesser known navel orange cultivars such as Navelate, Cara Cara, New Hall, Navelina, Fisher, Leng, Fukumoto and Lane late. Fruit color break starts in late September and ripening fruit dates extends from November to March. The fruit is seedless, medium to large-sized, with relatively rough skin in some cultivar and soft skin in others. It has a sweet flavor with a fruit taste. The rind is orange with dark pulp.

**Valencia Orange:** Valencia ranks second after Navel oranges as far as area cultivated. Nubaria district is considered the largest production area for Valencia oranges in Egypt. Valencias have a long ripening season from March to July. The fruit pulp is juicy, it is medium to large-sized with round to oval shape. The skin is soft and easily peeled, the seeds are small, and the rind and flesh are orange.

**Other Varieties:** There are other orange varieties like Baladi orange, Blood orange, Khalily orange, Yafawy oranges and Sweet orange. Cultivated areas of these varieties are small compared to Navel and Valencia orange, and they're mainly consumed fresh or as juice.

**Consumption:**

In MY 2020/21, FAS Cairo forecasts that fresh oranges domestic consumption will increase by 4 percent to reach 1.55 MMT. Increase in local consumption is attributed to higher production, and increased utilization of fresh oranges by consumers amid the COVID-19 pandemic due to its high content of vitamin C. In MY 2020/21, utilization of oranges by the processing sector is forecast to grow by 4.4 percent from the previous marketing year as a result of the pandemic.

Post is revising the MY 2019/20 fresh domestic consumption estimate upwards by 290,000 MT to 1.49 MMT from the USDA official projection of 1.2 MMT. We attribute the increase in consumption to higher demand by consumers amid the COVID-19 pandemic and an increase in orange processing – from 300,000 MT to 335,000 MT – due to increased demand for orange juice.

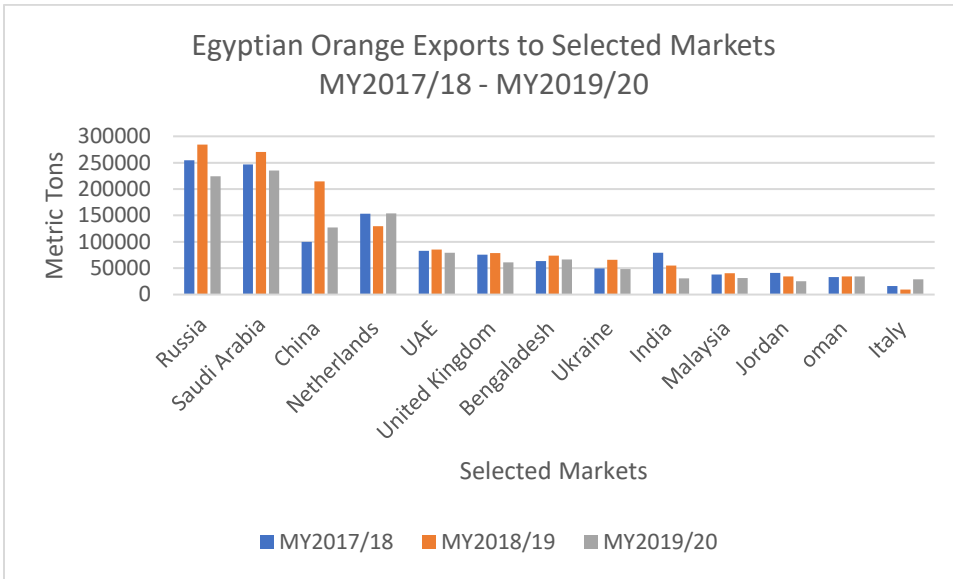
The majority of orange exporters are producers and own packing facilities that are approved for export by the government. They also buy from local farmers if their production is not sufficient to meet their export obligations. Other exporters own packing facilities but do not produce oranges, and thus rely on local farmers. In these cases, the exporters are responsible for transporting the crop to their packing facilities.

**Trade:**

In MY 2020/21, FAS Cairo forecasts total exports to increase by 125,000 MT to reach 1.5 MMT. FAS Cairo attributes this increase to an anticipated higher production which will affect the export volume. Post is revising downward the estimates of fresh orange exports in MY 2019/20 to 1.37 MMT, compared to 1.7 MMT in MY 2018/19 as a result of the COVID-19 pandemic.

The Central Administration for Plant Quarantine (CAPQ) of the Ministry of Agriculture and Land Reclamation (MALR) announced the beginning of the orange export season on December 1, 2020 for the MY 2020/21. The export season for oranges usually starts with shipments to the Arabian Gulf followed by Russia, Ukraine, and then to the European Union and East Asia. In MY 2019/20, Egyptian orange exports reached 104 countries with Saudi Arabia, Russia, the Netherlands, China, United Arab Emirates, Bangladesh, United Kingdom, Ukraine, Oman, and Malaysia remaining as Egypt's top ten export destinations for oranges. Post expects that the top ten export destinations in MY 2020/21 will remain unchanged from MY 2019/20 (Figure 1).

**Figure 1: Exports of Egyptian Oranges to Selected Markets**



Source: Egyptian Agriculture Export Council (AEC)

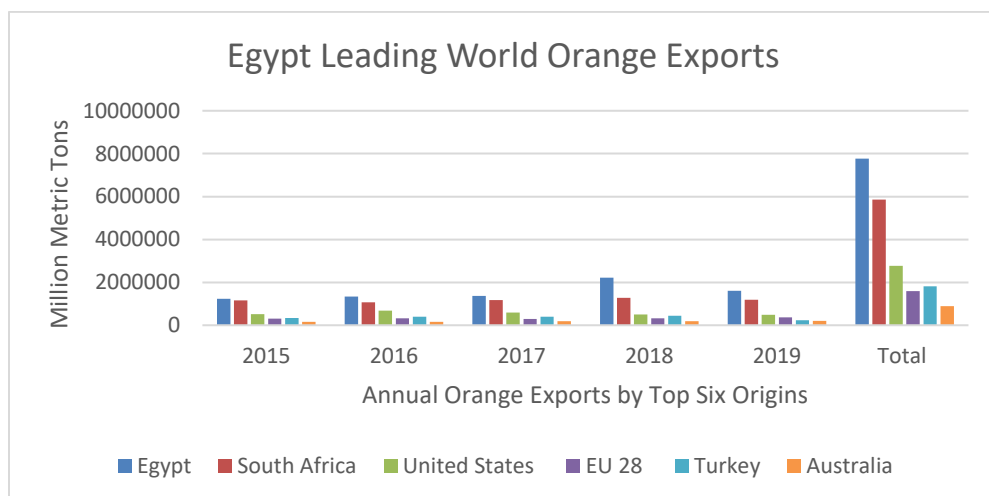
Successful joint efforts by the Egyptian government and the private sector to open new markets such as New Zealand, Brazil, and Japan and other markets over the last few years – will increase orange exports.

These joint efforts have also contributed to the application of a modernized tracking systems for oranges exports during the stages of cultivation, production, packaging and export.

The success of Egypt's export policy in opening new markets and establishing a traceability system have contributed to Egypt being the top orange exporter in the world during the past 5 years with a total volume of 7.76 MMT (Figure 2).

All of these developments support a positive outlook for Egyptian orange exports as well as encouraging agribusinesses to invest in establishing new facilities or expand capacity.

**Figure 2: Egypt Leading World Orange Exports**



Source: Trade Date Monitor

In MY 2019/20, Egypt’s orange exports to Saudi Arabia, Russia, the Netherlands, China, and the United Arab Emirates constituted 52.1 percent of total exports compared to 57.3 percent of total exports in MY 2018/19. This drop is due to a smaller overall export volume in MY 2019/20 compared to the previous year as a result of the impact of COVID-19. Orange exports to China decreased from 214,471 MT in MY 2018/19 to 127,280 MT in MY 2019/20. Exports to Russia have decreased by 26.6 percent. Egyptian orange exports to Saudi Arabia have also decreased by roughly 15 percent. Exports to the Netherlands have increased by 18.6 percent in MY 2019/20 compared to MY 2018/19. Post anticipates slightly higher export levels to these countries in MY 2020/21.

**Marketing:**

**Russia:** Turkey and South Africa are Egypt’s competitors in the Russian market. However, Egypt’s total exports to Russia in CY 2019 was at 266,127 MT exceeding both origins by a wide margin – Turkey at 74,695 MT and South Africa shipped 73,332 MT. (Source: Trade Data Monitor)

**China:** Australia is Egypt’s main competitor in this market. In CY 2019, Egyptian exports amounted to 191,430 MT while Australia supplied 115,262 MT to the Chinese Market. (Source: Trade Data Monitor)

**Saudi Arabia:** South Africa is Egypt’s main competitor in the Saudi Arabian market. However, Egypt is, by a wide margin, the leading exporter with a total of 249,897 MT in CY 2019 versus 97,853 MT exported by South Africa. (Source: Trade Data Monitor)

**EU- 28:** Egypt’s main competitor in the European Union is South Africa. In CY 2019, South Africa exported 417,544 MT versus 284,513 MT exported by Egypt. (Source: Trade Data Monitor)

**United Arab Emirates:** In CY 2019, South Africa exported 75,602 MT versus 79,026 MT exported by Egypt. (Source: Trade Data Monitor).

Oranges, Fresh Market Year Begins  Egypt	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Planted</b> (HECTARES)	162000	162000	168000	168000	0	168000
<b>Area Harvested</b> (HECTARES)	150000	150000	140000	140000	0	145000
<b>Bearing Trees</b> (1000 TREES)	12650	12650	13000	13000	0	13910
<b>Non-Bearing Trees</b> (1000 TREES)	9900	9900	10000	10000	0	10000
<b>Total No. Of Trees</b> (1000 TREES)	22550	22550	23000	23000	0	23910
<b>Production</b> (1000 MT)	3600	3600	3000	3200	0	3400
<b>Imports</b> (1000 MT)	0	0	0	0	0	0
<b>Total Supply</b> (1000 MT)	3600	3600	3000	3200	0	3400
<b>Exports</b> (1000 MT)	1700	1700	1500	1375	0	1500
<b>Fresh Dom. Consumption</b> (1000 MT)	1540	1540	1200	1490	0	1550
<b>For Processing</b> (1000 MT)	360	360	300	335	0	350
<b>Total Distribution</b> (1000 MT)	3600	3600	3000	3200	0	3400
(HECTARES) ,(1000 TREES) ,(1000 MT)						

**Attachments:**

No Attachments